

General guide for the Queensland Environmental Offsets Framework

V1.03

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1 Purpose

The purpose of this guide is to assist in interpreting and implementing the Queensland environmental offsets framework. This guide is not a statutory document. It provides:

- an explanation of each step of the process in determining whether or not an environmental offset is required; and
- guidance on how to deliver an environmental offset.

This guide is intended for use primarily by people who may have an obligation to deliver an environmental offset, businesses assisting in the sourcing or delivery of an environmental offset, and officers in various levels of government who are involved in environmental offset requirements.

2 Background to environmental offset requirements

Environmental offsets compensate for unavoidable significant impacts on prescribed environmental matters, such as highly valuable species and ecosystems. An environmental offset under this framework will only be appropriate where the impact can be counterbalanced elsewhere. An environmental offset may be required as a condition of an authority for a proposed activity. Environmental offsets are not an assessment trigger. They are only considered where:

- an application for an authority is first required
- the assessment requires consideration of an environmental offset as a suitable outcome.

Conditions for environmental offsets are applied under the assessment legislation. The *Environmental Protection Act 1994*, *Planning Act 2016*, *Nature Conservation Act 1992*, or the *Marine Parks Act 2004* regulate whether an environmental offset is required as a condition of an authority.

The *Environmental Offsets Act 2014* (the Offsets Act) outlines the framework for environmental offsets. It supports assessment legislation by coordinating the delivery of environmental offsets across jurisdictions and placing limits on when an environmental offset condition may be imposed. It also provides for the subsequent assessment, delivery, and compliance with offset conditions once imposed.

The Offsets Act is supported by the *Environmental Offsets Regulation 2014* (the Offsets Regulation) and the Queensland Environmental Offsets Policy (the Offsets Policy).

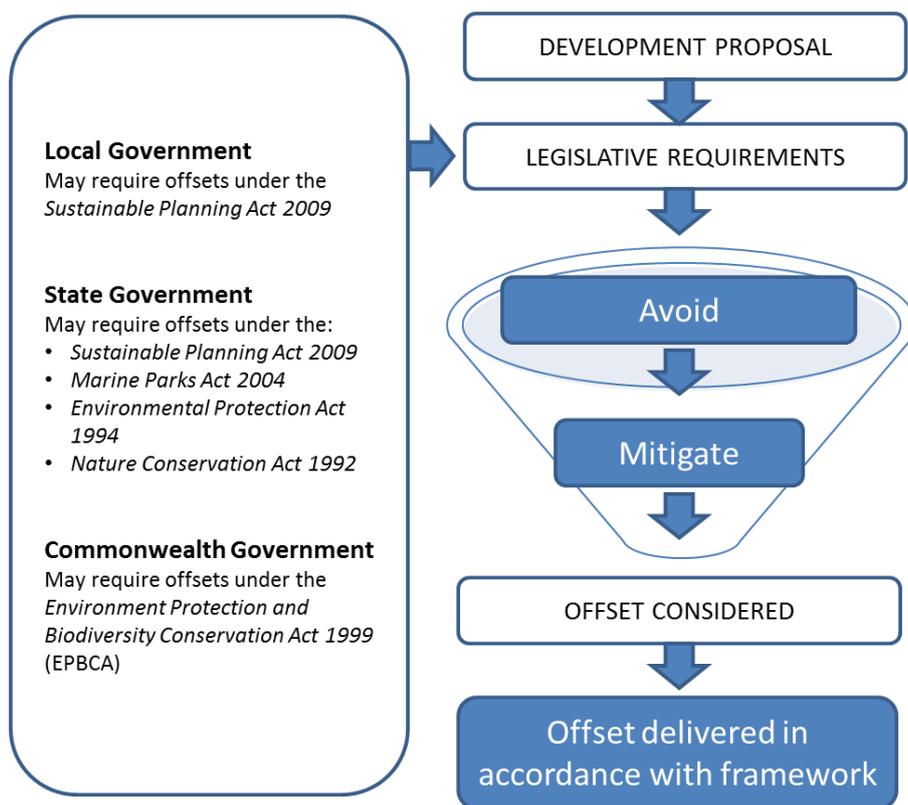
The Offsets Regulation provides further detail on a number of elements of the Offsets Act, including details of the activities and prescribed environmental matters to which the Offsets Act applies, review of decisions made under the Act, and declaration of an advanced offset.

The Offsets Policy is a decision-support tool to enable administering agencies to assess offset proposals to ensure they meet the requirements of the Offsets Act.

The Offsets Act, the Offsets Regulation, and the Offsets Policy form Queensland's environmental offsets framework.

However, the environmental offsets framework does not limit the functions or powers of the Coordinator-General under the *State Development and Public Works Organisation Act 1971* (SDPWOA). In making decisions about environmental offset requirements under the SDPWOA, the Coordinator-General may consider the environmental offsets framework but is not bound by its requirements. In practice, the Coordinator-General's evaluation report can (and often does) state offset conditions that will need to be imposed on an authority which is a prescribed activity under the environmental offsets framework. Once imposed on the authority, these conditions trigger the Offsets Act and its deemed conditions.

Figure 1 illustrates how offsets are considered in Queensland.



NOTE:

- The Coordinator General under the *State Development Public Works Organisation Act 1971* is not bound by the *Environmental Offsets Act 2014*
- Commonwealth offsets will only be incorporated if subject to a bilateral agreement under the EPBCA

Figure 1: How offsets are considered in Queensland (other than under the *State Development and Public Works Organisation Act 1971*)

2.1 Role of administering agencies

The term ‘administering agency’ is defined in Schedule 2 of the Offsets Act. In relation to a development authority under the *Planning Act 2016*, the administering agency may be the ‘referral agency’, a person nominated as an ‘enforcement authority’ or the ‘assessment manager’ for the application for the development authority.

An administering agency may impose an offset condition on an authority issued for a prescribed activity for a prescribed environmental matter. Prescribed activities and prescribed environmental matters are listed in the Offsets Regulation. They may then enter into an agreed delivery arrangement with the proponent. When this occurs the State Government’s publicly available offsets register will be updated to reflect that an offset condition has been imposed on an authority for a prescribed activity.

3 When an offset may be required

Under Queensland’s environmental offsets framework, an environmental offset may be required by an administering agency as a condition of an authority when:

- an activity has been identified as a ‘prescribed activity’
- the prescribed activity will have an impact on a ‘prescribed environmental matter’
- despite undertaking all reasonable avoidance and mitigation measures, that activity will have a ‘significant residual impact’ on the prescribed environmental matter
- an environmental offset is a suitable outcome.

These elements must be considered during the assessment of an application for an authority for a prescribed activity to identify whether an offset will be required. Additional requirements for the avoidance and mitigation of impacts may also be outlined under the assessment legislation. This process is illustrated

in Figure 2 below and summarised in Box 2 'summary of the offset consideration process' in section 3.6.2 of this guide.

Proposing to deliver an environmental offset does not mean proposals with unacceptable impacts will be approved. Offsets simply provide an additional tool that can be used in the application and assessment process.



Figure 2: When an offset may be required

3.1 Prescribed activities

Activities for which an offset may be considered are called 'prescribed activities' and are triggered for assessment under legislation that requires an application for an authority (refer Table 1). Prescribed activities for the environmental offsets framework are listed in section 9 of the Offsets Act, and in section 4 and Schedule 1 of the Offsets Regulation.

Under the *Planning Act 2016*, an application for preliminary approval or a development permit may be a 'prescribed activity'.

3.2 Prescribed environmental matters

Not all environmental matters are 'prescribed environmental matters'. Prescribed environmental matters are listed in section 10 of the Offsets Act, and in section 5 and Schedule 2 of the Offsets Regulation. Prescribed environmental matters may be:

- Matters of National Environmental Significance (MNES)
- Matters of State Environmental Significance (MSES)
- Matters of Local Environmental Significance (MLES).

3.2.1 The concept of 'same or substantially the same'

The terms 'same or substantially the same impact' and 'same or substantially the same matter' are used throughout the offsets framework but are not defined in legislation. The 'same or substantially the same' impact or matter is taken to be, for example, the same area of impacted habitat for the same species. It does not mean impacts on different species within the same area of impacted habitat.

The following examples are provided to clarify the 'same or substantially the same' concept.

Example of a matter that may be the same or substantially same:

- A Commonwealth matter that is impacted, such as koala habitat, may be the 'same or substantially the same' as the same area of koala habitat impacted under Queensland's offsets framework.

Example of a matter that may not be the same:

- A dugong's habitat is a different prescribed environmental matter to seagrass which is a marine plant for fisheries benefit. Even though they occur in the same area, they are not the 'same or substantially the same' matter.

An offset condition should be imposed for significant residual impacts on each prescribed environmental matter other than those that are the same or substantially the same. This applies regardless of whether the offset conditions can be delivered on the same site or different sites.

The assessment of the offset proposal will happen in accordance with the notice of election process and requirements outlined under Part 6 of the Offsets Act and will include having regard to the Offsets Policy.

3.2.2 Nationally significant matters

Matters of National Environmental Significance (MNES) are protected and regulated under the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). MNES that are prescribed environmental matters are listed in section 10(3) of the Offsets Act and section 5 of the Offsets Regulation.

Offset conditions for MNES cannot be imposed, delivered or legally secured under the Offsets Act because it has not been accredited by the Commonwealth. Financial payments for Commonwealth offset conditions also cannot be made to the Offset Account and Offset Trust Funds established under the Offsets Act. Jurisdictional responsibility remains with the relevant Commonwealth agency who may assess the proposal and require offsets for MNES. In the absence of accreditation, a referral may need to be lodged with the Australian Government for assessment under the EPBC Act. For more information about EPBC Act requirements, search for 'referral under EPBC Act' at www.environment.gov.au.

3.2.3 State significant matters

Matters of State Environmental Significance (MSES) are protected and regulated under Queensland legislation. Some of these matters are listed in Schedule 2 of the Offsets Regulation. Schedule 2 of the Offsets Regulation must be read in conjunction with section 5 of the Offsets Regulation to understand when environmental matters are prescribed environmental matters under the Offsets Act. For example, some matters are not included as prescribed environmental matters where they occur within urban areas. There are also differences between the matters of State environmental significance prescribed under the Offsets Act and State Planning Policy.

Many matters of state environmental significance are defined by reference to statutory maps made under other legislation. The Queensland Globe is a publicly available mapping resource which can be used to view the various mapping layers and information under Queensland Government legislation. The Queensland Globe can be accessed at: <https://qldglobe.information.qld.gov.au/>.

The Environmental Reports Online is another publicly available resource, the reports provide information on specific environmental values, by location. Environmental Reports Online can be accessed at: <https://apps.des.qld.gov.au/report-request/environment/>.

For concerns about the accuracy of mapping refer to the following:

- for regulated vegetation management maps and essential habitat maps - <https://www.qld.gov.au/environment/land/management/vegetation/maps/map-correction>
- for high-risk areas on the flora survey trigger map - <https://apps.des.qld.gov.au/map-request/flora-survey-trigger/>
- for koala habitat in South East Queensland - <https://environment.des.qld.gov.au/wildlife/animals/living-with/koalas/mapping/map-amendment-requests>
- for wetland maps under the *Environmental Protection Act 1994* - <https://environment.des.qld.gov.au/wildlife/wetlands/map-referrable-wetlands>

3.2.3.1 Jurisdiction for MSES

The Queensland Government has jurisdiction over offset requirements for MSES. However, section 15 of the Offsets Act also provides for local government to require an offset for an MSES, provided the matter is prescribed under the Offsets Regulation as being a matter for which local government may require an offset.

There is currently no matter prescribed under the Offsets Regulation for which local government may require an offset.

On 7 February 2020 local government's ability to impose offset conditions for koala habitat in South East Queensland (SEQ) was removed. Part 9 of the Offsets Regulation 2014 outlines the transitional provisions for these arrangements. Local government continues to be 'administering agency' for SEQ koala habitat offset conditions imposed by local government before the 7 February 2020. For these offset conditions, local government will deliver functions in relation to notice of election and enforcement processes, as well as receive and deliver offsets using financial settlement offset payments that it receives from these conditions. These arrangements also apply to SEQ koala habitat offset conditions imposed after 7 February 2020 from an application properly made, but not decided, before the 7 February 2020 under section 73 of the Planning Regulation 2018.

3.2.4 Locally significant matters—MLES

A matter of local environmental significance (MLES) is a locally significant matter that is prescribed under a local planning instrument and must be consistent with the Planning Minister's Guidelines and Rules, which is available at www.planning.dsdmip.qld.gov.au

A MLES cannot be a prescribed environmental matter if it is the same or substantially the same as a MNES or MSES. This includes MSES that are not prescribed environmental matters in urban areas (for example, remnant 'of concern' regional ecosystems). However, a local government may prescribe a MLES on land that also has MSES or MNES, provided the MLES is not the same or substantially the same as a value that is MNES or MSES.

For example, a locally important wetland on land that contains an endangered species or regional ecosystem may be a MLES, as long as that wetland is not also recognised by the State or Commonwealth as being a MSES or MNES that is also a prescribed environmental matter.

