

BIODIVERSITY CONSERVATION BILL 2016

LOCAL LAND SERVICES AMENDMENT BILL 2016

First Reading

Bills received from the Legislative Council, introduced and read a first time.

The SPEAKER: I order that the second readings of the bills stand as an order of the day for a later hour.

[Notices of motions given.]

Second Reading

Mr MARK SPEAKMAN (Cronulla—Minister for the Environment, Minister for Heritage, and Assistant Minister for Planning) (10:13): I move:

That these bills be now read a second time.

Today I introduce to the House the Biodiversity Conservation Bill 2016 and the Local Land Services Amendment Bill 2016 as cognate bills. The Biodiversity Conservation Bill 2016 will repeal the Threatened Species Conservation Act 1995, the Nature Conservation Trust Act 2001 and parts of the National Parks and Wildlife Act 1974. The Local Land Services Amendment Bill 2016 will repeal the Native Vegetation Act 2003.

Together, these bills will modernise and transform the way that biodiversity is valued and conserved in New South Wales. The New South Wales Government is dispensing with outdated approaches to biodiversity conservation and land management that no longer are serving our best interests. Almost two years ago the previous Minister for the Environment, my colleague who is now the Minister for Planning, appointed an independent panel to review our biodiversity laws.

The independent panel members were a former Wentworth scientist Dr Neil Byron, Dr Wendy Craik, Dr John Keniry, and Professor Hugh Possingham. This pre-eminent panel considered ways to capitalise on this once-in-a-generation opportunity to improve the land management and biodiversity conservation framework. As highly experienced professionals with specialist expertise, the panel was well placed to advise the Government. The panel met with a number of stakeholders to understand how the legislation operates in practice. It met with conservation groups, landholders, farmers, the Nature Conservation Trust, developers and local government. It released an issues paper to gather feedback on the current system and improvements needed to remove an unnecessary regulatory burden as well as to facilitate sustainable development and biodiversity conservation in New South Wales.

The panel delivered 43 recommendations to the Government in December 2014. Now the Government is introducing landmark legislation that delivers on those recommendations. The bills at the centre of those reforms have been jointly developed with my colleagues the Minister for Primary Industries, and Minister for Lands and Water, and the Minister for Planning. Today we are implementing a truly modern and strategic approach to biodiversity conservation for the people of New South Wales. The amending bill builds on and strengthens the best aspects of existing policies and programs but also addresses major weaknesses in the current system. I thank the members of the independent panel for the significant time they invested in delivering their report in 2014 and afterwards in advising the Government on a legislative framework. Overall, the reforms aim to slow down, to arrest and then to reverse the long-term decline of biodiversity and to maintain a healthy, productive and resilient environment now and into the future consistent with the principles of ecologically sustainable development.

This purpose is reflected in the proposed objects of the Biodiversity Conservation Bill 2016 and the Local Land Services Amendment Bill 2016. The Government has taken advantage of the best available science and data around biodiversity and land management to modernise the policy and the legislative, institutional and financial framework for biodiversity conservation in New South Wales. The framework that the Government is proposing will put New South Wales at the cutting edge of science and policy. Our State is home to some of the most spectacular and unique native plants and animals, coastlines and landscapes in the country. The Government is rightly proud of the New South Wales natural environment and we want it to be healthy, resilient and productive for the future. But, unfortunately, biodiversity continues its historical decline. Since the introduction of the Native Vegetation Act 2003, around 100 species have been added to our list of threatened species. Just a fortnight ago the World Wide Fund for Nature [WWF] International released the latest edition of its Living Planet report, which shows a persistent downward trend in biodiversity abundance levels worldwide.

The New South Wales Government needs to address that decline in New South Wales as a matter of urgency. For too long New South Wales laws are focused on regulation that restricts the land use of site scales without an overarching strategic approach that aims to conserve biodiversity and ecological integrity at bioregional and State scales. In the past, the Government has tried to conserve biodiversity by restricting what farmers can do on individual farms through blanket land clearing restrictions. There are three major flaws in this approach. Firstly, it imposes the cost of a public interest on individual farmers instead of recognising, valuing and trusting them as land managers. Secondly, it treats all vegetation as if it has the same importance. Clearing is restricted, irrespective of where important biodiversity values may be located in the landscape. Thirdly, it does not put this restricted land into active management for biodiversity outcomes.

Much of the State's landscape requires careful and sensitive active management to protect its values. The previous approach has been proved to be a blunt and ineffective approach. The very people we need on side in our efforts to conserve nature understandably are frustrated because they feel thwarted in managing their own land. At the same time, the State's stocks of biodiversity are going backwards. Over time we have seen more and more species added to the threatened species list. For too long we have put biodiversity at risk by failing to prioritise conservation efforts in a way that is cost effective.

