Queensland Productivity Commission
PO Box 12078
George Street QLD 4003
Sent via email enquiry@qpc.qld.gov.au

13 July 2026

Dear Commissioners

Re: Impact of the Australian Government's 2025 Environment Protection Reforms on Queensland

For 60 years, the Australian Marine Conservation Society (AMCS) has worked through science-informed advocacy, policy reform, community engagement and education to protect Australia's ocean and coasts for current and future generations. We represent over 300,000 Australians from all walks of life. AMCS welcomes the opportunity to provide a submission to the Queensland Productivity Commission's inquiry.

AMCS has been deeply engaged in the reform of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) for over a decade. Amongst a suite of pro-environment reforms, we strongly advocated for the removal of land clearing exemptions in the Great Barrier Reef Catchment, protection of critical habitat for threatened species, and the introduction of Outcome-based Standards. Whilst the 2025 reform package included some key improvements, such as a definition of unacceptable impacts, National Environmental Standards (Standards), a National Environment Protection Agency and better compliance and enforcement tools, few of these will increase the regulatory burden on Queensland, and they will in fact provide better clarity and support for stakeholders interacting with the Act. The largest expected impact of reforms is improved water quality and protection of the Great Barrier Reef, which provides jobs for over 77,000 Queenslanders and contributes roughly $9 billion to the Australian economy every year.

We attach responses to the inquiry's questions where we have subject matter expertise, as well as a report released last year outlining why EPBC reforms were needed to protect the Great Barrier Reef and threatened species. We would be happy to expand on these responses in person or provide further details should the Commission wish to seek more information.

Yours sincerely

[redacted]

Alexia Wellbelove
Campaigns Director

Outcomes for the Environment

Questions: What are the actual, expected, or likely impacts of the 2025 reforms on environmental outcomes in Queensland? Which elements of the 2025 reforms have the largest expected or likely impacts?

AMCS response: An actual outcome of the 2025 reforms is that on the 4th of July 2026, and as a direct result of amending the EPBC Act to introduce new land clearing restrictions in the Reef catchment to build on efforts to improve water quality, a draft decision from UNESCO World Heritage Centre recognised Australia's ongoing commitment to the protection and management of the Great Barrier Reef. These reforms have helped the Great Barrier Reef avoid an "in danger" listing in a draft decision by the World Heritage Committee.

The below case study outlines why the 2025 EPBC reforms were necessary and the largest expected impacts of the reforms on the Great Barrier Reef.

Case Study 1. The Great Barrier Reef

The Great Barrier Reef is the world's largest and most diverse reef ecosystem. The Reef's scientific, cultural and environmental values are world-renowned. However, the Reef is currently facing unprecedented challenges. Since 2016 the Reef has experienced six mass bleaching events, driven by rising ocean temperatures. Climate change impacts are compounded by local pressures, including tree clearing in its river catchments, which is a major source of sediment and nutrient runoff. Fine sediment increases water turbidity and can smother seagrasses and inshore corals, which provide critical habitat for threatened species such as turtles and dugongs.

In October 2025 AMCS released a report summarising a technical analysis assessing the scale and distribution of deforestation in Great Barrier Reef catchments between 2018 and 2022, a period marked by efforts in Queensland to strengthen vegetation protections (appended).

From 2018 to 2022, about 684,000 hectares were cleared across the Reef's catchments demonstrating that state-based measures alone had not been effective in reducing deforestation pressure on the Reef.

This large-scale loss of vegetation—especially along creeks and erosion-prone land—continued to wash sediment and nutrients into Reef waters, undermining water-quality targets and threatening coral and seagrass recovery.

A key finding of the AMCS report was that much of the vegetation cleared during this period was legally allowed under Queensland law because of loopholes in the *Queensland's Vegetation Management Act 1999* (VMA). Of the 684,000 hectares cleared over the four years, 82 percent was exempt from the VMA. These areas are classified as exempt under Queensland law because they had been cleared in the past and, in most cases, were "locked in" as permanently exempt.

