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Nature Conservation Saves for Tomorrow

Date: 9 June 2026

Minister Murray Watt

Minister for the Environment and Water

Department of Climate Change, Energy, the Environment and Water

Submitted via online survey: <https://consult.dcceew.gov.au/environmental-offsets-standard/survey?page=1>

Comments on UPDATED Draft Policy Position Paper: National Environmental Standard for Environmental Offsets

Dear Minister Watt,

The Blue Mountains Conservation Society (the Society) is a community-based volunteer organisation with over 900 members. Our mission is to help protect, conserve and advocate for the natural environment of the Greater Blue Mountains. In fulfilling its mission, the Society advocates for the protection of the Greater Blue Mountains World Heritage Area and adjoining natural, protected areas.

The Society's members are deeply dedicated to the protection of Australia's biodiversity and expect the Federal government to implement the strongest laws that will be effective in ensuring no further loss of our natural places, plants and animals.

The Society is commenting on the "National Environmental Standard (Offsets) Exposure Draft" (the Exposure Draft) and the "Updated Draft Policy Position Paper NES for Offsets" (the draft Policy) in two separate uploaded documents. The Society's introductory comments are located at the beginning of our response to the draft Standards and they are not repeated here.

The attached response is addressing the Updated Draft Policy Position Paper: National Environmental Standard for Environmental Offsets.

The Society has focussed on the sections which are more likely to impact our areas of concern, while recognising that UNESCO considers developments or projects outside the

World Heritage Area need to be assessed to determine if an action will adversely impact the Outstanding Universal Value of the GBMWH. ¹

The notion of “environmental offsets” as a means to protect biodiversity creates the false narrative that habitat and biodiversity loss are replaceable, despite substantial scientific evidence that offsets typically fail to achieve restoration outcomes ^{2 3}.

The Society is of the view that the current draft Standard and draft Policy are unsuitable to protect our fragile environment and will continue to contribute to further environmental destruction. We do not support the draft Exposure Draft and draft Offsets Policy in its current form.

Thank you for the opportunity to comment on this important National Environmental Standard. You are welcome to contact me on my email: president@bluemountains.org.au

Yours sincerely,



Dr Annette Sartor
President
Blue Mountains Conservation Society

¹ <https://whc.unesco.org/en/guidance-toolkit-impact-assessments/>

² Abdo, L.J., Griffin, S., Kemp, A. *et al.* Has a dedicated biodiversity offsets policy improved the environmental and social compensation outcomes of development in Australia?. *Environ Dev Sustain* **28**, 9139–9164 (2026). <https://doi.org/10.1007/s10668-024-05108-0>

³ Sian Thorn, Richard J. Hobbs, Leonie E. Valentine. Effectiveness of biodiversity offsets: An assessment of a controversial offset in Perth, Western Australia, *Biological Conservation*, Volume 228, 2018, Pages 291-300, <https://doi.org/10.1016/j.biocon.2018.10.021> [Get rights and content](#)

UPDATED Draft Policy Position Paper: National Environmental Standard for Environmental Offsets

Key Concerns

In its current form, the draft Policy and the Exposure draft fail to provide sufficient certainty that significant biodiversity impacts from damaging actions will be genuinely avoided, compensated or restored.

The Samuel Review⁴ explicitly identified weak monitoring, compliance, enforcement and transparency as major systemic failures. Despite this, these failures remain largely unaddressed in the Standard. Without binding accountability mechanisms, the Standard risks repeating the same outcomes the Review was commissioned to fix.

The draft Policy is intended to support the Standards and the implementation of the Principles. However, the Policy is not the legal document and so important definitions and requirements need to be included in the Standards themselves. Details clarifying the interpretations of the Standards and their application can rest in the Policy.

The key elements of the offsets framework is being developed in a piecemeal manner and the framework lacks an overarching architecture. Aspects of the Standards framework are still missing making it difficult to determine the effectiveness of the draft Offsets Standard and Policy presented in isolation. The development of all these is urgently needed, so that stakeholders can understand how the entirety of the framework will operate and provide informed comments.

The Society calls on the Government to address these gaps before the Standard is enacted. Anything less risks enshrining a framework that falls short of the genuine environmental reform Australia's biodiversity urgently needs.

Principle 1 Feasibility - Compensation for the affected protected matter is appropriate and the impact is able to be compensated for, as demonstrated at the time approval is sought or a bioregional plan is made.

