Australian Government

Dashboard Impact Analysis (IA) – National Environmental Standard for Environmental Offsets

Department of Climate Change, Energy, the Environment and Water

The policy problem and proposed approach

Proposed approach

The proposed approach is a legally enforceable National Environmental Standard for Environmental Offsets (Offsets Standard) under section 514YD of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). The preferred option establishes an Objective, Outcomes, and eight Principles to guide decision-making so that residual significant impacts on protected matters under the EPBC Act are appropriately compensated to deliver a net gain. The eight Principles include provisions for feasibility, security, tangibility, measurable improvements, additionality, like-for-like, relevant areas and offsets commenced prior to impact.

The Environmental Offsets Standard guides applicants by clearly establishing eight Principles for offset activities to improve regulatory certainty and support the Minister for the Environment and Water's decision-making under the EPBC Act. The Environmental Offsets Standard aims to improve consistency of decision-making and regulatory certainty while also supporting better environmental outcomes. This is expected to expedite assessments and reduce the need for further information requests, which have regularly led to delays and further administrative costs for actions under the EPBC Act. Ministerial decision-making will be more transparent as the minister must now be satisfied that a proposal is consistent with all relevant National Environmental Standards.

If made, consistency with the Environmental Offsets Standard would be assessed by the decision-maker in relation to:

- Decisions to approve the taking of an action, including conditions, and decisions to approve actions in accordance with an endorsed policy, plan or program, as well as variations to such approvals
- Decisions in relation to accrediting a management or authorisation framework or NOPSEMA management or authorisation framework
- Making or varying a bioregional plan or bioregional guidance plan.

Policy problem

The 2020 Independent Review of the EPBC Act Final Report (Samuel Review) found that offset principles and requirements were set in policy rather than legislative instruments, leading to a high level of discretion and inconsistency in how offsets and compensation were considered and implemented under the Act. The Samuel Review's key recommendation was the introduction of

National Environmental Standards, including for Offsets. Without an Offset Standard, there is also potential for inconsistency of information used for EPBC Act approvals at the Commonwealth and state and territory levels through bilateral agreements.

Summary of impacts and methodology

The Department prepared an Addendum to the Samuel Review on 30 October 2025. The Addendum focuses on the streamlined assessment pathway (reducing statutory timeframes from 70 to 50 days) and related reform measures – including the making of National Environmental Standards, rulings, defining unacceptable impacts, and requiring a 'net gain' for any residual significant impacts. These related reforms aim to improve environmental outcomes and reduce delays commonly caused by further information requests.

The Addendum estimates the impact of the streamlined assessment pathway (SAP, low scenario) and SAP and related reforms (medium and high scenario), as reproduced below in Table 1.

The Addendum estimates that under medium and low scenarios, requests for information would be reduced and avoided (respectively). Benefits were a reduced timeframe for assessments and approvals – at either 140 or 288 days.

Table 1. Estimated positive impact from reductions to delay costs from the introduction of the streamlined assessment pathway and related reform measures per relevant population per annum.

Change in Costs ($million)	**Business**	**Community organisations**	**Individuals**	**Total change in Costs**
Low (20 days)*	$441	$4	$0	$445
Medium (140 days)	$3019	$25	$0	$3045
High (288 days)	$6878	$36	$1	$6914

Note = baseline SAP case from the Addendum*

This analysis adopts a contributory portion of the medium scenario as the expect impact of the Environmental Offsets Standard to expedite approvals. The medium and high estimates in Table 1 include the streamlined assessment pathway and other reform measures so cannot be attributed solely to the Environmental Offsets Standard. The Environmental Offsets Standard is expected to contribute to the medium scenario savings through greater clarity regarding upfront environmental requirements and supporting information.

Option	Benefits	Other costs	Net impact	Regulatory burden
Proposed: Environmental Offsets Standard	A contributory portion of the overall $3,045,000,000 p/a in reduced delay costs for the further information pathway. Improved environmental outcomes; greater	Compliance, evidence and transition costs.	These have not been quantified, but costs are expected to be ameliorated by the benefits in more efficient assessment pathways.	A contributory portion of the overall minimum $3,045,000,000 p/a in reduced regulatory burden.

	certainty; more consistent decisions.			
Alternative: Policy Guidance only	Some transparency benefits	Low implementation cost	Limited net benefit	Expected to reduce benefits as would not sufficiently provide guidance on offsets, Ministerial discretion would remain high. Further information requests anticipated.