Clearing in these areas could occur automatically, regardless of whether the vegetation had regrown to maturity, had high conservation value, or was on land prone to erosion and sediment runoff. **Prior to the 2025 EPBC reforms there were around three million hectares of vegetation in Great Barrier Reef catchments that remained unprotected under VMA exemptions**. Whilst the Commonwealth has jurisdiction over activities that impact the Reef and other World Heritage Areas, prior to the 2025 EPBC reforms clearing within the Reef's catchments was allowed under an exception within that legislation.

The Commonwealth has thus been unable to meet its international commitments to protect the Great Barrier Reef. Despite the Australian and Queensland Governments developing the *Reef 2050 Water Quality Improvement Plan 2017–2022,* the Reef Water Quality Report Cards published on 30 May 2024 showed that most clearing occurred in Central and North Queensland, in the Fitzroy and Burdekin catchments respectively. Together these catchments accounted for 82% of all clearing. Both regions are graded Very Poor (Burdekin) and Poor (Fitzroy) for sediment under the Reef 2050 Water Quality Report Card, highlighting their major role in sediment runoff.

Recognising that the continued rate of clearing was driving sediment and nutrient runoff into the World Heritage area a joint UNESCO/IUCN Mission report in 2022 recommended that the Australian Government "Prioritise the protection of remnant native vegetation across the GBR catchments through strengthened native vegetation clauses under existing laws." There have been repeated warnings from the World Heritage Committee in recent years that the Great Barrier Reef was at risk of being placed on the "in danger" list.

In September 2023, the 45th Session of the World Heritage Committee urged the Australian Government "to fully implement all the recommendations of the mission, including as a matter of utmost priority ... d) Prioritise the protection of remnant native vegetation across the GBR catchments".

In July 2024, the 46th Session of the World Heritage Committee noted "with serious concern the remaining high rates of land clearing" in the Great Barrier Reef Catchment.

The Committee requested Australia to take urgent action to "Strengthen clauses under existing laws to ensure that all remnant and high value regrowth areas are protected" In July 2025, the 47th Session of the World Heritage Committee again reiterated the need for Australia to "Strengthen clauses under existing laws to ensure that all remnant and high value growth areas are protected, including category X vegetation (under the Queensland Vegetation Management Act), and other high priority areas including riparian zones, lands vulnerable to degradation and areas contributing to sediment and nitrogen pollution."

In 2025 EPBC reforms constrained the exemptions that had allowed clearing within 50m of a watercourse in the Reef catchment.

The draft UNESCO decision for the World Heritage Committee, released on July 4th 2026, welcomed Australia's reforms to the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), including tighter restrictions on clearing native vegetation in the Reef catchment.

Whilst the Committee is yet to make its final decision it is likely that the Great Barrier Reef has avoided an "in danger" listing by the World Heritage Committee.

Questions: Do other market, legislative or regulatory mechanisms exist that support the achievement of these environmental outcomes?

- Do those mechanisms complement or work against the 2025 reforms?
- Are those mechanisms more (or less) effective or efficient in delivering beneficial environmental outcomes?

AMCS Response: As discussed in the case study above, Queensland legislation proved ineffective in delivering adequate environmental outcomes for the Great Barrier Reef. The 2025 EPBC reforms that constrained exemptions (in section 43B) related to 'high risk' land clearing, such as on land within 50 meters of a watercourse, wetland, or drainage line in the Great Barrier Reef catchment area is a much needed reform that will address the gaps in Queensland legislation and improve water quality and the resilience of this economic powerhouse and international renowned natural wonder.

For other Matters of National Environmental Significance the outcomes are likely to be less stark. See case study 2 below.

Case Study 2. The need for law reform in the midst of an extinction crisis

The 2021 State of the Environment Report[1] laid bare the dire state of nature in Australia. Where monitoring of threatened species populations is occurring, it is demonstrating steep and ongoing declines. Monitoring data are available for only around 8% of threatened species through the Threatened Species Index and shows that Australia's threatened species populations have fallen by an average of 61.5% since 2000[2].