Securing of offsets

The current draft Policy does not provide sufficient assurance that proposed offsets are capable of delivering effective and measurable long-term environmental outcomes. The policy framework continues to allow project approvals before suitable offsets are fully secured, as is shown by the following statement on page 12 of the draft Policy:

“Proponents are not required to have secured an offset prior to approval; but need to demonstrate feasibility at this stage. The minister may be satisfied that an offset is

⁴ Prof. Graeme Samuel “Independent review of the EPBC Act” Oct 2020 located at: <https://www.dcceew.gov.au/sites/default/files/documents/epbc-act-review-final-report-october-2020.pdf>

feasible based on assessment information, and this assessment may be supported by the addition of conditions to an approval.”

Determining “feasibility” is not the same as acquiring an offset. The situation proposed in the draft Policy creates uncertainty regarding whether offsets will ultimately achieve measurable net gain outcomes. The draft Policy provides the minister broad discretion without requiring independently verified scientific evidence demonstrating likely ecological success.

Demonstrating feasibility (page 13)

The draft Policy states that feasibility may “include a combination of evidence . . . which meets the Principles of the Environmental Offsets Standard” and that this “can be demonstrated through the use of suitably qualified experts (e.g. an offsets, broker, suitably qualified ecologists).” There is no requirement for the experts to be independent.

Language

The language throughout this chapter remains broad and insufficiently precise in several areas.

Recommendations

- Demonstration of “feasibility” to be verified by suitably qualified “**independent**” experts.
- The wording “can be demonstrated” should be replaced with “must be demonstrated” to strengthen enforceability and consistency.
- Require independently verified scientific evidence of likely ecological success of the offset to achieve measurable gains.
- The content should be revised to ensure:
 - o clear enforceable requirements
 - o scientifically and robust evidence standards
 - o measurable ecological outcomes

Principle 2: Security – Offset activities are committed and the offsets site is protected and managed to prevent its loss and degradation

Self-sustaining

The term “self-sustaining” is poorly defined in the draft Policy⁵ in terms which are vague and subjective, not scientific and based on ecological principles.

Recommendations

- Use a recognised, scientific definition for a “self-sustaining community”.⁶

⁵ “**Self-sustaining**: the point at which maintenance is no longer needed to maintain the net gain offset outcome for an affected protected matter.” Page 17 of the draft Policy.

⁶ “A self-sustaining ecosystem is one that can support itself through natural processes. Self-sustaining ecosystems are ecosystems that can produce all the resources needed to sustain themselves indefinitely. They have a stable food chain and there is no need for external inputs or maintenance from humans or other species.” In: [Schneider Electric https://blog.se.com/sustainability/2022/11/07/components-of-a-self-sustaining-ecosystem/](https://blog.se.com/sustainability/2022/11/07/components-of-a-self-sustaining-ecosystem/)

- The achievement of “self-sustaining” should be independently verified over an extended monitoring period.

Principle 3: Direct and tangible - Offsets provide a quantifiable benefit to the affected protected matter by directly contributing to its overall recovery and conservation.

Quantifiable benefit

The Society supports the intent of Principle 3 contained on Page 18 of the draft Policy, which requires offsets to provide quantifiable benefits that directly contribute to the recovery and conservation of affected protected matters. However, significant concerns remain regarding the continued use of indirect offsets and the lack of clear requirements for demonstrating ecological outcomes.

The Policy does not adequately define what constitutes a quantifiable benefit or how such benefits will be measured, verified and monitored. Without clear standards, offsets may rely on uncertain assumptions rather than delivering demonstrable ecological improvements. Independent monitoring and verification should be required to ensure offsets achieve measurable conservation outcomes for affected species, habitats and ecological communities.

Indirect offsets

The continued allowance of indirect offsets, such as research and education programs, is a major weakness of the Policy. While these activities may support broader conservation objectives, they do not directly compensate for the loss of habitat or biodiversity values and should not be approved, except under rare circumstances, and based upon rigorous scientific evidence.

The Policy should also recognise that some environmental impacts cannot be effectively offset. Critical habitat, old-growth forests and other irreplaceable environmental values cannot realistically be recreated or replaced.

