



NSW Government Response

Inquiry into the Integrity of the NSW Biodiversity Offsets Scheme

Portfolio Committee No.7 - Planning and Environment

February 2023

Introduction

The NSW Government (the Government) thanks Portfolio Committee No. 7 - Planning and Environment for their report following the Inquiry into the Integrity of the NSW Biodiversity Offsets Scheme (the Scheme). The Government also thanks the individuals and organisations who made written submissions and gave evidence at hearings.

The Government is committed to continuously improving the Scheme to ensure it delivers effective and lasting environmental and economic outcomes for the communities of NSW. The stakeholder views and recommendations raised through this inquiry are an important contribution to the ongoing improvement of the Scheme.

Context for response

The Scheme is consistent with the global frameworks and best practice

Convention on Biological Diversity – COP15

The Global Biodiversity Framework was adopted at the United Nations Biodiversity Conference in December 2022. It outlines a framework to support urgent and transformative action to halt and reverse biodiversity loss and ensure the equitable and sustainable use of natural ecosystems by 2050.

The Framework sets a target of increasing financial resources from all sources to implement national biodiversity strategies and action plans, including by:

*stimulating innovative schemes such as payment for ecosystem services, green bonds, biodiversity offsets and credits, benefit-sharing mechanisms, with environmental and social safeguards - Target 19(d).*¹

Avoid, minimise, offset best practice hierarchy

¹ See page 12, in Conference of the Parties to the Convention on Biological Diversity, Fifteenth Meeting - Part 2, Agenda Item 9A. *Kunming-Montreal Global biodiversity framework - Draft decision submitted by the President* (18 December 2022). Accessed 9 January 2023 at www.cbd.int/doc/c/e6d3/cd1d/daf663719a03902a9b116c34/cop-15-l-25-en.pdf

The Scheme reflects the internationally recognised best practice biodiversity risk mitigation hierarchy: avoid, minimise and offset the impacts of development on biodiversity to facilitate ecologically sustainable development². This hierarchy is key to ensuring development avoids impacts on biodiversity to the greatest extent possible.

The Biodiversity Assessment Method (BAM), the scientific method which underpins the Scheme, provides guidance on how proponents can avoid and minimise impacts. Only after all reasonable steps to avoid and minimise biodiversity impacts have been exhausted are residual impacts calculated for the purpose of offsetting. Avoid, minimise and offsetting requirements are set out in a development application's conditions of consent.

The Scheme aims to achieve no net loss of biodiversity from development

The Scheme provides a comprehensive, legislated approach to biodiversity offsetting. The BAM measures biodiversity gains at an offset site and losses at a development site. It quantifies these in biodiversity credits and calculates an offset requirement to a standard of no net loss. This allows decision makers to set conditions that require the loss of biodiversity from a project to be offset by equivalent gain in biodiversity on an offset site. The Scheme requires that the gains in biodiversity are funded and secured in-perpetuity.

Biodiversity gain to offset development is created when landholders enter biodiversity stewardship agreements to protect and manage their land to improve its biodiversity values. These agreements generate biodiversity credits, which represent the expected gain in biodiversity values.

The market-based Scheme is designed to help proponents offset impacts in a timely and cost-effective manner while meeting high standards of integrity.

The Scheme is based on the best available science

The BAM uses the best available science and data. It has been peer reviewed and several components of the method are published in scientific journals³.

A statutory review of the BAM is underway to ensure the method continues to reflect the latest science and data. The review will focus on identifying improvements to help streamline the method and embedded metrics, assess the method's functionality, scalability, and application, and consider whether the settings and information remain appropriate.

The statutory review will include public consultation in mid-2023. The review will be informed by independent advice, and any proposed changes to the BAM will be publicly exhibited in 2024. 1

² See https://portals.iucn.org/library/sites/library/files/resrecfiles/WCC_2016_RES_059_EN.pdf

³ Information about the science underpinning the BAM can be found on the Department's website: www.environment.nsw.gov.au/topics/animals-and-plants/native-vegetation/vegetation-condition-benchmarks

The Scheme is delivering on-ground offsets

Many of NSW's threatened ecosystems, habitats and species are now being protected and managed in biodiversity stewardship sites established under the Scheme.

As at 19 January 2023, landholders have established biodiversity stewardship sites permanently protecting more than 50,000 hectares of land. As at 30 September 2022, \$199.9m has been set aside for the ongoing management of biodiversity stewardship sites⁴. These funds are generated from the sale of biodiversity credits. In 2021-22, nearly \$10 million in annual management payments were made to landholders to deliver these biodiversity gains on stewardship sites through weed and pest management, fire management, and restoration works.