Australia's State and Commonwealth nature laws are failing to curb threatened species decline. In contrast, the US *Endangered Species Act 1973* and supporting programs are highly effective, with more than 100 marine and non-marine species delisted or having their threat status downgraded due to recoveries. Effective aspects of the US *Endangered Species Act 1973 (*ESA) that could be applied in Australia to improve outcomes include: 1) all listed threatened species have a mandatory allocation of funding for recovery actions, 2) transparent public annual reporting of spending on each threatened species and 3) critical habitat protection. Designation of critical habitat is required for all species listed under the ESA. Listing provides

[1] https://soe.dcceew.gov.au/
[2] Biodiversity Council and Australian Marine Conservation Society (2025). The cost of preventing extinctions in Australia's marine environment. March 2025. Report. Melbourne, Australia.

protection by prohibiting US federal agencies from permitting, funding, or carrying out actions that "adversely modify" critical habitat. Numerous independent analyses have shown that the ESA has led to impressive recovery for many species protected by it. The underperformance of critical habitat provisions across Australia reflects the need for mandatory identification of critical habitat.

AMCS therefore strongly supported the inclusion of unacceptable impact definitions and proposed definitions of critical habitat in the 2025 EPBC Reforms. However, the final package was compromised by vested interests. The term 'seriously impair' (used in the definition of unacceptable impacts) is vague and without identifiable thresholds. AMCS does not consider it likely that this will increase regulatory burden as it only marginally narrows the definition of a term that has been a part of the EPBC Act since its inception.

To improve outcomes for threatened species in Queensland, the Queensland Government should engage with the development of the Matters of National Environment (MNES) Standard to ensure it includes measurable outcomes, such as net gain, for all MNES. The Queensland Government should also insist that ministerial discretion is reduced in the Standards and associated regulations to ensure fair and consistent decision making (see *Opportunities for the Queensland Government to engage with the Australian Government to improve outcomes in Queensland* below for more details).

Environmental Offsets

Questions:

- How important are environmental offsets for proponents in meeting their obligations under the EPBC Act?
- What are the strengths and weaknesses of current schemes? How could they be improved?
- Will changes be required to make Queensland's offset scheme compliant with the 2025 reforms?

AMCS Response: The Queensland Government's offset scheme is failing.

One of the key issues is the accumulation of funds in the Offset Account (currently estimated at around $100 M) and the inability to deliver offsets that actually compensate for the impacts of development. This is because the real cost of delivering true offsets is underestimated by the Framework.

The idea of aggregating funds to deliver high impact offsets is intuitively attractive. In practice, however, all major offset funds in Australia (Pilbara fund, Queensland Financial Settlements Fund, NSW Biodiversity Conservation Trust (BCT), Reef Trust) are failing to acquit their accumulated offset obligations.

Less than 5% of the funds received by the Queensland Government's offsets fund (established in 2015) have delivered their associated offset. Similarly, around 90% of demand for offset credits could not be matched to supply through NSW's Biodiversity Offsets Scheme, a major feature of which is an ability to pay into a central fund (Audit Office of NSW 2022). Interviews with offset-relevant regulators in Australia found that despite unanimous support for 'pooled-assets' **there is no successful demonstration of offset outcomes** - because some impacts simply cannot be offset

and yet liability to offset them was accepted by the fund managers regardless. The funding then sits in an account while the time lag between the impact and any benefits from the offset becomes greater, driving further biodiversity decline.

A clear lesson therefore is to avoid accepting offset obligations for any impacts unless there is high certainty that adequate offsets can be feasibly, effectively, and rapidly delivered, with the payment received.

Despite these important lessons the Australian Government's 2025 EPBC reforms introduced an analogous framework. The Restoration Contribution Framework. Once again this creates a significant risk that payments could be used to justify impacts on matters of national environmental significance without any assurance that offsets will be delivered to genuinely compensate for impacts or that environmental outcomes will be achieved. Offsets are particularly complex in the marine environment as highlighted in an AMCS-commissioned report on the matter. [3]
Under current regulations and the draft Offset Standard, the Restorations Contributions Holder will not be required to deliver 'like-for-like' offsets and can instead fund 'alternative restoration actions'. If funds can be directed at a completely different species than the one being impacted, the eventual result is that species that are difficult or expensive to recover are more likely to perish.