Economic and social impacts

Status quo	Proposed option
People, business and other groups will continue to be made aware of the evidence required to assess the impacts of proposals through policy. Ministerial decision-making would remain inconsistent and not transparent. Multiple requests for additional information would likely continue. Offsets will likely remain the default rather than the last resort, meaning proponents too often go straight to offsets without fully exhausting avoidance and mitigation options. Many offsets are poorly designed or implemented, and in practice often result in inconsistent outcomes. Monitoring, compliance, and enforcement of offset conditions are weak. There is no transparency around the location, quality or quantity of approved offsets.	The Environmental Offsets Standard will support the operation of a reformed EPBC Act by ensuring that offset activities (where permitted) compensate for the residual significant impacts of an action or class of actions on an affected protected matter to deliver the required net gain in a way that contributes to the protection, conservation, restoration and recovery of that protected matter. By replacing policy with a Standard to which the Minister must have regard, this will lead to clearer expectations, improved transparency, increased confidence in decisions and better outcomes for protected matters. Benefits are expected across proponents, governments, First Nations stakeholders and communities, in the form of clearer expectations, improved transparency, increased confidence in decisions and better outcomes for protected matters. Business should see the greatest benefit in reduced regulatory burden and administration costs. **Stakeholder views:** Stakeholders were broadly supportive of the intent of the Environmental Offsets Standard as a robust compensation mechanism.

Regulatory burden

Status quo	Proposed option
Assessment of any existing compliance and/or delay costs: These costs are outlined in the Addendum.	**Change in the regulatory burden:** The Environmental Offsets Standard's eight offset principles require appropriate evidence to support decision-making under the EPBC Act. Satisfying this requirement upfront is expected to reduce information requests and regulatory uncertainty, while supporting more efficient

Status quo	Proposed option
Offset principles and requirements are set in policy, rather than legislative instruments. Proponents must provide information on measures to offset, but there is no legal test for when or how impacts can be compensated or offset, or how much compensation is required. These gaps create a high level of discretion and inconsistency in how offsets and compensation are considered and implemented in practice and contribute to uncertainty for proponents around how and when in the assessment and approval process these may be considered.	and transparent assessments and approvals, as outlined in the Addendum. **Stakeholder views**: During statutory consultation, there was concern about an incomplete framework, as related elements such as the net gain test and protection statements are still under development, and key terms were undefined. Subsequent drafting has increased clarity where feasible within the scope of the EPBC Act. Submissions raised the need for practical guidance and decision templates, which is outside the scope of this assessment.

Other considerations and implementation

Other options considered were the status quo and non-regulatory. These options would not provide a legally enforceable, consistent framework and provide practical guidance for applicants as to how the legislative requirements will be considered by the Minister. The preferred option will be implemented through standards-making provisions of the reformed EPBC Act supported by guidance, consultation and National EPA assurance processes.

What success looks like

The Standards will provide sufficient clarity whilst retaining flexibility as to how proponents demonstrate that the substantive approval requirements for decision-making are met.

This will lead to more consistent environmental decisions; improved outcomes for protected matters; fewer requests for additional information; increased stakeholder confidence; improved transparency; reduced regulatory uncertainty.

Implementation approach

Implementation will occur through the ongoing tranches of legislative reform supporting the new EPBC arrangements and may include guidance materials to access the benefits of streamlined pathways, National EPA oversight and Environment Information Australia reporting.

Planned evaluation

Formal review is required within 18 months of commencement and at least every five years thereafter by section 514YJ of the reformed EPBC Act.

Statement of Sufficiency

I confirm that this Dashboard Impact Analysis (IA) prepared for National Environmental Standard for Environmental Offsets meets the requirements set out in the *Australian Government Impact Analysis Framework*.

I confirm that the level of analysis is proportionate to the policy issue being considered.

I note the Dashboard IA provides analysis of the impacts of the proposal using the 7 IA questions and:

- a high-level summary of costs and benefits and an estimate in the change in the regulatory burden, of the policy options under consideration
- high-level analysis of the policy option against the government's key strategic priorities
- a summary of relevant distributional effects and evidence of key stakeholder feedback incorporated into the policy design
- other details required to understand and assess the proposal.

Endorsed by

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