These proposed laws represent fundamental and transformational reform, a complete overhaul of existing laws. We are continuing to value and to protect our native plants and animals but we are also making the legislative framework more flexible and simple so that it works for everyone, instead of imposing overly burdensome regulation unfairly on one part of the community. We are streamlining a cumbersome and overly prescriptive system to make it easier for landholders to get on with the routine business of managing their land. We are delivering a strategic approach to biodiversity conservation, which is backed by an historic government commitment of \$340 million over five years to drive the conservation of biodiversity. This includes an additional \$100 million over five years for the Saving Our Species program and funding for a new and strategic prioritised private land conservation program: \$240 million over the first five years and \$70 million per annum ongoing, subject to program performance reviews.

The new framework is based on the widely accepted view that we can have sustainable development while also protecting and enhancing our biodiversity. The existing system focuses on protecting biodiversity through regulation: the stick. It does not address the ongoing need to invest in biodiversity: the carrot. This legislation contains a wider range of statutory tools and levers to ensure that government resources are more appropriately targeted. People who live on the land are commonly best placed to manage degraded ecosystems to make sure they are delivering for nature and the public good. We are putting more trust in individuals to do the right thing and focusing our regulatory effort where it is needed. We have created a system to deliver appropriately targeted and strategic investment in biodiversity conservation to support land managers to restore our degraded landscapes, to build landscape connectivity and to protect our native wildlife. We are shifting to a risk-based approach to land management to allow people to take reasonable steps to manage and

develop their land with a greater series of checks and balances, which will allow us to avoid, mitigate or offset important impacts.

We acknowledge up-front that this new approach to land management may lead to some increased clearing at a property scale, but there are checks and balances to ensure that the impacts of that clearing are managed through a suite of set asides, caps, offsets, investments, market-based instruments, monitoring and regulatory enforcement. The Minister for Primary Industries, and Minister for Lands and Water in the other place has already talked about how landholders will be supported with much improved extension services so they can see the benefits to them of participating in our investment programs and complying with this new fairer set of laws. As opposed to the current site-based system of tough enforcement only, this range of approaches aims to enlist land managers to contribute to biodiversity conservation at the bioregional scale. We are rebalancing and ensuring that laws are clear and enforceable. It is essential to focus our biodiversity conservation efforts on the needs of and incentives for land managers. More than 70 per cent of land in New South Wales is under private ownership or Crown leasehold.

I will now briefly outline the proposed provisions of the Local Land Services Amendment Bill 2016. The Minister for Primary Industries, and Minister for Lands and Water in the other place has gone into more detail about the amendments to the land management framework. The bill inserts a new part 5A into the Local Lands Services Act 2013 to regulate native vegetation and land management in rural areas. This new approach will require triple bottom line decision-making and it will provide clarity and certainty to landholders about what vegetation can be cleared. Division 2 of new part 5A of the Local Land Services Amendment Bill provides for a native vegetation regulatory map that will underpin the regulatory framework. The map will designate rural land into two categories: category 1—exempt land, where clearing can be carried out without an approval or notification processes under the Act; and category 2—regulated land, where landholders will need to find an appropriate pathway under the Act in order to clear.

Before the mapping framework is switched on, the Office of Environment and Heritage will undertake targeted consultation with landholders to ensure that the map is accurate and to give all stakeholders confidence in the mapping framework. The science and technologies that will be used to produce the map will put New South Wales at the cutting edge of vegetation mapping. Division 3 of new part 5A sets out the approval pathway options for category 2—regulated land.

Division 5 of part 5A sets out some important functions of the Minister for the Environment to ensure that the biodiversity impacts of clearing under codes of practice are minimised. The Minister for the Environment will continue to have a role in clearing regulation under the new framework through a concurrence role in the making of native vegetation management codes and in jointly recommending, with the Minister for Primary Industries, amendments to the allowable activities provisions in schedule 5A to the Act.

Additionally, the Minister for the Environment will have a role in exercising a power, if needed, jointly exercisable with the Minister for Primary Industries, to restrict the use of codes. This can be utilised if there are unanticipated issues with the use of codes under the reforms and is an important safeguard for the environment. Changes to the proposed code metrics have improved their environmental settings, ensuring they are not able to be used in an expanded range of sensitive areas. They require a greater amount of land to be set aside and require management to benchmark to improve their biodiversity and carbon performance over time. The bills also embed the principles of ecologically sustainable development in guiding decision-making under the Local Land Services Act and the proposed Biodiversity Conservation Act.

The Biodiversity Conservation Bill 2016 will amend the Forestry Act to ensure that sustainable forestry operations on private land will be regulated as an ongoing activity and no longer treated as a form of land use change. To give effect to this, the Government will make a regulation under the Local Land Services Act that will mean that native vegetation management codes under that Act and certain allowable activities will not apply to land that is subject to a private native forestry plan. Private native forestry will be required to comply with the Private Native Forestry Code of Practice and be authorised

by a private native forestry plan. While the bill makes necessary changes as a result of the repeal of the Native Vegetation Act 2003, the Government remains committed to commencement of the new native forestry regulatory framework over the next year.

