



A fresh start for Queensland's Environmental Offsets Framework

Discussion paper

Prepared by: Department of the Environment, Tourism, Science and Innovation © State of Queensland, 2026.

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We are committed to respecting, protecting and promoting human rights, and our obligations under the *Human Rights Act 2019*.

Acknowledgement of Country

We acknowledge Aboriginal peoples and Torres Strait Islander peoples as the Traditional Owners and custodians of the land. We recognise their connection to land, sea and community, and pay our respects to Elders past and present.

May 2026 | #33089

Minister's message



As Queensland's Minister for the Environment and Tourism, I'm pleased to share this discussion paper with you. It's an opportunity for us to work together to strengthen Queensland's Environmental Offsets Framework and ensure it continues to protect our unique natural environment while supporting sustainable development.

Queensland is home to some of the most biologically diverse ecosystems, plants and animals on earth. These ecosystems, and the vital services they provide, must be safeguarded for today and for future generations. At the same time, we are committed to driving economic growth and responsible development, creating vibrant communities where Queenslanders can live, work and thrive.

Environmental offsets play a key role in balancing these priorities. They help to conserve and restore our important environmental values while enabling development that supports jobs and economic prosperity.

Queensland's Environmental Offsets Framework, established more than a decade ago, has been an important tool in protecting and managing our environment. However, it's time to review and modernise the Framework to ensure it remains effective and fit-for-purpose. We know there are challenges with the Framework, including delays in offset delivery and regulatory complexity.

This is where we need your input. Your feedback is vital in shaping a Framework that is robust, contemporary and capable of achieving its objectives, offsetting environmental impacts while continuing to support Queensland's economic growth.

I encourage you to share your ideas and insights as we work together to create a stronger, more effective Environmental Offsets Framework that delivers real benefits for our environment, our economy, and our communities.

Thank you for being part of this important conversation.

A handwritten signature in black ink, appearing to read 'Andrew Powell'.

The Honourable Andrew Powell MP

Minister for the Environment and Tourism and
Minister for Science and Innovation





Contents

Minister’s message	3
Current landscape	6
Focus areas	7
1. How we can unlock the Offsets Account to deliver outcomes	7
2. How financial offsets are calculated	10
3. How we can improve regulation.....	12
Have your say	14
Appendix.....	16

Current landscape

Queensland is planning for a sustainable future to meet the needs of its growing and dynamic population. The Queensland Government has set a bold target to deliver 1 million new homes by 2044, driving significant infrastructure projects, including upgrades to water supply, sewerage systems, and roads, particularly across South East Queensland and key regional centres.

Throughout regional and rural Queensland, the resource sector is thriving, with exciting opportunities emerging in coal, gas, and critical minerals. Meanwhile, the tourism and agriculture industries are being bolstered through forward-thinking strategies like *Destination 2045* and *Primary Industries Prosper 2050*, ensuring sustainable growth and prosperity for these vital sectors.

As development progresses, protecting Queensland's unique environment remains a top priority. Striking the right balance between growth and environmental stewardship is essential.

Environmental offsets play a key role in achieving this balance. These offsets may be required as a condition of approval for projects, but only after all reasonable avoidance and mitigation measures have been explored.

One way to meet offset obligations is through financial settlement payments to the Queensland Government's Offset Account. The government uses these funds to deliver conservation outcomes, often by securing and managing alternative sites to replace the environmental values impacted by development. This approach ensures that while Queensland grows and thrives, its natural environment is safeguarded for future generations.

Review of the Framework to ensure it remains effective and fit-for-purpose has identified opportunities to unlock the Offset Account to address delays in offset delivery, modernise an outdated costing model, and streamline regulatory complexity.

Focus areas

1. How we can unlock the Offsets Account to deliver outcomes

The Framework has facilitated high demand for environmental offsets, demonstrating a strong commitment from proponents to meet their environmental obligations. Once a financial settlement has been paid to the Offset Account, the proponent has met their development condition, and the offset obligation then transfers to the Queensland Government.