The Biodiversity Conservation Trust manages all active biodiversity stewardship agreements, including reviewing annual reports from landholders and undertaking site inspections. A compliance team has been established within the Trust to support improved monitoring and enforcement of biodiversity stewardship agreements.

A key challenge is generating adequate credit supply

The Government has established a \$106.7 million Biodiversity Credits Supply Fund to catalyse greater supply of in-demand biodiversity credits and enhance confidence in the market. A dedicated Credit Supply Taskforce was established in July 2022 within DPE to manage the Credits Supply Fund and is working proactively with landholders to fast-track supply of in-demand biodiversity credits.

The Taskforce is implementing a range of measures to significantly reduce barriers to entering a biodiversity stewardship agreement. This includes simplifying the biodiversity stewardship agreement template, adopting a streamlined application and approval process and providing biodiversity assessments at no upfront cost for targeted landholders, with costs recouped on the sale of credits. The application fee for biodiversity stewardship agreements has been waived until 30 June 2023.

These improvements are enabling a stream of investment to restore threatened species and ecosystems, as well as encouraging supply of biodiversity credits needed to offset development. Buying credits earlier through the Credits Supply Fund is bringing forward investment in on-ground management actions at biodiversity stewardship sites. It is also an alternative to the use of the Biodiversity Conservation Fund leading to direct and immediate purchase of like-for-like credits.

⁴ More information about Biodiversity Stewardship Sites can be found on the Department's website: www.bct.nsw.gov.au/info/biodiversity-offsets-program-outcomes Accessed 11 January 2023.

The Government is delivering continuous improvement

The Government is committed to the continual improvement of the Scheme to ensure it delivers effective and lasting environmental and economic outcomes for the communities of NSW.

Key to this commitment is the Integrated Improvement and Assurance Program, which has been underway since mid-2021. It is overseen by the former Secretary of the Commonwealth Infrastructure and Transport Department, Mr Mike Mrdak AO. Through this work DPE is accelerating efforts to improve the Scheme⁵ by:

- making it easier for stakeholders to participate in the Scheme
- further strengthening the biodiversity credit market and improve price information
- maintaining a scientifically rigorous approach to assessing biodiversity values, and
- ensuring confidence in the Scheme through auditing and independent monitoring.

Key improvements that have been delivered or are underway in addition to the establishment of the Biodiversity Credits Supply Fund and Taskforce include:

- The Biodiversity Conservation Trust has launched a **new Biodiversity Conservation Fund (BCF) charge system**, strengthening the BCF's ability to secure like-for-like credits and providing a more stable charge amount for using the BCF.
- Commissioning the **Independent Pricing and Regulatory Tribunal (IPART) to monitor and report on performance and competition in the biodiversity credit market**, to support transparency and public confidence. More information is available through IPART at www.ipart.nsw.gov.au/node/1760.
- Putting in place a comprehensive **conflict of interest protocol** with mandatory requirements for employees and contractors of DPE relating to conflict of interest declaration and management arising from the Scheme.
- Establishing a **new compliance and assurance plan for accredited assessors** which will include an audit program, de-accreditation process and conflicts of interest protocol.
- Delivering a **dedicated Scheme help desk** for customer queries about the Scheme.

⁵ More details about Improvements to the Scheme can be found on the Department's website: www.environment.nsw.gov.au/topics/animals-and-plants/biodiversity-offsets-scheme/about-the-biodiversity-offsets-scheme/improvements-to-the-biodiversity-offsets-scheme

- **Improving support for local governments** in their role as consent authorities, by publishing a resources manual and biodiversity development assessor report template, and training local government staff.
- **Supporting regional councils** to navigate and apply the existing flexibility of the Scheme, by providing advice on projects, including on how to avoid and minimise impacts, thereby reducing offset liabilities and associated costs.
- Releasing **new market information and tools**, including a Biodiversity Credits Market Sales Dashboard, credit pricing guidance, and an Offset Trading Group look-up tool for identifying like-for-like options. These tools aim to improve market transparency and pricing.

The Scheme has been assessed as being in its strongest position since commencement

The Scheme’s independent monitor, Mr Mike Mrdak AO, has stated the Scheme is now in the strongest position it has been since commencement due to strong and well-structured progress implementing the Integrated Improvement and Assurance Program.

