

Policy of the Forest Practices Authority

The use of offsets to compensate for the loss of significant biodiversity values within forest practices plans

Context

- 1) The FPA is required to make decisions with respect to the management of biodiversity values under forest practices plans in accordance with relevant legislation and policies, including-
 - a) The *Forest Practices Act 1985*, the *Threatened Species Protection Act 1995* and the *Nature Conservation Act 2002*
 - b) The Forest Practices Code and associated planning guidelines
 - c) The State Permanent Forest Estate Policy (PFEP)
- 2) Offsets to mitigate for the loss of a known site or habitat for threatened species may be approved by the FPA in consultation with the Threatened Species Section of the Department of Primary Industries, Parks, Water and Environment (DPIPWE) under the Agreed Procedures
- 3) Offsets to compensate for the conversion of native forest or threatened native vegetation will be considered by the FPA in accordance with s. 19(1AA) of the *Forest Practices Act, 1985* and clause 6.2 of the PFEP.

Principles

- 1) The FPA will determine any offsets on a case by case basis and in accordance with the General Principles for Biodiversity Offsets, issued by DPIPWE (see Attachment 1, and www.dpiw.tas.gov.au/inter.nsf/Attachments/SSKA-7UM3RT?open for latest version).

Application

- 1) The FPA will apply the General Principles in an equitable and consistent manner and will consult with the applicant to determine whether the loss of significant biodiversity values can be offset through various measures and, if so, the most appropriate option that will deliver improved biodiversity outcomes in a practical and effective manner
- 2) As a general rule of thumb, a one to five ratio will be used for an 'area offset', (i.e. a loss of one hectare will require an offset of five hectares on a 'like for like' basis). However in some cases a 1:1 approach might be acceptable. The 1:5 ratio may be adjusted by the FPA in either direction to take account of factors such as the size, condition, context and viability of the impacted site compared to the proposed offset site.
- 3) The FPA will not accept monetary payments as a means of off-setting the loss of values on one piece of land with the intention of securing those values on other land. However,

the FPA may facilitate monetary payments to a third party to meet the DPIPWE General Offset Principles following the FPA financial offsetting options - see Attachment 2.

Attachment 1 – DPIPWE General Offset Principles

General Offset Principles

How do offsets apply under RMPS?

The objectives of the Resource Management and Planning System for Tasmania (RMPS) include promoting “sustainable development of natural and physical resources and the maintenance of ecological processes and genetic diversity.” The RMPS definition of sustainable development includes “avoiding, remedying or mitigating any adverse effects of activities on the environment.”

Offsets are one form of mitigation for the potential impacts of proposed activities on natural values. They are actions that contribute to the conservation of natural values outside of the development footprint, and can include reservation, active management, and other actions that demonstrate a conservation benefit for a particular natural value.

Offsets operate within a “mitigation hierarchy”, where the first consideration is whether impacts can be avoided or minimised, followed by remedying of the impacts on site, followed by mitigation options within the footprint area of the development, followed by offsetting some or all of the residual impacts, as appropriate.

Where offsets are identified as being required for a particular proposal, the proponent should propose offsets that aim to meet the following policy principles. Proposed offsets should be assessed against these principles, and must meet these principles in order to be approved.

Principles

1.1 General design of offsets

Mitigation hierarchy

- Offsets can act as a form of mitigation for the residual impacts of a development proposal on natural values. Alternatives and options to avoid, minimise and remedy the impacts of the proposal must be adequately addressed prior to the consideration of offsets.

Staged Developments

- For staged developments, such as a staged subdivision proposal, proponents should provide details of the whole proposal early in the process to allow for a single assessment wherever possible. This will normally provide better conservation outcomes and greater certainty for the proponent. Any offsets that are required can be implemented either up-front, or in a staged manner in accordance with approvals for each stage of the development.

Conservation outcomes

- Proposed offsets should aim to maintain or improve conservation outcomes, and offsets should generally be for the same species, native vegetation community, or other natural value that is to be adversely impacted by the proposal.
- A greater magnitude of offset is generally required for impacts on natural values on sites that are protected or managed for nature conservation, including reserves and public lands that are managed for natural values. Impacts on these sites may decrease the protection or reservation status of those natural values. For impacts in public reserves, wherever possible the offset should provide outcomes within the reserve system.

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1.2 Location of offsets

On-property offsets

- Where offsets will occur on the same property as the development, overall conservation outcomes for natural values on the property may be considered in determining appropriate offsets, including existing reservation and formal management arrangements.
- Offsets should contribute to well-designed proposals and property management planning that takes account of impacts on natural values and the potential for achieving genuine conservation gains at a property or landscape level. This includes providing for the recognition of land management practices which provide positive environmental outcomes.
- In general, conservation actions (such as a covenant) that have received substantial funding from other sources will not be considered as an offset for a development proposal.

