

The Integration of Biodiversity Values in Urban Development Projects: the Australian Experience with Biodiversity Offsets (NSW)

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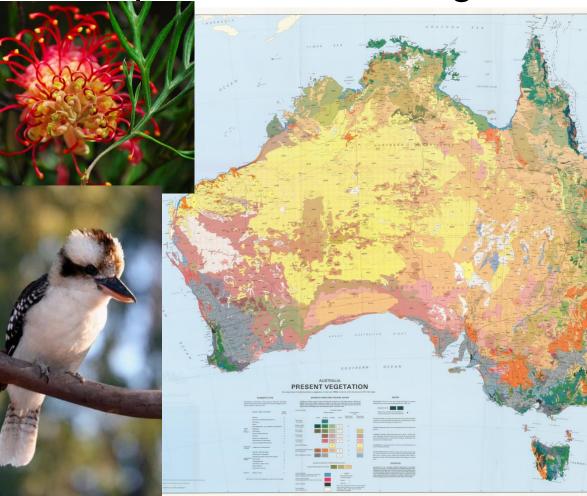
University of Louvain





II. Context: Biodiversity in Australia

• Unique natural heritage

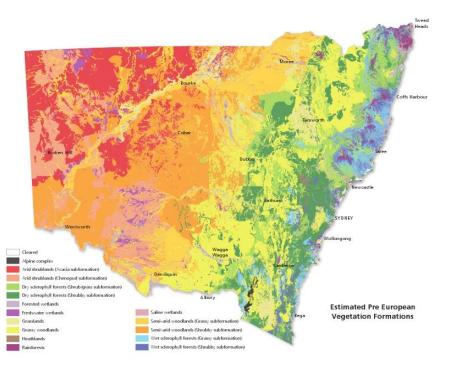


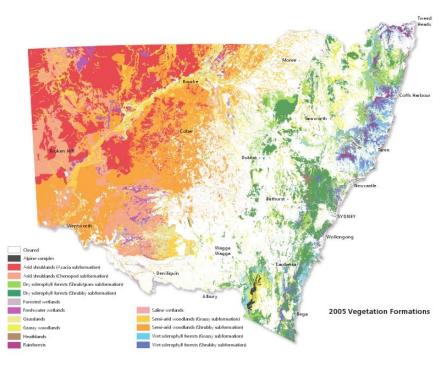






• 200 years of European Settlement

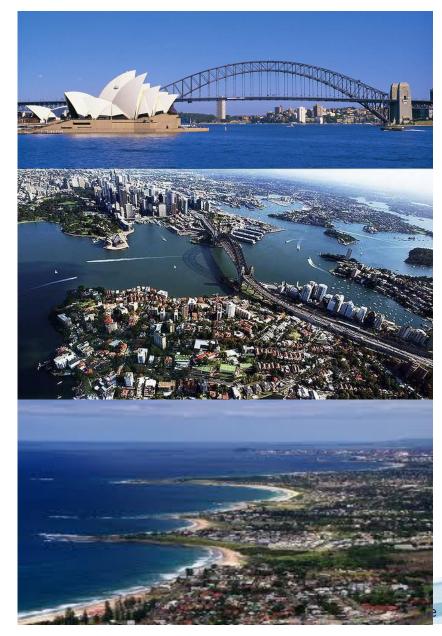


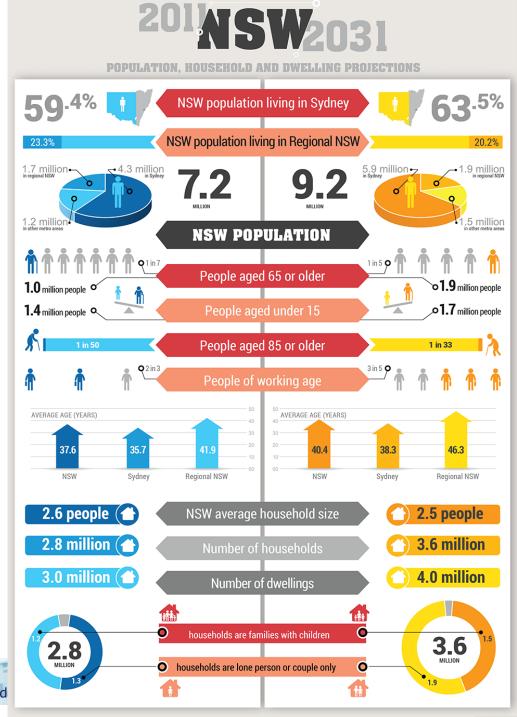




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Urban growth





Biodiversity Conservation in Urban Areas

- Prohibition to harm threatened species
 - Which biodiversity? (TSC Act 1995)
 - Species
 - Species Populations
 - Ecological Communities
 - Type of listing
 - Vulnerable
 - Endangered
 - Critically endangered
 - Presumed extinct
 - Protection
 - Offence to harm a threatened species or its habitat (NPW Act Part 8A)
 - Defense: development consent under the EPA Act 1979 (NPW Act Part 8A)





- Procedural Protection under EPA Act
 - Integration of threatened species consideration within the planning system
 - Preliminary assessment of likely impacts (7 part test)
 - Species Impact Statement
 - Concurrence of OEH and Public exhibition
 - Competent authority
 - Local Councils
 - Department of Planning Major Projects
 - Decision
 - No substantive criteria
 - Natural environment is only a matter for consideration among others (EPAA s79C)
- CCL: No absolute protection

Formal Framework: BioBanking (Biodiversity Banking and Offset Scheme)

- 2006 TSCA Amendments
 - Formal Framework for Biodiversity Offsets
 - Pooling and trading of Biodiversity Offsets
 - Similar to Conservation Banking, USA
- Rationale for the scheme
 - Addressing the clearing of native vegetation for urban development and continued cumulative loss of biodiversity
 - Recognizing the market value of biodiversity
 - Creating new opportunities for private sector conservation management of land
 - Adopting a measurable, consistent, transparent, and scientificallybased assessment methodology
- Voluntary





- Main features:
 - Goal: 'Maintain or Improve' biodiversity values
 - Four main elements
 - Establishment of a <u>biobank site</u> by means of a Biobanking Agreement
 - Creation of **biodiversity credits** representing the future amelioration of the site and the management actions.
