BCA
Business Council of Australia

EPBC reforms: Restoration Contributions Calculator

Submission on the proposed methodology for calculating restoration contribution charges

October 2026

Contents

1. Executive summary 2
2. Key recommendations 3
3. Calculator inputs and assumptions 6
   - 3.1 Transparency of inputs 6
   - 3.2 Defining unacceptable uncertainty 6
   - 3.3 Evidence-based alternative inputs 7
   - 3.4 Maintenance and reversal periods 7
   - 3.5 Remoteness and restoration complexity 8
4. Proportionality of costs and risk allowances 9
   - 4.1 Reversal contingency 9
   - 4.2 Cumulative and regional effects 10
   - 4.3 Management reserve, administration and access costs 10
   - 4.4 Unused contingency 11
   - 4.5 Treatment of funds over time 12
5. Cost certainty and payment timing 13
6. Scope and application of the calculator 14
   - 6.1 Protected matters with limited compensation pathways 14
   - 6.2 Species protected under more than one provision 14
   - 6.3 Interaction with other compensation pathways 15

1. Executive summary

The Business Council of Australia (BCA) counts more than 120 chief executives from leading companies across the Australian economy as members. Our members include companies directly involved in EPBC Act assessments and approvals, including in the mining and resources, energy, property, infrastructure and legal sectors. Our membership also has a strong interest in achieving positive environmental outcomes for the nation.

The BCA supports restoration contributions as an additional way for proponents to meet offset obligations. A well-designed system can reduce the time and cost of acquitting offsets and allow funds to be pooled for restoration at a scale that individual offsets rarely achieve.

These benefits depend on charges that are proportionate to the cost and risk of delivering the required outcome, and that proponents can predict and reproduce. Charges need to be designed to ensure that environmental outcomes can be confidently delivered, without being so conservative that they make restoration contribution payments unusable. We recognise that this is a tension that the Department is grappling with, and needs to get right.

At this stage, it appears that the appropriate balance has not yet been achieved. Taken together, the assumptions and allowances in the proposed methodology risk producing charges that are cost prohibitive. Where proponent-led offsets are not practical, this could make development in Australia uncompetitive and uneconomic, with significant implications for new housing and for key sectors such as critical minerals. Calculator outputs should be tested against the observed costs of comparable offsets before the calculator commences.

In particular, the BCA is concerned that:

- The paper provides limited detail on inputs, assumptions and supporting tools, that proponents need to understand or reproduce a charge.
- The paper does not describe an avenue for proponents to rely on better evidence where a default assumption is not representative.
- A single reversal multiplier applied to the whole sub-total means projects with the same restoration costs and reversal risk pay different contingencies depending on land values, and the contingency is retained where no reversal occurs.
- Cost uncertainty, the management reserve and the reversal contingency each add a separate allowance. Their combined effect is not shown, but in the paper's case studies the contingency alone equals or exceeds the restoration costs. It is also unclear how estimated land values are converted into access costs.
- It is not clear when a charge becomes fixed or when it must be paid.

This submission builds on our October 2026 submission on the exposure draft of the regulations, which addressed related matters including maintenance periods for restoration actions, state offset schemes, and marine protected matters.

2. Key recommendations

Recommendation 1: Publish what is needed to reproduce a charge

Publish the complete inputs, assumptions and supporting tools needed to reproduce a charge. In particular:

- Publish unit costs, discount rates, cost uncertainty allowances, expected ecological improvement and protected-matter settings, and explain how Table 2 values will be adjusted for each protected matter.
- Publish the formula for deriving the restoration obligation, including any adjustment over the restoration period and the weighting applied for threat status.
- Explain how impact-site quality scores account for habitat function, population significance, connectivity and genetic diversity, and publish the new Offsets Calculator and its guidance before commencement. Undertake separate consultation on the Offsets Calculator.
- Make third-party tools, such as the CSIRO hazard layer, available to proponents.
- Provide updated worked case studies that can be reproduced from the published method.

Recommendation 2: Define unacceptable uncertainty

Define 'unacceptable uncertainty' and confirm that a gap in the calculator's ability to cost a restoration response does not of itself determine whether another offset pathway is available or imply an unacceptable impact.

Recommendation 3: Allow evidence-based alternative inputs

Allow proponents to propose evidence-based alternatives to default calculator inputs, subject to agreement and appropriate evidentiary requirements.

