PRA PROPERTY RIGHTS AUSTRALIA Est. 2003
STAND YOUR GROUND

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Property Rights Australia submission to

National Environmental Standard for Environmental Offsets

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Introduction

Property Rights Australia (PRA) welcomes the opportunity to comment on the proposed National Environmental Standard for Environmental Offsets.

PRA represents Australians who believe that strong and secure property rights are fundamental to economic prosperity, agricultural production, environmental stewardship and individual liberty. We recognise the importance of environmental protection and acknowledge the contribution landowners make every day in managing Australia's landscapes, biodiversity and natural resources.

However, PRA opposes the proposed Environmental Offsets Standard in its current form.

While presented as a technical environmental framework, the proposed Standard must be considered within the broader context of *the Environment Protection Reform Act 2025* and the most significant expansion of Commonwealth environmental regulation since the commencement of the *EPBC Act*.

The Environmental Offsets Standard does not operate in isolation. It sits alongside the establishment of a National EPA, new National Environmental Standards, restoration contribution schemes, biodiversity markets, expanded environmental mapping, bioregional planning frameworks and increasing federal involvement in land-use decisions traditionally managed at the local and state level. Viewed collectively, these reforms represent a fundamental shift in the relationship between governments, regulators and private landowners.

The practical effect is not simply increased environmental regulation. It is the gradual transfer of influence and control over land use from those who own and manage the land to an increasingly complex network of regulators, environmental institutions and government-appointed decision-makers.

PRA is particularly concerned that the proposed Standard seeks to expand and formalise a system of environmental offsets despite widespread acknowledgement - including within the Government's own consultation material - that previous offset schemes have often failed to deliver the environmental outcomes promised, have suffered from weak compliance and enforcement, and in some cases have resulted in an overall net loss to the environment.

At the same time, governments have undertaken little meaningful analysis of the cumulative impacts these schemes are having on agricultural production, food security, regional communities and private property rights. The burden of environmental policy is increasingly being transferred onto privately owned land.

Farmers, graziers and rural landowners are expected to accommodate renewable energy developments, transmission corridors, environmental offsets, biodiversity stewardship agreements, conservation covenants, carbon projects and restoration initiatives, often simultaneously and frequently on the same properties. Yet there has been no comprehensive assessment of how these overlapping policies affect the productive capacity of agricultural land or the long-term viability of rural communities. PRA submits that environmental policy cannot be separated from property rights.

A framework that progressively restricts how land may be used, managed or developed is ultimately a framework that affects property rights, regardless of whether legal ownership changes.

The proposed Environmental Offsets Standard raises serious concerns regarding accountability, regulatory duplication, environmental effectiveness, agricultural productivity and the continuing erosion of landowner autonomy. For these reasons, PRA opposes the proposed Standard and calls upon the Australian Government to undertake a comprehensive review of the cumulative impacts of environmental offsets and associated environmental reforms before proceeding further.

A Matter of Public Interest

The consequences of the Environmental Offsets Standard extend far beyond environmental policy. The Standard has implications for food production, regional economies, infrastructure development, housing supply, energy policy, investment certainty and the rights of Australians to own, manage and use their land. This consultation should therefore not be viewed as a narrow environmental exercise. It is a public policy question that affects the future balance between environmental regulation, private property rights and productive land use across Australia.

Offsets Are the Mechanism That Makes the Entire Reform Agenda Possible

The Government presents offsets as the final step in the mitigation hierarchy, to be used only after avoidance and minimisation measures have been exhausted. In practice, however, offsets have become the mechanism that allows the broader environmental reform agenda to operate.

Without offsets, many developments could not proceed. Without offset sites, biodiversity markets cannot function. Without privately owned land, restoration obligations cannot be delivered. Without landowners accepting permanent restrictions on their properties, environmental credit systems have little practical value.

The proposed Standard therefore creates an ongoing demand for private agricultural land to satisfy environmental obligations generated by government policy, infrastructure projects, renewable energy developments and development approvals.

This demand is not occurring on vacant or surplus land. It is increasingly directed at productive agricultural landscapes that support food and fibre production, regional economies and rural communities.

Some commentators have very conservatively estimated the land required for offsets could total 18 million hectares.