3.3 Relationship between prescribed activities and prescribed environmental matters

The legislation under which an authority is issued governs which impacts on prescribed environmental matters may be offset. A summary of prescribed environmental matters that may be subject to an environmental offset requirement for each type of prescribed activity is provided in Table 1.

Table 1: Summary of matters relevant to each prescribed activity

Administering agency	Prescribed activity	Prescribed environmental matters to be assessed
Offsets and the <i>Planning Act 2016</i> and repealed <i>Sustainable Planning Act 2009</i>		
Local Government	As identified under a Planning Scheme	Any relevant MLES under the Scheme
	As identified under the repealed Schedule 11, Planning Regulation 2017 and the repealed South East Queensland Koala Conservation State Planning Regulatory Provisions (SEQ Koala SPRP) is a relevant consideration	A non-juvenile koala habitat tree located in an area shown as bushland habitat, high value rehabilitation habitat or medium value rehabilitation habitat on the map called 'Map of Assessable Development Area Koala Habitat Values' that applies under Schedule 11 of the Planning Regulation 2017 and the repealed SEQ Koala SPRP
State Government	An activity assessed under any of the following state codes of the State Development Assessment Provisions under the <i>Planning Act 2016</i> : <ul style="list-style-type: none"> state code 8 (Coastal development and tidal works) state code 9 (Great Barrier Reef wetland protection areas) state code 22 (environmentally relevant activities) state code 25 (Development in South East Queensland koala habitat areas) 	Any MSES listed in Schedule 2 of the Offsets Regulation where it is a prescribed environmental matter under section 5 of the Offsets Regulation (some exemptions apply, for example in urban areas)

Administering agency	Prescribed activity	Prescribed environmental matters to be assessed
	<p>An activity assessed under any of the following modules of the repealed State Development Assessment Provisions under the repealed Sustainable Planning Act:</p> <ul style="list-style-type: none"> • module 4 (environmentally relevant activities) • module 10 (coastal protection) • module 11 (wetland protection and wild river areas) 	<p>Any MSES listed in Schedule 2 of the Offsets Regulation where it is a prescribed environmental matter under section 5 of the Offsets Regulation (some exemptions apply, for example in urban areas)</p>
	<p>An activity assessed under state code 11 (removal, destruction or damage of marine plants) of the State Development Assessment Provisions under the <i>Planning Act 2016</i></p> <p>or</p> <p>An activity assessed under module 5 (fisheries resources) of the repealed State Development Assessment Provisions</p>	<p>Marine plants where it is a prescribed environmental matter under section 5 of the Offsets Regulation (some exemptions apply, for example in urban areas)</p>
	<p>An activity assessed under state code 12 (development in a declared fish habitat) of the State Development Assessment Provisions under the <i>Planning Act 2016</i></p> <p>or</p> <p>An activity assessed under module 5 (fisheries resources) of the repealed State Development Assessment Provisions</p>	<p>Declared fish habitat areas</p>
	<p>An activity assessed under state code 18 (constructing or raising waterway barrier works in fish habitats) of the State Development Assessment Provisions under the <i>Planning Act 2016</i></p> <p>or</p> <p>An activity assessed under module 5 (fisheries resources) of the repealed State Development Assessment Provisions</p>	<p>Waterways providing for fish passage where it is a prescribed environmental matter under section 5 of the Offsets Regulation (some exemptions apply in urban areas)</p>
	<p>An activity assessed under state code 16 (native vegetation clearing) of the State Development Assessment Provisions</p> <p>or</p> <p>An activity assessed under module 8 (vegetation clearing) of the repealed State Development Assessment Provisions</p>	<ul style="list-style-type: none"> • An existing legally secured offset area where it is a prescribed environmental matter under section 5 of the Offsets Regulation (some exemptions apply in urban areas) • Regulated vegetation (Schedule 2, item 2 of the Offsets Regulation) • Connectivity areas (Schedule 2, item 3 of the Offsets Regulation)

Administering agency	Prescribed activity	Prescribed environmental matters to be assessed
Offsets and the <i>Environmental Protection Act 1994</i>		
State Government	A resource activity for which an amendment application, site-specific application or variation application was made	<ul style="list-style-type: none"> Any MSES listed in Schedule 2 of the Offsets Regulation, where it is a prescribed environmental matter under section 5 of the Offsets Regulation (some exemptions apply in urban areas)
	A prescribed ERA	<ul style="list-style-type: none"> Any MSES listed in Schedule 2 of the Offsets Regulation, where it is a prescribed environmental matter under section 5 of the Offsets Regulation (some exemptions apply in urban areas)
Offsets and the <i>Nature Conservation Act 1992</i>		
State Government	Taking a protected plant outside a protected area under a protected plant clearing permit	<ul style="list-style-type: none"> Protected wildlife habitat for flora (Schedule 2, item 6(1) and (2) of the Offsets Regulation)
	An activity conducted under an authority granted, made, issued or given under section 34, 35, 38, 42AD, 42AE, 43F, 43G or 43H of the <i>Nature Conservation Act 1992</i> in a protected area	<ul style="list-style-type: none"> Protected areas (Schedule 2, item 7 of the Environmental Offsets Regulation) Any MSES listed in Schedule 2 of the Offsets Regulation on the protected area
Offsets and the <i>Marine Parks Act 2004</i>		
State Government	The carrying out of works authorised under the <i>Marine Parks Act 2004</i> in a marine park	<ul style="list-style-type: none"> Highly protected zones of marine parks (Schedule 2, item 8 of the Offsets Regulation) Any MSES listed in Schedule 2 of the Offsets Regulation in the highly protected zone of the marine park

3.4 Avoidance and mitigation

The 'avoid, mitigate, offset' approach underpins the State's assessment and decision-making processes in relation to prescribed environmental matters. Under the Offsets Act, an environmental offset cannot be a condition of authority until it has been demonstrated that all reasonable avoidance and mitigation measures have been, or will be, undertaken.

Assessment frameworks that have an 'avoid, mitigate, offset' obligation require impacts on prescribed environmental matters be avoided in the first instance. Avoiding an activity's impact on prescribed environmental matters may be achieved through planning and site selection. For example, endangered regional ecosystem or species' habitat could be avoided by changing the route of an access road.

If avoidance cannot be reasonably achieved, there is a requirement to demonstrate that impacts have been carefully managed and minimised (mitigated). Mitigation measures are actions that lessen the adverse impacts from the activity on the prescribed environmental matters. For example, measures could be implemented to reduce sediment run-off from a development site that may otherwise affect a threatened fish species or enable the safe movement of a species through the development site to reduce the chance of isolating populations.

These avoidance and mitigation actions directly reduce the scale, intensity or duration of the potential impacts of a proposed activity, and in some cases, remove the need for offsets if the residual impact is not significant.

The assessment of avoidance and mitigation relies on the applicant providing accurate and detailed information about the MSES that are present and potentially impacted by the development, and the administering agency verifying the adequacy of the information for the assessment. For more information on avoidance and mitigation, search for the 'avoid and mitigate assessment checklist' on the offsets resources page at www.qld.gov.au and guidelines under the assessment legislation. Most recent is the guideline associated with the State Development Assessment Provisions for Koala in SEQ.

If there is still a residual impact on a prescribed environmental matter after all reasonable avoidance and mitigation measures have been taken, impacts should be assessed using the Significant Impact Assessment Guideline available at www.des.qld.gov.au. An offset may be required where the impact is, or is likely to be, significant.

3.5 Determining the significance of an impact

Assessment of the extent, or potential maximum extent, of an impact associated with a prescribed activity on a prescribed environment matter forms part of the application assessment process. After all reasonable avoidance and mitigation has been taken into account, remaining impacts on each prescribed environmental matter are added to determine the extent of residual impact.

Once the extent of the residual impact on each prescribed environmental matter has been identified, an analysis can be undertaken to determine if that residual impact is, or is likely to be, 'significant'.

3.5.1 Significant residual impacts

A significant residual impact is defined in section 8 of the Offsets Act (see box 1 below for definition). Further advice in relation to determining whether an impact is significant is provided in the relevant significant residual impact guideline.

For applications assessed under the *Environmental Protection Act 1994*, *Nature Conservation Act 1992*, or *Marine Parks Act 2004*, the significant residual impact guideline is available at www.qld.gov.au (search 'environmental offset').

For applications assessed by the State Government under the *Planning Act 2016*, the significant residual impact guideline is available from www.dilgp.qld.gov.au (see 'Resources', 'Fact sheets and guidelines' and then 'Environmental offsets and the planning framework').

For applications assessed by local government under the *Planning Act 2016*, contact the relevant local government for advice.

For some development, an authority under both the *Planning Act 2016* and the *Environmental Protection Act 1994* is required. In this case the authority that regulates the offset condition would determine which significant residual impact guideline will be considered. These guidelines are not statutory, therefore some flexibility is available in this instance. If one of the guidelines does not adequately consider a residual impact for a particular MSES, the latter can be consulted.

For impacts on remnant regional ecosystems, the significance of an impact must also quantify any local and regional landscape fragmentation that may occur as a result. This may include loss of connectivity that is required for ecosystem functioning. A Landscape Fragmentation and Connectivity Tool is available as a decision support tool to quantify impacts on connectivity through the Queensland Government Information Service at www.qspatial.information.qld.gov.au. Further information on connectivity areas is also in the significant impact guideline at www.qld.gov.au (search 'environmental offset').

The offsets framework also includes specific additional requirements in determining the significance of an impact on:

- a protected area, other than a nature refuge or special wildlife reserve; and
- an existing legally secured offset area.

Box 1: Significant residual impact—as defined in section 8 of the Offsets Act

1. Generally, a significant residual impact is an adverse impact, whether direct or indirect, of a prescribed activity on all or part of a prescribed environmental matter that—
 - a. remains, or will or is likely to remain, (whether temporarily or permanently) despite on-site mitigation measures for the prescribed activity; and
 - b. is, or will or is likely to be, significant.
2. If a prescribed environmental matter is a protected area and the adverse impact of the prescribed activity results, or will or is likely to result, in 1 or more of the following, for the purpose of subsection (1)(b), the impact is significant—
 - a. the authorised clearing or inundation of all or part of the protected area for the construction of private or publicly owned infrastructure on the area;
 - b. the exclusion of, or reduction in, the public use or enjoyment of all or part of the protected area;
 - c. a reduction in the natural or cultural values, within the meaning of the *Nature Conservation Act 1992*, of all or part of the protected area.
3. However, an impact as mentioned in subsection (2) is not a significant residual impact for the protected area if the prescribed activity is—
 - a. conducted by an authorised person performing functions under the *Nature Conservation Act 1992*; and
 - b. consistent with the management of the area under the *Nature Conservation Act 1992*, section 15.
4. If a prescribed environmental matter is, or is in, a legally secured offset area and the adverse impact of the prescribed activity on all or part of the matter results, or will or is likely to result, in 1 or more of the following, for the purpose of subsection (1)(b), the impact is significant—
 - a. for the prescribed environmental matter for which the area was set aside for the purposes of an environmental offset—a use of the area that is inconsistent with how the environmental offset was or is required to be undertaken to achieve a conservation outcome for the prescribed environmental matter under a delivery or management plan or agreement (however described in this or another Act);
 - b. for any other prescribed environmental matter in the area—a significant residual impact as mentioned in subsection (1) on the other prescribed environmental matter.
5. For subsection (2), a protected area does not include a nature refuge or a special wildlife reserve.
6. To remove any doubt, it is declared that subsection (2) does not apply to a prescribed environmental matter in a protected area.

3.5.2 Rehabilitation and significance

Should a proponent successfully demonstrate that in-situ rehabilitation works can mitigate an impact to the extent that it would not be considered a significant residual impact, an offset may not be required. This depends on adequate demonstration of how rehabilitation will mitigate the impacts on the particular prescribed environmental matters. As a minimum, this circumstance would need to consider the:

- extent and duration of the impact on the matter
- timeframe for rehabilitation relative to the impact occurring
- likely success of rehabilitation works to return the impacted matter to a pre-impact condition
- time-lag effect on the matter's viability between impact and rehabilitation successfully delivering the original condition for the matter (i.e. ensuring there is no net loss).

3.6 Determining if an offset is a suitable outcome

The final step in the process for determining if an environmental offset should be imposed as a condition of an authority is to determine if an impact on a prescribed environmental matter can be authorised and whether an environmental offset should be imposed. There are three considerations:

1. the relevant assessment legislation provides for discretion in requiring an environmental offset even if there is a significant residual impact on a matter
2. the project results in unacceptable impacts on a matter. For example, the extinction of a species or ecosystem
3. it is likely that a suitable environmental offset for the impacted matter can be found.

Before imposing an offset condition on an authority, the administering agency must have a high level of confidence that a suitable offset can be selected, designed and managed to achieve the conservation outcome and maintain the viability of the matter. There may be instances where the administering agency identifies that a suitable offset could not be found and delivered or where the risks of the offset failing is too high. In these instances, additional avoidance and mitigation measures should be investigated to reduce or prevent a significant residual impact.

3.6.1 Assessment legislation

There may be considerations under the assessment legislation that apply in addition to those outlined under the Offsets Act for deciding to impose an offset condition. Relevant information about an offset being achievable and suitable can be provided with an application to assist the administering agency.