Since the Offsets Account's establishment in 2014 to the end of April 2026 there were:

- Over 90 per cent of offset conditions fulfilled through financial settlements
- 503 authorities with environmental offset conditions fulfilled through this method, impacting 8,630 hectares
- over \$129.2 million received as financial settlement payments
- \$58.5 million (of this) or 45% since July 2024
- \$14.2 million has been contracted to offset projects being administered by government
- \$10.2 million spent on offset activities delivering conservation outcomes for impacted matters such as threatened flora, fauna and marine plants.

The government has experienced challenges in delivering financial settlement offset projects over time and the accumulation of funds in the Offset Account needs to be addressed.

The government has aimed for like-for-like ecological offsets that are designed to compensate for environmental impacts by ensuring the replacement area has the same ecological characteristics, functions, and values as the area affected by development.

Achieving like-for-like offsets for large impact areas is difficult given limitations of land supply, 'sliding scale' discounts on funding received for the impact, competition with environmental markets and other land-based revenue streams, increasing land value and increasing costs associated with project delivery.

Finding suitable land is even harder when the impacted matter requires niche habitats or has a limited distribution. As such, land is scarce and often comes at a high cost. Landholders have also expressed concerns about the long-term legal security requirements for offset sites, fearing reduced property value or restrictions on future income opportunities. Additionally, securing landholder or supplier commitment to manage offsets over long timeframes, often up to 20 years, is challenging.

When these challenges delay conservation outcomes, practical solutions need to be explored to address the issues.

Case study: Carpentarian grasswren project

Southern Gulf NRM is delivering a \$977,340 project to enhance fire management techniques and monitor Carpentarian grasswren populations over six years. This landscape-scale initiative spans multiple properties and tenures, where permanent land acquisition and ongoing legal security arrangements were not feasible.

The project will actively engage Traditional Owners, pastoral landholders, local and state governments, research organisations, and conservation groups to achieve its goals. Beyond environmental benefits, it delivers significant economic co-benefits by creating regional employment opportunities in science and conservation. It also empowers First Nations people to contribute to conservation and land management efforts, fostering collaboration and cultural connection to the land.

This project demonstrates how environmental offsets can drive both ecological preservation and regional economic growth.



Image courtesy of Laurie Ross



Ideas to address the challenges

Improving land sector engagement

We could work with the land sector, to better promote the opportunities and financial incentives associated with hosting or delivering offset projects, and better integrate these opportunities with other environmental stewardship programs. Through more regular and proactive engagement, real-time market feedback could help leverage landholder networks to promote project uptake.

Partnering to deliver

Alternate delivery partnership models could better engage external expertise and landholder networks to achieve outcomes at scale. Trusted advisors and established partners, such as Natural Resource Management Groups, are well placed to engage with the market, promote and deliver financial settlement offset projects and better integrate offsets opportunities with other environmental stewardship programs.

Enabling flexible offset delivery

Exploring more practical pathways to source and deliver offset projects could help to create efficiencies and minimise delays. Revising the current approach to provide opportunities for flexibility in delivering projects would allow for more agility, responsiveness and, where required, flexibility in the design of offset projects.

In turn, this could enable conservation outcomes for the impacted matters to be achieved faster, and allow offsets projects to be better integrated with complementary environmental stewardship programs. Flexible offset delivery could efficiently leverage existing funds to expand the protected area system and to create further opportunities to reward landholders for their environmental stewardship.

The flexibility to depart from like-for-like offset requirements where suitable offsets cannot be found, for example, is permitted under the New South Wales offset framework and the recent reforms to the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999*.

Supporting the development of an advanced offset market and protected area estate

We will work across government to identify strategic approaches and opportunities to support the establishment of advanced offsets for major state projects. This could include considering the role of the Offsets Account into the future to support these markets as well as the expansion of the protected area estate. The government is already working with landholders to register advanced offsets and facilitate the availability of land. Feedback on how to enhance this approach is sought.

Share your thoughts on...

- Do you have views or suggestions about our ideas to unlock the Offset Account?
- What are some ways the challenges outlined could be addressed?
- How could a flexible delivery model ensure conservation outcomes are secured?

2. How financial offsets are calculated

The Queensland Government's environmental offset delivery has lagged behind the pace and scale of development impacts, resulting in net environmental loss and significant financial liability for the state. A key driver of this issue is how financial settlement offsets are calculated.