- That is double the area of the high value agricultural land of Queensland's Darling Downs[1]
- It is about equivalent to the agricultural area of Western Australia known as the wheat belt at 17.5 million hectares[2]
- The agricultural and land management area of the Riverina is approximately 6.7 million hectares, a fraction of the required area.

[1] Queensland Places, 2018. Darling Downs. https://queenslandplaces.com.au/darling-downs#:~:text=In%201992%20the%20total%20area,to%20nearly%20the%20Moonie%20River.
[2] Grower Group Alliance Inc. 2022. Wheatbelt Drought Resilience Situational Analysis. Working Draft. https://www.gga.org.au/wp-content/uploads/2022/11/20220902-Wheatbelt-SW-WA-Hub-Situational-Analysis-DRAFT.pdf

The 18 million hectares is in addition to an extra 39 million hectares of protected areas required for Australia's 30-by-30 obligations.[3]

Has food security been thought of? PRA doubts the effect on agriculture or food security has been modelled by responsible government agencies.

Recent Senate estimates revealed that no Regulatory Impact Statements were made for the effects of the curtailing management of 15-year-old regrowth and other agricultural restrictions.

The National EPA and Expanding Federal Control

PRA is concerned that the proposed National EPA, combined with the Environmental Offsets Standard and broader environmental reforms, will further centralise environmental decision-making and reduce local influence over land-use outcomes.

The one size fits all 15-year cutoff time for continuing use, administered from Canberra to cover Australia in its entirety, and consisting of dozens of bioregions takes no account of different growing rates and mature size of vegetation across the country. It also does not take account of differing uses, for example fodder harvesting, a practice only used under drought conditions. With previously used drought harvesting permits provided through state jurisdictions, there has been a mandatory ten-year preservation period. That only leaves five years before the continuing use exemption runs out. There may or may not be a drought in that time.

Landowners already navigate environmental regulation imposed by local government, state agencies and Commonwealth departments. The addition of a National EPA introduces another layer of oversight, administration and compliance while further distancing decision-makers from the communities most affected by their decisions.

These reforms are frequently described as streamlining environmental approvals. However, many landowners see the opposite occurring in practice. Rather than reducing duplication, governments continue to create new agencies, new standards, new assessment frameworks, new reporting requirements and new compliance obligations, all of which add complexity, delay and cost.

The National EPA is being established despite the existence of extensive environmental regulatory functions already performed by Commonwealth departments, state environmental agencies, local councils, natural resource management bodies, Local Land Services, biodiversity conservation agencies and numerous statutory authorities. Instead of simplifying the system, the reforms risk creating yet another layer of administration operating alongside existing regulators.

This raises a fundamental question: if existing agencies have not successfully delivered the environmental outcomes governments seek, what evidence exists that creating another

[3] Department of Climate Change, Energy, the Environment and Water. March 2026. Achieving 30 by 30. https://www.dcceew.gov.au/environment/land/achieving-30-by-30

agency, employing more public servants and introducing additional regulatory processes will achieve a different result?

Across Australia, landowners are increasingly confronted by a growing environmental bureaucracy that consumes substantial public resources while producing ever more regulation, assessments, mapping exercises, compliance programs and reporting requirements. The cost of this bureaucracy is ultimately borne by taxpayers, businesses and landowners, yet there has been little scrutiny of whether the continual expansion of environmental administration is delivering proportional environmental benefits.

PRA is particularly concerned that environmental reforms are increasingly focused on building administrative systems rather than addressing practical on-ground environmental outcomes. More public servants, more databases, more mapping layers, more reporting obligations and more regulatory oversight do not automatically result in improved environmental management.

For rural landowners, the practical experience is often one of escalating complexity. A single farming enterprise may now be required to engage with local government planning controls, state environmental regulations, Commonwealth environmental approvals, biodiversity mapping, offset requirements, conservation agreements, carbon market rules, renewable energy assessments and numerous government agencies with overlapping responsibilities. The result is a regulatory system that is becoming increasingly expensive, increasingly complex and increasingly difficult for ordinary landholders to navigate.

PRA submits that before creating new agencies and expanding environmental bureaucracy, governments should demonstrate that existing regulatory structures are incapable of performing the proposed functions and provide a transparent assessment of the additional administrative costs that will ultimately be borne by Australian taxpayers and regional industries.