The proponent can provide details of the offset delivery approach during assessment of the application for the authority or after the authority has been issued. Details for agreeing on an offset approach are provided in section 6 of this guide.

3.6.2 Confidence in finding a suitable environmental offset

An environmental offset may be delivered as a financial settlement offset, a proponent-driven offset, or a combination of these two approaches. For guidance on the types of offset approaches, refer to www.qld.gov.au (search 'delivering an environmental offset').

Regardless of which offset delivery approach may be used, the administering agency must be certain that an environmental offset can be delivered by whoever takes on the responsibility. Consequently, it is in the proponent's interest to include information with the application for the authority for the prescribed activity that identifies opportunities for delivering an environmental offset for the impact, should an offset be required as a condition of the authority.

There may be instances where the administering agency identifies that an offset is not a suitable outcome, due to the magnitude of the significant impact on the prescribed environmental matter, or the unlikelihood of finding a suitable offset. In this instance, the proposed extent of the impact on that matter should be reconsidered. The administering agency might also consider the acceptability of the impact on MSES of the prescribed activity. For guidance on avoidance and mitigation, and whether an offset is a suitable outcome refer to the avoid and mitigate checklist at www.qld.gov.au (search 'environmental offset').

Although the administering agency has discretion in requiring an offset for a matter that is hard to find, the administering agency should have regard to the risk that:

- a) the proponent may not be able to meet the conditions of authority to deliver the offset
- b) the offsets fund team may not be able to spend financial offsets that benefit the matter.

Box 2: Summary of the offset consideration process

1. Determine the nature of the likely impacts on prescribed matters including:

- a. identifying which prescribed matters are likely to be impacted;
- b. assessing the size, scale and context of the impacts; and
- c. assessing the potential impacts to the viability of prescribed matters in the impact area, including an evaluation of whether the impacts will be permanent or temporary.

Note. If the impact is staged, the assessment needs to consider the total impact of the prescribed activity instead of only considering the impact(s) at a smaller stage-based scale.

2. Determine if the impacts on the prescribed matters can be avoided by:

- a. considering the planning and design of the activity; and
- b. if any of the impacts can be avoided altogether by selecting an alternate location or better placement of infrastructure.

3. Determine if the impacts on prescribed matters can be mitigated by:

- a. identifying what actions can take place that will reduce the impacts as a result of the proposed action; and
- b. considering the effectiveness of developing impact mitigation strategies such as environmental management plans, implementing erosion control measures, fire management, fencing off environmentally sensitive areas and other environmental management actions.

4. Determine if the residual impacts are likely to be significant based on the relevant significant impact guideline (see section 3.5.1 of this guide).

5. Determine if the significance of the impact can likely be addressed through a suitable offset.

4 Conditioning an offset requirement

Where the administering agency for the application for the prescribed activity identifies that an offset is a reasonable requirement, this will be reflected as a condition, or conditions, on the authority. The condition(s) then links to the requirements of the Offsets Act.

The Offsets Act requires agencies to consider any existing environmental offset conditions that have been applied under another Act for the same or substantially the same environmental matter and impact. The Offsets Act also requires that the State or Local Government cannot impose an offset condition for the same or substantially the same impact if the Commonwealth has completed its assessment for a controlled action. This applies regardless of whether the Commonwealth has decided that an offset is, or is not, required;

Section 25A of the Offsets Act and section 36 of the Offsets Regulation also provides circumstances where a proponent can seek to remove an offset condition that is duplicated between authorities free of charge. In the event that there are duplicated conditions, there are provisions for how the duplicated conditions may be removed via a free application process. This may include, for example, circumstances where:

- the State Government has first issued an authority and the Australian Government issues a subsequent authority with an offset requirement for that project's impact on the same, or substantially the same, matter. In this circumstance, the authority holder can seek removal of the State's condition as it is a duplication of the Australian Government's requirements; and
- the State Government issues multiple authorities with offset requirements for that project's impact on the same or substantially the same matter. For example, if a protected plants permit under the *Nature Conservation Act 1992* and a development permit under the *Planning Act 2016* both require an environmental offset for the same impact on the same species, an application to remove the duplicate condition may be made to the administering agency for the development permit, but not the protected plants permit.

As local governments cannot require an offset for impacts on MSES or MNES, and a MLES cannot be a MSES or MNES, there should not be any circumstance where there is duplication between a local government and State Government or Commonwealth offset condition(s).

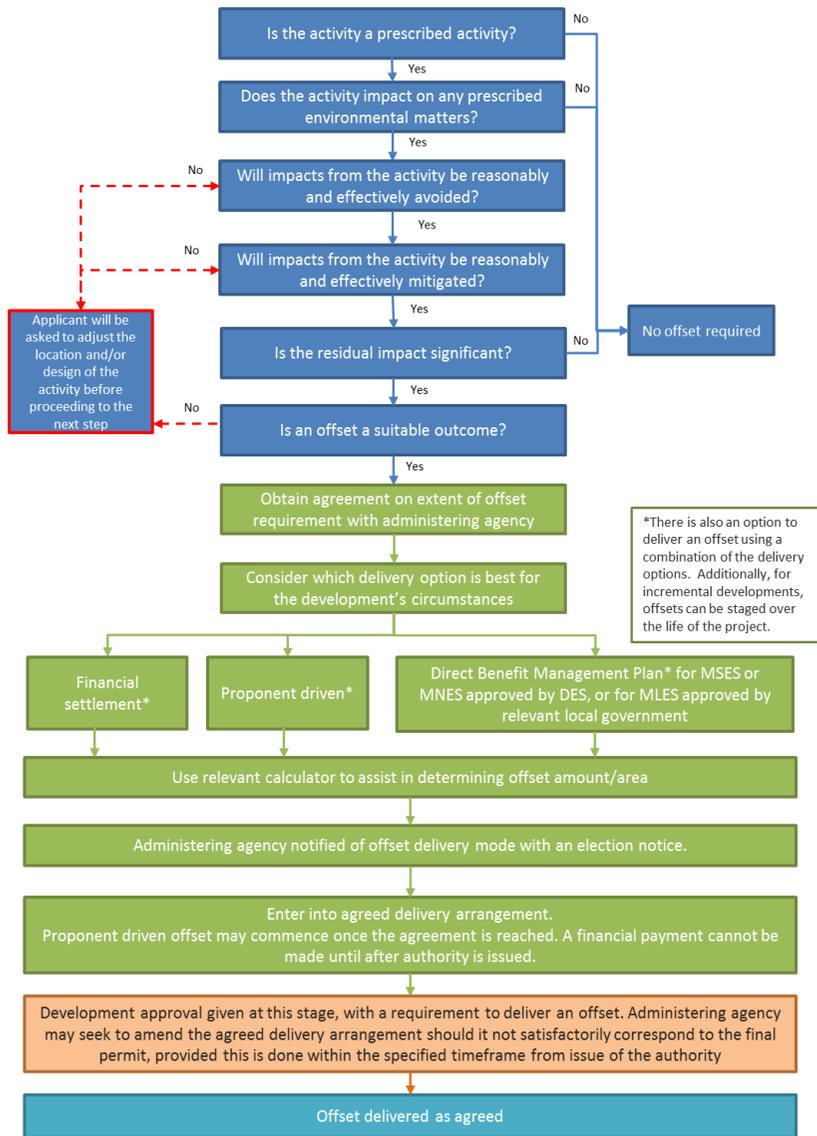
An offset can be provided in stages where the conditions of an authority (such as a development approval) allows the activity and the delivery of the offsets to be staged. Further information on staged offsets is provided in a section 5.4 of this guide.

Under the Offsets Act, the identification of the intended offset delivery approach can occur before or after the relevant offset condition, or conditions, have been imposed. This is illustrated in figure 3 of this guide. However, an agreement on the offset delivery approach must first be reached before any impacts can occur on the prescribed environmental matters that are the subject of the offset condition, or conditions. This agreement is to be sought through the notice of election process, which is set out in the Offsets Act, and explained in section 6 of this guide.

Once there is a condition or conditions on the authority that relate to requiring an environmental offset, the 'deemed conditions' (see Appendix 1 of this guide) under the Offsets Act will also apply to the activity. Section 19B of the Offsets Act includes the deemed condition that the authority holder must enter into an agreed delivery arrangement with the administering agency prior to carrying out works that have an impact on the matter.

Part 6 of the Offsets Act, and section 6 and figure 3 of this guide provide detail in relation to imposing an offset condition and the process for deciding how the condition will be delivered.

Offset agreed to before authority issued



Offset agreed to after authority issued

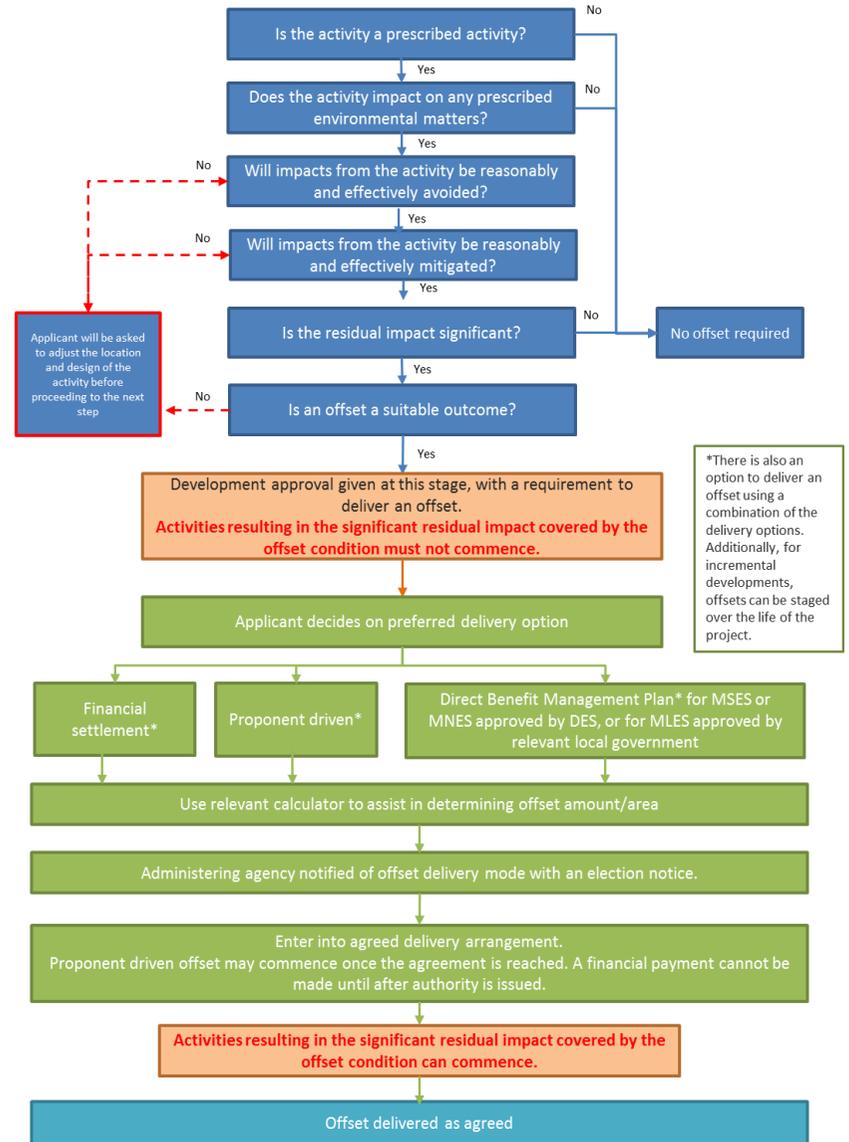


Figure 3: Options to agree on offset prior to, or after, the issuing of the authority

5 Offset delivery options

The Offsets Act provides flexibility in delivering a conservation outcome through the following offset delivery options:

- financial settlement offset;
- proponent-driven offset; or
- a combination of proponent-driven offset and financial settlement offset.

Under the Offsets Act, environmental offsets must achieve a conservation outcome for the impacted matter. The Offsets Act states that a conservation outcome is achieved by an environmental offset if the offset is selected, designed, and managed to maintain the viability of the matter.

Section 18(4) of the Offsets Act and section 8 of the Offsets Regulation outlines what must be addressed in an offset delivery plan to achieve a conservation outcome. The Offsets Policy also further clarifies how the conservation outcome is to be achieved for each offset delivery option.

Further information about achieving a conservation outcome is found throughout this guide.

5.1 Financial settlement offsets

A proponent can meet an offset requirement by making a payment of an agreed amount—a financial settlement offset. Appendix 4 of the Offsets Policy contains a financial settlement offset calculation methodology. This methodology must be used when determining a suitable offset payment for impacts on MSES. A web-based Financial Settlement Offset Calculator has been developed to calculate the financial settlement offset amount based on the methodology in the Offsets Policy. The Financial Settlement Offset Calculator is available on the Queensland Government website at www.qld.gov.au (search 'environmental offsets').

The financial payment methodology is based on the formulae provided in box 3 below.

For financial settlement offsets required by a local government, an alternative financial settlement payment amount may be determined provided that the:

- payment amount is no greater than what would have been required if calculated in accordance with the Financial Settlement Offset Calculation Methodology in Appendix 4; and
- the local government is able to achieve a conservation outcome for the nature, size and scale of the impact on the prescribed environmental matter(s), the subject of the offset payment.