Recommendations

- Strengthen Principle 3 to ensure offsets provide genuine, on-ground conservation outcomes for the affected protected matter.
- The Society recommends strengthening Principle 3 by requiring offsets to deliver genuine, on-ground conservation outcomes through direct actions which restore, enhance or secure habitat and deliver measurable environmental gains
- Indirect offsets should be limited to a supplementary role only, requiring independent verification of ecological outcomes.
- In such cases, impacts must be avoided, and projects resulting in unacceptable impacts to irreplaceable habitat should not be approved

Principle 4: Measurable improvements - Offsets deliver a measurable improvement for the affected protected matter relative to an agreed baseline.

Policy intent

On Page 20 of the draft Policy is the following statement:

“Actions, or classes of actions (as a whole), which will result in residual significant impacts to protected matters will need to demonstrate they can deliver a measurable improvement for the affected protected matter **compared to an agreed baseline, reflecting what would occur if no offset activity was in place.**” (emphasis added)

The Society has the following concerns about this statement:

- There is no requirement in the statement for the “measurable improvement” to result in the return of the protected matter’s habitat/numbers/health to its **original condition**, that is the condition if the damaging action had not occurred. This would be the ideal situation and presumably, would result in a far greater “measurable improvement” and increased likelihood of the protected matter remaining a viable species.
- The term “measurable improvement” is vague and does not clearly define the level of improvement needed. A minimum improvement would be ‘measurable’. This creates a risk that proponents may claim success without delivering meaningful conservation outcomes.
- The approach of measuring improvements against a projected future baseline also creates uncertainty, as predictions of environmental decline may be speculative and can overstate offset benefits.
- There are no consequences if an offset does not perform.

Revised or new inclusions in the Standard

Furthermore, on Page 20 are these statements:

“The policy will be supported by an updated Offsets Calculator and a new Restoration Contributions Calculator.”

AND

“The proposed Data and Information Standard will ensure appropriate data and information underpins each decision, supporting design of monitoring, evaluation and reporting activities. The Data and Information Standard will provide clear and consistent requirements for collecting and supplying environment data and information.”

The two calculators mentioned above, and the new “Data and Information Standard” have not yet been drafted or released for public consultation. Thus the public is being asked to comment on the Offsets Standard and Policy statements that are contingent on these not-yet-devised instruments, using a “trust us” approach.

Recommendations

- To strengthen accountability, the Standard should establish clear, scientifically based benchmarks and minimum thresholds for demonstrating net gain.
- To ensure credible and consistent outcomes, baselines should be transparent, independently verified, and based on current ecological conditions, with a stated consequence for the proponent if the offset does not perform.
- The proposed Data and Information Standard, revised offsets calculator and Restoration Contributions Calculator need to be urgently released for public comment to ensure that it is fit for purpose.

Principle 5: Additionality - Offsets deliver benefits that would not have occurred without the offset - they go beyond existing obligations, and protections

Principle 5 aims to ensure offsets deliver conservation benefits that would not occur without the offset requirement. However, the draft does not clearly define "additionality" or explain how it should be assessed.

There is a risk that proponents could receive offset credits for activities that are already planned, funded, legally required, or routinely undertaken on protected land. Such activities do not provide genuine environmental gains and may fail to compensate for biodiversity losses caused by development.

Recommendations

- There should be a clear and legally binding definition of additionality and existing obligations in the Standard itself, and guidance given in the Policy should support this definition.
- Independent assessment and public reporting of additionality should be required.
- Safeguard mechanisms should be included to prevent double counting of offset benefits.
- Offset credits should not be granted for activities that would occur regardless of the offset requirement, including routine management of protected areas.
- Higher offset requirements and additional safeguards should apply where outcomes are uncertain or delayed.

Principle 6: Like-for-like – Offsets provide for a like-for-like outcome for the affected protected matter to compensate for residual significant impacts.

Principle 6 seeks to ensure offsets directly compensate for the environmental values affected by development. However, the Policy allows departures from like-for-like requirements where offsets align with conservation planning documents, even though many of these documents may be outdated, incomplete, or unavailable. This may result in offsets that do not adequately replace what has been lost.

The Policy does not require the Restoration Contributions Holder to comply with like-for-like requirements. Thus, proponents can discharge their offset obligations through a financial

contribution while the Holder may fund activities that do not directly compensate for the impacted species, ecological community, habitat or attribute.

This creates a lower-standard alternative to direct offsets and may incentivise proponents to choose financial contributions over genuine ecological restoration.

