

24 March 2014



Research Director
Agriculture, Resources and Environment Committee
Parliament House
George Street
BRISBANE QLD 4000

By Email: AREC@parliament.qld.gov.au

Dear Director

Environmental Offsets Bill 2014

Thank you for the opportunity to make a submission in relation to the *Environmental Offsets Bill 2014 (Offsets Bill)*. This submission is made on behalf of Energex Ltd. Energex is a government owned corporation which owns and operates the electricity distribution network in South-East Queensland.

Energex supports the policy objectives of the Offsets Bill. Energex believes the supporting guidelines, policies and regulations of the Offsets Bill will be critical to ensure the Offsets Bill achieves its policy objectives, particularly as so much of the legislative architecture will be in supporting regulations. In that regard, Energex would welcome the opportunity to continue to work with the Department of Environment and Heritage Protection as it develops those. Energex submits that the regulations, policies and guidelines must provide certainty and flexibility, and must strike the right balance between regulatory burden and environmental benefit.

In relation to the Offsets Bill, Energex has two principal submissions:

- transitional provisions should provide offsets won't be required in relation to existing infrastructure in Protected Areas; and
- there should be flexibility for decision makers to impose offset conditions that are inconsistent with the *deemed conditions* in Part 6, Division 1 of the Offsets Bill.

Transitional Provisions for Protected Areas

Energex understands that monetary payments, as an environmental offset, will be required in connection with the granting of authorities in National Parks and other Protected Areas. Energex submits that no payments should be payable in respect of infrastructure existing as at the date of commencement of the Offsets Bill. Energex has infrastructure in Protected Areas that, in some cases, predated the gazettal of the area as a Protected

Enquiries
Mark Paton
Telephone
(07) 3664 4856
Facsimile
(07) 3664 9847
Email
markpaton
@energex.com.au

Corporate Office
26 Reddacliff Street
Newstead Qld 4006
GPO Box 1461
Brisbane Qld 4001
Telephone (07) 3664 4000
Facsimile (07) 3025 8301
energex.com.au

Energex Limited
ABN 40 078 849 055

Area. It would be inappropriate for offset payments to be applied retrospectively.

Discretion of Decision Makers in imposing Offset Conditions

The Offsets Bill provides that certain *deemed conditions* will be imposed on all authorities which have an offset condition imposed (Part 6, Division 1). In some circumstances, decision makers will not be able to impose conditions inconsistent with those deemed conditions (e.g. Proposed s.714 *Environmental Protection Act 1994*; proposed s.151B *Marine Parks Act 2004*; proposed Ss. 66A and 100J *Nature Conservation Act 1992*; proposed s. 972 *Sustainable Planning Act 2009*). Energex submits that decision makers should be afforded flexibility to impose conditions overriding these deemed conditions as the deemed conditions may not be appropriate to every offset project, agreement or project proponent.

For example, s.18 of the Offsets Bill provides that prior to undertaking activities under a relevant authority (e.g. Vegetation clearing) it is a condition that:

- The proponent advise how the offset condition will be complied with (in the case of direct delivery detailed plans must also be shown); and
- The administering authority must agree about the delivery of the offset condition.

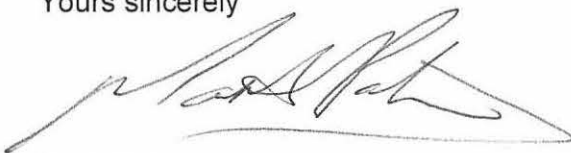
There will be circumstances where flexibility around timings and offset plan preparation are required. Energex currently aggregates its offset liabilities to deliver flagship offset projects of an appropriate scale to ensure cost effectiveness and maximum environmental outcomes. The scale of Energex's offset projects, the site selection process and the urgent and high volume nature of Energex's capital works program means that some offset projects are only secured after a relevant electricity network project has been completed. In other cases, offset projects are delivered well in advance of the relevant electricity network project.

Energex submits deemed conditions could cause unnecessary delay to constructing and maintaining essential community infrastructure through a procedural regulatory burden that does not drive better environmental outcomes. Offset condition compliance would remain the responsibility of project proponents, even in the absence of the deemed condition and would have to be delivered in line with the requirements of the relevant authority and the offset policy.

Affording flexibility to decision makers would ensure the Offsets Bill allows proponents to deliver efficient and cost effective offset projects with maximum environmental benefit and strike the right balance between regulatory burdens and environmental benefits.

If you have any questions in relation to this submission, please contact Mark Paton, Group Manager Environment on 3664 4856.

Yours sincerely



Mark Paton
Group Manager Environment