 - Purchase of credits by developers and use of them as an <u>offset</u> for impacts on biodiversity values (Biobanking Statement)
 - Scientific and consistent <u>methodology</u> for assessing impacts and offsetting measures (Biobanking Assessment Methodology)
 - Integration with Planning System (TSCA s127ZO)
 - Development projects are deemed not likely to significantly affect any threatened species => no SIS needed
 - Consent authority is not required to take into consideration the likely impacts of the development on biodiversity values

Review of the scheme

- Alternative to Assessment of Significance / SIS route
 - More than an offset scheme
 - Apply different standard, assessment and procedure
- Scheme not widely used in practice
 - Only 27 Biobanking Agreement and 10 Biobanking Statement registered
- Part of the scheme is used
 - Biobanking Assessment Methodology
 - Exchange of credits exp: State Significant Infrastructure (EPAA s115ZC)
- In 2012, OEH started a review of the scheme and drafted an amended methodology
 - Main issues identified:
 - A voluntary alternative and a high standard
 - Credit availability and market operation
 - Complexity of the scheme and misconceptions



Comparison – Research question

- Research question
 - Are projects assessed under the Biobanking route and those assessed under the SIS route subject to <u>equivalent standards and procedure</u>?
- Hypothesis
 - the Biobanking route has higher standards, more stringent requirements and complex procedures than the traditional SIS route.
 - As such, this later route represents an easy and more flexible alternative, and can play as a disincentive for developers to enter the Biobanking route.
- Issues
 - Very few Species Impact Statement
 - Many different options for developers
- Method
 - Biobanking scheme v. Assessment of significance 7 Part test for regular projects



Legal and Institutional framework

	BIOBANKING	Negotiated offsets
Legal Framework for offsets	 Part 7A of the TSC Act Binding regulation and methodology 	 No account of offsets in legislation Practice of consent authorities Sectorial policy documents or non-binding principles
Competent Authority	 Office of Environment and Heritage 	Local Councils
Record	 Biobanking registers for statements, agreements, credits and transactions. 	 Internal records?

