

**Submission
No 14**

INQUIRY INTO INTEGRITY OF THE NSW BIODIVERSITY OFFSETS SCHEME

Organisation: Friends of Grasslands

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supporting native grassy ecosystems

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Cate Faehrmann MLC
Committee Chair
Portfolio Committee No 7 – Planning and Environment
NSW Parliamentary Legislative Council

Dear Ms Faehrmann

Integrity of the NSW Biodiversity Offsets Scheme

Friends of Grasslands (FOG) is a community group dedicated to the conservation of natural temperate grassy ecosystems in south-eastern Australia. FOG advocates, educates and advises on matters to do with the conservation of grassy ecosystems, and carries out surveys and other on-ground work. FOG is based in Canberra with many members in surrounding New South Wales. Its members include professional scientists, landowners, land managers and interested members of the public.

For many years FOG has been concerned about the use of offsets in relation to destruction of grassy ecosystems and dependent species. While we have more experience with the use of offsets within the ACT, we believe that our concerns apply as much, if not more, to the NSW Biodiversity Offsets Scheme (BOS). Recently we have become more concerned about the application of the NSW BOS to grassland specialist species such as the Golden Sun Moth (*Synemon plana*), since some recent EPBC referrals have sought offsets via the NSW BOS due to a lack of available offset opportunities within the ACT.

There are some general principles that need to be addressed by any offsets scheme and which we do not believe are adequately addressed by the NSW BOS.

TOR 1(a) the effectiveness of the scheme to halt or reverse the loss of biodiversity values, including threatened species and threatened habitat in New South Wales, the role of the Biodiversity Conservation Trust in administering the scheme and whether the Trust is subject to adequate transparency and oversight,

The scheme allows the option for a developer to pay into the Fund but there “is no obligation on you [the developer] to demonstrate that you have tried to find your own offsets before paying into the fund ... paying into the Fund is available as an option as soon as a development has been approved and a legal requirement to retire credits exists.” This appears to allow developers to buy off their biodiversity impacts without there actually being a suitable offset available, bearing in mind that offsets should be like-for-like (i.e. same species or ecological community within the same bioregion). With endangered and critically endangered species and ecosystems there will come a time, if it hasn’t already, where there is no real offset possible. If there are no options for like-for-like offsets, then the development needing offsetting should not proceed (with the possible exception of essential infrastructure). FOG suggests that the inquiry investigate if there are payments into the Fund where there are no like-for-like credits available. Without addressing this issue, the scheme will in the long term not prevent the loss of biodiversity values as it will be seen as a way to buy off environmental impacts.

In practice FOG believes that most offsets do not deliver the full amount they are meant to, leading to net loss in biodiversity over time. The Biodiversity Conservation Trust’s website provides information about \$ amounts paid, hectares protected under biodiversity stewardship agreements (BSAs), and the

number of landholders and developers involved. What is lacking are any ecological measures that indicate whether or not BSAs are meeting their aims to enhance the ecological values they cover. The aim of an offset is that there is, at the very least, no net loss of the ecological value across the landscape. We are not aware of any measure that shows whether or not this is occurring and suspect that in most cases the end result will be a net loss.

Another issue is that assessment of the biodiversity value being impacted by a development is in general done in a piecemeal fashion, neglecting landscape implications of the development such as impacts on connectivity and thus leading to further loss.

FOG's view is that offsets and their management should be either in perpetuity, or have a long term timeframe associated with them, e.g. 100 years. The documentation available to us on Biodiversity Stewardship Agreements (BSAs) implies that the credits sold as an offset apply for 20 years. After that there is reference to the landholder continuing to receive payments to maintain the BSA site. It isn't clear how these payments will be funded – as part of the original offset or as an additional offset applied at 20 years. If the latter, does this mean that the site will be used multiple times as an offset?

TOR 1(c) - the impact of non-additional offsetting practices on biodiversity outcomes, offset prices and the opportunities for private landowners to engage in the scheme

FOG is opposed to the concept of non-additional offsetting practices that do not provide any additional conservation values or increase in biodiversity values. The example given, of converting existing nature reserves into offset credits is, in our view, not an offset at all. If credits are generated from an existing nature reserve and used to offset a loss elsewhere, the result is a net loss across the landscape of the particular value supposedly being protected. In our view, these non-additional offsetting practices come out of an underlying assumption – that site condition will deteriorate over time without management or intervention. In fact, Government and public land owners should feel an obligation to maintain biodiversity values on land they manage, and private land owners be encouraged to do the same. Legislative requirements to maintain biodiversity values should be clear to all land owners, and the cost of doing so not paid for via offsets. Non-additional offsetting practices are not in fact offsets and should not be called such.

Yours sincerely

Naarilla Hirsch
Advocacy coordinator

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