

**Submission
No 79**

INQUIRY INTO INTEGRITY OF THE NSW BIODIVERSITY OFFSETS SCHEME

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AUSTRALIAN INSTITUTE OF LANDSCAPE ARCHITECTS (AILA) SUBMISSION NSW GOVERNMENT PARLIAMENTARY INQUIRY INTO THE BIODIVERSITY OFFSETS SCHEME

PREFACE

The Australian Institute of Landscape Architects (AILA) leads a dynamic and respected profession: creating great places to support healthy communities and a sustainable planet. AILA is the peak national body for landscape architecture. AILA champions quality design for public open spaces, stronger communities, and greater environmental stewardship.

We provide our members with training, recognition, and a community of practice to share knowledge, ideas, and action. With our members, we anticipate and develop a leading position on issues of concern in landscape architecture. Alongside government and allied professions, we work to improve the design, planning and management of the natural and built environment.

In operation since 1966, AILA represents over 2,500 members Australia wide and promotes excellence in planning and designing for life outdoors. Committed to designing better places, Australian landscape architects have the skills and expertise to improve the nation's liveability through integrated nature-based solutions delivering better environmental, social, and economic outcomes for all Australians.

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BACKGROUND

The view that nature can be treated as a monetised commodity rather than fundamental for our collective wellbeing and prosperity needs to be challenged. The human impact on natural systems has reached a tipping point where the consideration can no longer be about isolated threatened species and communities but rather wholesale environmental destruction. Clearing of native vegetation, loss of topsoil and habitat modification are the greatest threats to our continued survival.

The Biodiversity Offsets Scheme illustrates the most commonly held attitude towards the human/nature relationship.

AILA was represented on the Community Reference Group that was established to provide external input to the draft Cumberland Plain Conservation Plan (CPCP) for Western Sydney and is familiar with the discussions around the Biodiversity Offset scheme.

Biodiversity Offsets form a key component of the CPCP with the intention that they can be purchased to allow the clearing of remnant Cumberland Plain vegetation for urban and infrastructure development. The offsets are intended to be created by placing biodiversity conservation protection over existing areas of remnant Cumberland Plain vegetation, primarily through Voluntary Stewardship Agreements. The draft CPCP Report sets a target of 5,475ha of land under conservation protection to offset the expected impact of clearing for urban development.

However, the Biodiversity Offset Scheme as a means to resolving the conundrum of delivering growth that is ecologically sustainable is based on multiple flawed assumptions, these including:

1. That ecological systems can be destroyed in one area and then recreated somewhere else to match the complexity and functions of the cleared natural vegetation community. It is however widely accepted by ecologists, based on their research findings, that offsets planting, or restoration programs do not provide environmental values equivalent to that of natural vegetation communities that are conserved in situ.

Further in our current climate crisis context protection of authentic biodiversity, including soil ecosystems in a systems network is essential for overall resilience not just addressing threatened communities.

2. That there is equity of access for landowners to the benefits of the scheme. Access, or lack of access, to resources and information, support through formal and informal networks and land size are all limiting factors to landowner capacity to meaningfully access the scheme.

3. The assumption that ecological values associated with areas of natural environment can be translated into dollar values then bought and sold in a market system, is a myth. Even if the biodiversity offsets could be accurately valued, an efficient market for the offsets would rely on a regime of comparable supply and demand, which does not currently exist. Although the demand side could be approximately estimated based on the projected area of vegetation clearing to be carried out for urban development, the supply side cannot be reasonably quantified.

The supply of offsets relies primarily on the establishment of Voluntary Stewardship Agreements with private landowners of areas of remnant native vegetation. But it is not possible to determine from the draft CPC, how many or if any of these Agreements have been established or what the timeframe would be for achieving a level of supply that matches demand. Nevertheless, it is notable that the clearing of Cumberland Plain vegetation continues to generate demand for offsets.

The State Government has allocated \$84m to be spent over 3 years to fund the CPCP with a relatively small amount allocated for acquisition of land for conservation. As additional future funding is intended to be generated by Special Infrastructure Contributions from developers, the amount of funding that will be available for new land acquisition and administration of the CPCP will be dependent on the fluctuations in the property market and timing of infrastructure development.

Even if the area of land brought under conservation protection is approximate to the area of remnant vegetation cleared, the overall result will be a net loss of Cumberland Plain vegetation. It is therefore inaccurate to refer to the CPCP as a 'conservation' plan but rather it is more accurate to call it a 'development enabling' plan.

What is needed is a systems network structure with strategic acquisition targets in equivalent area (or greater) and location.

4. That conserving non connected ecological remnants will conserve biodiversity.

To conserve biodiversity values a systems network approach needs to be adopted, clear objectives for protecting biodiversity across all facets of the system need to be set. Critically these objectives need to address the holistic ecological system including water quality and soil ecosystem quality.

5. The integrity and transparency of the scheme against rorting and the effectiveness of expenditure of the Biodiversity Conservation Fund.

The failure of the market for biodiversity off-sets has already been demonstrated by the recent incident in Western Sydney that has generated this Parliamentary Inquiry. The State Government purchased offsets from the owners of land that included a director of a consulting company that was advising State Government on the Biodiversity Offsets Scheme. This would indicate a failure of governance of the scheme.

Given the deficiencies of the Biodiversity Offset Scheme, this independent Parliamentary Inquiry is urgently needed. Issues that AILA suggest the Inquiry address are set out below and summarised at the end of this submission.

As the economic modelling used to determine the dollar value of offsets is not publicly available, we cannot comment on the assumptions upon which the valuation of offsets are based, however we suggest that at minimum the Inquiry needs to address this lack of transparency.