Key issues in the financial settlement offset calculator include:

- **Outdated costs:** On-ground management, administrative, and landholder incentive costs have not been updated since the calculator's establishment in 2014, failing to account for inflation and increases to land values and demand.
- **Sliding scale discounts:** Large offset areas receive significant cost reductions of up to 90 per cent, based on an inaccurate assumption of economies of scale. This has reduced funds available for offset delivery and hampered conservation outcomes.
- **Distinct Matter Area discounts:** Bundling multiple environmental matters into one offset payment has increased costs and delivery delays, as offset sites often cannot meet the diverse ecological requirements of all matters.
- **Multipliers:** The offset area multipliers used in the calculator are too small for some environmental matters, risking insufficient conservation outcomes.
- **Lack of contingency margins:** No allowance is made for uncertainties such as natural disasters, further undermining the Framework's reliability.

These issues have had various impacts to the effectiveness of the Framework. For example, financial settlement offsets may be cheaper than proponent-driven offsets, leading to over 90 per cent of offset conditions being met through the financial settlement option.



Ideas to address the challenges

A comprehensive review of the financial settlement offset calculator is proposed to be undertaken in 2026. We are seeking your feedback on what matters and issues we should consider through this process. A separate Consultation Impact Analysis Statement would be developed to engage stakeholders further.

Alignment with Commonwealth offsets

Reforms to the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999* were passed on 28 November 2025. Reforms included changes to the Commonwealth offset framework such as the ability for proponents to meet offset conditions via financial contributions. To support this option, the Commonwealth Government is currently developing its own financial offset calculator.

Alignment with a Commonwealth financial offset calculator could facilitate Commonwealth accreditation of Queensland's Environmental Offset Framework, streamlining implementation of Queensland offsets and reducing procedural delays for industry. Further details are expected to be known in 2026.

Share your thoughts on...

- Are the current settings for the financial settlement offset calculator appropriate?
- How can Queensland ensure the financial settlement offset calculator is a robust tool for conservation and business?
- Are there any matters related to financial calculation of offsets which need to be considered?
- To what extent do you support alignment of the Queensland financial settlement offset calculator and the proposed Commonwealth Government financial offset calculator?

3. How we can improve regulation

Queensland's Environmental Offsets Framework is established under the *Environmental Offsets Act 2014*.

There are several regulatory issues within the Framework, including outdated and unclear legislation, inconsistent and complex rules for locating offset sites, unnecessary procedural delays and restrictive requirements for indirect offsets.

Additional issues include unnecessary barriers to offset delivery, such as constraints in securing Environmental Offset Protection Areas and advanced offsets, and a lack of alignment between Commonwealth and Queensland offset frameworks. This regulatory complexity has contributed to significant delays in securing offsets, adding costs to proponents and government.

There is an opportunity to clarify, streamline and simplify offsetting legislation to improve the administration of the Framework and the delivery of offsets.





Ideas to address the challenges

We are proposing to progress policy and legislative changes, and your feedback is sought to help refine the proposals.

The proposals include:

- amending legislation to increase clarity and meet contemporary drafting standards
- improving consistency and clarity around rules for locating an offset site
- removing unnecessary barriers to delivering offsets
- streamlining processes for payment into the Offset Account for State infrastructure projects
- streamlining the legal security process

- enabling the use of Environmental Offset Protection Areas for Commonwealth offsets
- allowing advanced offsets to be used under the Commonwealth offsets framework
- enabling State Government Supported Infrastructure Koala Conservation Policy 2023 offsets to use Environmental Offset Protection Areas
- boosting Queensland's protected area system through offset delivery
- reducing restrictions on indirect offsets
- removing inflexible requirements for connectivity offsets.

If you are interested in learning more about these regulatory options, please see the Appendix.

Share your thoughts on...

- Do you support the proposed amendments and policy changes? Why or why not?
- What issues require further consideration within the context of the Framework?
- What else would you suggest to improve the Framework? Please state what and why?

Have your say

We are seeking feedback on the challenges and opportunities outlined in this discussion paper.

Your feedback will be used to further inform and refine potential options for improvements to the Framework.