I will now describe the proposed provisions of the Biodiversity Conservation Bill 2016. The independent panel concluded that the new legislation requires an integrated and simpler set of high-level objects. The panel recommended an overarching goal and core objects. The full scope of the Biodiversity Conservation Bill 2016 is reflected in the proposed objects. It is important that the bill states the purpose behind it and that the objects clearly indicate how that purpose will be met. The major impacts of climate change on biodiversity and the need to consider this as part of the reforms was a common theme raised in feedback on the draft bill. We have listened to that feedback and inserted a new object to support biodiversity conservation in the context of climate change.

In relation to climate change, these reforms are complemented by the new New South Wales Climate Change Policy that the Premier and I announced on 3 November 2016. The New South Wales Government has set an aspiration to achieve zero net emissions by 2050. Taken together, these two reforms will create significant opportunities for rural landholders to play an increasingly large role in land-based carbon sequestration. The bill includes a conventional provision for five-yearly reviews to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives. These reviews will involve public consultation and a report will be tabled in both Houses.

The Local Land Services Amendment Bill 2016 proposes to insert a new section 212 in the Local Land Services Act 2013 requiring that the review of the native vegetation management provisions of that Act be undertaken in conjunction with the review of the Biodiversity Conservation Act. In addition to these standard five-yearly reviews, this Government will also conduct a review of the new laws, supporting policies, programs and funding within three years of implementation. This review will assess the balance in the new system, including the effectiveness of the policy settings and legislative framework, the awareness and acceptance of the community, the native vegetation extent and condition, the uptake of incentives for conservation and other biodiversity conservation actions, as well as the level of development and increased farm productivity. The outcomes of this review will inform Government to make sure that we are delivering balanced development and conservation outcomes as expected.

Part 2 of the Biodiversity Conservation Bill 2016 retains the Government's role in protecting native animals and plants. It focuses on conservation outcomes. Part 2 of the bill establishes the core framework of the legislation aimed at protecting our biodiversity and our threatened species. It brings forward and strengthens provisions from the Threatened Species Conservation Act 1995 and the wildlife elements of the National Parks and Wildlife Act 1974 that establish protections for our native wildlife. Division 1 of part 2 establishes the core offences for harming and picking threatened species and ecological communities and also certain protected plants and animals, including our precious marine mammals. This includes prohibiting a person from knowingly damaging the habitat of threatened species and ecological communities. The part also regulates the buying, selling, trading, importing, exporting and possessing of native wildlife.

The Biodiversity Conservation Bill 2016 contains strong deterrents. Under the bill, the maximum penalty for illegally dealing in and possessing protected animals and protected native plants is \$22,000 for an individual and \$110,000 for corporations. We have also significantly increased the penalties for offences involving threatened species, if the animals and plants are endangered or critically endangered. The maximum penalty will be \$330,000 and imprisonment for up to two years for an individual and \$1,650,000 for a corporation. Division 2 of part 2 then establishes the various defences available to individuals, businesses and other parties. This includes acts authorised by other laws, acts authorised by regulations or codes of practice and acts authorised by biodiversity conservation licences. This includes critical organisations such as the Rural Fire Service, whose volunteers will continue to be protected from prosecution, carrying over the status quo.

The Biodiversity Conservation Bill 2016 includes much-needed reforms to the State's threatened species laws. The continued increase in the number of threatened species in New South Wales shows that the current system is not working. The number of threatened species in New South Wales has grown to around 1,000 and more than 70 species are now presumed extinct. The latest State of the Environment report shows that around 60 per cent of mammal species in New South Wales are threatened with extinction, along with 30 per cent of birds and 14 per cent of native plants. This is a disturbing trend that this Government is not willing to accept. We are committed to tackling the weaknesses in the current system to ensure that we have the best measures available to conserve biodiversity.

The bill includes internationally leading approaches to listing and conserving threatened species. The eligibility criteria for determining a species' risk of extinction are set out in part 4 of the bill. These criteria will be supported by further criteria in the regulations that can only be based on scientific principles. These provisions have been updated to better align with those of the International Union for Conservation of Nature. This will bring New South Wales in line with the international standard. It is highly important that the lists of threatened plants and animals are based on rigorous scientific evidence and give a real reflection of the status of New South Wales' valuable wildlife. To this end, the independent Threatened Species Scientific Committee will continue to base its threatened species assessments on robust scientific method.

New South Wales has recently become a party to the national memorandum of understanding for a common assessment method for listing threatened species and ecological communities. The Biodiversity Conservation Bill 2016 supports the implementation of the memorandum and will facilitate harmonisation of State and Commonwealth lists of threatened species and ecological communities. This will remove the current confusion caused by multiple and inconsistent lists, and reduce duplication of assessment effort and regulatory burden, which the independent panel recognised as being a major concern among industry and all levels of government.