The Integrated Improvement and Assurance Program is an evolving body of work that will proactively respond to incorporate new recommendations, including from the Inquiry report, and the Auditor General’s recent performance audit on the Scheme.

The statutory reviews underway also provide an opportunity to consider further improvements to the Scheme. Five-year statutory reviews are underway for the *Biodiversity Conservation Act 2016* (BC Act) and native vegetation provisions in the *Local Land Services Act 2013* (LLS Act). Both review processes will include opportunities for public consultation.

Inquiry report recommendations relating to legislative and policy settings will be considered through these statutory reviews.

Response to recommendations

#	Recommendation	Government response
1 p35	That the Department of Planning and Environment review and reform the design of the Biodiversity Offsets Scheme, to ensure it meets best practice principles for biodiversity offsetting. The review should be undertaken in consultation with stakeholders, and the reform must ensure that:	Noted. The statutory review of the BC Act is already underway and is being undertaken by independent experts, led by Dr Ken Henry AC, supported by Mr Mike Mrdak AO, Dr John Keniry AM and Professor

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	<ul style="list-style-type: none"> • the avoid, minimise, offset hierarchy in the Scheme is strengthened to ensure offsetting is genuinely used as a last resort only for unavoidable impacts of development • clear thresholds for where offsets should not be used are established, in order to protect threatened species and ecosystems that cannot be offset elsewhere • the ecological equivalence of offsets is significantly strengthened by tightening the geographic and species equivalence requirements of the like-for-like rules and curtailing the use of variation and ancillary rules • offsets result in genuinely additional gains to biodiversity that would not have occurred otherwise • indirect offsets available under the Scheme are reduced, and, where this does occur, the transparency around this mechanism is increased • the option to use mine rehabilitation as an offset under the Scheme is removed • the discretion to discount offset requirements for non-ecological reasons is reduced, and, where this does occur, the transparency around this mechanism is increased. 	<p>Michelle Leishman. As per the terms of reference⁶, the review will consider findings from other reviews, including the recommendations of the Parliamentary Inquiry, related to achievement of the BC Act objectives.</p>
<p>2 <i>p35</i></p>	<p>That the NSW Government define a set of scientifically sound principles that govern the operation of the Biodiversity Offsets Scheme, and ensure these are embedded in the <i>Biodiversity Conservation Act 2016</i>.</p>	<p>Noted.</p> <p>The statutory review of the BC Act has now commenced and presents an opportunity to consider the principles of best practice biodiversity offsetting through the Scheme.</p>

⁶ Terms of Reference for the BC Act review can be found on the Department’s website: www.environment.nsw.gov.au/research-and-publications/publications-search/statutory--5-year-review-of-the-biodiversity-conservation-act-2016-terms-of-reference.

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3 p36	<p>That the Department of Planning and Environment commission an independent expert review of the Biodiversity Assessment Method and its underlying assumptions, including:</p> <ul style="list-style-type: none"> • the use of 'averted loss' to calculate biodiversity gains at offset sites • the value placed on landscape connectivity and preservation of high quality habitat • how the method accounts for cumulative loss arising from multiple developments in an area. 	<p>Supported.</p> <p>The statutory review of the Biodiversity Assessment Method will consider this recommendation.</p> <p>Independent expert advice is being sought to inform the review. Outcomes from the Biodiversity Assessment Method review will be referred to the Biodiversity Conservation Advisory Panel for independent advice.</p> <p>The <i>Environmental Planning and Assessment Act 1979</i> provides the framework for broader consideration of cumulative impacts by decision-makers on State Significant Projects and Part 5 activities.</p>
4 p48	<p>That the Department of Planning and Environment review the Biodiversity Offset Scheme's biodiversity certification process to ensure that it meets best practice principles for offsetting, achieves positive environmental outcomes, and there is transparency in its use.</p>	<p>Noted.</p> <p>The statutory review of the BC Act has commenced and provides an opportunity to consider potential improvements to the effectiveness and transparency of biodiversity certification established under Part 8 of the Act.</p>
5 p48	<p>That the Biodiversity Conservation Trust:</p> <ul style="list-style-type: none"> • urgently implement an application and review process for developer payments into the Biodiversity Conservation Fund to ensure proponents have exhausted all other private market avenues prior to paying into the Fund, and • in the event credit supply is unavailable on the market, have a process to demonstrate that genuine like-for-like offset credits will be available, and there is a plan to bring those credits online, prior to receiving payments. 	<p>Noted.</p> <p>The Government has already made significant improvements to mitigate the risks noted under this recommendation, including establishing the Biodiversity Credits Supply Fund in June 2022 to increase the supply of in demand credits on the private market, which is intended to reduce payments to the Biodiversity Conservation Trust through the Biodiversity Conservation Fund.</p>