Recommendations

- Offsets should compensate for the same species, ecological community, habitat type, or attribute that is impacted.
- Exceptions should only be permitted where **independent scientific evidence** demonstrates a superior conservation outcome will be met.
- Clear and measurable criteria should be established for assessing "clear alignment" and "greater conservation benefit."
- The same like-for-like requirements should apply to Restoration Contributions.

Principle 7: Relevant Area

Principle 7 recognises the importance of locating offsets in areas relevant to the impacted environmental values. Locating offsets close to the impact site helps maintain ecological connections and local conservation benefits.

On Page 25 of the Policy is the following statement:

"Offsets should be delivered in an area that is relevant to the affected protected matter. Relevance will be different for each type of affected protected matter. For example, **for threatened species and ecological communities, a relevant area would be considered from an ecological perspective.** Ensuring relevance to the protected matter ensures offsets deliver meaningful outcomes. Locating offsets in a relevant area is a key assurance mechanism for both ecological and social equity."

In the Society's view, for an offset area to be considered appropriate for ANY matter adversely affected by damaging activities, it must be "considered from an ecological perspective."

The current draft allows offsets to be located elsewhere where this is considered reasonably practicable or where a similar or better outcome is claimed. This flexibility may weaken ecological and social outcomes.

Recommendations

- Offsets should generally be delivered within the same ecological landscape as the impact site.
- Alternative locations should only be allowed where independent scientific evidence demonstrates a clearly superior conservation outcome.
- All offset areas should be based on ecological considerations.

Principle 8: Offset Commenced Prior to Impact

Principle 8 aims to ensure offsets are secured and actively managed before environmental impacts occur, recognising that biodiversity loss should not happen before compensation is in place. However, it does not ensure that conservation benefits will be delivered before the impacts occur.

Restoration benefits often take years or decades to develop. During this time, species, habitats and ecological communities may be lost before equivalent gains are achieved, especially where those losses cannot be reversed.

In addition, Restoration Contributions only require payment before impact without ensuring actions are identified, secured or delivering outcomes, increasing the risk of harm occurring well before offsets are effective. Independent verification of restoration readiness should be required before approval.

The Standard also fails to address staged projects, where early stages may proceed before the full offset package is confirmed as feasible. It also defines “commenced” too loosely, allowing preparatory works to qualify even when no real ecological recovery has begun.

Recommendations

- Offsets should demonstrate measurable conservation benefits before impacts occur.
- Restoration Contributions should only be accepted where actions are independently verified as ready to commence.
- "Commenced" should require demonstrable ecological function
- Staged developments should proceed only when the full offset package has been confirmed as feasible.
- Clear ecological milestones should be achieved before habitat destruction is authorised.

Restoration Contribution Fund

Key Concerns

- The proposed Restoration Contribution Fund will undermine the integrity of the offsets framework by allowing environmental harm to be compensated through financial payments rather than direct, measurable ecological outcomes. This creates uncertainty about whether restoration activities will offset biodiversity loss, particularly given the delay between habitat destruction and ecological recovery. As a result, the fund could enable ongoing biodiversity decline while relying on uncertain future benefits.
- The Restoration Contributions Holder (the Holder) has flexibility to depart from the key offset principles and is not bound by like-for-like requirements.
- Offsets may occur outside the impacted area.
- Timeframes may be determined later through regulations Only payment is required before impact occurs, not commencement of restoration work.
- This proposal replicates the well-known problems found in the New South Wales (NSW) offsetting regime, where a similar “pay-to-destroy” scheme operating over

more than a decade, has led to poor environmental outcomes and significant integrity risks.⁷

Recommendations

- The Society does not support the introduction of the proposed Restoration Contribution Fund
- If retained, the mechanism should be restricted to strategic restoration programs with strong safeguards, including legally binding timeframes and independent oversight
- If retained, the mechanism must conform to other offset requirements, for example:
 - ensuring like-for-like,
 - the offset must be acquired before the commencement of the damaging action
 - the expenditure of funds must lead to a genuine net gain of the species and community of species damaged by the action.
- Eligible activities may include conservation land acquisition, invasive species control, habitat restoration, species recovery programs and improved ecosystem connectivity.
- These actions must be additional to existing government conservation commitments to ensure genuine environmental benefits and a net gain.

⁷<https://australiainstitute.org.au/wp-content/uploads/2025/11/P1938-Payments-to-destroy-Env-protection-reform-bill-2025-Web.pdf>