When delivering offsets using financial settlement payments, local government may use money derived from other sources to supplement delivery of the conservation outcome where the financial settlement offset payment does not cover the full offset delivery costs.

Box 3: Financial settlement offset formulae

Terrestrial formula:

Financial payment = (total offset area x on-ground cost per hectare) + landholder incentive payment + administrative cost

Marine and aquatic formula:

Financial payment = (total offset area required x on ground cost per hectare) + administrative cost

Breakdown of components in terrestrial and marine formulae:

- **On-ground cost:** Estimates of on-ground ecosystem management costs are highly variable, dependant on multiple site factors including location, access, and the type of management actions involved. The cost approach is modelled—based on expert advice from Natural Resource Management bodies and local government, academic papers and industry feedback—from a broad range of site-related actions that together can be grouped into two main categories:
 - Establishment costs;
 - Maintenance costs for the life of management of the offset.

In the Wet Tropics, South East Queensland and Central Queensland coast, this is based on landscape reconstruction and fabrication costs. In less fragmented bioregions, the cost is based on natural regeneration or landscape maintenance—depending upon the level of fragmentation in the sub-region. To account for economies of scale for very large offsets, a sliding scale of per hectare costs is applied (refer Appendix 4 of the Offsets Policy). On-ground costs for the marine environment are set at a higher rate to cater for higher costs of offsetting in marine and remote environments. Where marine related offsets are provided on land (e.g. for riparian works to improve water quality) landholder incentive payments will be derived from these costs.

- **Landholder incentive cost:** The landholder cost is not intended to cover the full lost economic opportunity costs of a proposed offset, but rather the intent is to provide enough incentive for the individual to be willing to participate in the market.

The specific method for calculating the incentive payment is based on whether the bioregion is predominantly rural land or is more densely populated and has potential for a wider range of purposes. In the Wet Tropics, South East Queensland and Central Queensland coast, the cost is based on unimproved land value estimates from the Queensland Valuation System. In other bioregions, it is based on the loss of production using sub-regional estimates of long-term carrying capacity and a gross margin per animal equivalent.

- **Administrative cost:** An administrative cost is set at 25% of the offset cost, capped at \$1,000,000 with a floor price of \$50,000. However, for impacts that are equal to or less than 2.5 hectares there is no floor price. The administrative cost is used to cover administration costs - for example, legal security, strategic targeting of sites and contract negotiations.

Protected area formula:

Financial payment = (area of impacted protected area x land value x set ratio from the Offsets Policy) + direct impact costs

Detail about the elements of the protected area formula is provided in Chapter 3 of the Offsets Policy.

5.1.1 Making a financial settlement offset payment

The Offsets Act requires that the financial settlement amount must be agreed with the administering agency as part of the agreed delivery arrangement. The agreed financial settlement must be paid in full to the relevant offset account before commencing any part of a prescribed activity to which the offset condition relates.

Where an offset is required by the State Government, the offset payment is to be made to the offset account that is administered by the Queensland Government. Once the offset payment is agreed as part of the agreed delivery arrangement for the offset, DES will provide the proponent with an invoice for payment into the offset account.

Where the payment is for an offset required by local government, including for koalas in South East Queensland under the repealed Schedule 11 of the Planning Regulation 2017 and the repealed South East Queensland Koala Conservation State Planning Regulatory Provisions (SEQ Koala SPRP), the payment is made to the relevant local government's trust fund. The relevant local government can provide advice in relation to how payment should be made.

The proponent's offset requirements are met on payment in full of the agreed financial settlement amount into the relevant offset account. Funds received are used to deliver offsets in accordance with the environmental offsets framework.

5.1.1.1 Proposing a financial settlement offset

Forms for proposing to make a financial settlement offset must be submitted to the relevant administering agency. The relevant forms can be found at www.qld.gov.au (search for 'environmental offsets'), and are:

- EOD1 - Environmental Offsets Delivery Form 1: Notice of Election and Advanced Offset Details
- EOD4 - Environmental Offsets Delivery Form 4: Financial Settlement Details.

If the offset is part of a staged offset approach, form EOD6: Stated Offset Details will also be required.

5.1.2 Expenditure of offset payments

The DES administered offset account has the express purpose of providing funding for the delivery of environmental offsets to achieve conservation outcomes for impacted matters. Money cannot be spent contrary to this purpose. Strategic projects, Direct Benefit Management Plans, and investment in Strategic Offset Investment Corridors will be the primary focus for how funds from financial settlement of offsets are spent.

DES implements best practice corporate governance policies and principles to ensure that matters are appropriately managed. This includes transparent reporting through an annual publication of the acquittal of the State's environmental offset fund receipts and allocations. For example, a transparent and competitive tendering and procurement process will be implemented in most cases to ensure projects are delivered by the most suited provider.

The Offsets Act also provides that funds received by local governments for the purpose of environmental offsets must also be spent in a manner consistent with delivering a conservation outcome for the impacted matter. Financial payments made to local governments are held in a trust fund that is administered by the local government and may be used to pay for the offset delivery and fees associated with administering the fund.

DES or the local government may engage another entity to deliver the offset using the financial offset payments by entering into an environmental offset agreement with the other entity. The environmental offset agreement outlines the conservation outcomes that must be achieved.

5.2 Proponent-driven offsets

Proponent-driven offsets are delivered by, or on behalf of the proponent. This can include delivery of the offset by a third party through a contract between the proponent and an offset provider. Under this option the liability for delivering the offset remains with the proponent as part of their obligation to deliver the requirements of the offset conditions.

There are two options for delivering a conservation outcome as a proponent-driven offset:

- land-based offset
- undertaking actions in an approved Direct Benefit Management Plan (DBMP).

5.2.1 Land-based offset

A land-based offset is characterised by a parcel of land being managed to provide a conservation outcome for impacted matters. Land-based offsets may be provided for an impact on any prescribed environmental matter, including marine related impacts. However, for impacts on protected areas, the Chief Executive administering the protected area must first agree with the land-based offset proposal.

A land-based offset:

- may be provided in areas that contain remnant or non-remnant regional ecosystems;
- has a maximum requirement of four times the area of impact on each matter of State environmental significance (i.e. the maximum offset ratio for a matter is up to 1:4) for matters of State and local significance environmental significance, other than a protected area and connectivity area
- for prescribed regional ecosystems that are connectivity areas, the offset should be at least the same size as the impact (i.e. the offset ratio is 1:1);
- for protected areas, the offset ratio must be in accordance with Table 1 of the Offsets Policy, that is:
 - for impacts on national park, national park (scientific), national park (Aboriginal Land), national park (Torres Strait Islander land), and national park (Cape York Peninsula Aboriginal land), the offset ratio is 1:10;
 - for impacts on conservation parks, resources reserves and nature refuges, the offset ratio is 1:5;
- for any protected area, a ratio of 1:2 where comparable or better conservation values can be protected and

includes surrender of exploration authorities and/or licences that may eventuate in impacts on the proposed offset area (unless an indirect offset has been agreed in accordance with section 2.2.1 of the Offsets Policy), must provide a gain in habitat quality suitable to compensate for the loss of habitat quality' at the impact site, to achieve a conservation outcome for each of the impacted matters; and

- may be able to accommodate more than one overlapping environmental matter providing the requirements of the Offsets Policy can be met (see section 5.2.1.9 of this guide)

5.2.1.1 Proposing a land-based offset

Forms for proposing to deliver a land-based offset must be submitted to the relevant administering agency. The relevant forms can be found at www.qld.gov.au (search for 'environmental offsets'), and are:

- EOD1 - Environmental Offsets Delivery Form 1: Notice of Election and Advanced Offset Details
- EOD2 - Environmental Offsets Delivery Form 2: Offset Delivery Plan Details
- EOD3 - Environmental Offsets Delivery Form 3: Offset Area Details
- EOD5 - Environmental Offsets Delivery Form 5: Habitat Quality Details.

If the offset is part of a staged offset approach, form EOD6: Stated Offset Details will also be required.

5.2.1.2 Habitat quality

Habitat quality assessment is undertaken to enable the condition of the impact site and an offset site to be compared. It is ultimately identified as a score between 1 and 10. This approach is based on three key indicators—

- site condition, which is a general condition assessment of vegetation compared to a benchmark or reference site;
- site context, which is an analysis of the site in relation to the surrounding environment; and
- species habitat index, which is the ability of the site to support a species.

5.2.1.3 Achieving a conservation outcome through habitat quality gain

In order to ensure that the requirement to deliver a conservation outcome is met, having regard to the ratio required under the Offsets Policy, the offset proposal will need to demonstrate that, within a 20 year period, the offset site can achieve a:

- habitat quality score at least 1 point greater than the impact site's score (e.g. if a proponent seeks to impact a site with a habitat quality score of 7, the offset site must achieve at least a score of 8); and
- minimum overall habitat quality gain of at least 2 points, relative to the offset site's starting habitat quality (e.g. if the offset site starts as a score of 6, it is expected to reach a score of 8 within 20 years).

The Guide to Determining Terrestrial Habitat Quality (the habitat quality guide) outlines the principles and how they work for sites that have a high starting habitat quality. The habitat quality guide, as well as templates to assist in recording habitat quality assessments, are available on the Queensland Government website at www.qld.gov.au (search 'environmental offsets').

Management actions will be required on the offset site in order to achieve the habitat quality gain. Depending upon offset site characteristics and the matters for which the site has been secured, these actions may include:

- habitat or ecosystem restoration
- implementing grazing regimes that support improvement in ecological condition of the prescribed environmental matter
- weed control, including control of non-endemic native plant species
- fire management
- erosion control and management of areas at risk of future erosion
- retention or installation of habitat attributes such as rocks, fallen dead timber and hollow logs
- control of feral and problem animals such as pigs, foxes and cats
- retention and management of regrowth and remnant native vegetation
- supplementary planting to assist natural regeneration.

All management actions must be additional to existing obligations for managing the land.

5.2.1.4 Measuring terrestrial habitat quality

The habitat quality guide identifies how to measure site condition, context and species habitat index for:

- regulated vegetation (Schedule 2, section 2 of the Offsets Regulation)
- protected wildlife habitat (Schedule 2, section 6 of the Offsets Regulation); and
- advanced offsets for Regulated Vegetation and Protected Wildlife Habitat.

The habitat quality guide must be used for these matters unless an alternative approach has been approved by DES as suitable for measuring the conservation outcome.

The habitat quality guide provides two options for measuring habitat quality:

- rapid assessment; and
- standard assessment.

5.2.1.5 Rapid assessment

Under the rapid assessment process a habitat quality score of 7 out of 10 may be assumed for the impact site and a fixed offset multiplier for each matter is applied in accordance with the Offsets Policy to determine a proponent's total offset requirement. This process is particularly useful where time and resources are limited, as a proponent is only required to undertake a full habitat quality analysis of the offset site.

5.2.1.6 Standard assessment

The standard assessment process is used for both the impact and offset sites—and requires a habitat quality assessment to be undertaken for both sites. An advantage of undertaking an analysis of both sites is that the actual habitat quality of the impact site is measured, which in some cases can reduce the offset multiplier to less than 1:4. This will ultimately depend on the habitat quality of the impact and offset site compared to each other, and the management actions that will be undertaken to achieve a conservation gain for each impacted matter.

To assist proponents in determining the relevant offset ratio, a Land-based Offsets Multiplier Calculator assists in determining the appropriate size of the offset site relative to the site of the impact. The Land-based Offsets Multiplier Calculator is a web-based tool and assists in comparing the habitat quality of an impact site and offset site to determine how the habitat quality gain can be met. It is available on the Queensland Government website at www.qld.gov.au (search 'environmental offsets').

5.2.1.7 Measuring non-terrestrial habitat quality

In order to determine how to measure habitat quality for wetlands, declared fish habitat areas and marine parks, contact DES. For fish passage and marine plants, contact the Department of Agriculture and Fisheries

5.2.1.8 Relationship of a land-based offset with rehabilitated areas

Activities which must be undertaken to rehabilitate the land, as required under a condition of an authority, cannot be taken into consideration as part of the offset proposal. However, land that has been rehabilitated as a result of an authority requirement for one project can be used as an offset for a different project once the rehabilitation works have been completed to the satisfaction of the authority condition. However, the rehabilitated land must meet the offsets framework's requirements for delivering a conservation outcome for the impacted matters. Therefore, a proponent may be able to use the rehabilitated site as an offset provided that:

- the offset will deliver a conservation outcome for the impacted matter(s);
- management actions for the offset are above and beyond the rehabilitation requirements for the site; and
- the requirements for delivery of a land-based offset are met, including for example, preparation of an offset delivery plan that demonstrates how a conservation outcome will be achieved and legal security for the land.

Once the authority's rehabilitation condition has been met, the land may be suitable and registered as an advanced offset and any additional management activities can be considered as part of the conservation outcome achieved through the advanced offset. DES will determine on a case by case basis if the land is suitable for an advanced offset registration.

5.2.1.9 Using a land-based offset area for multiple offsets

It is possible to co-locate offsets arising from different authorities on the one parcel of land—regardless of whether the authorities were issued by the Commonwealth, State or local government—provided the management activities provide benefits for all the prescribed environmental matters, and a conservation outcome can be achieved for all the prescribed environmental matters.