Recommendation 4: Justify maintenance and reversal periods

- Explain the evidence for the maintenance period assumed in each charge and how it compares with the period required for a proponent-led offset.
- Reconsider and revise the maintenance period to reflect the Standard, which would see the maintenance period ending once an outcome is durable.
- Detail why a 40-year reversal risk period suits all ecosystem types.

Recommendation 5: Avoid duplicated cost drivers

Identify the cost components captured by the remoteness and complexity factors, and demonstrate that they and the underlying cost assumptions do not count common cost drivers twice.

Recommendation 6: Make the reversal contingency transparent and proportionate

- Apply the reversal multiplier only to restoration costs and the management reserve, recalibrated to that base.
- Demonstrate that the representative projects, risk assumptions and confidence settings used to derive the multipliers reflect the range of obligations to which they will apply, including projects with high land values.
- Publish the assumptions and full formula behind the multiplier, including the number and timing of repeat events, discounting and incremental administration costs.
- Reflect risk-reducing management actions in the residual reversal risk.
- Demonstrate that the management reserve, cost uncertainty uplift and contingency do not overlap, and the overall funding confidence the combined allowances achieve.

Recommendation 7: Test the scale and deliverability of obligations

- Test whether the obligations and charges produced by the methodology are proportionate, including by comparing restoration obligations with those required for equivalent proponent-led offsets, so that the restoration contribution pathway is usable, and adjust the methodology where they are not.
- Test the methodology across regions and development pipelines, including remote northern Australia, high-quality habitat and restoration that relies on threat abatement rather than revegetation, to confirm that obligations are deliverable when applied cumulatively.

Recommendation 8: Support fixed percentages and access costs with evidence

- Support the 10 per cent management reserve and administration charge with evidence, with scaling where justified.
- Cost shared threat-abatement actions once where they benefit several protected matters, unless additional effort is demonstrated.
- Explain how estimated land values are converted into access costs, including any percentage applied, and ensure access costs reflect the expected mix of access arrangements.

Recommendation 9: Reconsider how reversal risk is funded

- Publish independent actuarial advice on reversal risk and the confidence level before commencement, taking account of pooling across the scheme.
- Give proponents the option of providing financial security for the reversal component instead of cash, and consider refund or credit mechanisms that preserve funding adequacy.
- Where periodic actuarial review shows contingency funds exceed what is needed to manage reversal risk across the scheme, return the surplus to contributors or credit it against future charges, rather than applying it elsewhere..

Recommendation 10: Test charges against observed costs and recalibrate as necessary

- Before commencement, test calculated charges against the observed costs of comparable proponent-led, state and market-based restoration, and explain or correct material differences.
- Explain how assumed investment returns relate to the discount rate and how actual earnings will be treated, and reflect expected earnings in the upfront charge where the discount rate does not already do so.
- Reconcile actual costs against calculator assumptions regularly, and potentially recalibrate where they differ materially.

Recommendation 11: Provide certainty on charging and payment

In the forthcoming regulations on charging and collection:

- Under the Restoration Charge Imposition Act, fix the contribution amount at approval, specify the calculator version that applies, and define any circumstances allowing later adjustment.
- Recognise completed work, with fee and time credits, where a project changes compensation pathway.
- Specify when a charge is due and how payment will work for staged projects.

Recommendation 12: Clarify compensation pathways for matters outside the calculator's coverage

- Set out how proponents can compensate for residual significant impacts where neither a compliant offset nor a restoration contribution is available, including in marine and coastal environments.

- Consider whether indirect measures, such as funded research, monitoring and threat-management programs, are a pathway for marine matters until the calculator covers them.
- Publish a timetable for expanding the calculator's coverage, prioritising matters for which proponent-led offsets are impractical.

Recommendation 13: Avoid compensating twice for the same impact

Confirm that a species protected under more than one controlling provision is not compensated twice for the same impact.

Recommendation 14: Show how restoration contributions interact with other pathways

- Provide worked examples of partial contributions and mixed compensation pathways, showing how the same residual impact is carried between the offset and restoration contribution components of the integrated calculator.
- Confirm that the calculator's financial assumptions and cost parameters are specific to the restoration contribution mechanism and do not set benchmarks for other pathways, as distinct from impact measures shared with the Offsets Calculator.
- Clarify how the Standard's provisions for state and territory offset funds will apply to established schemes, and how payments into them are counted towards Commonwealth requirements.
- Progress recognition of established state schemes that meet the Standard's requirements, such as the Pilbara Environmental Offsets Fund, as a priority, with transitional arrangements while recognition is resolved.

