

*M. Maron submission on draft environmental offsets policy*

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EPBC Act Review

Department of Sustainability, Environment, Water, Population and Communities

To whom it may concern,

**Re: Consultation draft of environmental offsets policy**

Thank you for this opportunity to provide a submission on the Australian Government's proposed environmental offsets policy. I am an ecologist with eleven years experience researching biodiversity management in agricultural and forest landscapes, and my research focus includes threatened species and offset policy. I make this submission having read the documents publicly provided and on the basis of email correspondence with the Department. I also include further comments based on the draft offset guide which was provided at a stakeholder workshop.

**Draft Policy: major points**

1. **There is a lack of clarity over the goals of the policy, particularly with respect to the meaning of "improve or maintain".**

The definition stated in the draft policy (improve or maintain as compared to before the action; p. 10) conflicts directly with the detail in the remainder of the document (which allows offsets in the form of 'protection', which by definition cannot achieve this goal). However, upon querying this with the Department, I was advised that the draft policy was in error and that the aim was instead to improve or maintain as compared to projected ongoing decline in the absence of the action and offset (email of 11 Oct 2011 from [REDACTED]). This latter definition is more achievable but, by definition, commits the Government to facilitating a continuing decline in Australia's biodiversity. On a personal note, I feel that for a wealthy nation such as Australia to introduce a policy committing us to this ongoing decline is a bit disheartening.

I also point out that others making a submission did not have the benefit of this update to the policy goal. I suggest that almost all those who read the policy will have understood it to mean that the viability of the protected matter should be improved or maintained compared to before the action occurred. Therefore, many will be taken by surprise when this is changed in the final version of the policy, and I suggest that the public should be consulted on whether this change is appropriate.

**2. It is unclear how additionality will be achieved, and how baselines will be calculated.**

Even if the policy goal is not as stated in the draft but is to achieve improvement or maintenance of biodiversity values relative to what would happen in the absence of the action and offset, it is still essential to measure the genuine 'averted loss' achieved from habitat 'protection'. This means compiling baseline information about the trajectory of loss under current policy settings. Without this, it is impossible to calculate the averted loss achieved from protection.

Based on the information provided, it appears that the approach used to determine offset credits based on habitat value is the inverse of what is scientifically sound. This is because the probability of habitat loss varies significantly and systematically among habitat/ecosystem types. For example, high-quality but endangered habitats are best protected under existing legislation. Therefore, the 'protection' of such habitats as an offset (as proposed in this policy) may achieve less gain compared with examples of the habitat considered less intact or less-threatened.

Given that in dealing with matters of national significance, there should be no out of kind offsets, this will present a challenge. Background rates of loss of matters of national significance should presumably be low. Therefore, using averted loss effectively will require a very large offset effort to achieve genuinely additional gains which can be used to offset a small amount of permitted habitat loss.

**3. Importance of the policy and its implementation being led by science**

One of the most encouraging aspects of the draft policy is its stated reliance on sound science to inform its implementation. Scientific reviews of offset policy outcomes have to date been highly critical, so I am hopeful that this policy will operate in a substantially different way to existing policies in Australia and globally, most of which demand far more of restoration science than it is currently able to deliver. I would strongly encourage the Government to consult widely with Australia's knowledgeable restoration science community in developing their assessment methodology, particularly with respect to identifying what evidence exists for claims of being able to restore different elements of ecosystems or habitat for different species. Any approach developed which relies on restoration science, but is developed without reference to the experts in this area, is likely to be ineffective. In particular, I strongly recommend an external scientific review of the approach developed.

**Draft Policy: additional points:**

4. The policy states that "Offsets are not intended to make proposals with unacceptable impacts acceptable". This is clearly not the case – there are some proposals which can not be offset and are therefore unacceptable, certainly, but this very policy is intended to introduce a way to reduce impacts below the threshold of unacceptability. As such, offsets make the proposal acceptable, because the impacts which would have been unacceptable are compensated for. For this policy to suggest that it introduces an additional burden on developers on top of proposals

which would have been acceptable even without the offset, surely invites the observation that they should not have to pay for the burden!

5. A register of offsets including information on whether a site has already been used as an offset under the proposed Federal policy is essential, but is not adequate to avoid 'double-counting'. Assessment of the appropriateness of offset sites must also include consider whether they are already protected under covenant or under relevant State legislation. Each of these things affects the probability of loss in the absence of additional protection and therefore the offset points that the site could generate.
6. Reliance on indirect offsets to generate 25% of the credits is inappropriate. Simply put, indirect offsets which do not generate compensatory gains in the viability of the protected matter cannot be claimed to have offset the impact on the matter. Some of the problem here stems from the definition of 'indirect offset' which has been used, as some of the types of 'indirect offset' activity may well directly benefit the protected matter, whereas for others the benefit is absent, unclear or at best unquantifiable. I suggest redefining 'indirect' offsets to make the distinction more useful, and using the term 'direct offset' to mean any action which directly results in a gain (compared to status quo trajectory) in the matter protected – whether through land protection, investment in management, control of introduced species known to pose a threat, or whatever is appropriate to the taxon. 'Indirect offsets' are payments for research, education etc., where the benefit to the taxon is not quantifiable.
7. On a related point, offset credits must always be calculated in units of the matter protected (number of individuals, % change in population viability, etc.) otherwise it simply cannot be known whether the impact on the matter is fully compensated for (I expand on this below in my comments on the Draft Offset Guide).
8. Multipliers applied to offset requirements are not discussed, but are essential given the high level of uncertainty inherent in many offset trades. Such multipliers should be scaled relative to the uncertainty of the action being successful.
9. Finally, may I point the Department in the direction of the trial offset accounting approach being developed by the Business and Biodiversity Offsets Programme (BBOP); Appendix C.1 in the attached document. It is the only one of which I am aware that adequately deals with the above requirements, and it lends itself to use in the case of specific matters of national significance.

**Draft Offset Guide: main points**

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**Draft Offset Guide: additional points**

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I would be pleased to expand on any of the points raised above or to consult further with the department during the development of this policy.

Sincerely,



Dr. Martine Maron