For example, multiple offset requirements may be co-located on a person's land where the offsets arise from the same stage of the same development activity (i.e. a stage of a mining activity) even if the offset conditions are granted under State and Commonwealth assessment legislation for different prescribed environmental matters.

As another example, if a person's land is already being used as an offset to preserve and manage that land for a prescribed environmental matter, it may be permissible to use that piece of land to offset another prescribed environmental matter where:

- there are no perverse outcomes (e.g. there is no conflict between the management of the two offsets, such as the need for conflicting fire regimes);
- actions to deliver a conservation outcome for the second offset are additional to those already being delivered for the purpose of the first offset; and
- synergies are produced (e.g. releasing and actively managing captive bred animals (offset 2) into an already protected and managed area for the same species (offset 1) may increase the survival rate of the released animals and increase the viability of the existing population).

5.2.1.10 Using multiple land-based offset areas for an offset

It is also possible to use multiple land-based offset sites in order to meet an offset obligation.

5.2.2 Direct benefit management plans

Proponent-driven offsets can also be delivered through an approved Direct Benefit Management Plan (DBMP). A DBMP is a packaged investment that outlines priority actions to address threats to, and provide substantial benefits for, particular prescribed environmental matters. Substantial benefits are achieved by providing landscape-scale benefits for those matters, or if the matter is localised, improved outcomes compared to a traditional land-based offset.

However, the Offsets Policy provides that a DBMP cannot be used to offset a significant residual impact on koala habitat.

The Offsets Policy provides criteria that a DBMP must address and requires that any DBMP is pre-approved before they can be considered as part of an offset delivery approach. All pre-approved DBMPs will also be added to the environmental offsets register, which can be found at www.qld.gov.au (search for 'environmental offsets').

Any entity may prepare a DBMP and submit the DBMP to DES for pre-approval. Entities are not required to submit an offset delivery plan or legally secure the DBMP for it to be pre-approved.

A DBMP can be prepared and pre-approved prior to identifying a specific offset obligation that it will be delivering a conservation outcome for.

DES can pre-approve a DBMP that addresses any accredited MNES or any MSES. DES will only approve a DBMP where the administering agency that is primarily responsible for the management of the MNES or MSES has also endorsed the DBMP.

Once it is approved, information about the DBMP will be listed on the publicly available offsets register. This register will record a description of the prescribed environmental matters that the DBMP achieves a conservation outcome for, the location and/or local government area the DBMP is included in, and the author(s) of the DBMP and their contact details. A proponent with an offset obligation can then access the offsets register to identify if there is a pre-approved DBMP that may meet their requirements.

The relevant local government can pre-approve a DBMP where the plan addresses an MLES or an MSES under the local government's jurisdiction.

The pre-approval of the DBMP will provide greater certainty that the actions provided in the plan are priority actions that are relevant and suitable to deliver a conservation outcome for the respective prescribed environmental matter(s). As consideration of a DBMP's suitability may require expert advice and consideration, pre-approval reduces the risk of assessment delays once an administering agency has received a DBMP as part of an offset proposal. Consequently, where an offset proposal will deliver the DBMP, once the offset proposal is received, the only consideration relevant for the offset proposal is whether it is sufficient to compensate for the significant residual impact on the prescribed environmental matter(s).

Depending on the focus of the DBMP (e.g. feral animal control) or detail covered by the DBMP (e.g. site-level focus) the offset requirement to be delivered through a DBMP may not need to be based on a habitat quality assessment. In these situations, the delivery of activities in a DBMP will be based on whether the outcomes are likely to deliver substantial and measurable benefits to the impacted matter(s). Substantial benefits are achieved by providing landscape-scale benefits for those matters, or if the matter is localised, improved outcomes compared to a traditional land-based offset that is sufficient to counterbalance the significant residual impact of a prescribed

activity on that environmental matter.

A DBMP can include research and education, noting that however this may only account for up to 10% of an offset obligation, unless it is otherwise agreed that the research or education will provide a greater conservation outcome for the prescribed environmental matter than direct actions would deliver.

5.2.2.1 Proposing a DBMP offset

Forms for proposing to deliver a DBMP offset must be submitted to the relevant administering agency. The relevant forms can be found at www.qld.gov.au (search for 'environmental offsets'), and are:

- EOD1 - Environmental Offsets Delivery Form 1: Notice of Election and Advanced Offset Details
- EOD2 - Environmental Offsets Delivery Form 2: Offset Delivery Plan Details
- EOD3 - Environmental Offsets Delivery Form 3: Offset Area Details.

If the offset is part of a staged offset approach, form EOD6: Stated Offset Details will also be required.

5.2.2.2 Assessment of DBMP proposal as part of an offset delivery plan

The assessment of the suitability of a DBMP for a prescribed environmental matter(s) is a separate process that must first have occurred prior to including a DBMP as part of an offset proposal. In considering a proponent's proposal to implement an offset through delivery of actions in a DBMP, the administering agency's considerations will need to include whether the:

- DBMP has been pre-approved as relevant for that matter;
- actions from the DBMP are already being implemented by another party, and if so, if this is consistent with the management objectives of the DBMP (for example, if there is one research project identified in the DBMP, it may not be reasonable for two parties to deliver this);
- offset delivery plan clearly outlines how the actions in the DBMP will be implemented to achieve a conservation outcome for the prescribed environmental matter and whether there are threatening processes for the matter on the site that are not addressed by the DBMP;
- where a proponent is proposing to partially implement a DBMP, proposed actions selected from the DBMP in themselves will achieve a conservation outcome for the impacted matter; and
- delivery of the DBMP will achieve the principles of the Offsets Policy.

5.2.3 Offset delivery plans

An offset delivery plan is required for all proponent-driven offsets. The role of this plan is to identify the offset site, what matters the offset site is designed for, and how the conservation outcome will be achieved for those matters.

The Offsets Act and Offsets Regulation set out a number of key requirements for an offset delivery plan. These requirements are also replicated in the Offsets Policy. These requirements are outlined in table 2. An offset delivery plan should address these requirements and also have regard to the offset principles and what all offset must achieve set out in the Offsets Policy.

In order to assist in the development of an offset delivery plan, a non-mandatory template that addresses the requirements is available at www.qld.gov.au (search 'environmental offsets').

Table 2: Requirements of an offset delivery plan

Requirement for the plan	Explanation
Include a description of the prescribed environmental matter to which the offset condition relates.	This allows the administering agency to identify which matters the plan is designed to benefit, and to compare this against the matters permitted to be impacted in the authority.
Include a statement whether the offset condition will be delivered, wholly or partly, on the land on which the environmental offset will be undertaken.	This allows the administering agency to identify whether the plan is designed to benefit the full extent of impacted matters or whether a financial settlement offset or actions in a DBMP will also be used to counterbalance the significant residual impact of development.
Include a description of how an environmental offset will be undertaken and how the conservation outcome will be achieved.	<p>Under the Offsets Act, a conservation outcome is achieved by an environmental offset if the offset is selected, designed, and managed to maintain the viability of the impacted prescribed environmental matter.</p> <p>The Offsets Policy Chapter 2 provides additional information about achieving a conservation outcome for some particular matters.</p> <p>For example, the viability of a threatened species population needs to be considered to ensure its future survival. An offset site for a threatened species must contain or be capable of containing as a result of the proposed offset activities, a viable population of that species. This requires an adequate population, age structure and genetic variability to ensure long-term survival so that there is no net loss.</p> <p>To describe how the conservation outcome will be achieved, the delivery plan must identify:</p> <ul style="list-style-type: none"> • if the offset will be delivered as a land-based offset and/or actions in a DBMP; • the management objectives and outcomes for the offset site; and • the management activities, including a schedule of these activities, that will be undertaken in order to achieve the objectives and outcomes. <p>Where the offset will be a land-based offset, the management actions can be linked to those attributes of the habitat quality score that will be improved to achieve a conservation outcome for the prescribed matter. Where the offset includes actions in a DBMP these must be clearly referenced together with an indication of how the conservation outcome will be achieved relative to the scale of the significant residual impact on the prescribed matter.</p> <p>The actions proposed may require additional permissions required by an existing Act, authority or agreement.</p>
Include a description of the particulars of, or a description sufficient to identify, the land on which the environmental offset will be undertaken.	This is to allow the administering agency to identify the location of the land –for the purpose of both considering the offset proposal, and for recording in the offset register.
Include signatures of the authority holder and any entity that owns land on which the offset will be undertaken.	The offset delivery plan will need to include the signatures of the authority holder and any entity that owns land on which the offset will be undertaken.

Requirement for the plan	Explanation
	An 'entity' is defined under the <i>Acts Interpretation Act 1954</i> and includes a person and an unincorporated body.
<p>Include information in relation to the identity, and contain details of, any person with an interest in the land on which the environmental offset will be undertaken.</p>	<p>The consent of all persons with an interest in the land will be required when the offset is legally secured. It is recommended that that this consent be obtained before submitting a notice of election under Part 6 of the Offsets Act. This includes the interests of State Government agencies in forest, quarrying and mining resources on leasehold land.</p> <p>Persons with an interest in the land are:</p> <ul style="list-style-type: none"> • persons with a registered interest under the <i>Land Act 1994</i> or <i>Land Title Act 1994</i>; • if the land is subject to a lease, mining interest, geothermal tenure or GHG authority—the relevant lessee, interest holder, tenure holder or authority holder; and • if the land is a forest entitlement area, State forest or timber reserve under the <i>Forestry Act 1959</i>—the chief executive of the department in which the Forestry Act is administered. <p>A mining interest means a:</p> <ul style="list-style-type: none"> • mining claim, mineral development licence or mining lease granted under the <i>Mineral Resources Act 1989</i>; or • petroleum lease granted under the <i>Petroleum Act 1923</i> or the <i>Petroleum and Gas (production and Safety) Act 2004</i>. <p>This information allows the administering agency to consider whether there are any registered interests on the land that may be in any way incompatible with achieving the offset objectives—for example, resource entitlements, exploration permits, forestry or quarry interests.</p> <p>The Offsets Act does not currently include Native Title Holders as a person with an interest in land. However, Native Title Holders and cultural values should be identified in an offset delivery plan, impacts avoided, and relevant groups consulted. An offset should not conflict with cultural values or Native Title interests or rights of the Commonwealth <i>Native Title Act 1993</i>.</p>
<p>Include a description of the existing land use of the land on which the environmental offset will be undertaken and any impact that land use may have on the delivery of the offset.</p>	<p>This allows the administering agency to consider whether the existing land use is in any way incompatible with achieving the offset objectives. Where there is a state resource—such as forestry or quarrying—on the land, agreement of the appropriate State Government agency will be required to ensure the proposed offset is compatible with planned use and management of State-owned resources.</p>
<p>Effectively account for and manage the risks of the offset failing to achieve the conservation outcome.</p>	<p>In meeting this requirement, the offset delivery plan should include a risk analysis. This will involve defining the various threats, determining the extent of vulnerabilities and devising remedial action should the risk eventuate.</p> <p>There are some threats—like natural disasters—that are not easy to predict or manage. However, there are areas</p>

Requirement for the plan	Explanation
	<p>where these are more likely to occur (e.g. storm surge, flooding, bushfire). In areas where an event can be predicted or may be likely to occur, the risk analysis should include a range of general strategies to protect the offset site from that risk and address restoration of the site after the event—having regard to knowledge and experience from previous events in the area. The extent and magnitude of a natural disaster will be considered in the ongoing monitoring and reporting of the offset site's success, and authority holders and landholders will not be penalised for events that are not reasonably foreseeable or beyond reasonable rectification.</p>
<p>Ensure the offset provides benefits in relation to the prescribed environmental matter in addition to any other benefit provided under a requirement of, or an authority under an Act.</p>	<p>The Offset Policy principle relating to additionality is: <i>Offsets must provide additional protection to environmental values at risk, or additional management actions to improve environmental values.</i></p> <p>This requires the offset management approach to include measures that go above and beyond anything which would otherwise be required under legislation if the site were not used as an offset.</p> <p>For example, management of weed and pest species would need to provide a benefit to the impacted prescribed environmental matter greater than the general land management obligations under the <i>Biosecurity Act 2014</i></p> <p>All existing restoration or rehabilitation projects that have or are planned to occur on the same land or adjacent land should be disclosed to ensure transparency and additionality principles are met in the delivery of the offset on the site.</p> <p>For offsets that include actions in a DBMP, the plan needs to demonstrate that the selected actions from the DBMP are additional to existing activities including requirements under an Act or existing funding arrangements.</p>
<p>Include transparent governance arrangements including being able to be readily measure, monitor, audit and enforce.</p>	<p>In order to identify whether or not an offset site is successfully being managed to maintain the viability of the matter, the delivery plan needs to include a program of monitoring, and a reporting program to the administering agency on the performance against the stated outcomes and objectives.</p> <p>Where there is co-location of matters on the offset site, the monitoring needs to be designed in a way that enables reporting on the conservation outcomes for all of the matters of environmental significance subject to the offset delivery plan.</p>
<p>Ensure the offset is of a size and scale proportionate to the significant residual impacts on the prescribed environmental matter.</p>	<p>The offset outlined in the offset delivery plan must be of a size and scale that will achieve a conservation outcome for the matter. Guidance on determining the size and scale of the offset is provided in section 2.1.2 of the Offsets Policy.</p> <p>For offsets that include actions in a DBMP, the plan needs to demonstrate that the selected actions from the DBMP are cost-effective and in themselves can provide a conservation outcome for the impacted prescribed environmental matter relative to the significant residual impact on that matter.</p>