3. Calculator inputs and assumptions

3.1 Transparency of inputs

The BCA understands that the impact side of the calculation is consistent with the Offsets Calculator that is separately under development. It will be essential that impact-site quality scores are determined consistently across protected matters, and that they account for habitat function, population significance, connectivity and genetic diversity. For some species, scarce breeding, denning or roosting habitat has a very different ecological value from more extensive foraging or dispersal habitat, even where vegetation condition is similar, and may need different restoration actions. As every charge depends on the obligation calculated through the new Offsets Calculator, that calculator and its guidance should be published before commencement. There should be appropriate consultation on the Offsets Calculator, separate from this consultation on the Restoration Contributions Calculator.

Proponents should be able to understand and reproduce a charge. This requires the complete numerical inputs and assumptions, including unit costs, discount rates, cost uncertainty allowances, expected ecological improvement, and settings for each protected matter. The basis for using impact-site characteristics to estimate future restoration requirements and costs should be explained. Third-party tools used in the calculation should also be made available, such as the CSIRO hazard layer used to assign the reversal risk category.

The case studies in the paper cannot be reproduced from the information it provides. In particular, the paper does not set out the formula used to convert an impact into a restoration obligation, including any adjustment applied over the restoration period and how threat status affects the result. Publishing the full method would allow proponents to understand what drives a charge and to compare it with the cost of other compensation pathways.

Recommendation 1: Publish what is needed to reproduce a charge

Publish the complete inputs, assumptions and supporting tools needed to reproduce a charge. In particular:

- Publish unit costs, discount rates, cost uncertainty allowances, expected ecological improvement and protected-matter settings, and explain how Table 2 values will be adjusted for each protected matter.
- Publish the formula for deriving the restoration obligation, including any adjustment over the restoration period and the weighting applied for threat status.
- Explain how impact-site quality scores account for habitat function, population significance, connectivity and genetic diversity, and publish the new Offsets Calculator and its guidance before commencement. Undertake separate consultation on the Offsets Calculator.
- Make third-party tools, such as the CSIRO hazard layer, available to proponents.
- Provide updated worked case studies that can be reproduced from the published method.

3.2 Defining unacceptable uncertainty

Restoration Action Category 6 ('cannot be costed') applies where, among other things, there is 'unacceptable uncertainty in determining an appropriate restoration response'. This term would benefit from clearer criteria. Uncertainty about costing a restoration response is different from legal or ecological ineligibility. Without objective thresholds, a gap in the calculator's ability to cost restoration could remove the restoration contribution pathway for a protected matter, without it being clear whether the same uncertainty affects other offset pathways. A costing gap should not determine that other offset pathways are not available. It should also be made clear that it is not to be read as an 'unacceptable impact'.

Recommendation 2: Define unacceptable uncertainty

Define 'unacceptable uncertainty' and confirm that a gap in the calculator's ability to cost a restoration response does not of itself determine whether another offset pathway is available or imply an unacceptable impact.

3.3 Evidence-based alternative inputs

The calculator relies on standardised assumptions because the restoration site is not known when a charge is calculated. Table 2 of the paper varies its assumptions by impact-site condition category and restoration strategy, and notes that values will be adjusted for each protected matter. The paper does not explain how those adjustments will be determined, published or reviewed. In practice, starting and final quality, time to ecological benefit and confidence in achieving improvement may differ materially between protected matters, regions and restoration actions. Individually conservative assumptions can compound through the calculation and produce obligations and charges well above what is needed to deliver the required outcome.

Where specific evidence shows that a default assumption is not representative of the protected matter, region or proposed restoration approach, proponents should be able to propose an alternative input supported by appropriate evidence. This would retain the efficiency of defaults while encouraging investment in better evidence, and would support the paper's intent to refine the calculator as information on actual costs and outcomes becomes available.

Recommendation 3: Allow evidence-based alternative inputs

Allow proponents to propose evidence-based alternatives to default calculator inputs, subject to agreement and appropriate evidentiary requirements.