Australia does not have a shortage of environmental regulators. It has a growing problem of regulatory duplication, administrative expansion and fragmented decision-making. The creation of a National EPA risks exacerbating these problems while further concentrating decision-making authority in institutions that are increasingly removed from the communities most directly affected by their decisions.

Restoration Contribution Charges Create a "Pay and Walk Away" System

PRA is deeply concerned by the proposed restoration contribution framework, which allows proponents to discharge offset obligations through the payment of a restoration contribution charge into a government-managed fund.

Under the proposed framework, a proponent may clear habitat, damage environmental values or impact protected matters, make a financial contribution, and have their offset liability effectively discharged. Responsibility for delivering the promised environmental

outcome is then transferred to a government-appointed Restoration Contributions Holder. This raises serious questions regarding accountability.

Once a contribution has been paid:

- Who is responsible if the promised environmental restoration never occurs?
- Who is responsible if restoration activities fail to deliver the required environmental outcomes?
- How long can funds remain unspent?
- Who determines restoration priorities?
- How will success be independently measured and verified?

The proposal effectively separates environmental damage from environmental responsibility.

The environmental impact occurs immediately, while the environmental benefit becomes dependent upon future government decisions, future funding allocations and future restoration projects that may occur years or decades later. This approach risks creating a system where environmental impacts are certain, while environmental benefits remain speculative.

PRA submits that environmental protection should not become a financial transaction whereby environmental obligations can simply be transferred to a government fund. If offsets are genuinely necessary, those responsible for causing the impact should remain accountable for ensuring environmental outcomes are actually delivered.

The restoration contribution model risks becoming a "pay and walk away" mechanism that benefits project proponents while transferring environmental risk to the public.

Regulatory Duplication Creates Confusion, Conflict and Uncertainty

One of the most significant concerns arising from the proposed Environmental Offsets Standard and broader environmental reforms is the increasing overlap between multiple levels of government and regulatory agencies exercising similar powers over the same parcel of land.

Landowners are increasingly required to engage with local councils, state government agencies, Commonwealth departments, environmental regulators, biodiversity authorities, planning bodies and, under the proposed reforms, a National EPA. While each agency may have a different legislative mandate, the practical effect is that multiple bureaucracies are making decisions about the same land, often with little coordination or accountability. This creates confusion, delay, duplication and significant uncertainty for landowners.

A growing number of landowners have experienced situations where activities have been approved by one government agency only to be challenged, delayed or effectively overturned by another. In some cases, landowners have obtained approvals, complied with all conditions imposed by the relevant authority, invested substantial time and resources into a project, and then found themselves subject to intervention by a different agency operating under a separate legislative framework.

This is not a theoretical concern. These situations have already occurred in Queensland[4] and regional New South Wales, including Western NSW, where landowners have relied on approvals granted under one regulatory process only to face subsequent objections, additional requirements or restrictions imposed by another government body. The result is uncertainty regarding which approvals can be relied upon, which regulator ultimately has authority, and whether any approval can genuinely provide certainty moving forward. Such situations undermine confidence in government decision-making and create a perception that approvals are only valid until another regulator decides otherwise. The proposed National EPA risks exacerbating this problem.

Rather than simplifying environmental regulation, the reforms introduce an additional decision-maker into an already crowded regulatory landscape. Landowners may find themselves navigating overlapping responsibilities between local government, state environmental agencies, Commonwealth departments and a National EPA, each operating under different legislation, standards and policy objectives.

The consequence is that responsibility becomes increasingly fragmented while accountability becomes increasingly difficult to identify. When conflicting decisions occur, landowners are left to bear the cost, delay and uncertainty while governments debate jurisdictional boundaries and administrative responsibilities.

For farmers and rural businesses, certainty is essential. Long-term investments in agricultural production, water infrastructure, fencing, vegetation management, property improvements and succession planning all depend upon clear and predictable regulatory frameworks.

A system in which one level of government can approve an activity while another subsequently restricts or prevents it is not an efficient regulatory framework. It is a recipe for confusion, increased costs, reduced investment confidence and productivity, and growing distrust between landowners and government institutions.

PRA submits that before introducing additional environmental regulators and approval pathways, governments should demonstrate how overlapping jurisdictions will be managed, which regulations have precedence, how regulatory conflicts will be resolved, and how landowners will be protected from situations where approvals granted by one authority are effectively undermined by another.