Please consider the questions posed in the focus areas and share your thoughts via the following:

- **Email your submission:**
Submissions can be emailed to offsetsreview@detsi.qld.gov.au.
- **Answer questions online:**
You can also provide feedback via our consultation platform www.detsi.qld.gov.au/consultation.

Consultation closes 5pm, Monday 29 June 2026.

If you have any questions about the consultation process, please contact us: offsetsreview@detsi.qld.gov.au

Confidentiality

In the interest of transparency and to promote informed discussion, we would prefer submissions to be made publicly available wherever this is reasonable. If confidentiality is preferable, this should be clearly noted on the front page of the submission.

While the Queensland Government will endeavour to identify and protect material claimed as confidential, exempt information and information of which the disclosure would be contrary to the public interest (within the meaning of the Right to Information Act 2009), it cannot guarantee that submissions will not be made publicly available. There is a possibility that the department may be required to reveal confidential information as a result of a right to information request.





Appendix

Proposals to address regulatory complexity

To improve the administration of the Framework and the delivery of offsets, amendments are proposed to improve the clarity of existing requirements, increase offset delivery and streamline and strengthen legal security for offsets.

Amendments are proposed in two parts: Part A – Amendments to the *Environmental Offsets Act 2014* (the Act) and the Environmental Offsets Regulation (the Regulation); and Part B - Amendments to the Environmental Offsets Policy (the Policy).

Part A—Proposed amendments to the Act and Regulation

1. Amend legislation to increase clarity and meet contemporary drafting standards

Relocation of matters from the Regulation to the Act

Currently, the Framework is not structured for clarity and ease of use, with many of the definitions, processes and requirements scattered across the Act, the Regulation and the Policy. This structure is inconsistent with modern legislative drafting standards and unnecessarily increases complexity and compliance costs for both proponents and administering agencies.

Offsets mitigation hierarchy

Currently, the Act does not include a clear definition of the offsets mitigation hierarchy; rather, it is currently contained across several provisions. This causes confusion about requirements to demonstrate reasonable avoidance and mitigation measures prior to providing an environmental offset. Amendments are proposed to define the mitigation hierarchy and require that the Act be administered having regard to the principle. The amendments would clarify the following existing requirements:

- Minimising and mitigating impacts may be proposed only after demonstrating reasonable steps to avoid impacts; and
- Where the proponent demonstrates reasonable avoidance, mitigation, rehabilitation or restoration of impacts, an environmental offset may be proposed to counterbalance significant residual impacts.

Establishing administrative processes in the Act

Processes under the Act for the assessment of proposed offsets and advanced offsets are inconsistent with modern legislative standards. In particular, there are no clear administrative processes for:

- Dealing with applications that are not properly made, such as where an offset delivery plan for a proponent driven offset does not address mandatory requirements under the Act;
- Requesting additional information if matters are missing from an application;
- Allowing applicants to withdraw an application;
- Requiring that an application for a proposed offset or advanced offset is accompanied by written consent of each owner and person with an interest in the land within the area;
- Requiring the decision-maker to provide an information notice that details the grounds for the decision; and
- Timeframes that apply to key processes and decisions.

The lack of these processes has resulted in unnecessary complexity for proponents and administering agencies. To address this, it is proposed that the process for entering into an agreed delivery arrangement for an offset and registering advanced offsets be updated to reflect modern legislative standards.

It is also proposed to clarify administering agency delegations for offsets under the *Planning Act 2016*.

Consideration of the total impact of a project

The Policy requires that when an amendment to an existing authority is proposed (for example an amendment application for an existing environmental authority or development approval), the significant residual impact assessment must consider the total impacts of the entire project. However, the Act provides unclear guidance on the ability to consider these cumulative impacts when determining significant residual impacts. An amendment to the Act is required to clarify that significant residual impacts include cumulative impacts of a project.

It is proposed to amend the Act to meet contemporary legislative drafting standards, reduce inconsistency, duplication and improve overall readability. It is proposed that the following provisions in the Regulation be moved to the Act:

- Part 2—section 7 (legally secured offset areas);
- Part 3—section 8 (requirements for offset delivery plans);
- Part 3—section 9 (matters the administering agency must consider);
- Part 4—section 10 (declaration of environmental offset protection area);
- Part 5—section 11 & 12 (amending or revoking declaration of an environmental offset protection area);
- Part 6—section 13, 14 & 15 (advanced offsets);
- Part 7—Division 1-5 (review of decisions and appeals); and
- Part 8—section 35 (register to be kept by each administering agency).

