

# Chapter 1

## Introduction

### Referral of the inquiry

1.1 On 5 March 2014, the Senate referred the following matter to the Environment and Communications References Committee (the committee) for inquiry and report by 16 June 2014:

- (1) The history, appropriateness and effectiveness of the use of environmental offsets in federal environmental approvals in Australia, including:
  - (a) the principles that underpin the use of offsets;
  - (b) the processes used to develop and assess proposed offsets;
  - (c) the adequacy of monitoring and evaluation of approved offsets arrangements to determine whether promised environmental outcomes are achieved over the short and long term; and
  - (d) any other related matters.
- (2) That in conducting the inquiry the committee consider the terms of reference in (1) with specific regard to, but not restricted to, the following projects:
  - (a) Whitehaven Coal's Maules Creek Project;
  - (b) Waratah Coal's Galilee Coal Project;
  - (c) QGC's Queensland Curtis LNH Project;
  - (d) North Queensland Bulk Ports' Abbot Point Coal Terminal Capital Dredging Project; and
  - (e) Jandakot Airport developments.<sup>1</sup>

1.2 The reporting date was subsequently extended to 25 June 2014.<sup>2</sup>

### Conduct of the inquiry

1.3 The committee advertised the inquiry on its website and in *The Australian* newspaper. The committee also wrote to relevant organisations and individuals inviting submissions by 4 April 2014. The committee received 95 submissions, which were published on the committee's website and are listed at Appendix 1.

1.4 The committee held public hearings relating to its inquiry in Sydney on 5 May 2014, Canberra on 6 May 2014, Brisbane on 7 May 2014 and Canberra on 18 June 2014. A list of witnesses who appeared at the hearings may be found at Appendix 2.

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1 *Journals of the Senate*, No. 17, 5 March 2014, p. 563.

2 *Journals of the Senate*, No. 30, 16 June 2014, p. 849.

## **Acknowledgement**

1.5 The committee would like to thank all the organisations, individuals and government departments that contributed to the inquiry.

## **Notes on references**

1.6 Hansard references in this report are to the proof committee Hansard. Page numbers may vary between the proof and the official Hansard transcript.

1.7 The committee notes that the Environmental Defenders Office (Victoria) changed its name to Environmental Justice Australia during the course of the inquiry. As such, the submission is referenced as being from the Environmental Defenders Office (Victoria) (submission 72), and the hearing appearance by Mr Brendan Sydes is referenced as being from Environmental Justice Australia. The committee also received a separate submission from the Australian Network of Environmental Defender's Offices (ANEDO – submission 60).

## **Structure of the report**

1.8 This chapter outlines the conduct of the inquiry. Chapter 2 provides an introduction and background in relation to environmental offsets, in particular the legal and policy framework relating to offsets, primarily at the Commonwealth level, as well as consideration of relevant past reviews and reports.

1.9 Chapter 3 outlines the overall levels of support for, and opposition to, environmental offsets, followed by a discussion of some of the key principles underpinning the use of offsets under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act).

1.10 Chapter 4 considers some key issues relating to the processes for the development and assessment of offsets such as timing, transparency, methods for assessing and calculating offsets, as well as the need for more strategic and consistent approaches to environmental offsets.

1.11 Chapter 5 examines the adequacy of monitoring, enforcement and evaluation of environmental offsets, with a focus on offsets issued as conditions of approval under the EPBC Act.

1.12 Chapter 6 draws together the committee's conclusions and recommendations in relation to environmental offsets.

1.13 The five projects identified in the inquiry's term of reference (2) are outlined in appendices 3–7. Where appropriate, these case studies are identified as examples in the discussion of relevant issues in relation to offsets discussed in chapters 3–5.