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		<p>The statutory review of the BC Act has commenced and provides an opportunity for further consideration of the Biodiversity Conservation Fund given effect by Part 6, Division 6 of the Act.</p>
<p>6 <i>p49</i></p>	<p>That the Department of Planning and Environment and Biodiversity Conservation Trust develop and implement a resourced plan to ensure the Biodiversity Offsets Scheme promotes protection of strategically important biodiversity.</p>	<p>Supported in principle.</p> <p>The Government has a range of programs in place to protect strategically important biodiversity. For example, acquisition of land for addition to the national park estate, private land conservation (\$350 million over five years from 2019/2020), and programs such as Saving our Species (\$100 million from 2016-21, with an additional \$75 million for 2021-26), the Koala Strategy (\$190 million to 2026) and Nature Positive Farming (\$206 million to 2032).</p> <p>NSW is establishing the NSW Nature Positive Advisory Panel to provide advice to Government by mid-2023 on how NSW can contribute to the national goal to reverse biodiversity loss by 2030 and protect 30% of our land and oceans by 2030.</p> <p>The Panel will consider how the Scheme and these programs are best integrated to protect strategically important biodiversity, in the context of these national and international goals.</p>
<p>7 <i>p64</i></p>	<p>That the Department of Planning and Environment develop and implement a monitoring, evaluation, reporting and improvement framework for the Biodiversity Offsets Scheme in a way that enables:</p> <ul style="list-style-type: none"> • assessment of the Scheme's impact on biodiversity at the local, regional and state level • assessment and reporting on the Scheme's performance against agreed principles for biodiversity offsetting 	<p>Supported in principle.</p> <p>DPE is developing a monitoring, evaluation, reporting and improvement (MERI) framework for the Scheme to support assessment and reporting on the Scheme's performance against the principles of ecologically sustainable development and a no net loss of biodiversity.</p>

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	<ul style="list-style-type: none"> • assessment of cumulative impacts of development • identification of unintended impacts of the Scheme • public reporting on the Scheme's performance against biodiversity conservation goals • ongoing learning to improve the Scheme. 	<p>In addition to the Scheme, biodiversity is monitored through programs such as the Biodiversity Indicator Program, which is reported in the NSW State of the Environment Reports and Biodiversity Outlook Reports.</p>
<p>8 <i>p64</i></p>	<p>That the Department of Planning and Environment institute measures to improve the quality of biodiversity assessment reports, including:</p> <ul style="list-style-type: none"> • instituting a quality assurance process • ensuring the guidance on surveying and use of the Biodiversity Assessment Method is complete and up to date • ensuring the maps essential to the Scheme, such as the Biodiversity Values Map, are accurate and up to date. 	<p>Supported.</p> <p>DPE is committed to improving quality assurance outcomes for biodiversity assessment reports. DPE has established extensive resources to support accredited assessors in preparing biodiversity assessment reports and will continue to do so to ensure the scientific rigour of the Scheme is maintained.</p> <p>A new compliance and assurance plan is being established that includes an audit program, de-accreditation process and conflicts of interest guideline to ensure greater accountability of accredited assessors.</p> <p>In 2022, DPE released a best-practice template for biodiversity development assessment reports and survey guides for threatened reptiles and koalas. The Biodiversity Values Map is regularly updated, with changes tracked on DPE's website. Explanation reports and map reviews are available free of charge. A process for local government to nominate areas to add to the map has also been established.</p>
<p>9 <i>p65</i></p>	<p>That the Department of Planning and Environment and the Biodiversity Conservation Trust institute measures to increase compliance monitoring and</p>	<p>Supported.</p>