Without clear lines of responsibility and accountability, the proposed reforms risk creating a system where multiple bureaucracies exercise authority over the same land, yet no single agency accepts responsibility for the consequences of its decisions.

[4] Beef Central. 26 May 2026. 84-year-old grazier's lantana clearing ordeal highlights chaotic regulatory environment. https://www.beefcentral.com/news/84-year-old-graziers-lantana-clearing-ordeal-highlights-chaotic-regulatory-environment/

There needs to be some commonly agreed actions that all departments at all levels of government can agree on as necessary actions on all land uses, including offsets.
Actions such as:-

- Clearing of weeds and woody weeds
- Clearing of invasive native species and managing invasive vertebrate and invertebrate pests.
- Clearing of weeds and other vegetation that hinders the clearing of floodwaters. This is a particularly urgent ruling in North Queensland where vegetation in creeks and rivers hinders flood drainage by up to four weeks. That is four weeks longer when people, livestock and native animals are at risk. The 50m exemption exclusion of drainage lines in Great Barrier Reef catchments will make this impossible unless the consequences are recognised.
- Clearing of firebreaks including through drainage lines in Great Barrier Reef catchments which need to be an acceptable width. Queensland fire chiefs have indicated the present legal widths are not broad enough.
- Clearing of access tracks
- Clearing around all infrastructure

Alignment between federal, state and local government Offset Standards

Further policy work must be undertaken to align offset regulations between government jurisdictions and be included in pending bilateral agreements. State government offsets require “no-net-loss” whereas the proposed National Offset Standard requires “net gain”.

For example, the New South Wales biodiversity accounting framework uses the Biodiversity Assessment Method (BAM), Biodiversity Offsets Scheme (BOS) and Biodiversity Conservation Trust (BCT). Will NSW's existing no-net-loss outcome require modification to satisfy the national Standard for net gain? The reformed EPBC Act introduces a net gain test for residual significant impacts: approval conditions must require compensation for damage and a restoration contribution charge, resulting in measurable improvement in the condition of the protected matter. This is a higher standard than the current NSW’s BOS requirement, which focuses on biodiversity equivalence rather than measurable improvement (Oscar Pearse. *pers.comm*.). The operational metrics for how net gain is measured, verified and enforced remain unsettled pending finalisation of the Offsets Standard.

Queensland’s Environmental Offsets Framework is currently under review, with submissions closing on 29 June 2026[5]. Ideally alignment can occur to enable use of Environmental Offset Protection Areas for federal offsets, if the two Standards can align. Acceptable methods of legal security of an offset area also need to align between state and federal Offset Standards

[5] Queensland Government. May 2026. A fresh start for Queensland’s Environmental Offsets Framework. https://intheloop.des.qld.gov.au/environmental-offset-framework

National Interest Overrides Undermine Confidence in the Standards

The proposed framework allows environmental standards to be overridden where a decision-maker determines that an action is reasonably necessary to deliver an outcome in the national interest. PRA is concerned that this provision fundamentally undermines the credibility of the Environmental Offsets Standard.

If the Standards represent the minimum environmental requirements necessary to protect matters of national environmental significance MNES, it is difficult to understand how those same standards can be set aside whenever broader policy objectives are deemed sufficiently important. This raises several important questions:

- What constitutes the national interest?
- Who determines when the national interest applies?
- What safeguards exist to prevent misuse of the override power?
- How will affected communities challenge such decisions?

Recent experience suggests that large-scale infrastructure projects, renewable energy developments and transmission projects are increasingly being justified on the basis of national policy objectives.

Landowners are therefore entitled to ask whether environmental standards will be applied consistently or whether they will ultimately become discretionary when governments seek to advance particular projects.

The existence of an override power risks creating a perception that environmental standards are mandatory for some but optional for others.

PRA submits that environmental standards cannot simultaneously be presented as binding safeguards and discretionary instruments. If an override mechanism exists, it must be narrowly defined, made only be the Minister and not by an independent authority nor bureaucrat, subject to strict parliamentary oversight and accompanied by detailed and transparent public debate.

PRA does not want an independent authority such as the EPA or the CEO of the EPA making the decisions. If the decision is made by the Minister, the Minister is at least accountable at the ballot box and in Senate estimates.

The Gradual Transfer of Land-Use Control

PRA's greatest concern is not any individual reform. It is the cumulative impact of all reforms operating together.