To arrest the continuing decline of threatened species in New South Wales, division 6 in part 4 of the Biodiversity Conservation Bill 2016 requires the establishment of a Biodiversity Conservation Program. The Biodiversity Conservation Bill 2016 updates the onerous process for developing a threatened species priorities action statement with a new program focusing on delivering real and effective on-the-ground conservation action for threatened species and threatened ecological communities. This program will reflect the world-leading approach taken by the New South Wales Saving our Species program introduced by this Government in 2013.

The Saving our Species program includes the ambitious goal to maximise the number of threatened species that can be secured in the wild in New South Wales for 100 years. The Government's reform package, which includes an additional \$100 million over five years for the Saving our Species program, will assist in achieving this goal. Unlike previous programs, Saving our Species focuses on priority actions, monitoring and transparent reporting. The Government has started work on an innovative project under Saving our Species to reintroduce more than 10 mammal species, including the iconic bilby, the numbat, and the brush-tailed bettong, to the State's national parks. This initiative, first announced in April 2014, will see the return of mammal species not seen in their natural habitat in New South Wales for more than 90 years. Funding for this exciting project is in addition to the \$100 million I mentioned earlier.

The Biodiversity Conservation Program will also aim to minimise the impact of key threatening processes on both biodiversity values and ecological integrity. It encourages collaboration with the New South Wales community and businesses to save and restore threatened species, as well as requiring public consultation on conservation strategies. In addition to protecting species at risk, the Biodiversity Conservation Bill introduces innovative measures to conserve areas that provide biodiversity benefits important to all of New South Wales. The bill establishes a power for the Minister for the Environment to declare areas of outstanding biodiversity value. This addresses a significant gap in the current legislation.

The independent panel recommended replacing the current and little-used mechanism for declaring critical habitat with stronger provisions to maintain, conserve and restore areas of special biodiversity importance by focusing on stewardship activities. A world-class national park system is not enough by itself to secure our biodiversity and maintain healthy and productive landscapes. We need another concept which recognises the exceptional biodiversity value of specific functioning landscapes without the need for government to own the land. Unlike the existing critical habitat provisions in the current legislation, "areas of outstanding biodiversity value" will not be limited to protecting only habitat of, or critical to the survival of, threatened species and threatened ecological communities.

The new mechanism will allow us to work with people on the land to protect sites that make a significant contribution to the persistence of multiple species, irreplaceable biological distinctiveness, ecological processes, ecological integrity or outstanding ecological value for scientific knowledge. The Government intends that this mechanism will be used by the Minister to protect sites vital for maintaining landscape connectivity, supporting migratory species, sustaining climate refuges or the last known site of a species occurrence. Decisions to declare these areas will be informed by a transparent and scientifically robust process. Before making a recommendation to declare an area, the Environment Agency head must seek and consider the advice of the Threatened Species Scientific Committee, the Biodiversity Conservation Trust and the Biodiversity Conservation Advisory Panel.

Regulations to be made under the Biodiversity Conservation Bill 2016 will establish clear scientific criteria for identifying areas of outstanding biodiversity value that are consistent with international standards. The community will be consulted on all proposals to declare an "area of outstanding biodiversity value". The Biodiversity Conservation Bill 2016 requires the Minister for the Environment, after declaring an area, to take reasonable steps to enter into a voluntary private conservation agreement with any landholder whose land is within the area. This will ensure private landholders are properly funded to undertake positive management of areas. These thriving, cherished landscapes will be protected for posterity. People could still live and work in these landscapes, but it will be an offence to damage a declared area of outstanding biodiversity value.

We are fortunate in New South Wales to have a rich and diverse range of native wildlife. But the laws we have now for regulating human interactions with native animals and plants are more than 40 years old and have not kept pace with the evolution of wildlife management in practice. The current system is overly prescriptive, unrefined and difficult to enforce. This is one reason the Biodiversity Conservation Bill 2016 is needed. People interact with wildlife in many ways—observing and enjoying native animals and plants in their natural environment, growing protected native plants as a hobby, undertaking scientific research to understand how our natural environment works, keeping native animals such as birds and reptiles as pets, and even carving emu eggs for artistic purposes. People also care for animals that are sick, injured or orphaned, deal in protected animals and plants from the wild, or in some cases use them for commercial gain through activities such as selling native animals in pet shops, selling protected native plants or selling kangaroo products.

These interactions with wildlife have grown significantly since the National Parks and Wildlife Act 1974 was enacted. For example, around 1,000 people were keeping native reptiles as a hobby in the 1990s. Today there are around 20,000 licensed native reptile keepers. The New South Wales Government wants to encourage people to enjoy native wildlife and make it easier for people to do the right thing when keeping captive-reared native animals in their homes. Wild populations will remain protected. There is also a strong community expectation that government will ensure people deal appropriately and humanely with animals that are damaging property or affecting human health and safety.