Further amendments to the Act are also proposed to:

- Amend Part 2 (Purpose and application of Act) or 3 (Interpretation) to create an upfront definition of the offsets mitigation hierarchy;
- Amend section 8 (What is a significant residual impact) to clarify that the assessment of a significant residual impact may include consideration of the total impacts of a project;
- Amend section 19 (Agreed delivery arrangements) to establish administrative processes in the Act for consideration of proposed offsets such as properly made application, information notices, and the ability for an applicant to withdraw. A new section will also be included in the Act to provide similar administrative processes for advanced offsets; and
- Amend Part 6 (Requirements about environmental offsets) and 6A (When offset conditions stop applying) and the definition of “administering agency” to clarify and simplify the delegation of administering agency powers to relevant technical agencies.

2. Remove unnecessary barriers to delivering offsets

Where a proponent determines that they wish to discharge an environmental offset obligation as a financial settlement offset, the application process still requires an unnecessary two-step process. First, they must lodge a development application and then, second, lodge a notice of election to enter an agreed delivery arrangement. This is administratively burdensome for both industry and government. Change is proposed to streamline the process.

In addition, under the Act, the ability to approve a proposed environmental offset during or after commencement of significant impact works is not currently available. In some cases, however, the quantum of actual impact may not be known until the works have commenced or some time has passed.

It is proposed to amend Part 5 (Imposing offset conditions) and 6 (Requirements about environmental offsets) of the Act to remove the need to lodge a notice of election or enter into an agreed delivery arrangement where a financial settlement offset condition has been imposed at the request of the proponent.

Further, it is proposed to amend Part 6 (Requirements about environmental offsets) of the Act to clarify that an offset may be approved where the impact has occurred or is currently occurring.

3. Streamline processes for payment into the Offsets Account for State infrastructure projects

Amendments to the Act could be made to allow for improved inter-agency relationships through enhanced clarity and alignment and procedural streamlining. Currently, certain activities carried out by government departments require an offset to be delivered, but the procedure for that delivery is complex and cumbersome.

For example, Wetland Protection Areas are listed in Schedule 2(4) of the Regulation as a prescribed environmental matter. However, 'high impact earthworks in a wetland protection area' are not included in Schedule 1 of the Regulation as a prescribed activity. Under the current Framework, this means offset payments from these activities, typically related to electricity works and government-supported transport infrastructure, cannot be deposited into the Offset Account through financial settlement without Ministerial approval.

It is proposed to amend section 85 (Payment of amounts into offset account) of the Act to enable payments for these activities to be made to the Offset Account, simplifying and streamlining the process. An amendment to section 86 (Payment of amounts from the offset account) of the Act is also proposed to clarify that funds from the Offset Account may be used for expenses incurred by government departments for an environmental offset, including offset-related administration costs.

4. Streamline the legal security process

Reducing complexity around consent

Amendments could be made that require consent from the landholder and persons with an interest in the area to be gathered only once during the offset site approval and legal security process, instead of through the current two-step process. This could help to streamline the process, remove the need for landholders to separately apply to legally secure an offset site, reduce decision-making uncertainty and circumvent delayed protection for environmental offset areas.

Expanding legal security mechanisms

Furthermore, the Act outlines that an environmental offset may be legally secured through a defined list of mechanisms, which currently does not include voluntary environmental agreements under the *State Development and Public Works Organisation Act 1971*.

It is proposed to amend sections 18 (Electing how to deliver an offset), 19 (Agreed delivery arrangements) and 30 (Declaration of an environmental offset protection area) of the Act to only require consent from the landholder and persons with an interest in the land to be gathered once during the offset site approval process, instead of through the current two-step process. In addition, it is proposed that the chief executive may initiate the declaration process without the need for an application from the landowner, but with the landowner's consent required for the declaration.