Requirement for the plan	Explanation
	This may include demonstrating that substantial benefits will be achieved by providing land-scape scale benefits for the matter(s), or if the matter is localised, improved outcomes compared to a traditional land-based offset.
<p>State:</p> <ul style="list-style-type: none"> the measures the authority holder will take to secure the land on which the environmental offset will be undertaken as a legally secured offset area; why the authority holder considers the stated measures are reasonable and practicable; the period during which the authority holder will take the measures; and why the authority holder considers the stated period is reasonable for the purpose of securing the land. 	<p>Providing this information in the offset delivery plan will provide some certainty in relation to the site being legally secured, and meeting the management objectives.</p> <p>It is also an opportunity to identify if the site will not be legally secured, and why. For instance, it may be suitable to identify that legal security is not required if the conservation outcome is to be achieved through implementing feral animal control actions over multiple parcels of land or actions for a mobile animal under a DBMP, and an alternative agreement for those actions has been signed by participating landholders.</p> <p>Further detail about legally securing an offset is provided in section 8 of this guide.</p>

5.3 Combination offsets

The third offset delivery option is a combination offset. This consists of part proponent-driven offset and part financial settlement offset. This may be the preferred option if a proponent has land available that is suitable for part, but not all, of the offset obligation. In this instance, a proponent-driven offset can be delivered on the available land, and the remaining obligation can be provided through a financial settlement offset. The approach used will vary depending on the preferred balance between proponent-driven or financial settlement offsets. There are a number of ways in which this can be achieved including:

- Option 1—providing the full offset obligation for some matters by financial settlement and other matters by proponent-driven offset, for example providing a financial settlement offset for a bat colony and a proponent-driven offset for an endangered regional ecosystem; or
- Option 2—providing part of the offset obligation for one matter by a proponent-driven offset and the remainder of the obligation by financial settlement.

These examples are illustrated in figure 4.

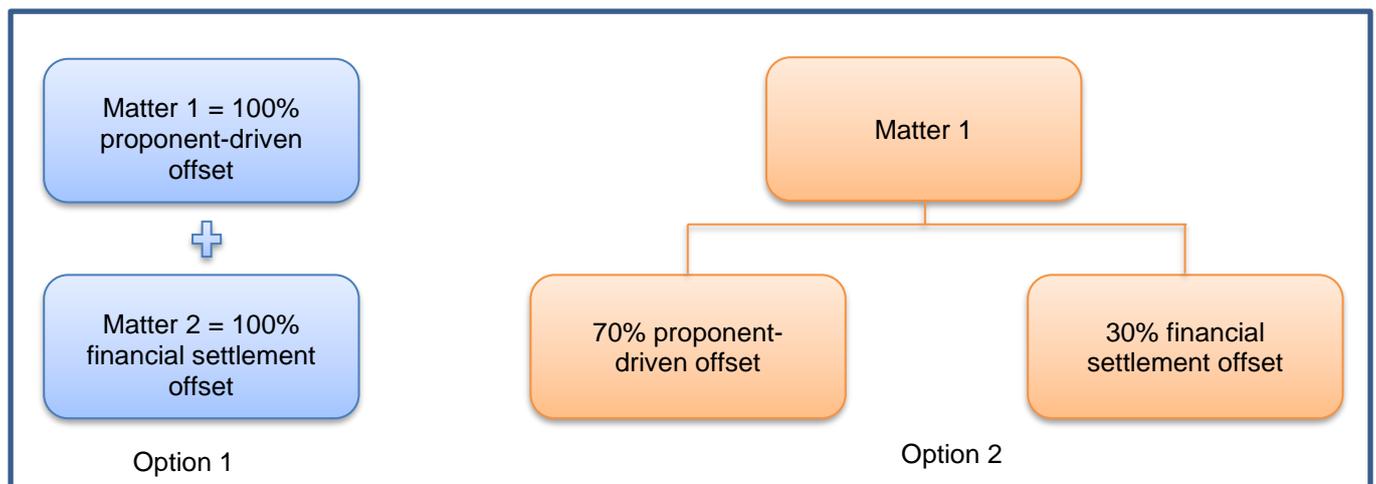


Figure 4: Examples of combination offsets

5.3.1 Process for determining a combination offset

Figure 5 below outlines a suggested process for delivering a combination offset that focuses first on proponent-

driven delivery, with the outstanding balance being provided as financial settlement.

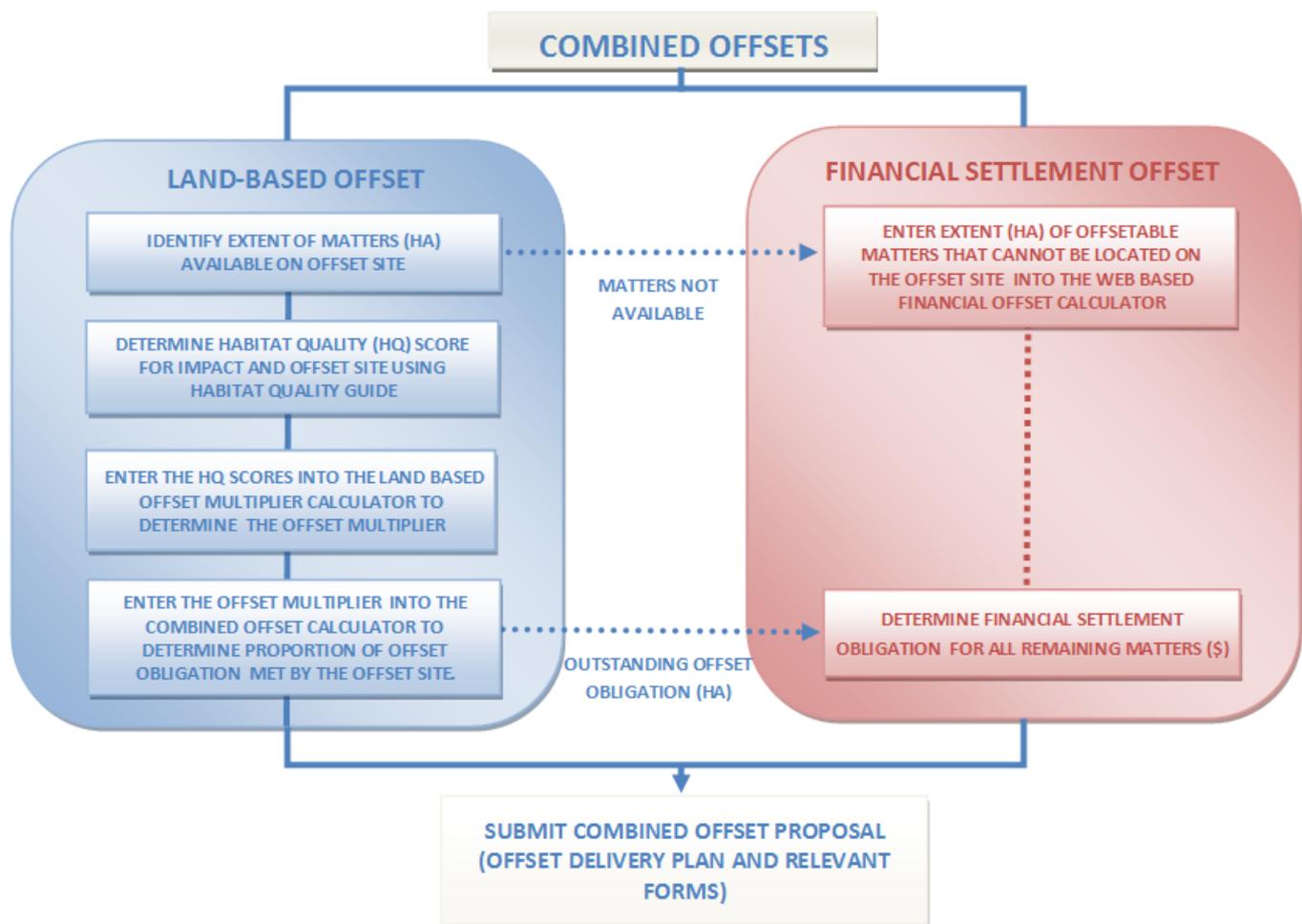


Figure 5: Combined offset process

5.3.2 How the combination offset process works

The offset condition on the development authority will identify the extent of the significant residual impact on each prescribed environmental matter requiring an offset. For this example, the significant residual impact is on an area of 10 hectares of regional ecosystem 13.4.3. The following steps provide a guide of how to provide the offset as a combination offset:

1. Identify the offset site and determine the extent of each prescribed environmental matter available on that site that can offset the matters that have been impacted.
 Note: Where a matter is not available on the offset site, the matter may be offset by way of a financial settlement offset (as outlined in step 7 below), or an alternate site can be found that adequately accounts for the matter concerned.
2. Determine the habitat quality score for the impact site and offset site. (refer to section 5.2.1.2 of this guide).
3. Enter the habitat quality scores into the Land-based Offsets Multiplier Calculator (available at www.qld.gov.au, search 'environmental offsets') to determine the required multiplier for the site (refer to section 5.2.1.6 of this guide).
4. Note: Where a particular matter is not measured using habitat quality assessment (i.e., matters other than regional ecosystems and species), refer to section 4.5.2 'Other matters data table' of the Offsets Policy for the applicable multiplier(s).
5. Enter the multipliers determined in step 2 into the Combined Offset Calculator (available at www.qld.gov.au, search 'environmental offsets') for each prescribed environmental matter. This calculator will provide the

proportion of the offset obligation that can be provided by the offset site, as well as the remaining obligation (in hectares) which is still outstanding.

6. Enter the outstanding obligation area calculated by the Combined Offset Calculator into the Financial Offset Calculator (available at www.qld.gov.au, search 'environmental offsets'). This calculator determines the financial settlement payment required to offset the remaining obligation that could not be met on the offset site.
7. Note Any other matters requiring an offset, which cannot be located on the offset site, can also be included in the financial settlement calculation at this stage.
8. Submit the Combination Offset proposal to the administering agency, consisting of an offset delivery plan for the land-based offset, together with the financial settlement payment offset calculated, on the required offset delivery forms (available at www.qld.gov.au, search 'environmental offsets').

5.4 Staged offsets

Section 18(2) of the Offsets Act provides that an offset may be provided in stages, and the Offsets Policy further provides detail about how the approach for staging offsets is to be given effect. This is illustrated in figure 6.

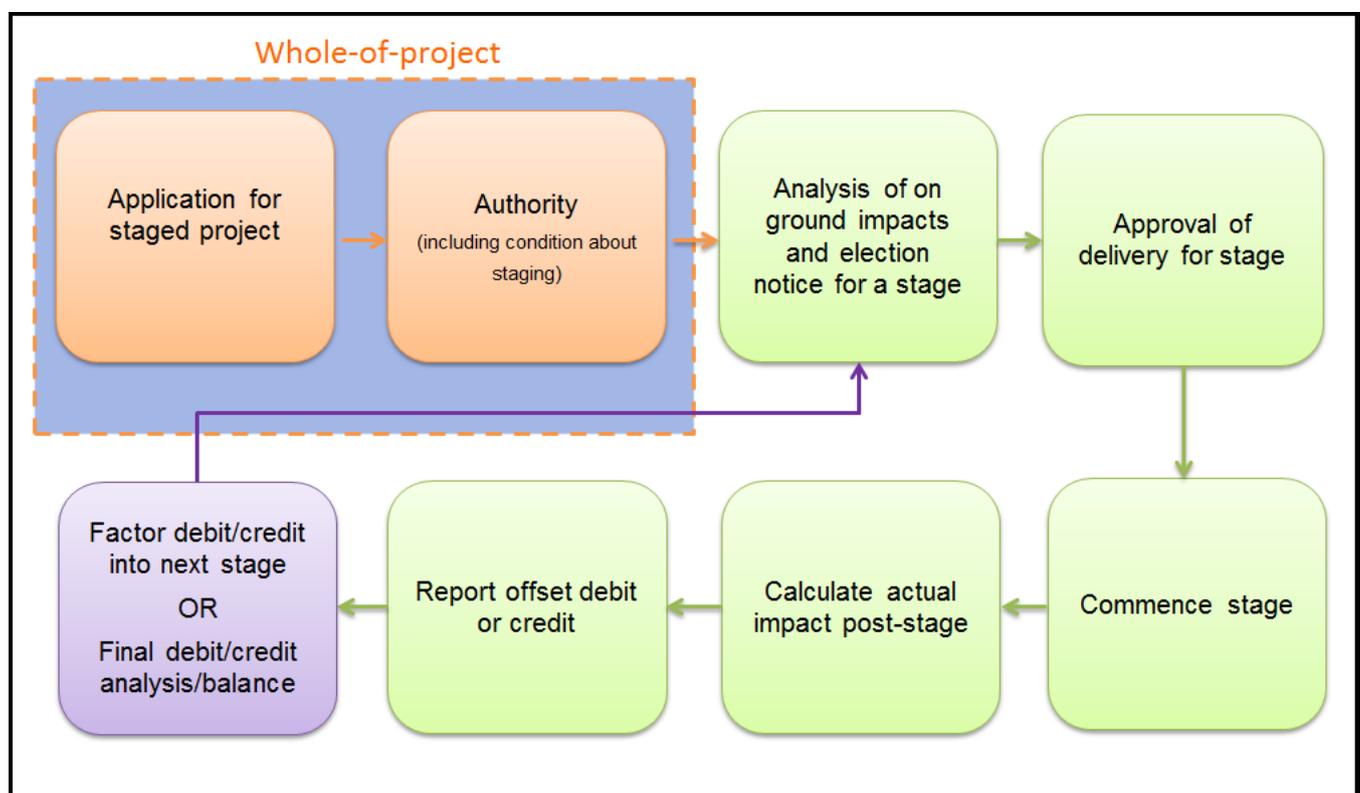


Figure 6: Process for staged offsets

When intending to stage offset delivery, the relevant conditions in the authority (such as a development approval) must provide that the activity and the delivery of the offsets can be staged. This will ensure that the proponent does not breach the Offsets Act's requirements for the offset to be agreed to prior to significant residual impacts on matters to which the offset condition relates. If the conditions instead relate to the activity as-a-whole, the Offsets Act requires that the proponent provides the full extent of the required offset for the prescribed activity before there is a significant residual impact on any of the matters for which the offset is required.