3.4 Maintenance and reversal periods

The case studies assume a 20-year restoration period followed by a 50-year maintenance period. Under the exposure draft regulations, the maintenance period for a restoration action delivered by the Restoration Contributions Holder starts when the action is delivered and ends when it becomes durable, subject to a minimum of 25 years and a maximum of 100 years. The Environmental Offsets Standard does not apply directly to restoration delivered by the Holder, but the exposure draft requires the Holder to have regard to it.

The requirement to continue maintenance after an outcome has become durable should be reconsidered, and the regulations aligned with section 9(7) of the Standard, under which a result is durable once maintenance activities are no longer needed. If durability criteria in a management plan are sound, maintenance beyond that point adds cost without additional environmental benefit, and that cost flows through to the charge.

The 50-year assumption in the case studies is twice the proposed 25-year minimum. It is not clear what the evidence is for this, how the maintenance period will be determined for each charge, and how it compares with what a proponent-led offset would require for the same impact.

Reversal risk is modelled over a fixed 40-year period for all locations. The vulnerability of restored ecosystems to reversal events, and the length of time they remain vulnerable, is likely to vary considerably between ecosystem types. This period should be further justified.

Recommendation 4: Justify maintenance and reversal periods

- Explain the evidence for the maintenance period assumed in each charge and how it compares with the period required for a proponent-led offset.
- Reconsider and revise the maintenance period to reflect the Standard, which would see the maintenance period ending once an outcome is durable.
- Detail why a 40-year reversal risk period suits all ecosystem types.

3.5 Remoteness and restoration complexity

The calculator adjusts restoration costs separately for remoteness and restoration complexity. While the concepts are distinct, they may share cost drivers such as labour, mobilisation, equipment availability and logistics. The methodology should identify the cost components captured by each factor and show that common drivers are not counted twice.

Recommendation 5: Avoid duplicated cost drivers

Identify the cost components captured by the remoteness and complexity factors, and demonstrate that they and the underlying cost assumptions do not count common cost drivers twice.

4. Proportionality of costs and risk allowances

4.1 Reversal contingency

The BCA recognises that the Restoration Contributions Holder needs to manage genuine reversal risk. However, the contingency is a large share of the charge. At the proposed 90 per cent confidence level, the multipliers are 38, 49 and 57 per cent for low, moderate and high risk locations. In both case studies, the contingency is about a third of the total charge. At this level, it risks making the scheme cost prohibitive to use. It is also unclear whether these allowances are proportionate across different projects. The Department should demonstrate that the representative projects, risk assumptions and confidence settings used to derive the multipliers reflect the range of restoration obligations to which they will apply.

The paper describes the contingency as funding repeat restoration after a severe disturbance event. The multiplier is applied to the full sub-total, which includes search and access costs and the administration component. After a reversal, the site will already have been found and secured, so search and access costs would not ordinarily be re-incurred in full. Some further administration may be needed, but not necessarily a repeat of the original margin. The paper states that the multiplier was derived using modelling that accounts for search and access costs not typically recurring, but the published explanation is not sufficient to verify this.

Applying one multiplier to the whole sub-total also means that two projects with the same restoration costs and reversal risk would pay different contingencies if their land values differed, even though, on the paper's own description, land costs would not be incurred again after a reversal. Both case studies use the moderate risk category, yet the contingency equals 157 per cent of restoration costs in the koala case study and 101 per cent in the black cockatoo case study, largely because of high land values in South East Queensland. Depending on how the multiplier is calibrated, this risks over-provision for projects with high land values.

The reversal multiplier should be limited to the costs that would be repeated after a reversal, namely restoration costs and the management reserve, recalibrated to that narrower base.

Allowances for uncertainty are also layered. Restoration costs are estimated at a 90 per cent confidence level, a 10 per cent management reserve is added, and the reversal contingency is set at a further 90 per cent confidence level. The combined effect of these allowances on overall funding confidence is not shown. The Department should demonstrate the overall level of confidence the charge achieves and explain how dependencies between the risks are treated. The paper distinguishes the management reserve, which funds responses to unforeseen circumstances, from the contingency, which covers identified risks such as reversal. The methodology should show that this distinction holds in implementation, and that the management reserve, cost uncertainty uplift and reversal contingency do not provide for the same costs. Where a restoration action includes management that reduces the probability of reversal, such as early-season burning to reduce the frequency and intensity of bushfires, this should be reflected in the residual reversal risk applied.