Off-site offsets

- Where it is not practical for offsets to be provided on the site or property where the impact will occur, consideration may be given to other proposed locations for offsets. Preference should be given to locating the offset where the greatest conservation gains can be made at a bioregional or State level.
- In cases where the proposed offset is not on land currently owned by the proponent, the proposal will need to demonstrate how the proponent intends to ensure that the offset is effectively implemented and maintained.
- Offsets can be used to reserve and manage sites of high conservation value, and provide opportunities to achieve genuine conservation gains in areas that are more viable than the impacted site or are identified as strategic priorities.
- For reservation of sites that are identified as a priority in a planning tool such as a recovery plan, the whole site should be reserved wherever possible. This is because assessments of viability and management are implicit in identifying these sites, and a smaller area is less likely to be viable in the long-term.

1.3 Offset Mechanism

General mechanisms

- Offsets must be designed to meet conservation priorities or to address known threats for specific natural values. Flexibility will be incorporated into the appropriate offset mechanism/s to the extent that the offset principles are met.
- A package of individual offsets may be approved where this will achieve conservation outcomes that are consistent with this principle.
- In general terms, offsets can include:
 - improved reservation of a site, such as through conservation covenants, transfer of land to the Crown for reservation, or formal management agreements;
 - management actions that aim to benefit specific natural values at an existing site;

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- restoration or revegetation of sites to provide a direct conservation benefit, such as the creation of foraging habitat for a threatened species or actions facilitating the recovery of areas with the potential to revegetate naturally; and
- where lack of knowledge is considered a threat to a specific natural value, or as part of an offset package, agreed actions to increase knowledge regarding that natural value may constitute an offset if the actions aim to increase protection or viability.

Reservation

- For offsets involving reservation, the size, condition, context and viability of the impacted site and the offset site should be compared. The assessment should consider the management requirements of the natural values involved and the expected outcomes of any management actions that form part of the offset.
- For threatened species and threatened native vegetation communities, the 'size' is the number of individuals in the population to be lost (or protected through an offset), or the area of habitat or native vegetation community that will be lost (or protected through an offset).
- Where reservation forms the major part of the offset, the offset site should protect natural values of a magnitude at least as large as that lost, and maintain or improve the condition and/or context of the site.
- Offsets should generally last for the duration of the impact. Where reservation is required as part of an offset, and the proposal results in the loss of the natural values in perpetuity, the offset must protect the site in perpetuity.

Restoration and revegetation

- Revegetation of complex ecosystems or threatened species populations through planting or translocation are generally unsuitable as offsets, however there may be exceptions where a genuine conservation gain can be demonstrated and the level of risk associated with the success of the actions is considered to be acceptable.
- Where restoration and revegetation of complex ecosystems or threatened species populations through planting or translocation is accepted as an offset, it should be carried out in advance of the development where feasible to demonstrate success of the actions.
- Restoration or revegetation should include a performance-based measure.
- Where restoration or revegetation is used as an offset and there will be a significant time lag between the impacts of the proposal and the creation or improvement in condition of the site, the offsets should wherever possible include actions with short-term results.

Management actions

- Where specific management actions are likely to be required to ensure the viability of an offset site in the long-term, the offset should include the necessary management actions.
- Where appropriate, adaptive management can be agreed, with monitoring used to review the required management actions at appropriate intervals.

- Management actions that form part of a development approval should require reporting at appropriate intervals. The nature, frequency and responsibility for management actions and reporting should be clearly specified in the permit or other legal mechanism established as a condition of approval.
- Where a third party will be carrying out management actions as part of an offset, any required funding for management should be provided by the proponent up-front or at intervals by agreement, as part of the offset.

Knowledge-based actions

- Knowledge-based actions are appropriate for some threatened species, geodiversity and other natural values, where knowledge gaps are recognised as a conservation priority for those values.
- Knowledge-based actions should only be used in conjunction with other actions as offsets for vegetation communities.
- Actions for the purposes of increasing knowledge may include research that addresses conservation priorities for the natural values. Examples may include research that is identified as a priority in a recovery plan, or surveys to determine the likely extent of a value where there are significant knowledge gaps that lead to difficulties for the protection and management of that value.

Threatened species

- Where loss of threatened species populations is likely to be unavoidable and there are substantial residual impacts identified, the offset should, where possible, include outcomes for threatened species populations, rather than for potential habitat only.

Native vegetation communities

- Offsets for threatened native vegetation communities should be based on the reservation and management of threatened native vegetation communities elsewhere.
- The offset may include some regeneration of adjacent areas to be protected within the reserved area where it is likely that a viable extension to the native vegetation community will result (eg fencing to exclude grazing). This aims to account for the loss of extent of the native vegetation community due to the proposal.