It is also proposed to amend section 29 (What is a legally secured offset area) of the Act to enable the legal security mechanisms to be expanded to recognise a voluntary environmental agreement under section 76s(1) of the *State Development and Public Works Organisation Act 1971* to streamline processes under both Acts.

5. Enable the use of Environmental Offset Protection Areas for Commonwealth offsets

Currently, the Act only applies to activities authorised by local and state governments, which prevents the use of Environmental Offset Protection Areas to legally secure offsets required under an approval granted by the Commonwealth. Furthermore, the Commonwealth does not have its own 'fit for purpose' mechanism to legally secure its offsets in Queensland, which results in the need to use State mechanisms such as covenants under the *Lands Act 1994* and *Land Titles Act 1994*, Declared Areas under the *Vegetation Management Act 1999*, or nature refuges under the *Nature Conservation Act 1992*.

The majority of Commonwealth offsets are currently legally secured through a Declared Area. However, a Declared Area is limited and often not suitable or appropriate for securing environmental offsets. For example, Declared Areas have limited application for permanent impacts where a Commonwealth or State offset area requires enduring or perpetual security. Furthermore, a Declared Area is a voluntary mechanism that lacks requisite enforcement provisions. Another major limitation to this form of security is that the purpose of the *Vegetation Management Act 1999* is to conserve 'vegetation' within a declared area, and that the definition of vegetation does not apply to grassland regional ecosystems, mangroves or non-woody herbage. This means that declared areas are not fit for purpose for a number of different matters of national environmental significance. However, Environmental Offset Protection Areas can be utilised for any area of 'land' and are not limited by the nature of the environmental value being protected.

An amendment to the Act is proposed to enable Environmental Offset Protection Areas to be used to secure Commonwealth offsets. This could help to reduce regulatory burden for authority holders, improve environmental protection and better overall coordination and administrative efficiency in relation to compliance and enforcement.

It is proposed to amend Part 8 (Legally secured offset areas) and 9 (Compliance notices) of the Act to enable a proponent to apply for an Environmental Offset Protection Area to secure a Commonwealth offset. Enforcement of the Commonwealth offset requirement will continue to be undertaken by the Commonwealth.

6. Allow advanced offsets to be used under the Commonwealth offsets framework

Advanced offsets are areas of land that are registered by the department for potential use as an environmental offset in the future because it contains, or is capable of containing, one or more prescribed environmental matters.

While the Regulation enables landholders to establish advanced offsets for matters of local, state and national environmental significance, the Regulation limits advanced offsets only to where they will be used later to meet offset conditions required by the State. In line with the above regulatory proposal, it is proposed that the Act be amended to allow landholders to establish an advanced offset for both Commonwealth and state matters and to enable those advanced offsets to be used for Commonwealth offsets.

It is proposed to include a new section in the Act to allow landholders to establish advanced offsets over areas containing matters of national environmental significance and for those advanced offsets to be used for Commonwealth offsets. This would reduce the time lag associated with counterbalancing impacts. This proposal would also reduce delays for developments that require both Commonwealth and State approvals, benefiting industry and enhancing inter-jurisdictional collaboration.

7. Enable State Government Supported Infrastructure Koala Conservation Policy 2023 offsets to use Environmental Offset Protection Areas

The State Government Supported Infrastructure Koala Conservation Policy 2023 (SI Policy) sets out how Queensland public sector entities delivering infrastructure in South East Queensland must contribute towards koala conservation.

Currently, the Act prevents offsets delivered under the SI Policy from using Environmental Offset Protection Areas as a legal security mechanism. The lack of an appropriate legal security mechanism has created uncertainty and delays in project approvals and inadequate protection for the environmental values being offset.

It is proposed to amend section 30 (Declaration of environmental offset protection area) of the Act to allow for Environmental Offset Protection Areas to be used for offsets under the Supported Infrastructure Koala Conservation Policy, improving environmental outcomes and streamlining legal security.

8. Boost Queensland's protected area system through offset delivery

In Queensland, private protected areas under the *Nature Conservation Act 1992* such as a nature refuge or special wildlife reserve are recognised as a legally secure mechanism for offset sites under the *Environmental Offsets Act 2014* (the Act). However, these mechanisms are rarely used.