Recommendation 6: Make the reversal contingency transparent and proportionate

- Apply the reversal multiplier only to restoration costs and the management reserve, recalibrated to that base.
- Demonstrate that the representative projects, risk assumptions and confidence settings used to derive the multipliers reflect the range of obligations to which they will apply, including projects with high land values.
- Publish the assumptions and full formula behind the multiplier, including the number and timing of repeat events, discounting and incremental administration costs.
- Reflect risk-reducing management actions in the residual reversal risk.
- Demonstrate that the management reserve, cost uncertainty uplift and contingency do not overlap, and the overall funding confidence the combined allowances achieve.

4.2 Cumulative and regional effects

The case studies show restoration obligations well above the impacted area. The koala case study converts a 6 hectare impact into a 31 hectare obligation. The black cockatoo case study converts a 29 hectare impact into obligations of 266 and 216 hectares, which overlap rather than representing 482 hectares of separate land. The paper explains that this reflects time to ecological benefit, achievable improvement and confidence, rather than hectare-for-hectare replacement. The ratio rises sharply for impacts on high-quality habitat. Table 2 assumes only a 6-point improvement for a high-condition site, so impacts on high-quality habitat will generate restoration areas many times larger than the area affected. Obligations of this scale drive restoration and access costs, and the resulting charges risk undermining the usability of the scheme. The paper also does not present any testing of the cumulative implications at landscape scale. Where several projects are proposed in the same region, these obligations could exceed the land, tenure arrangements or restoration opportunities available, or compete with other land uses.

The case studies also do not test the methodology in remote northern Australia, where restoration may rely more on threat management and landform-dependent habitat than on revegetation.

Recommendation 7: Test the scale and deliverability of obligations

- Test whether the obligations and charges produced by the methodology are proportionate, including by comparing restoration obligations with those required for equivalent proponent-led offsets, so that the restoration contribution pathway is usable, and adjust the methodology where they are not.
- Test the methodology across regions and development pipelines, including remote northern Australia, high-quality habitat and restoration that relies on threat abatement rather than revegetation, to confirm that obligations are deliverable when applied cumulatively.

4.3 Management reserve, administration and access costs

The basis for setting the management reserve at 10 per cent should be supported by evidence. Administration costs are also proposed as a flat 10 per cent. Larger restoration obligations may involve greater complexity but may also offer administrative efficiencies. The percentage should be supported by evidence of efficient scheme administration costs, with a scaling discount where justified, and tested through the cost recovery arrangements required under the Commonwealth Charging Framework, which the paper says will apply to the charge.

In case study 2, habitat improvement is costed once across both species, while threat-abatement costs are applied to each species separately because the significance of threats and the actions required differ between species. Where a single action, such as feral predator, weed or fire management, delivers measurable benefits to

several protected matters, it should be costed once, with additional costs applied only where additional effort is demonstrated.

Access costs are a substantial component of delivery costs in both case studies, at 55 per cent for the koala and 45 per cent for the black cockatoos. The paper states that access costs cover third-party access to, or acquisition of, land, and are based on estimated land values for each bioregion, although the Holder is not intended to purchase land directly. Where restoration is secured through stewardship or other agreements, the cost of securing access may differ materially from the value of the land. The methodology should explain how estimated land values are converted into access costs, including any percentage applied, and whether those costs reflect the expected mix of access arrangements.

Recommendation 8: Support fixed percentages and access costs with evidence

- Support the 10 per cent management reserve and administration charge with evidence, with scaling where justified.
- Cost shared threat-abatement actions once where they benefit several protected matters, unless additional effort is demonstrated.
- Explain how estimated land values are converted into access costs, including any percentage applied, and ensure access costs reflect the expected mix of access arrangements.

4.4 Unused contingency

The paper states that contingency funds will not be returned to proponents if reversal events do not occur. The BCA does not support the retention of contingency funds beyond what is needed to manage reversal risk across the scheme. Proponents should not be required to pay for costs that are never incurred. Allowing surplus contingency to be retained and redirected, even within the purposes of the special account, would weaken the incentive to set the contingency accurately, and over time could see charges drift beyond the cost of the risk they are meant to cover.