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	enforcement, and ensure appropriate ecological monitoring occurs on all biodiversity stewardship sites.	<p>The Biodiversity Conservation Trust has established a compliance team to support improved monitoring and enforcement of biodiversity stewardship agreements.</p> <p>Ecological monitoring requirements are already included in management plans of all biodiversity stewardship agreements established under the BC Act. Approximately one third of the legacy BioBanking sites established under the <i>Threatened Species Conservation Act 1995</i> have an ecological monitoring program in place. A plan to implement ecological monitoring on all remaining BioBanking sites is currently being developed by the Biodiversity Conservation Trust in collaboration with DPE, in response to recommendations made by the NSW Audit Office.</p>
10 p73	That the NSW Government review and reconsider the appropriateness of land clearing pathways under the <i>Local Land Services Act 2013</i> , working with landholders, with the aim of increasing and incentivising biodiversity protections on rural land.	<p>Noted.</p> <p>The statutory review of the native vegetation provisions of the <i>Local Land Services Act 2013</i> has commenced⁷.</p>
11 p73	That the Department of Planning and the Environment and Local Land Services, in consultation with landholders, develop and implement a plan to prevent land clearing on rural land regulated by the <i>Local Land Services Act 2013</i> that would have otherwise triggered or increased obligations under the Biodiversity Offsets Scheme.	<p>Noted.</p> <p>This will be considered under the statutory review of part 5A of the <i>Local Land Service Act 2013</i>.</p>
12	That the Department of Planning and Environment continue to investigate and implement options for reducing the costs, financial risks and complexities associated	<p>Supported.</p>

⁷ Terms of Reference for the review of the native vegetation provisions of the LLS Act can be found on the LLS website: www.lls.nsw.gov.au/data/assets/pdf_file/0005/1422464/TOR.pdf

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p87	<p>with establishing stewardship sites, without compromising the ecological integrity of the Biodiversity Offsets Scheme. This should involve consideration of:</p> <ul style="list-style-type: none"> • upfront cost and complexity of establishing a stewardship site • costs and risks incurred by landholders who have established a stewardship site but have not sold sufficient credits to receive management action payments • the availability of information and support to landholders interested in participating in the Scheme. 	<p>The Government is making it easier and faster for landholders to enter into a biodiversity stewardship agreement.</p> <p>The Taskforce managing the Biodiversity Credits Supply Fund is proactively supporting landholders and implementing a range of measures to make it easier for landholders to enter biodiversity stewardship agreements. These include providing biodiversity assessments by accredited assessors at no up-front cost to landowners, simplifying the agreement template and adopting a streamlined application and approval process. The biodiversity stewardship agreement application fee has been waived until 30 June 2023. In combination, these measures significantly reduce barriers to entry by reducing the cost and time involved in entering into a biodiversity stewardship agreement.</p> <p>The Biodiversity Conservation Trust is reviewing the status of passive biodiversity stewardship agreement sites and will implement a plan to support biodiversity on sites that are at risk of not entering active management by the end of July 2023. This is consistent with the response to recommendations made by the NSW Audit Office.</p>
13 p87	<p>That the Department of Planning and Environment provide greater certainty for developers on the likely scale of biodiversity offsetting liabilities in the lead up to land rezoning decisions.</p>	<p>Supported.</p> <p>DPE will investigate ways to provide more information to developers and consent authorities on offsetting around land rezoning decisions. This will be considered together with Recommendation 4 as biodiversity certification provides a pathway for strategic biodiversity outcomes and certainty for developers during rezoning decisions.</p>

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14 <i>p88</i>	<p>That the Department of Planning and Environment continue to increase the level of support for local governments in their role as consent authorities in the Biodiversity Offsets Scheme.</p>	<p>Supported.</p> <p>DPE is currently running a local government support program and dedicated training to build capacity in local councils in their role as consent authority.</p>
15 <i>p104</i>	<p>That the NSW Government continue to, as a matter of priority, take action to promote development of a functioning biodiversity credit market, ensuring that:</p> <ul style="list-style-type: none"> • structural issues stemming from the government acting as a regulator, facilitator and buyer in the market are addressed • the price distortion caused by the role of the Biodiversity Conservation Trust and the way payments to the Biodiversity Conservation Fund are calculated is remedied • there is transparency of market information about supply and demand for credits and credit pricing • the market is able to set prices in a way that recognises scarcity and incentivises landholder participation in the Scheme. • the ecological credibility of the Biodiversity Offsets Scheme is maintained by upholding the 'like-for-like' principle. 	<p>Supported in principle.</p> <p>The Government is committed to continual improvement and has taken significant steps to improve the functioning of the biodiversity credit market to build confidence, ensure integrity and support participation. This includes, but is not limited to:</p> <ul style="list-style-type: none"> • The publication of market tools, such as a market sales dashboard, pricing guide. • The introduction of the Biodiversity Conservation Fund Charge System provides a more robust method for pricing payments which includes consideration of scarcity and supports the delivery of like for like credits. • The commissioning of the Independent Pricing and Regulatory Tribunal (IPART) to monitor the NSW biodiversity credits market and identify how the market can be improved. Including to monitor market function, performance, and competition. • Robust governance and probity frameworks which include public reporting of activity by DPE and the BCT.