Further, the Act creates an impediment for proponent-led offsets to contribute to protected area targets as the Act provides that protected areas can only be considered a legally secured offset area if it is declared after the offset condition is imposed.

Removing this limitation would allow advanced offsets to be legally secured as protected areas and recognised in the future as a 'legally secured offset area' under the Act when an agreement for an environmental offset has been made.

This would also provide consistency with other legal security arrangements under the Act and aid the development of advanced offsets. Furthermore, this will support government commitments to increase the protected area system and help landholders to be environmental stewards of their lands.

Feedback is sought from stakeholders on whether there are other regulatory barriers to boosting Queensland's protected areas through environmental offset sites.

Part B—Proposed amendments to the Policy

1. Improve consistency and clarity around rules for locating an offset site

The Policy requires that an offset be located, wherever possible, within a Strategic Offset Investment Corridor closest to the impacted site, with the next preference being within the same local government area as the impact. However, there are no rules guiding how this locational hierarchy should be applied and there are inconsistencies between the rules throughout the Policy.

Lack of clarity increases costs for both authority holders and administering agencies. For example, this issue has caused difficulty for some landholders to understand the market opportunities for advanced offsets. Such cases have limited the potential use of advanced offsets by landholders and proponents, undermining the effectiveness of the market.

It is proposed to amend sections 2.2 (What all offsets must achieve) and 2.4 (Characteristics of an offset site) of the Policy to consolidate and clarify rules regarding locating offsets. Amendments are also proposed to prioritise advanced offset areas and biodiversity restoration areas under a regional plan or local government planning scheme. This will ensure that offsets are able to be more strategically located and provide better opportunities for landholders.

2. Reduce restrictions on indirect offsets

Indirect offsets are actions which do not directly counterbalance the impacts on a prescribed environmental matter but can deliver measurable conservation outcomes. Examples include wildlife crossings designed to allow animals to safely cross roads. In the context of environmental offsets, a wildlife crossing serves as a mitigation or compensation measure to offset the negative environmental impacts of infrastructure development.

Under the current Policy, indirect offsets focus on research and education and are tied to an approved Direct Benefit Management Plan. Indirect offsets can only make up to 10 per cent of the total offset requirement, with the remaining 90 per cent required to come from land-based offsets or financial settlement offsets.

Amendments to the Policy present an opportunity to refine and expand the scope of indirect offsets, clarifying that indirect offsets involve actions that do not directly offset the impacts on the prescribed matter but are anticipated to benefit the impacted protected matter. Amendments see activities other than research and education, such as threat mitigation, be permissible as indirect offsets. The amendments to the Policy could help to simplify the process for proposing and approving an indirect offset.

Greater than 10 per cent of an offset may be approved in circumstances where a greater conservation outcome can be demonstrated. Other offset principles such as the requirement to ensure offset activities are additional to those required under other laws will also be retained.

It is proposed to amend sections 1.6.3 (Direct Benefit Management Plan offsets), 2.2 (What all offsets must achieve) and Appendix 6 (Direct Benefit Management Plans) of the Policy to clarify that indirect offsets involve actions that do not directly offset the impacts on the prescribed matter but are anticipated to lead to benefits for the impacted protected matter. This will enable the greater use of indirect offsets for research and education, as well as threat mitigation actions.

3. Remove inflexible requirements for connectivity offsets

Currently, the Policy only allows non-remnant vegetation to be improved as part of a connectivity offset. This is a missed opportunity, as the improvement of poor-quality remnant vegetation as part of a connectivity offset can result in improved overall ecosystem functioning of the connectivity area as well as its long-term resilience.

For example, the current Framework does not allow for two nearby but disconnected protected areas to be connected through improvement of high-value regrowth or remnant vegetation as an offset. A better conservation outcome could be achieved by the establishment of a biodiversity corridor between the two properties via a connectivity offset. Changes to the Policy are required to address this unnecessary restriction on achieving cost-effective ecological benefits. Additionally, this change to the Policy would significantly increase the scope of lands that could be targeted for offsetting.

It is proposed to amend section 2.4 (Characteristics of an offset site) of the Policy to enable high-value regrowth or remnant areas to be improved as part of a connectivity area offset. The ability to improve non-remnant areas of vegetation will be retained, as well as other offset principles.



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