The independent panel recommended modernising and streamlining how we manage human interactions with native plants and animals. The bill maintains strong protections while providing the flexibility needed to manage our native wildlife differently. The fundamental notion that protected animals should not be harmed without a form of licence or consent continues to apply. The panel expressly recommended that government adopt a tiered and risk-based approach to the regulation of

wildlife management in New South Wales to credibly regulate high-risk activities and reduce red tape for low-risk activities. We want to redirect government resources to better regulate higher risk activities. Instead of government resources being used to issue licences for lower risk activities, we want to focus on education and compliance where they are needed most, to make sure biodiversity conservation licences and codes of practice work as intended. That is why the Biodiversity Conservation Bill 2016 has not replicated the complex scheme of licences under the current laws but instead provides government and the community with access to more tools to regulate different activities and species according to risk.

Despite recent inaccurate claims by the Opposition licensing remains an important part of the regulatory toolkit. Licensing provisions under part 9 of the existing National Parks and Wildlife Act 1974 will be replaced by the provisions in division 3 of part 2 of the Biodiversity Conservation Bill 2016. Licences will still be used to regulate high-risk wildlife interactions, including harming protected animals for damage mitigation purposes. There is no change here when compared to the status quo. Biodiversity conservation licences and codes of practice will impose requirements to keep records for moderate and high-risk activities.

The New South Wales Government will also create a centralised database or public register which will show details of the biodiversity conservation licences issued. Consistent with the independent panel's recommendation, the Biodiversity Conservation Bill 2016 provides the option of making codes of practice and developing accreditation arrangements for wildlife rehabilitation and rescue providers. Codes of practice will set out enforceable rules or standards. If there is any risk that this approach could cause any species to move toward heightened threat status or extinction, then clearly we will maintain the higher level of regulation by requiring biodiversity conservation licences. Any proposed codes of practice will be subject to public consultation.

Finally, certain activities will be exempt and a person will have a defence for those activities. These activities will be prescribed in the regulations and will mirror existing exemptions and policy decisions. For example, people will be able to continue keeping certain native birds, including budgerigars and cockatiels as pets without needing to apply for a biodiversity conservation licence or to comply with the code of practice. The bill will also provide Aboriginal people with defences to prosecution for domestic use of plants and animals or where they pick protected plants on Aboriginal land with permission of the Aboriginal owners. This new framework will bring greater transparency and an improved focus on conservation outcomes and improved compliance.

Part 10 of the bill establishes a new not-for-profit Biodiversity Conservation Trust to support and encourage landholders to protect and conserve biodiversity on private land. The trust will make it easier for landholders to identify and take advantage of opportunities to be rewarded for protecting biodiversity on private land. It is essential that the trust lives up to its name and builds relationships based on trust with landholders. It may choose to engage partners in local communities, like Landcare New South Wales, Local Land Services and local environment or community groups to tailor its services to different conditions.

The trust will build on the progress already made by the Nature Conservation Trust to build awareness about private land conservation in New South Wales and effectively engage landholders. The trust will be not-for-profit and its objective will be to enhance and protect biodiversity. It will also be able to accept donations of money or land to support conservation where people choose to make a contribution in this way. The trust will have substantial responsibilities under the new private land conservation program and biodiversity offsets scheme. I will discuss these functions later in this speech.

The trust will be managed by an expert board appointed by the Minister for the Environment. This will include experts in protection and conservation of biodiversity, management of natural resources and financial management. The Minister will be able to provide guidance and support to the trust to fulfil its new responsibilities by providing directions to the trust where needed. Any directions given to the trust by the Minister will be published to ensure they are transparent. With less than 10 per cent of New South Wales within the public reserve system and more than 70 per cent of the State

under private ownership or Crown leasehold, private conservation efforts are critical to maintaining healthy, functioning and connected landscapes across New South Wales.

The reforms include an investment of \$240 million over five years in private land conservation. This level of investment is unprecedented and will transform biodiversity conservation in New South Wales. The Government wants to see an enduring private land conservation program and has committed to investing \$70 million in each following year, subject to program performance reviews. This is a central element of these reforms. It marks a new era in environmental management by recognising biodiversity conservation as a public good that should be paid for by the broader community. It will build over time the equivalent of a national parks estate on private land, connecting together critical remnant vegetation. This is a long-term and long-sighted initiative.

Just as Tom Lewis when Premier established the National Parks and Wildlife Service, the Government hopes that this initiative will be remembered as a seminal moment in addressing the long-term needs of nature in New South Wales. Of all parts of the reforms, it is this part that has been warmly welcomed by all. Its need is recognised by all. But despite that unanimity of opinion, this is the Government that has said that it will do it. This is the Government that has found the budget to fund it. This is the Government that will go beyond gesturing and actually deliver it. We will recognise trust and value the good land management people who live on the land. It delivers on a key recommendation of the panel and will build on growing research about the benefits of protecting biodiversity on private land.