The premise upon which biodiversity conservation in the Sydney region is based needs to be re-thought so that a program can be developed that is effective, transparent, and resilient. This needs to include the genuine engagement of individuals with a diversity of knowledge and expertise, including First Nations People, who come to the program with an open mind that is not biased by a presumption that a free-market system is the best answer.

While it can be argued that humans have a moral obligation to protect nature for its own sake, this argument has proven to have limited effectiveness within the current market-based economy, which fails to incorporate this perspective on nature. The current market economy incorporates a fundamental distortion that is created by not accounting for the true cost of consuming and polluting the natural environment. The natural environment is treated as a commodity to be consumed at little or no cost, rather than an asset to be managed sustainably by protecting, restoring and nurturing it to generate mutual benefits in perpetuity. For Australia's economy to become more sustainable, the real value of the natural environment needs to be accounted for in the economic evaluation process. The United Nations Statistical Commission has recognised the need for this shift by adopting the System of Environmental Economic Accounting - Ecosystem Accounting (SEEA EA). The SEEA EA framework provides an integrated and comprehensive statistical framework for organizing data about habitats and landscapes, measuring the ecosystem services, tracking changes in ecosystem assets, and linking this information to economic and other human activity. The SEEA EA framework, which was adopted in March 2021 by more than 34 countries, including Australia, allows overarching questions to be addressed about the relationship

between the economy, society, and the environment and how our well-being and social progress are measured.

We recommend the Parliamentary Inquiry consider the following actions be taken to minimise further loss of biodiversity in NSW:

A. Arrange for an independent review of the areas of remnant Cumberland Plain Vegetation, including their extent condition and ability to form part of a systems network throughout all the Cumberland Plain areas particularly those designated for clearing urban development and infrastructure.

In the meantime, further clearing of remnant Cumberland Plain vegetation should be halted while the review is carried out. Once the results of the review are available the green infrastructure and urban planning strategy should then be developed/ revised to incorporate the protected remnant vegetation and necessary systems connections to ensure resilience.

In situations where these remnant areas of vegetation are located on private land, the owners would need to be compensated to enter a Voluntary Stewardship Agreement to retain and manage the biodiversity values, the system should provide a pathway to facilitate and maximise landowner participation. Alternatively, the land would be purchased by State Government and managed to achieve biodiversity conservation outcomes in perpetuity.

B. Based on the review, prepare a strategy incorporate the remnant Cumberland Plain vegetation along with other green infrastructure components such as water quality and soil health into a green infrastructure systems network. This strategy would aim to reinforce the pattern of remnant ecological communities throughout the Cumberland Plain Bioregion. These ecological communities should form a major component of the 'Green Grid' throughout the Western Sydney Parkland City strategy adopted by the State Government. Retention and restoration of remnant native vegetation will not only contribute to biodiversity conservation but also to benefit the health and well-being of people living, working, and recreating in the Sydney region.

C. An Ecological Restoration Program also needs to be established with the goal of increasing the extent of healthy Cumberland Plan vegetation under conservation protection in Western Sydney. The Program requires clearly defined objectives and annual targets for areas of restoration and protection.

D. Implementation of the Ecological Restoration Program needs to be adequately resourced in terms of funding, expertise, and governance. An effective on-going monitoring program and regular independent expert evaluation of the program also needs

to be implemented to provide feedback so that the restoration and management techniques can be refined to improve the effectiveness of the program over time.

SUMMARY

In summary, we strongly recommend that the Parliamentary Inquiry gives consideration to the following key issues:

1. The protection and management of biodiversity values needs to be brought into alignment with the reality that continued human destruction of the natural environment will ultimately result in the extinction of both.
2. To achieve the goal of mutual resilience the question of "How can remnant vegetation be cleared to allow urban development?" needs to be re-framed to "How can biodiversity values be retained and restored in the Sydney region while providing adequate land for urban development and infrastructure?"
3. Reaffirm/provide clear objectives for protecting biodiversity, not limited to threatened communities and including soil ecosystems, so important for support of other natural systems and carbon sequestration. Offsets being implemented as a last resort and should contribute/ be connected to the systems network. Further that there be a mandatory requirement that offset sites be ecologically equivalent to impacted sites. Any offset action must be additional to what is already required by law.
4. Details of the economic modelling on which the valuation of biodiversity offsets is based should be obtained and an independent review carried out by experts to determine its veracity and likely effectiveness in achieving the State Government's stated environmental outcomes generally and in particular the stated environmental outcomes for the Biodiversity Offsets Scheme.
5. An independent review be carried out of the extent and condition of areas of remnant Cumberland Plain Vegetation located within areas of proposed urban development and infrastructure corridors.
6. Further clearing of remnant Cumberland Plain Woodland be halted and the urban planning strategy revised to ensure biodiversity values are protected and sustainably managed in perpetuity.
7. Prepare a strategy to incorporate the remnant Cumberland Plain vegetation along with other green infrastructure components such as water quality and soil ecosystem health into a green infrastructure systems network. This systems network structure would direct strategic acquisition targets by area and location.

8. An Ecological Restoration Program be established, funded, and implemented with the goal of increasing the extent of healthy and connected Cumberland Plan vegetation under conservation protection throughout Western Sydney.
9. The principles incorporated in the SEEA EA be applied in the process of reviewing the Biodiversity Offset Scheme.

Thank you for the opportunity to make this submission to the Parliamentary Inquiry and I look forward to a positive outcome. We also welcome the further opportunity to provide direct evidence before the inquiry in due course.

Regards,

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SUBMISSION TEAM

This submission has been prepared by a working group of AILA NSW Advocacy members, co-ordinated by Ingrid Mather.

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