Environmental offsets, biodiversity markets, restoration contributions, environmental mapping, renewable energy developments, transmission corridors and National EPA oversight all increase the influence of governments and regulators over how private land can be used.

Landowners may retain legal ownership of their properties, but with every additional layer of regulation, covenant, mapping designation, offset requirement or stewardship obligation, they lose a degree of practical control.

Property rights are rarely removed outright. They are diminished incrementally through the accumulation of restrictions.

The legal title and land management costs remains with the landowner, while decisions about how land is managed increasingly shift to regulators, environmental standards and government-approved management frameworks.

Productive Agricultural Land Is Being Asked to Carry the Burden

The same agricultural regions that produce Australia's food and fibre are increasingly being targeted for:

- Environmental offsets;
- Biodiversity stewardship agreements;
- Carbon projects;
- Renewable energy developments;
- Transmission infrastructure;
- Conservation programs; and
- Environmental restoration projects.

Each policy may be justified individually. However, governments have failed to assess their combined impact on agricultural production, regional communities and future food security.

Despite the increasing use of environmental offsets and biodiversity stewardship agreements, there is no comprehensive national assessment of how much productive agricultural land has been removed from, or permanently constrained in, agricultural production as a result of these schemes. Land suitable for agriculture is a finite resource.

Governments can readily report biodiversity credits created, environmental values protected and conservation outcomes sought. However, they cannot answer a fundamental question: how much productive farmland has already been committed to environmental offset schemes, biodiversity stewardship agreements, conservation covenants, National Parks, carbon projects, national 30 by 30 protected area target, and other environmental markets?

For example, more than 128,000 hectares in New South Wales are already managed under Biodiversity Stewardship Agreements, while hundreds of thousands of additional hectares are subject to various conservation arrangements. Yet no assessment has been undertaken to determine how much of this land was previously contributing to food and fibre production, how much productive capacity has been lost, or what the cumulative impact will be if these programs continue to expand.

The absence of this information represents a major policy failure. Governments should not be expanding environmental offset requirements nationally without first understanding the impact existing schemes are having on agricultural production and regional communities.

There has been extensive analysis of environmental outcomes associated with these reforms, yet little evidence that governments have undertaken equivalent analysis of the productive land being removed from, restricted by, or redirected toward environmental purposes. How much more privately-owned, productive land will be converted to the National Reserve System NRS of protected land areas to acquire the additional 39million hectares[6] required to meet the target of conserving 30 per cent of Australia's landmass by 2030? PRA submits that this represents a major policy failure.

Before imposing further offset obligations, governments should be required to demonstrate how much productive agricultural land has already been committed to offset schemes, biodiversity stewardship agreements, carbon projects, protected area estate and other environmental programs, and what effect this is having on Australia's long-term agricultural capacity.

Federal Government has already flagged that at least 18 million hectares will be needed to create Australian Carbon Credit Units ACCU. Some estimates are greater. Government and their advisors pass these extensive areas off as a small percentage of agricultural land as if every hectare of agricultural land is equivalent to every other hectare.

Many of the largest projects, some advanced by foreign companies and supported by government subsidies for tree planting, are on high quality agricultural land. Some of the plantings are for monoculture pine plantations. This desecration of blue-ribbon farming land must stop.

Tasmania's largest farm, "Rushy Lagoon" which supports livestock, dairying and irrigated cropping is set to be sold to the UK's largest forestry management company. They will plant a pine monoculture, which does not support biodiversity and will attract government subsidies.[7]

This follows on from Bupa acquiring 250 hectares to plant 200,000 trees which will be native trees but which will contain in the mix the highly invasive and flammable black wattle. It also will no doubt gain government support.

When these areas cease to be intensely managed, they become breeding grounds for weeds, feral animals and wildfire, none of which will be contained within their own boundaries.

When governments promote tree planting, they are neutral on every single metric except carbon capture and biodiversity. Food security and locking up of our best agricultural land for an extended period does not enter the equation. An unrecognised element of this food security equation is the effect on supply chains. If you take out a single big player in a region or a group of medium players, support services such as processing plants and transport services become unviable. Without economic analysis of these exterior effects in a clear and

[6] Department of Climate Change, Energy, the Environment and Water. March 2026. Achieving 30 by 30. https://www.dcceew.gov.au/environment/land/achieving-30-by-30

[7] https://www.abc.net.au/news/2026-03-07/rushy-lagoon-sale-uk-forestry-investment/106329836

transparent way, we will be in a food security crisis before it is even recognised. The amount of food we export is irrelevant when supply chains are knocked out as a result of insufficient supply. This is already happening with the Victorian dairy industry. Australia has already had a wake-up call about relying on imports for vital elements of our economy with fuel and fertiliser.