Pooling also has implications for how the contingency is set. A 90 per cent confidence level applied to each charge may over-provide at the scheme level, because reversal risk is spread across many sites and regions. Some events, such as widespread drought or fire, will affect many sites at once. The paper should explain whether pooling has been considered in setting the confidence level, and how much diversification remains after accounting for correlated events. Independent actuarial advice on reversal risk and the appropriate confidence level, taking account of pooling, should be published before commencement.

Alternatives to an upfront cash contingency are also worth considering, provided they preserve funding adequacy across the scheme. These could include a contingency that is refunded or credited as the risk period passes, or giving proponents the option of providing financial security for the reversal component instead of paying it in cash. Security of this kind would be drawn on only if a reversal occurred and released as the risk period passes. It would suit proponents willing to retain that contingent liability, while others could continue to pay in full and transfer the risk to the Holder.

If unused contingency is retained, the paper should explain how it will be allocated and accounted for, and whether it remains attributable to the relevant protected matter or region, with public reporting on its use. The BCA notes that the Department is seeking expert advice on how contingency funds are best managed.

Recommendation 9: Reconsider how reversal risk is funded

- Publish independent actuarial advice on reversal risk and the confidence level before commencement, taking account of pooling across the scheme.
- Give proponents the option of providing financial security for the reversal component instead of cash, and consider refund or credit mechanisms that preserve funding adequacy.
- Where periodic actuarial review shows contingency funds exceed what is needed to manage reversal risk across the scheme, return the surplus to contributors or credit it against future charges, rather than applying it elsewhere..

4.5 Treatment of funds over time

Charges are calculated as present values and maintenance may extend for up to 100 years. The paper does not explain how assumed investment returns relate to the discount rate used to calculate present values, or how actual earnings on funds held in the special account will be treated. Given the potentially long period between receipt and expenditure of funds, this could be material. Where expected investment earnings are not already reflected in the discount rate, they should be taken into account in setting the upfront charge.

Annual updates and the review two years after launch are welcome, but early estimates will carry significant uncertainty. Actual expenditure should be reconciled regularly against calculator assumptions, with material differences potentially used to recalibrate the methodology. Before commencement, calculated charges should be tested against the observed costs of comparable proponent-led, state and market-based restoration, and compared periodically after that.

Recommendation 10: Test charges against observed costs and recalibrate as necessary

- Before commencement, test calculated charges against the observed costs of comparable proponent-led, state and market-based restoration, and explain or correct material differences.
- Explain how assumed investment returns relate to the discount rate and how actual earnings will be treated, and reflect expected earnings in the upfront charge where the discount rate does not already do so.
- Reconcile actual costs against calculator assumptions regularly, and potentially recalibrate where they differ materially.

5. Cost certainty and payment timing

Annual updates and version control will improve transparency, but it should be clear when a contribution amount becomes fixed. The regulations under the Restoration Charge Imposition Act, which will prescribe the charging arrangements, should specify the applicable calculator version and how staged projects and later methodology changes will be treated. Fixing the contribution amount at approval would provide greater investment certainty. Any circumstances allowing later adjustment should be clearly defined.

Where a project moves between compensation pathways, completed state or Commonwealth work should be recognised, with corresponding fee and time credits.

The paper does not say when a charge must be paid. A charge is imposed when an approval containing a restoration contribution condition is granted, but no due date is specified. The paper notes that separate regulations under section 521B of the EPBC Act will deal with administrative and machinery matters relating to collection of the charge. The payment regulations should specify when a charge is due and how payment will work for staged projects For example, payment could be linked to commencement of the relevant impact, with payment by stage for staged projects.

Recommendation 11: Provide certainty on charging and payment

In the forthcoming regulations on charging and collection:

- Under the Restoration Charge Imposition Act, fix the contribution amount at approval, specify the calculator version that applies, and define any circumstances allowing later adjustment.
- Recognise completed work, with fee and time credits, where a project changes compensation pathway.
- Specify when a charge is due and how payment will work for staged projects.

6. Scope and application of the calculator

6.1 Protected matters with limited compensation pathways

Once they commence, the reformed approval provisions will require the Minister, subject to limited exceptions, to be satisfied that an action is consistent with the prescribed National Environmental Standards and, where a residual significant impact remains, that the net gain test will be met. A residual significant impact can be compensated through an offset that meets the Environmental Offsets Standard, a restoration contribution, or both.

