QTEN · QUEENSLAND TECHNICAL EXCELLENCE NETWORK

BOARD BRIEF

Environment & Natural Capital

Managing nature as a governed asset — not a compliance afterthought

Why this is a board issue now

Environmental performance has moved from a site-level compliance task to a governed, disclosable, balance-sheet matter. Three forces have converged: the general environmental duty under the Environmental Protection Act 1994 (Qld), which places a positive, personal obligation on those who direct an organisation; nature-related financial disclosure (TNFD) and natural-capital accounting (SEEA) entering investor, lender and procurement expectations; and a maturing nature market — biodiversity offsets and the Commonwealth Nature Repair Act 2023 — that turns ecological condition into real cost and real value. The board question is no longer "are we compliant?" but "can we prove how we manage nature, and what it is worth to us?"

Where boards are exposed

Each item below is an enterprise-risk exposure — it belongs on the risk register and in the audit committee’s line of sight, not buried in a site compliance log.

- **Director & officer duty.** The EP Act general environmental duty and due-diligence obligations attach to decision-makers. Serious environmental harm carries substantial penalties and, in defined circumstances, personal exposure that insurance will not fully absorb.
- **Legacy & contamination liability.** EMR/CLR listings, PFAS and acid sulfate soils crystallise as remediation cost and transaction risk — depressing site value and triggering financier conditions, often surfacing only at sale or refinance.
- **Offset cost blow-out.** Unquantified biodiversity-offset liabilities emerging late in an approvals pathway are a material, avoidable capital shock — routinely six or seven figures on a single project.
- **Disclosure & greenwashing.** Unsubstantiated environmental claims now draw ACCC scrutiny. Weak evidence behind a sustainability statement is both a legal and a reputational risk to the brand and the board.

What good looks like

The organisations that win treat nature as a governed asset, with the discipline they already apply to safety and finance: a named accountable owner, defined material decisions, verified critical controls, retained evidence, and clear escalation. Environmental statements do not withstand scrutiny; evidence systems do. QTEN helps clients move from generic environmental statements to evidence systems that stand up to a regulator, a lender and an investor.

Three questions to test this year

1. Can we name the single accountable owner for environmental risk, and produce the evidence behind our last three material environmental decisions?
2. What is our total quantified environmental liability — contamination, offsets and closure — and is it on the balance sheet, or a surprise waiting to happen?
3. If a regulator, lender or investor asked us to substantiate an environmental claim tomorrow, could we — with sourced, current, defensible evidence?

KNOW YOUR EXPOSURE

Commission an independent environmental risk review. QTEN shows you your true exposure — across contamination, offsets and disclosure — and puts it on the record before a regulator, lender or investor does. **admin@qten.com.au**

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