In the past we have tried to conserve biodiversity by placing restrictions on individual farmers without taking into account broader landscape needs. This has proved to be a blunt approach that has not stopped environmental decline and has contributed to social and economic strains across New South Wales. We need to change the equation to ensure that biodiversity is conserved and valued in every region of this State. It is time to take a strategic approach to biodiversity conservation that seeks to achieve outcomes at bioregional and State scales rather than at individual farm gates. An ongoing, well-funded and targeted private land conservation program will expand the tools available to the Government to protect biodiversity while at the same time offering landholders an opportunity to diversify their incomes by managing parts of the properties for environmental gains. That is a genuine win-win for individuals, the broader community, and the environment.

The trust will be guided by biodiversity, conservation, and an investment strategy produced by the Minister for the Environment under part 5 of the bill. The new strategy will identify priority investment areas on a publicly available state-wide map, as well as principles for investing in those areas. This will enable the trust to target core areas of remnant vegetation, State and regional biodiversity corridors, areas containing the least protected ecosystems, and areas required to increase the comprehensiveness, adequacy, and representativeness of biodiversity in protected areas on public or private land. It will also support non-government organisations, local councils and Local Land Services to consider where they may wish to invest in biodiversity conservation.

The strategy will also include a state-wide map of the existing protected area network across public and private land. Over time, this protected area network will grow through the Government's investment in private land conservation. It will provide strategic direction to biodiversity conservation and investment that has been missing for decades. The Government will develop the strategy in consultation with the community, landholders and non-government organisations over coming months.

Part 5 of the bill establishes a new framework for private land conservation agreements. Instead of the seven different types of conservation arrangements that exist currently, there will now be a simpler system of three tiers of voluntary private land conservation agreements. This framework will remove duplication, improve incentives, and reduce barriers for landholders to enter into long-term private land conservation. The three tiers of agreements provide different options for protecting biodiversity. Biodiversity stewardship agreements, also known as tier 1 agreements, will create permanent protection and management of biodiversity. These agreements will allow for the creation of biodiversity credits, which can be purchased by developers to offset the biodiversity impacts from

development. Philanthropic organisations or government may also choose to purchase these credits to ensure permanent protection of important biodiversity.

By selling their credits on the market landholders may receive an up-front financial return, as well as generating a fund to support annual payments to cover the cost of ongoing management of their stewardship site. This creates a financial incentive for landholders to conserve biodiversity on their properties, and offers an additional income stream to support conservation management. Conservation agreements, or tier 2 agreements, are permanent or time-bound agreements that will be eligible for grant payments or stewardship payments. It is expected that conservation agreements will typically be used to maintain sites with high existing biodiversity values. Wildlife refuge agreements, or tier 3 agreements, are an option for landholders who wish for altruistic reasons to protect the biodiversity on their property. These agreements are less restrictive and can be terminated at any time, or converted into higher forms of agreements. They may in some cases be eligible for grant payments. The new private land conservation program will build on existing efforts to create a private protected area network that complements the public reserve system. These reforms represent a significant opportunity for landholders to diversify their income streams. I encourage all landholders to actively engage in the new private land conservation program from next year.

We cherish biodiversity, so why should we also not value it? I have already referred to the significant new funding this Government is committing. However, it is doing more than that. It is time to recognise that we are serious about doing business correctly, making biodiversity protection a positive in our economy. The Government is introducing a comprehensive suite of economic tools and market-based systems because it believes that if we are going to transform biodiversity and land management, it must link it directly to economic prosperity. The biodiversity conservation and land management reforms are designed to facilitate ecologically sustainable development in New South Wales.

Parts 6 and 7 of the bill establish a regulatory framework for assessing and offsetting biodiversity impacts from proposed development. Part 6 establishes a new biodiversity offsets scheme. This will, for the first time, deliver a transparent, consistent, and scientifically-based approach to biodiversity assessment and offsetting in New South Wales. The scheme reflects international best practice by implementing an avoid, minimise, and offset framework.

The new offset scheme builds on work the New South Wales Government has been doing since 2013 to offset the impacts of development on biodiversity. Many environmental groups oppose the notion of biodiversity offsets, but this is unrealistic. If we are to deliver economic, social and environmental outcomes we need to establish systems that are pragmatic and achievable. Biodiversity offsetting approaches are being increasingly used in Australia and internationally. The International Union for the Conservation of Nature has stated that a well-designed biodiversity offsets policy can contribute to positive conservation outcomes.

Importantly, the offsets scheme recognises that there are some types of impacts on biodiversity that are not acceptable to the community. These are legally termed "serious and irreversible impacts". They will be determined in accordance with guiding principles set out in the regulations and taking into account statutory guidelines published from time to time by the Office of Environment and Heritage. This approach will provide guidance to councils and proponents on what are likely to be serious and irreversible impacts, while still providing flexibility for the consent authority to take into account the circumstances of particular proposals.