In relation to development subject to a preliminary approval under the *Planning Act 2016*, the subsequent development permits do not constitute a staged offset approach as identified under the offsets framework. Whilst the preliminary approval may consider the significance of the impact as-a-whole, each subsequent development permit will not be treated as a staged offset approach.

For conditions to facilitate the staged delivery of offsets, the maximum likely extent of a significant residual impact on a prescribed environmental matter, and information in relation to the proposed staging approach of the project,

need to be provided with the application.

As the Offsets Act requires that an environmental offset is to counterbalance the significant residual impact of a prescribed activity, and provides that an environmental offset may be delivered for each stage—the offset for each stage must fully counterbalance that stage's significant residual impact. For instance, it would not be consistent with the Offsets Act's requirements to provide an offset that addressed half of a stage's significant residual impacts with the commitment that the offset for a subsequent stage will address the remaining significant residual impacts.

However, when delivering a staged offset there is some flexibility, where, despite best efforts by the administering agency and proponent, there is an unexpected additional significant residual impact on a prescribed environmental matter that was not addressed by a stage's offset. In this instance, the Offsets Policy provides that an offset debit approach may be used to counterbalance this additional significant residual impact. However, if the total significant residual impact, including any unanticipated additional significant residual impact, exceeds the level which has been authorised, this may be an offence. For example, if the administering authority provides that a maximum area of 50 hectares of a species' habitat is permitted to be impacted across the life of the project, the total impact, including any accidental additional impact, should not be above 50 hectares.

Within the context of the *Planning Act 2016*, each development permit can contain an offset requirement, where the development results in a significant residual impact on a prescribed environmental matter. Any significant residual impact beyond what was assessed and conditioned as part of the authority could be the subject of compliance or other action to rectify or compensate for the loss.

5.4.1 Advanced offsets and credits from staged offsets

Where a proponent has undertaken a land-based offset for a staged project and it has resulted in an offset credit at the end of the project, this excess may be registered as an advanced offset (see section 9.2 of this guide). A credit may be determined where the significant residual impact on the prescribed environmental matters was less than what was offset. The area to which the credit applies must be registered and meet the requirements for an advanced offset—as identified in the Offsets Regulation and Offsets Policy. Once approved as an advanced offset by DES, the advanced offset can then be used by the proponent, or another proponent, for future development.

There is no refund of money paid as a financial settlement offset as this money will already have been committed to the delivery of an offset and the subject of contractual arrangements. Similarly, a credit or an advanced offset do not apply for DBMP offsets as they are based on outcomes of management actions.

6 Notice of election and agreement with offset delivery approach

The offset delivery approach starts with the authority holder filling in the notice of election form, Environmental Offsets Delivery Form 1 – Notice of Election and Advanced Offset Details, available at www.qld.gov.au (search 'environmental offsets'). The administering agency should provide a response to the notice of election within 40 business days of receipt of the notice.

The notice of election may be provided to the administering agency before or after the relevant authority is issued. Figure 3 identifies the process for both of these circumstances.

Where the administering agency agrees to the proposed offset delivery approach, the administering agency will provide a notice that states:

- that they agree with the proposed offset delivery approach; and
- the proponent must enter into an agreement with the administering agency on the process and timeframe for delivering the agreed offset. This agreement is an 'agreed delivery arrangement' under the Offsets Act.

6.1 When the offset delivery approach is not agreed

There may be circumstances where the administering agency may not agree with the proposed delivery approach, such as when:

- the offset delivery plan does not include all details specified in the Offsets Act, Offsets Regulation or Offsets Policy;
- the detail in the offset delivery plan does not adequately specify how a conservation outcome will be delivered;
- the size and scale of the offset is not proportionate to the extent of the significant residual impact on matters; or
- the offset delivery approach does not address the full extent of the significant residual impact on each

prescribed environmental matter.

In this instance the administering agency will provide a notice advising that it does not agree with the proposed delivery approach. The notice will outline the process and timeframe for reaching agreement.

The proponent cannot commence activities that relate to the offset condition until agreement with the administering agency on the offset delivery approach has been reached.

6.2 Agreements prior to authority being issued

There are also limitations in relation to agreements that are reached before the authority is issued.

In these circumstances:

- a proponent-driven offset may commence prior to the authority being issued;
- a financial settlement offset cannot be made prior to the authority being issued; and
- within 10 business days after issuing the authority, the administering agency may decide to provide the proponent with a notice that the offset must be delivered in an alternative manner if the authorised activity varies from that which was considered when entering into the agreed delivery arrangement.

6.3 Resolution for disagreements

The Regulation provides a dispute resolution process where:

- the administering agency states that the offset should be delivered in a different way to the way proposed;
- the administering agency fails to provide response within 40 business days after receiving the notice of election; or
- the proponent and administering agency do not reach agreement within the stated reasonable time.

The Offsets Act does not preclude the agreement occurring prior to the authorisation being approved, nor from the authorisation and agreement happening concurrently. It is advised that applicants take the opportunity to discuss, with the administering agency, potential offsets at an early stage of the application process so that planning and offset delivery plans can be developed to improve opportunities for early agreement of the plans.

7 Specific requirements for protected areas

7.1 Impacts to protected areas

An offset is required for significant residual impacts on a protected area in addition to an offset on any prescribed environmental matter within the protected area. This is to compensate for the loss of unique values for which the land was set aside as a protected area including natural and cultural values, public enjoyment and appreciation, iconic geological and landscape values, tourism and recreational values, and significance to Traditional Owners.

If an offset is required as a result of significant residual impacts on a protected area, the offset should be delivered by financial settlement, or with agreement of the Chief Executive DES, as a proponent-driven offset. Proposals affecting protected areas should be discussed with DES on 13 QGOV (13 74 68) or email QPWSOffsets@des.qld.gov.au.

Proponent-driven offsets will be considered on a case by case basis. In the case of a financial settlement offset for a protected area, the financial settlement will be determined in accordance with Chapter 3 of the Offsets Policy. Once the financial settlement has been agreed between the proponent and DES, the proponent will be required to transfer the agreed amount to the DES offset account for receipting. The Chief Executive DES will then transfer the funds to Queensland Parks and Wildlife Service and Partnerships for delivery of an activity that provides a social, cultural, economic or environmental benefit to any protected area.

8 Legal security

8.1 Legal security options

Legal security will generally be required for offset sites to enable the protection and management of the prescribed environmental matter on the offset site. However, it may not be required for DBMP offsets where agreements have been made with landholders to undertake DES approved DBMP activities such as feral animal eradication or conservation activities for mobile animals on their land for specified periods.

Legal security provides certainty for a number of parties with an interest in the site, so that:

- the State Government has greater certainty that the offset will be managed in accordance with the stated requirements of an offset delivery plan;
- the landholder has certainty and clarity regarding any restrictions on what future development can occur on the offset area; and
- proponents and the community have assurance that the offset area will be protected as the legal security is linked to the property's title.

Section 29 of the Offsets Act outlines that an offset may be legally secured through any of the following mechanisms:

- environmental offset protection area under the Offsets Act (administered by DES)
- voluntary declaration under the *Vegetation Management Act 1999* (administered by the Department of Resources)
- protected areas including nature refuges and special wildlife reserves under the *Nature Conservation Act 1992* (administered by DES)
- another mechanism specified under the Regulation, including a statutory covenant under the *Land Act 1994* or *Land Title Act 1994* (administered by the administering agency)
- a fish habitat area under the *Fisheries Act 1994* (administered by Department of Agriculture and Fisheries) or
- a highly protected zone of a marine park declared under the *Marine Parks Act 2004* (administered by DES).

Under section 29(2) of the Offsets Act, a protected area is not a legally secured offset area if declared before the offset condition is imposed. Where an offset is being delivered on an existing protected area another legal security mechanism needs to be established over the area. This means that where prescribed activities are conducted in the area in the future, an offset may be required for the loss of the protected area, prescribed environmental matters on the protected area, and the legally secured offset area.

In selecting the legal security mechanism for the offset, the proponent will need to consider the timeframes, costs and processes associated with creating the mechanism. For example, the process for declaring fish habitat areas, marine parks and protected areas requires legislative change. In some cases, the relevant agency may require the proponent to cover the costs associated with the declaration and future management of the area in addition to the costs associated with offset delivery. It is advisable that the proponent provide evidence of in-principle support from the agency administering the legal security mechanism as part of the offset proposal. However, in-principle support does not guarantee that the offset security mechanism will ultimately be given effect, even if reflected in the agreed delivery arrangement. Please contact the relevant agency for more information regarding these options.

Should the originally proposed offset delivery mechanism not be able to be executed, the proponent will need to identify an alternative mechanism and arrange to amend the agreed delivery arrangement.

8.2 Process for establishing an environmental offset protection area

The environmental offset protection area is a legal security mechanism under the Offsets Act that is designed to meet the requirements of the offset framework. These areas can be used for any matter and tenure (even where there is no title such as riparian areas that may be Unallocated State Land). They can apply across multiple tenures or where there are multiple landowners. In addition, the boundary of the offset area can be simply defined by coordinates rather than requiring a full survey.

To have an environmental offset protection area established over an area, the owner of the land must apply to DES using the application form available at www.qld.gov.au (search 'environmental offsets').

The Offsets Act requires that the application must be accompanied by:

- an environmental offset agreement and an offset delivery plan, which outlines the management actions that are to be undertaken on the land to achieve a conservation outcome; and
- the signed consent from each person with an interest in the land. This means:
 - a person with a registered interest, under the *Land Act 1994* or the *Land Title Act 1994*, in the land;
 - if the land is subject to a lease, mining interest, geothermal tenure or Greenhouse Gas authority—the relevant lessee, interest holder, tenure holder or authority holder; or
 - if the land is a forest entitlement area, State forest or timber reserve under the *Forestry Act 1959*—the chief executive of the department in which the Forestry Act is administered.

When approved by DES the environmental offset protection area will be recorded in the environmental offset register held by the department and recorded against the title for the land by the land registrar.

The processes for having a voluntary declaration, nature refuge, special wildlife reserve and covenant declared over an offset area are guided by the requirements under the relevant legislation they are established under.

8.3 Life of offset and life of management

The requirements for managing an offset site and for legally securing it are different. The management requirements for the offset site are those that are provided in the offset delivery plan. The plan will have a stated period during which those actions are to be undertaken.

However, legal security of an offset site is required for the same period as the significant residual impact. If the impacts are permanent, then permanent legal security is required.

Where the significant residual impact on the matter extends beyond the life of the management actions in the delivery plan, the offset will require legal security for this extended period. This means that offset security may be required beyond the life of the original authority.

For example, where an endangered vegetation is cleared for a building footprint, the significant residual impact on the matter is permanent as the building has replaced the area that was previously vegetated. Providing an offset for the ecosystem may only require land management activities for 20 years, after which the matter is self-sustaining, and the conservation outcome is taken to have been achieved. However, as there is a permanent loss of the ecosystem, the offset will require security beyond the life of management – into perpetuity.

8.4 Impacts to legally secured offset areas

Where a significant residual impact from a prescribed activity is unavoidable on an existing offset site, an offset will be required for:

- the original offset area to the extent the new development compromises achievement of the conservation outcome on that existing offset site; and
- any other prescribed environmental matters impacted in the offset area.

These requirements are outlined in section 2.1.5 of the Offsets Policy (available at www.qld.gov.au, search 'environmental offsets'). Criteria for a significant residual impact on legally secured offset areas are included in the relevant significant residual impact guideline, as identified in section 3.5.1 of this guide.

Prior to any impacts occurring on the offset site the legal security mechanism will first need to be removed. This removal will protect the landholder's rights by ensuring that they are not legally obliged to continue delivering the offset when it is no longer viable. This is reflected in the deemed condition in section 25 of the Offsets Act.