1.4 Relationship to other approvals and legal mechanisms

Legal mechanisms

- Offsets must be legally enforceable through permit conditions or some other legal mechanism established as a condition of approval. Offsets should be designed so as to have outcomes that are certain.
- Offsets that form part of a development approval should be linked to a legally enforceable mechanism prior to the impacts on natural values commencing, such as through tenure, management agreement or consent conditions. The approval should include a time frame for implementing the offset/s.

Previous approvals

- Where offset-like actions have been required under a regulatory process, these will not be considered as an offset for any future development proposal. However, additional offset actions may occur on the same site if it can be demonstrated that an environmental benefit will occur, such as additional active management of the area.
- If a subsequent development proposal will impact on an existing offset, the values that were protected under the offset may not be further impacted upon without additional offsetting. Additional offsets will need to adequately address the impacts of the current proposal and the impacts on the offset provided under the original proposal.

1.5 Information Requirements for Assessment of Development Applications

- The best available information shall be used in the assessment of the impacts of a proposal on natural values and the determination of appropriate offsets.
- Proposals should include adequate information on the natural values at the impacted site and at any proposed offset site.
- Proposals must clearly define the impacts that are being offset. Where the impacts on natural values cannot be fully described or quantified, a risk assessment should be undertaken and provided as part of the proposal.
- Proposals should specify the conservation requirements of the natural values (eg breeding and foraging habitat or management requirements for threatened species), to aid in determining appropriate offsets.
- Information derived through the application and assessment process that adds to the records of natural values on a site will form part of the assessment of the proposal. Provision of this new information is not considered to be an offset. However, other research may be used as an offset in some cases.
- If a proposal is modified and additional impacts will occur, the proposal should be reassessed.

Attachment 2: FPA Financial Offsetting Options

The Forest Practices Authority may facilitate monetary payments from a land owner or land manager to a third party to compensate for the loss of biodiversity values associated with an activity conducted under the forest practices system. A monetary offset will only be considered where it appears to be the best option after careful review and consideration of other offset options.

Financial Offsetting will only be an available option where:

1. an offset is required to compensate the loss of a threatened species known site or potential habitat, and/or the loss of a threatened native vegetation community under a Forest Practices Plan in accordance with the FPA Policy on Offsets; AND
2. The offset is in accordance with the General Principles for Biodiversity Offsets, issued by DPIPWE; AND
3. The offsets cannot be achieved through conservation, restoration and/or rehabilitation of a native vegetation community or threatened species habitat on the same or another property owned or managed by the FPP applicant; AND
4. The environmental impact is not considered to be unacceptably high, having regard to advice from DPIPWE and FPA specialists

Monetary payments will be held by the FPA to be paid to DPIPWE or another appropriate agency or entity (e.g. Tasmanian Land Conservancy) for a suitable offset or to contribute to a larger offset package once found. Such payments may be used for 'knowledge-based' offsetting options where considered appropriate (see offset mechanisms in 1.3 of DPIPWE General Offset Principles).

Rate: The Rate per ha of high conservation significance may be applied at the appropriate offset ratio as specified in Table 1.

Table 1: Guidance on calculation of multiplier for offsets

Value	Multiplier		
	Good condition ¹	Moderate condition	Poor condition
Threatened native vegetation community	5	4	3
Known site of a threatened species/known threatened species habitat	5	4	3
Potential/significant threatened species habitat	4	3	2

¹ Condition is defined as per the principles in the TasVeg Condition Assessment Manual

Example:

3.5 ha of *Eucalyptus brookeriana* forest to be cleared for a pivot irrigator. The *E. brookeriana* wet forest is listed as a threatened native vegetation community under the Nature Conservation Act 2002. Clearance and conversion of a threatened community is not permitted under S19(1AA) of the Forest Practices Act unless the Authority is satisfied of one or more of the following:

(a) the clearance and conversion is justified by exceptional circumstances;

(b) the activities authorised by the forest practices plan are likely to have an overall environmental benefit;

(c) the clearance and conversion is unlikely to detract substantially from the conservation of the threatened native vegetation community;

(d) the clearance and conversion is unlikely to detract substantially from the conservation values in the vicinity of the threatened native vegetation community.

The FPA can consider the clearance and conversion of 3.5 ha of *E. brookeriana* forest if satisfied that an offset can achieve one or more of the above.

FPA biodiversity staff field assessed the *E. brookeriana* forest and found 2 ha in moderate condition and 1.5 ha in poor condition. Condition assessments were conducted using the principles in the TASVEG condition assessment manual.

The FPP applicant/ landowner does not have a suitable area on his property (or any other property owned by the same landowner) to offset the loss of 3.5 ha of *E. brookeriana* forest. Therefore the landowner wishes to pursue a financial offset.

Under the FPA Financial Offsetting Options, the landowner would need to pay an amount equal to the value of the forest area (as determined by valuation) with a multiplier of 4 for the *E. brookeriana* forest in moderate condition and a multiplier of 3 for the *E. brookeriana* forest in poor condition.