For the first time in New South Wales, development consent cannot be granted for non-State significant development under part 4 of the Environmental Planning and Assessment Act 1979 if the consent authority is of the opinion it is likely to have serious and irreversible impacts on biodiversity values. It is a first for New South Wales to establish what have become known as red flags to many in the community. This is an important step forward. This will give our most threatened native plants, animals and ecosystems the best chance of survival, by reducing extinction pressures from development.

Because this is a pragmatic scheme, serious and irreversible impacts will not automatically halt State significant development and State significant infrastructure. This acknowledges that sometimes the social or economic benefits of major projects may outweigh the environmental impact. This will be a decision for the consent authority. For example, a decision-maker may decide to approve a major highway straightening project on the basis that this will save numerous lives even though it might put a threatened ecological community at risk. This is the logic of triple bottom line decision-making.

A central element of the new scheme is the introduction of a single biodiversity assessment method that will replace a range of existing biodiversity assessment methods in use under the current planning and threatened species legislation. The biodiversity assessment method will deliver a single, clear and scientifically robust approach to assess biodiversity impacts from development in New South Wales. This approach will apply to State significant development and infrastructure, as well as all other development that is likely to significantly affect threatened species or threatened ecological communities.

The biodiversity assessment method will clearly guide developers on how to avoid and minimise impacts to biodiversity before calculating an offset amount in biodiversity credits for any remaining impacts. This is an improvement in an urban context, where the seven part test provides less clarity around when developments will require offsets up front. We anticipate this will ensure that more urban development avoids, mitigates and offsets impacts through the scheme. The offset amount will be calculated based on a "no net loss" standard which is embedded in clause 6.7 (3) (a) of the bill. It means that in the opinion of the Minister, in order to have no net loss, an offset needs to be of value equivalent to any impacts as calculated by the biodiversity assessment method.

The biodiversity assessment method will ensure for the first time consent authorities will receive clear and consistent information on the biodiversity impacts of development and an offset amount calculated in biodiversity credits. This will provide important information for consent authorities when making triple bottom line decisions for development consents. The Minister for the Environment will be responsible for establishing an assessor accreditation scheme. The department will draw on its experience accrediting biodiversity assessors as part of the current offsetting scheme and will undertake further public consultation on the scheme in the coming months.

If the offset rules allow for it, and a consent authority or the Native Vegetation Panel approves, a requirement to retire biodiversity offsets may be met using other conservation methods that benefit biodiversity values. For the first time, proponents will have the option to make a payment to a biodiversity conservation fund to satisfy an offset obligation, rather than finding the offsets themselves. The fund will be administered by the new not-for-profit Biodiversity Conservation Trust. The trust will be responsible for securing offsets when a proponent chooses to pay into the fund. By delivering offset requirements from multiple developments the trust will be able to take a more strategic approach to investment in offsets.

A calculator will determine the amount that must be paid into the fund. The price will reflect the costs the trust is likely to incur in securing the necessary offsets. It will be updated regularly by the trust to keep pace with the market as it evolves. Proponents will still have the flexibility to seek biodiversity credits themselves as an alternative to paying into the fund. By establishing an expanded credit market the offset scheme will make it easier for proponents to pay landholders to deliver offsets on their behalf, rather than needing to establish offset sites themselves. Part 8 of the Biodiversity Conservation Bill 2016 establishes a mechanism for managing biodiversity conservation in the context of strategic land use planning. It establishes an expanded and improved biodiversity certification scheme.

Biodiversity certification allows for the broadscale assessment of development impacts at the strategic planning stage. It also allows planners to identify and strategically locate biodiversity stewardship sites to improve the ecological integrity of landscapes. After biodiversity conservation is conferred on an area of land, the development may proceed without the usual requirement for site-by-site biodiversity assessment. That is because the Minister for the Environment will have been satisfied

that proposed conservation measures adequately address the likely impacts on biodiversity values of the biodiversity certification of the land. This system streamlines assessment processes, lowers costs, offers certainty to developers, the community and local government, and improves environmental outcomes through a more strategic and consolidated approach to development and conservation.

The bill is improving the scheme through the establishment of a new category of strategic biodiversity certification for planning authorities. Proposals declared to be strategic can use a broader range of conservation measures to offset impacts while still being based on the biodiversity assessment method. This is intended to encourage planning authorities to take a more strategic approach to offsetting biodiversity impacts. Only by doing so would they then be eligible to utilise the full range of conservation measures. In addition to the transparent and consistent approach to biodiversity assessment, the scheme will increase opportunities for landholders to establish stewardship sites on their land and to receive annual payments for management actions to improve biodiversity values. The Government will work with stakeholders next year to identify future priority areas where strategic biodiversity certification will offer the most value. This will include piloting biocertification in an agricultural context to investigate its viability in regional New South Wales.