Good Environmental Stewardship Should Not Be Penalised

PRA is concerned that the proposed framework may unintentionally penalise landowners who have invested generations of effort into maintaining and improving environmental values on their properties.

Many farming families have actively protected remnant vegetation, retained native habitat, managed invasive species, protected waterways and maintained biodiversity values without compensation, recognition or government assistance. Yet under increasingly sophisticated environmental mapping and assessment frameworks, these same environmental values can become the basis for additional restrictions, offset obligations or regulatory scrutiny. This creates a perverse incentive.

Landowners who have cared for their land and retained environmental values may face greater regulation than neighbouring properties where those values have not previously been protected. In effect, responsible land stewardship has become a regulatory liability.

PRA submits that environmental policy should reward conservation and good management rather than create circumstances where landholders perceive environmental improvement as increasing future regulatory risk.

The long-term success of environmental conservation depends upon maintaining the trust and cooperation of landowners. Policies that create disincentives for voluntary stewardship risk undermining that objective.

PRA recommends that the Australian Government recognise agricultural landscapes as managed landscapes delivering production, biodiversity and environmental outcomes. These landscapes are not degraded requiring restoration. Agricultural land delivers multiple outcomes: food and fibre production, carbon sequestration (particularly in grazing systems), habitat provision (paddock trees, remnant corridors), and soil and water conservation. These benefits contribute to matters of national significance and are not matters that need offsetting.

Offsets Often Legitimise Environmental Loss Rather Than Prevent It

The fundamental premise of environmental offsets is that environmental damage occurring in one location can be compensated for through environmental protection or restoration elsewhere. PRA submits that this assumption is fundamentally flawed in many circumstances.

An offset does not prevent environmental loss. It merely attempts to compensate for that loss after it has occurred.

The distinction is critical.

When a mature woodland is cleared, or an endangered ecological community disturbed, the environmental value is lost immediately. The ecological functions, habitat values, genetic diversity and landscape connectivity associated with that feature are destroyed at the moment the impact occurs.
Present offsets are often geographically distant from recent damage but accepted because it is classified as habitat for affected species even if the target species does not actually live there. The geography, species mix and known populations are all required for a successful offset. The offset must be capable of growing into a similar habitat with a similar species mix.

In many cases, what is subsequently described as an "offset" is not the creation of an equivalent environmental asset. Rather, it is the protection of an environmental value that already existed. The environmental outcome is therefore a net loss, regardless of how the transaction is recorded within an offset accounting framework.

A true offset would require the creation of an equivalent environmental value before the original value is removed.

Old-growth woodlands, native grasslands, hollow-bearing trees and complex habitat systems develop over decades or centuries. They cannot be recreated within the timeframe of a development approval process.

Yet offset frameworks frequently assume that future environmental gains can compensate for immediate environmental losses.

This creates what scientists refer to as a temporal deficit. The environmental loss occurs today, while any potential environmental gain may take decades to materialise. In many cases, the promised ecological values may never be fully restored. The practical consequence is that environmental offsets often function as a mechanism that permits the progressive reduction of environmental values across the landscape while maintaining the appearance of environmental neutrality on paper. Each individual approval may be accompanied by an offset. Each individual offset may be deemed compliant. Yet the cumulative outcome can still be a decline in environmental values over time.

This is particularly concerning where offsets rely upon protecting existing vegetation rather than creating genuinely new environmental assets. Protecting an area that was already providing environmental benefits does not replace environmental values lost elsewhere. It merely changes the legal status of something that already existed.

PRA submits that the proposed Environmental Offsets Standard fails to adequately address this fundamental flaw. The Standard places significant emphasis on offset accounting, metrics and compliance mechanisms but does not sufficiently recognise that many environmental values are effectively irreplaceable within any meaningful human timeframe.