Decision criteria

	Biobanking	Negotiated offset
Overall standard	 Maintain or Improve standard (TSCA s127ZL(1) 	 No legislative standard Case law and non-binding principles Practice: No significant impact
Mitigation Hierarchy	No express mentionBuilt in the scheme	 No formal content of 7 part test report Case law and non-binding principles
Avoidance	 Red-flagged areas (high biodiversity conservation values) 	Redesign process
Minimization	 Cost effective onsite measures on a case by case basis 	Redesign process
Offset	 Offset provided by retiring credits 	Redesign processNo obligation to provide an offset

Assessment of impact

	Biobanking	Negotiated offset
Who	Accreditation consultant	Anyone
Objective	 Quantitative: establishment and evaluation of credits 	 Preliminary qualitative assessment of significance
Assessment methodology	 Biobanking Assessment Methodology Detailed site assessment protocols for vegetation mapping, vegetation condition and species surveys 	 7 factors, Threatened species assessment guidelines. No specific method
Scale	 Local, Landscape Regional, state and national 	• Local



Assessment of offset

	BioBanking	Negotiated offsets
Methodology	// assessment of impacts	No specific requirementsOffsets principle
Equivalency requirement	Strict trading ruleLike for like or trading up	 Principle: like for like or better outcome BUT not always the case
Location requirement	No geographic proximityBy CMA sub-regions	same Local Council Area
Timing requirement	 Credits retirement time specified in Biobanking statement Usually before commencement of the work 	 Arrangement should be made before commencement of work
Amount – ratios requirement	 Set formula in Biobanking Assessment Methodology Between 3:1 and 8:1 	No set formulaNegotiated Ratio

Offset Implementation

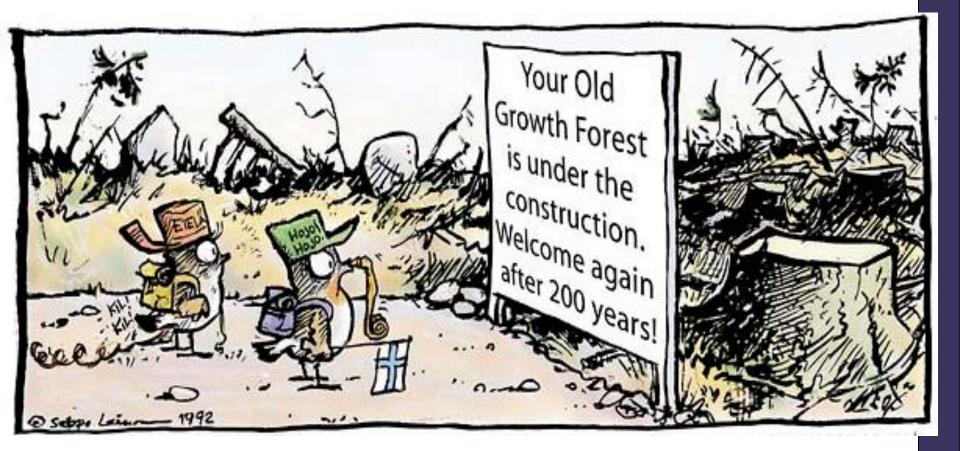
	Biobanking	Negotiated offset
Legal Instrument	 Buying credits Entering into a Biobanking agreement 	 Dedication of land Conservation Agreement Covenants Planning Agreement
Permanence	 Duration in perpetuity 	OEH Principle 7: "enduring"
Management	Management PlanStandard management actions	OEH Principle 7: "enduring"
Long Term Financing	 Biobanking Trust Fund 	OEH Principle 7: "enduring"
Reporting and self- monitoring	 Annual report on management actions 	• /

Conclusion

- No level playing field
- This Situation act as a disincentive for developer to enter the Biobanking route and truly take into account natural values in their projects.
- Next step?



Thank You





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