Opportunities to improve alignment and offset outcomes in Queensland

The Australia Government have consulted on a draft Offsets Standard (not yet finalised). The Offset Standard introduces principles that, with amendments suggested by AMCS during consultation, could improve offset delivery in Queensland. To avoid the issues that have resulted in the failure of Queensland's Offset framework and all analogous funds across Australia, the National Standard should clearly state that payments will not be accepted unless there is strong evidence that a like-for-like offset is feasible and can be delivered within an ecologically relevant timeframe. A conservation payment should only be used where there is high confidence that it will deliver a better environmental outcome than the proponent delivering an offset and therefore the Restoration Contribution Holder must be held to the same National Environmental Standard as proponents. An assurance framework with appropriate monitoring of measurable, outcome-based offset conditions will be particularly important in marine systems given the uncertainty and expense of restoration action in the marine realm.

Performance Outcomes

Questions:
• What specific processes or policies are expected to hinder landholders, project proponents or governments in
Queensland from achieving compliance with the 2025 reforms?
• Are there specific implementation risks associated with the 2025 reforms? If so, what are they?
• What opportunities could streamline or improve environmental regulatory processes at both the state and national level, or reduce duplication, uncertainty, and compliance costs, while maintaining existing environmental standards?
• Could enhancements to accreditations and bilateral agreements (assessment and approval) between Queensland and the Australian Government improve regulatory efficiency? If so, how?

[3] Best practice principles for biodiversity offsetting in marine environments. A report prepared for the Australian Marine Conservation Society. Nicole Shumway, Martine Maron The University of Queensland, May, 2024.

• What policy or regulatory changes would better enable stakeholders to comply with the 2025 reforms while supporting economic and environmental outcomes?
• What other ways could the 2025 reforms be adapted to improve environmental, social, regulatory or economic outcomes in Queensland?

AMCS Response: Opportunities for the Queensland Government to engage with the Australian Government to improve outcomes in Queensland

Providing clarity through the use of one set of Outcomes-based National Environmental Standards

AMCS does not support the delegation of environmental approval powers to the states and territories. Analysis by the Environmental Defenders Office (EDO) in 2012, 2014 and 2020 has consistently shown that the environmental laws of these jurisdictions afford weaker protections to the environment than the EPBC Act. The EPBC Act manages Matters of National Environmental Significance (MNES), reporting to international conventions on progress and maintenance of this national oversight remains vital. AMCS supports a national, cohesive approach to the protection of the environment, not a piecemeal state-by-state approach for approval decisions.

AMCS does support the use of outcome-based National Environmental Standards that provide clarity and a consistent set of rules by which decisions, policies and plans made under the EPBC Act will be assessed. However, many of the positive aspects of the National Environmental Standards are compromised by the high levels of ministerial discretion. States and Territories, including the Queensland Government, should ensure that the finalised Standards are outcome-based, measurable and limit ministerial discretion so that the Standards provide the certainty they were designed to deliver.

Bioregional Plans

AMCS supports the exploration of a more strategic approach to understanding cumulative impacts on MNES and deeper, up-front consultation with communities. However, bioregional plans must not become another mechanism to streamline development through the designation of priority actions in development zones—without requirements to deliver environmental benefits. Any bioregional planning must be conservation-led and give effect to existing recovery instruments. As proposed by the Samuel Review, regional recovery plans must support coordinated threat management and investment in restoration and recovery.

Conclusion

The Australian Marine Conservation Society supports EPBC reforms that deliver stronger protection for nature while improving Queensland's long-term productivity. Clear, enforceable and outcome-focused national standards can reduce uncertainty, protect natural capital, support regional jobs and improve confidence in decision-making. We urge the Queensland Government to work with the Australian Government to deliver the reformed federal environmental framework established under the EPBC Act.