The reality is that some environmental losses cannot be offset. They can only be avoided. For this reason, offsets should not be treated as evidence that environmental impacts have been neutralised. In many cases, they represent a managed acceptance of environmental decline rather than genuine environmental equivalence.

If the Commonwealth is serious about environmental protection, it must acknowledge that the protection of existing environmental values elsewhere is not the same as replacing what has been lost. Until this distinction is recognised, offset schemes will continue to overstate environmental gains while understating the true environmental cost of development approvals.

Existing Offset Schemes Raise Serious Questions About Environmental Outcomes

The Government frequently presents offsets as a proven environmental policy tool. However, reviews of existing offset schemes raise serious concerns regarding whether promised environmental outcomes are consistently being achieved.

Audits and reviews of biodiversity offset programs have identified instances where restoration outcomes have fallen short of expectations, biodiversity credit shortages have emerged, and questions have been raised regarding whether offset sites genuinely compensate for environmental losses occurring elsewhere.
This highlights a fundamental weakness within offset systems.

Environmental damage typically occurs immediately, while environmental gains are expected to occur years or decades into the future. A mature ecosystem can be cleared in a matter of days, yet the offset site may take decades to develop comparable ecological values, if it ever does.

Governments are therefore asking landowners and communities to accept permanent restrictions on productive land in support of a system that cannot consistently demonstrate that equivalent environmental outcomes are being delivered.

Before expanding offset requirements through a National Environmental Standard, the Commonwealth should undertake an independent review of the environmental performance of existing offset schemes across Australia and publicly report on whether the objective of genuine environmental equivalence has been achieved.

Conclusion

Property Rights Australia submits that the proposed National Environmental Standard for Environmental Offsets is not merely a technical environmental framework.

It is a central component of a broader reform agenda that expands environmental regulation, increases demand for privately owned land, strengthens environmental markets, facilitates restoration contribution schemes and increases the influence of environmental regulators over land-use decisions throughout Australia.

The consultation documents acknowledge that previous offset systems frequently failed to deliver the outcomes promised. The Government's own review found that offsets often became the default rather than the last resort, were poorly implemented, suffered from weak compliance and enforcement, and in some cases resulted in a net loss to the environment.

Despite these acknowledged failures, the Commonwealth now proposes to significantly expand the role of offsets while simultaneously introducing new offset mechanisms, restoration contribution schemes, environmental markets and administrative structures. PRA is not convinced that the fundamental shortcomings of previous offset systems have been resolved.

Most importantly, the Commonwealth has failed to answer several critical questions:

- How much productive agricultural land has already been removed from, or constrained in, agricultural production through offset and environmental market schemes?
- What will be the cumulative impact of these reforms on food and fibre production?
- How will genuine environmental net gain be measured and independently verified over the decades required for ecological restoration?
- Who will ultimately be accountable when offset projects fail to deliver the outcomes promised?
- How will conflicts between multiple levels of government and overlapping regulators be resolved?
- What protections exist to prevent further erosion of private property rights through environmental regulation?

The absence of clear answers to these questions should concern every Australian.

Environmental protection is a legitimate public objective. However, environmental policy cannot be built upon assumptions, theoretical future gains and increasing restrictions on productive land without proper scrutiny of the consequences.

The people who produce Australia's food and fibre should not be expected to bear the cost, uncertainty and loss of opportunity associated with policies that governments themselves cannot fully quantify or justify.

Before proceeding with the proposed Standard, the Australian Government should undertake an independent assessment of:

- Property rights impacts;
- Agricultural productivity impacts;
- Food security implications;
- Regional economic impacts;
- The cumulative effect of environmental offsets, biodiversity markets, carbon projects and renewable energy developments; and
- The environmental performance of existing offset schemes.

PRA submits that until this work is undertaken, implementation of the National Environmental Standard for Environmental Offsets is premature.

A nation cannot offset the loss of productive farmland. It cannot offset declining food security. And it cannot offset the gradual erosion of the property rights upon which rural Australia has been built.

Environmental policy must work with landowners, not against them. Without the trust, cooperation and confidence of those who manage Australia's landscapes, no environmental standard—regardless of its complexity or ambition—will achieve the outcomes it promises.

Before Australia expands environmental offsets, it should first prove that the offsets it already has are working.

Further information

If you require further information or clarification on any points raised in the submission, please contact PRA by email on pra1@bigpond.net.au or phone 0493 667 561.