The consultation paper confirms that the calculator will initially apply to a subset of threatened species and threatened ecological communities, with coverage to expand over time. For some protected matters, an offset consistent with the Standard will be difficult to deliver. The Standard allows alternative protection mechanisms where legal mechanisms are not available or feasible, and permits departures from like-for-like outcomes in some circumstances. Even so, in marine environments it may be hard to demonstrate that an offset is adequately secure, or that it delivers measurable benefit to the affected matter, because exclusive tenure is generally unavailable and proponents may have limited ability to control other users and adjacent activities. The paper gives no indication of how the calculator would apply in state or Commonwealth waters, and its cost inputs, such as land values, vegetation types and remoteness categories, are designed for land-based restoration.

This is not limited to offshore waters. Activities in coastal and state waters, such as port, coastal infrastructure and cable landfall works, can have residual significant impacts on matters such as seagrass and dugong habitat, for which secure, like-for-like offsets are rarely available. Some past approvals have addressed such impacts through funded research, monitoring and management programs and land-based offsets rather than area-for-area replacement. The exposure draft regulations already allow the Holder to fund indirect restoration actions identified as a high priority in a conservation planning document. A similar approach may provide a practical pathway for marine matters until they are covered by the calculator. These points are separate from the question of how the reformed requirements apply to offshore petroleum activities approved through the NOPSEMA framework.

Where neither pathway is available and no exception applies, a proposal with a residual significant impact may not be capable of approval. The BCA would welcome clarity on how the Government intends to address this.

Recommendation 12: Clarify compensation pathways for matters outside the calculator's coverage

- Set out how proponents can compensate for residual significant impacts where neither a compliant offset nor a restoration contribution is available, including in marine and coastal environments.
- Consider whether indirect measures, such as funded research, monitoring and threat-management programs, are a pathway for marine matters until the calculator covers them.
- Publish a timetable for expanding the calculator's coverage, prioritising matters for which proponent-led offsets are impractical.

6.2 Species protected under more than one provision

A species may be protected under more than one controlling provision for an action, for example where it is listed as both threatened and migratory. The methodology should confirm that the same impact to that species is compensated only once, while distinct impacts to each protected matter are still compensated.

Recommendation 13: Avoid compensating twice for the same impact

Confirm that a species protected under more than one controlling provision is not compensated twice for the same impact.

6.3 Interaction with other compensation pathways

Restoration contributions are intended to supplement proponent-led offsets, advanced restoration actions, and recognised state mechanisms. The paper states that the calculator's impact-to-offset calculations are consistent with the Offsets Calculator and use the same units of measurement. It does not yet show how the two components of the integrated Offsets and Restoration Contributions Calculator will work together in practice, including how a proponent would combine a partial contribution with a proponent-led offset.

Charges produced by the calculator may become a reference point for offset and restoration costs more broadly. If conservative financial assumptions are embedded in the calculator, they may influence costs and expectations well beyond the Restoration Contributions Holder. The Environmental Offsets Standard provides for payments into state and territory offset funds, subject to their frameworks meeting its requirements. It would help to clarify how these provisions will apply to established schemes, such as the Pilbara Environmental Offsets Fund, where state and Commonwealth obligations relate to the same environmental values. Recognition of such schemes should be progressed as a priority, with transitional arrangements so that proponents are not left without a clear pathway while it is resolved. As noted in our submission on the draft regulations, the same environmental benefit should be able to satisfy overlapping state and Commonwealth obligations for the same impact, while not being counted against separate impacts.

Recommendation 14: Show how restoration contributions interact with other pathways

- Provide worked examples of partial contributions and mixed compensation pathways, showing how the same residual impact is carried between the offset and restoration contribution components of the integrated calculator.
- Confirm that the calculator's financial assumptions and cost parameters are specific to the restoration contribution mechanism and do not set benchmarks for other pathways, as distinct from impact measures shared with the Offsets Calculator.
- Clarify how the Standard's provisions for state and territory offset funds will apply to established schemes, and how payments into them are counted towards Commonwealth requirements.
- Progress recognition of established state schemes that meet the Standard's requirements, such as the Pilbara Environmental Offsets Fund, as a priority, with transitional arrangements while recognition is resolved.

BCA

Business Council of Australia

BUSINESS COUNCIL OF AUSTRALIA
GPO Box 1472
Melbourne 3001
T 03 8664 2664
www.bca.com.au

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