Activities that are not prescribed activities do not need to provide an environmental offset for any significant residual impacts on a legally secured offset area.

9 Offset implementation tools

9.1 Strategic Offset Investment Corridors

Strategic Offset Investment Corridors (SOICs) are pre-identified areas of land which contain some matters of national and state environmental significance. The SOICs consist of conservation hubs (for example, national parks) and connections which are under low development pressure, and are not zoned for urban development activities. Offset delivery and management actions strategically undertaken within these areas can provide landscape-scale benefits for the matters within these areas.

The identified corridors are not binding on landholders. However the offset hierarchy requires proponents to seek offset opportunities within the SOICs wherever possible, because of the landscape-scale benefits they provide for prescribed matters. Proponents can also benefit as the pre-identified areas can make offsets more cost-effective and easier to find. For matters of local environmental significance, local governments can choose to direct offsets into identified SOICs where the matters are present or use their own corridors.

Further information about SOICs, including what areas are mapped, and how to access the mapping, is available at www.qld.gov.au (search 'environmental offsets').

9.2 Advanced offsets

Advanced offsets are areas of land that have been identified for the potential future use as an offset area for a significant residual impact on one or more prescribed environmental matters. Landholders can register their land by making an application using the EOD1 - Environmental Offsets Delivery Form 1: Notice of Election and Advanced Offset Details form available at www.qld.gov.au (search 'environmental offsets').

Environmental offsets provide an opportunity for Queensland landholders to diversify their income by undertaking management actions to improve the condition of environmental values on their land. These actions help to compensate the loss of environmental values elsewhere.

Registering an area of land as an advanced offset under the Environmental Offsets Regulation 2014 is a way of attracting an environmental offset to be delivered on land. Registered advanced offsets are listed on a publicly available offsets register. A proponent (or broker/provider) with an offset obligation can view this register and may approach a landholder (via DES) to negotiate use of the site. If a proponent uses a registered advanced offset, the landholder will receive an incentive payment and can negotiate additional payments for managing the offset.

Advanced offsets may appeal to proponents (or brokers/providers) because they reduce the amount of time required to locate and secure a suitable offset site. Additionally, advanced offsets that achieve a gain in habitat quality since being registered are attractive to proponents as this can reduce the time required to fulfil their offset obligation.

Advanced offsets may also be considered by DES when delivering on offset obligations acquitted to the State as financial settlement offsets.

An environmental offset must be legally secured for the duration of the impact for which the offset was required, which is usually in perpetuity.

9.2.1 Applications to local government

Landholders may request that local government register an area of land as an advanced offset that contains, or is capable of containing a:

- MLES; or
- MSES that a local government has jurisdiction over, in accordance with section 15 of the Offsets Act.

9.2.2 Applications to State Government

Landholders may request that DES register an area of land as an advanced offset that contains, or is capable of containing, MSES. The landholder may also indicate on the application that the offset area also contains MNES. However, the Commonwealth have their own requirements for advanced offsets that must be met to be used to deliver Commonwealth offsets (refer to the *Environment Protection and Biodiversity Conservation Act 1999* Environmental Offsets Policy). Recording advanced offsets for both MSES and MNES values on the publicly available offsets register may be useful for a proponent who is required to deliver both State Government and Commonwealth offsets. However the State Government will generally not register an advanced offset area only for a MNES unless the MNES is also MSES (e.g. a State and Commonwealth threatened species or ecosystem).

Landholders seeking to declare land that contains MNES that is also a MSES are encouraged to obtain declaration from both the State and Commonwealth governments to ensure that the advanced offset can later be used by a proponent to deliver an offset obligation for either, or both the Commonwealth or State offset conditions.

Condition improvement to matters contained on land declared by the State Government as an advanced offset will only be recognised by the State Government. Condition improvement to matters contained over land declared by the Commonwealth as an advanced offset, will only be recognised by the Commonwealth. Landholders are advised to keep records of any land management activities that occur on the advanced offset site to demonstrate that these activities led to the condition gain and met the additionality principle required by the Queensland Environmental Offsets Framework when the land is chosen to meet an offset obligation.

Landholders seeking to register an advanced offset that includes MNES values are encouraged to apply to the Australian Department of Agriculture, Water and the Environment for the establishment of an advanced offset under *the Environmental Protection and Biodiversity Conservation Act 1999* Environmental Offsets Policy.

For further information in relation to submitting an advanced offset proposal to the Commonwealth, please visit www.environment.gov.au and search 'environmental offsets', or contact the Department of Agriculture, Water and the Environment on 1800 803 772.

For further information about registering advanced offsets under the Queensland environmental offsets framework are provided in Appendix 5 of the Offsets Policy, which reflect the requirements specified in the Offsets Regulation. Further information can be found at offsets@des.qld.gov.au

If approved as an advanced offset, the area will be identified in the publicly available offset register as an advanced offset, which will include information in relation to the matter(s) for which it has been registered. Proponents (or brokers/providers) with an offset requirement may use the register to identify advanced offsets that meet their requirements. Alternatively, if a proponent (or broker/provider) owns land registered as an advanced offset, they may use this land. A landholder is not obliged to agree to a proponent using the land as an offset, and any negotiations in relation to the use of the advanced offset are undertaken between the landholder and the proponent (or broker/provider).

9.3 Offset register

A publicly available offset register with MSES offsets registered since the commencement of the offsets framework in July 2014 is available on the Queensland Government website www.qld.gov.au. This register includes information in relation to conditioned authorities, legally secured offsets, financial settlement offsets, advanced offsets and any pre-approved DBMPs.

It is a legal requirement for each administering agency under the Offsets Act to keep a register about offset required and delivered under the offsets framework. Administering agencies achieve compliance with this requirement by adding information to a centralised offset register maintained and supported by the Offsets Policy Unit within DES.

Local governments, who are an administering agency for MLES, are required to maintain their own offset registers in accordance with the Offsets Act.

The Australian Government is not subject to the Offsets Act requirement to keep an offset register.

Administering agencies must ensure the offset register is updated as soon as possible after:

- issuing an approval or authority with an offset condition
- entering into an agreed delivery arrangement
- receiving reports on progress of a proponent-driven offset.

Details on financial settlement offset payments are also stored in the offsets register by DES.

The publicly available offset register is updated as often as possible to reflect activity under the offsets framework.

9.4 Mapping

Publicly accessible mapping of legally secured offset areas is part of the MSES mapping layer suite available in Queensland Globe (<https://qldglobe.information.qld.gov.au>) and QSpatial (<http://qldspatial.information.qld.gov.au/catalogue/custom/index.page>). This mapping is subject to the MSES update cycle and may not show the most current information.

To confirm the presence of an offset site under the offsets framework, please enquire at offsets@des.qld.gov.au and provide a lot on plan or other information to locate the site. Contact the Australian Government or relevant local government for information about offsets listed on their registers.

The MSES mapping layer suite is also a useful resource to help applicants and administering agencies determine whether prescribed MSES exist on an impact site.

Approved by:

Robert Hughes

15th February 2021

Director
Policy Initiatives
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Phone: 13 QGOV (13 74 68)
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Version history

Version	Date	Description of changes
1.0	22 09 2015	Initial version
1.1		Not finalised
1.2	27 06 2017	Consequential amendments to align with commencement of <i>Planning Act 2016</i>
1.03	15 02 2021	Improve clarity, expand information, consequential amendments, contemporise style

Keywords:

EPP/2021/5541;offsets; MNES, MSES; MLES

Appendix 1: Deemed conditions under the Environmental Offsets Act

Deemed condition under section 19B of the Offsets Act (agreed delivery arrangement)

1. This section applies to an authority, granted by an administering agency under another Act, to carry out a prescribed activity to which an offset condition relates.
2. It is a condition of the authority that the authority holder must have entered into an agreed delivery arrangement with the administering agency, before starting—
 - a. any works that impact on the prescribed environmental matter to which the offset condition relates; or
 - b. if the authority allows the prescribed activity to be carried out in stages—any works for the stage that impact on the prescribed environmental matter to which the offset condition relates.

Deemed condition under section 22 of the Offsets Act (proponent-driven offset)

1. This section applies if, under an agreed delivery arrangement, an authority holder is to deliver an environmental offset in whole or in part by a proponent-driven offset.
2. It is a condition of the authority that the authority holder must comply with the agreed delivery arrangement, including the agreed offset delivery plan.

Deemed condition under section 24 of the Offsets Act (financial settlement offset)

1. This section applies if, under an agreed delivery arrangement, an authority holder is to deliver an offset condition in whole or in part by a financial settlement offset.
2. It is a condition of the authority that, before the authority holder starts any part of the prescribed activity to which the offset condition relates, the holder must pay the amount required by, and in the way stated in, the agreed delivery arrangement—
 - a. if the offset condition relates to a matter of local environmental significance that is prescribed as a prescribed environmental matter—to the local government that is the administering agency; or
 - b. if the offset condition relates to a matter of State environmental significance that is prescribed as a prescribed environmental matter and further prescribed as relevant for this section—to the local government that is the administering agency; or
 - c. otherwise—to the Department of Environment and Science.
3. The authority holder may pay the amount required by the agreed delivery arrangement for a stage of the prescribed activity only if the authority allows the prescribed activity to be carried out in stages.

Deemed condition under section 25 of the Offsets Act (impacts on legally secured offset areas)

1. This section applies to an authority granted under another Act for a prescribed activity to be undertaken in a legally secured offset area.
2. It is a condition of the authority that the authority holder must not carry out any prescribed activity in the legally secured offset area if—
 - a. a delivery or management plan or agreement (however described in this Act or another Act) applies to all or part of the offset area; and
 - b. carrying out the prescribed activity will delay, hamper or stop the delivery of the conservation outcome for a prescribed environmental matter as stated in the delivery or management plan or agreement.

Appendix 2: Achieving a conservation outcome

Under the Offsets Act, environmental offsets must achieve a conservation outcome for the impacted matter. The Offsets Act identifies that a conservation outcome is achieved by an environmental offset if the offset is selected, designed and managed to maintain the viability of the matter.

A conservation outcome can be achieved through a range of actions implemented on the ground, and may include:

- improving existing habitat for the impacted prescribed environmental matter
- creating new habitat for the impacted prescribed environmental matter where it will maintain the matter's viability
- reducing threats to the impacted prescribed environmental matter
- preventing the imminent loss of an impacted prescribed environmental matter
- preventing the imminent loss of the habitat for an impacted prescribed environmental matter.

These actions need to be additional to those already occurring, funded or required (e.g. by law, contract or a condition of authority) for the impacted matter. An exception to this is where the conservation actions are funded and occur as part of an advanced offset.

Locating the offset as close as possible to the impacted area will provide greater benefits for the impacted matter within that location. To achieve best possible benefits, the following hierarchy needs to be considered:

- locating offsets within a Strategic Offset Investment Corridor closest to the impacted site; and
- in a strategic location in the following order of preference, being in the same:
 - local government area
 - sub-region
 - bioregion or adjacent bioregion.

Locating an offset in a strategic area can maximise the conservation outcome for the impacted prescribed environmental matter.

Providing a conservation outcome for impacts on regulated vegetation

The Offsets Regulation lists a number of regional ecosystems, which by virtue of their status of Regulated Vegetation under the *Vegetation Management Act 1999*, comprise Matters of State Environmental Significance. Under the Offsets Policy, an environmental offset for an impact on regulated vegetation can be provided in an ecosystem in the same 'broad vegetation group' (BVG).

BVGs are high-level groupings of Queensland's native vegetation communities. They are a combination of regional ecosystems grouped by similar vegetation communities. There are three levels of BVGs, defined by the approximate mapping scales at which they are designed to be used; that is mapping at either a 1:5,000,000 scale; a 1:2,000,000 scale; or at a 1:1,000,000 scale. Under the Offsets Policy BVGs are defined by the mapping at the 1:1,000,000 scale. The BVG type can be retrieved from an online search of regional ecosystem descriptions or from the Regional Ecosystem Description Database (REDD). For more detail about BVGs, search for 'broad vegetation group' at www.qld.gov.au.

In relation to endangered and of concern regional ecosystems—the Offsets Policy specifies that the site must be:

- of the same BVG as the impacted regional ecosystem;
- of the same regional ecosystem status (as per the *Vegetation Management Act 1999*); and
- within the same bioregion.

A conservation outcome therefore can be achieved by offsetting an impact on a regional ecosystem, at a site with a similar ecosystem (not necessarily exactly the same one).

This means the offset would have the same regional ecosystem status (e.g. endangered), occur in the same bioregion and be listed in the same BVG.

For example, impacts on the “Endangered” RE - 11.4.3 (*Acacia harpophylla* and/or *Casuarina cristata* shrubby open forest on Cainozoic clay plains) could be offset at a site that contains the “Endangered” RE – 11.4.9 (*Acacia harpophylla* shrubby open forest to woodland with *Terminalia oblongata* on Cainozoic clay plains).

This is because both of these regional ecosystems are listed under BVG – 25a [Open forests to woodlands dominated by *Acacia harpophylla* (brigalow) sometimes with *Casuarina cristata* (belah) on heavy clay soils. Includes areas co-dominated with *A. cambagei* (gidgee) and/or emergent eucalypts].