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<p>16 <i>p105</i></p>	<p>That the NSW Government review its handling of the transition from the BioBanking Scheme to the Biodiversity Offset Scheme with a view to building confidence in the long term operation of the biodiversity credit market.</p>	<p>Noted.</p> <p>To maintain market confidence and reduce unintended consequences, DPE carefully manages transitional arrangements when making any changes to Scheme settings or the data supporting the Scheme.</p> <p>DPE has confidence in the transitional arrangements that were established to support a smooth transition from the Biobanking Scheme to the current Scheme. DPE has in place a robust process to determine the equivalence of BioBanking credits with Biodiversity Offsets Scheme credits.</p>
<p>17 <i>p105</i></p>	<p>That the Department of Planning and Environment investigate and implement feasible options for making the Biodiversity Offsets Scheme more accessible and attractive for potential philanthropic and conservation-minded investors.</p>	<p>Supported in principle.</p> <p>DPE and the Biodiversity Conservation Trust will keep under review the options for enhancing philanthropic and conservation-minded investment in biodiversity.</p> <p>The NSW Natural Capital Statement of Intent⁸ sets out a vision and pathway to enable New South Wales to use its position as a natural capital leader to attract international capital investment and increase opportunities for landholders to voluntarily take part in carbon, biodiversity and emerging natural capital markets.</p> <p>In May 2022, the Biodiversity Conservation Trust released its Prospectus for Co-Investment Partnerships⁹, which, while not</p>

⁸ The NSW Natural Capital Statement of Intent can be found on the Department website: [NSW Natural Capital Statement of Intent](#)

⁹ The Prospectus for Co-Investment Partnerships can be found on the on the BCT website: [2022.05.27 BCT Corporate Prospectus.pdf \(nsw.gov.au\)](#)

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		<p>focussed on the Scheme, calls for private and philanthropic partners to co-invest in biodiversity conservation and enhancement activities.</p>
<p>18 <i>p118</i></p>	<p>That the Department of Planning and Environment and Biodiversity Conservation Trust increase transparency of the use of offsets to enable public scrutiny of the Biodiversity Offsets Scheme. This should include a centralised, publicly accessible database that:</p> <ul style="list-style-type: none"> • enables spatial viewing of development and stewardship sites, including site boundaries • contains information about biodiversity stewardship agreements, such as type and quantity of credits, management actions and restoration uplift • contains information about the ecological outcomes of biodiversity stewardship agreements • contains information about which credits or offset sites have been used to offset which developments • shows all offset obligations transferred to the Biodiversity Conservation Trust • shows offset obligations for all major projects, including any discounting. 	<p>Supported in principle.</p> <p>The Government recognises the importance of transparency to maintain confidence in the Scheme. IPART will monitor and report on the operation of the biodiversity credit market to support transparency and public confidence in the Scheme and help improve its operation.</p> <p>DPE and the Biodiversity Conservation Trust are committed to making the recommended information publicly available, subject to requirements under privacy legislation. DPE is exploring opportunities to make this information accessible and transparent through a range of online tools.</p>
<p>19 <i>p119</i></p>	<p>That the Department of Planning and Environment:</p> <ul style="list-style-type: none"> • continue to review arrangements for managing conflict of interest in the Biodiversity Offsets Scheme, with a view to providing transparent processes for declaring and managing conflicts of interest among Scheme stakeholders • review arrangements for the accreditation and monitoring performance of accredited assessors, with a view to ensuring the quality of ecological 	<p>Supported.</p> <p>DPE has a comprehensive conflict of interest protocol that outlines mandatory requirements for employees of DPE in relation to conflicts of interest declaration and management arising from the Scheme.</p> <p>DPE is establishing a new compliance and assurance plan for accredited assessors which will include an audit program and de-</p>

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	assessments in the Scheme, and appropriate management of conflicts of interest.	<p>accreditation process. DPE has completed three pilot audits using the new arrangements.</p> <p>Accredited assessors must operate within a Code of Conduct, which includes a specific obligation that an assessor 'must not act in circumstances where there is actual, perceived or potential conflict of interest.' To support assessors to meet this requirement a conflict of interest guideline for accredited assessors is being developed; consultation with accredited assessors on the guideline is planned in 2023.</p>