The independent panel recommended that the Government complement the reforms with a strong and effective compliance and enforcement regime for those few who may seek to do the wrong thing. The bill creates a framework of offences with strong penalties. The changes proposed in this framework will only be effective with a robust compliance and enforcement program. The bill contains a range of compliance tools to ensure that action is proportionate to risks. The Office of Environment and Heritage will be responsible for ensuring compliance with the Biodiversity Conservation Act and part 5A of the Local Land Services Act. The Biodiversity Conservation Bill 2016 and Local Land Services Amendment Bill 2016 have tough penalties. For example, a person found to have harmed a threatened species can be prosecuted for an offence and penalised \$330,000 with up to two years imprisonment, while corporations can expect penalties of up to \$1.65 million.

The reforms will improve the way we track the status of biodiversity in New South Wales. The independent panel found that we lack adequate data to have a clear understanding of the condition of our native wildlife and ecosystems. Many stakeholders also highlighted the need for better monitoring, evaluation and reporting. Clause 14.3 of the Biodiversity Conservation Bill 2016 requires the environment agency head to establish programs to collect, monitor and assess information on biodiversity. This monitoring program will be key to reporting on the status and trends to the extent and condition of biodiversity. To ensure we are aware of the impacts of the native vegetation management framework on biodiversity, the Local Land Services Amendment Bill 2016 will require Local Land Services to report annually on estimated rates of clearing for allowable activities and clearing authorised by the native vegetation management code.

The Government is committed to making environmental data available and discoverable. Division 2 of part 9 of the Biodiversity Conservation Bill 2016 obliges the Government to create and maintain online public registers. This includes, but is not limited to, public registers of biodiversity conservation licences, declared areas of outstanding biodiversity value, private land conservation agreements, holders of biodiversity credits, accredited assessors, remediation orders, and conservation strategies for threatened species and ecological communities. Those registers will allow the public to find information on actions the Government is taking to conserve biodiversity and ecological integrity. A public register of set-asides will also be established under the Local Land Services Amendment Bill 2016 to clarify set-aside management obligations and to give effect to the intention that set-asides are in perpetuity and will bind future landholders.

Part 14 of the Biodiversity Conservation Bill 2016 will establish a new biodiversity conservation advisory panel empowered to provide expert advice to the Minister to assist in the effective functioning of the Act. Australia is party to a number of international agreements, treaties and conventions that aim to conserve biodiversity—the Convention on Biological Diversity, the Convention on the Conservation of Migratory Species of Wild Animals, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and the Ramsar Convention on Wetlands, to name a few. The bills presented to the House today will help Australia to meet its international obligations.

Notably, the objectives of the Biodiversity Conservation Bill 2016 and the Private Land Conservation Program are consistent with national and international obligations to facilitate the sustainable use of biodiversity and to promote a connected network of public and private land to help build a system of protected areas that is comprehensive, adequate and representative.

The Government has completed extensive and genuine consultation with the people of New South Wales on the reform package. There were two rounds of public consultation on the land management and biodiversity conservation reforms. The first was when the independent panel completed public consultation ahead of preparing its final report in 2014. The second was when the Government released drafts of these bills, alongside supporting products, for an eight-week public consultation period in May and June. Hearing the views of our stakeholders and the broader community during the public exhibition period was very important to refining the package of bills being introduced today.

These bills are enabling legislation that provide the tools to protect and conserve biodiversity and to manage land in New South Wales. The bills are designed to be supported by regulations and other detailed products. The Government will continue to engage on the reforms with stakeholders and the community across New South Wales as the regulations and other subordinate instruments are prepared over the coming months. There will be many opportunities for the public and affected businesses and individuals to comment on the detail of this scheme. Once these perspectives have been considered, the new scheme will be able to commence from mid-2017. Over the longer term, the reforms will also be subject to regular review, to ensure that they are achieving the proposed aims of the Biodiversity Conservation Bill 2016 to conserve biodiversity on a statewide and bioregional scale.

These bills are a central element of our broader land management and biodiversity conservation reforms. They aim to encourage truly sustainable development, to focus our efforts on guided investment in conservation, and to modernise and transform the way that biodiversity is valued and conserved in New South Wales. I thank all those who have contributed to the development of this package. I thank my ministerial staff who have worked on this, including my chief of staff, Bran Black, and my policy director, Dominic Kelly. I thank officers of the Office of Environment and Heritage, the Department of Primary Industries, and the Department of Planning and Environment who stayed back until the early hours of this morning to assist. I thank my colleagues the Minister for Primary Industries and the Minister for Planning, who are the joint sponsors of these bills. I thank the Premier's office and the office of former Deputy Premier Troy Grant, who have contributed significantly to this package.

I thank all stakeholders, those who support this legislation and those who do not. The package is intended to find the middle ground. It is intended to encourage sustainable development and farm productivity, but at the same time it reverses the historic decline we have seen in biodiversity conservation in New South Wales. All views were taken on board and were added to the melting pot that led to this middle-road approach. I commend the bills to the House.