



Friends of Grasslands

supporting native grassy ecosystems

PO Box 440, Jamison Centre ACT 2614

web: <http://www.fog.org.au>

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600
email: ec.sen@aph.gov.au

Dear Sir/Madam

Inquiry into Environmental Offsets

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 and its members include professional scientists, landowners, land managers and interested members of the public.

FOG has addressed its comments to temperate grassy ecosystems, which it has most knowledge about, and believes that these comments are applicable more generally to environmental offsets. FOG considers that environmental offsets are an important tool to be used in the protection of vulnerable and endangered species and ecosystems in specific circumstances and should be enforceable.

FOG's view is that there should be no development that impacts on vulnerable or endangered species habitat or ecosystem communities and it opposes the use of offsets in these circumstances. There should be no development in high conservation areas (i.e. such areas should be considered 'no go') and losses from development should be minimized in any area with a conservation value. We do recognize the reality of the current situation, i.e. that other factors will drive the destruction of our biodiversity despite its precarious position. In particular, we recognize that development proposals with high 'public good' such as major infrastructure that cannot be rerouted, generally receive a sympathetic response. We are concerned, however, that offsets are being used to 'buy off' the environmental sector of our community. To support this view, we note that most development proposals impacting on temperate grassy ecosystems do get approval, albeit with conditions and/or offset packages, irrespective of any public good. Our view is that proposals developed in response to commercial pressures alone and which impact on endangered species and communities should not go ahead.

FOG has a number of reasons for this view. One is that, in the case of our temperate grassy ecosystems, there are few left to be used as offsets. As a result, offset packages include reserving existing grassy ecosystem sites in perpetuity and undertaking research into regeneration of grassy ecosystems. While these actions are extremely useful and need to be undertaken with considerable urgency, they do not change the fact that the offset is occurring against loss of grassy ecosystems as the development proceeds resulting in a net loss across the landscape. Offset packages should be 'like for like', i.e. the same species or ecosystem in the same bioregion. For our endangered species and ecosystems, this is becoming more difficult to achieve, with the risk that offsets dissimilar to the species/ecosystem being impacted will be used.

There are several examples of offset measures in the ACT being agreed by the Commonwealth that FOG believes do not meet the intention of offsets, which is no net loss of our endangered species and

communities. In order to allow the extensive urban development in the Lower Molonglo Valley, the ACT Government was required to set aside areas to protect Box-Gum Woodland, Natural Temperate Grassland and Superb Parrot and Pink-tailed Worm-lizard habitat, to offset losses in areas that would be developed. The development approval in this case allowed for an existing reserve (Kama Nature Reserve, established in 2009) and an area that was to be retained in any case (the Molonglo River corridor itself) to be declared reserves and included in the offset package. These were in fact the most extensive areas containing the threatened communities and species, meaning that only a very small (and more degraded) area containing the species and communities were in fact 'real' offsets. In another instance, an existing area of already declared open space, considerably enhanced in value by years of volunteer work, was identified as an offset site for other areas that were to be developed. Such 'offsets' are not acceptable and clearly do not achieve no net loss of the particular communities and species.

FOG does, however, recognize that offsets are a mechanism that identifies the economic value of biodiversity, a deficit that has been to the gross disadvantage of our natural systems in Australia for two hundred years. As such, offsets provide opportunities to increase the conservation values (species diversity, ecological function or enhancement of particular habitat) through rehabilitation of disturbed areas. As this is an area of conservation that is poorly understood and relatively expensive to achieve, funds from offsetting can provide opportunities not only to get an increase in reservation of areas of land in good condition, but also to learn from these and improve management of other areas. FOG believes that such work is essential if we are to retain our endangered temperate grassy ecosystems in the long term and supports these offsets. We are aware of some corporations contributing significant resources to undertake restoration and rehabilitation activities on offset and development sites, and in several instances in the ACT FOG is working with those corporations on a voluntary basis.

At the same time, however, FOG is concerned that there is no guarantee that such projects will achieve the desired outcomes of improving the condition and resilience of these areas to an extent that they remain in good condition, supporting a range of species and resisting negative impacts such as weed invasion. A long time frame is needed to judge success or failure so, while supporting such work, we are concerned that monitoring of such projects be maintained for adequate amounts of time and the results (whether they indicate success or failure) are made public, so that the entire community learns from them.

Another major concern of FOG is that offsets should be in place before any development impacts on endangered species and ecosystems. While the full offset may not be achievable before development commences (e.g. trees take decades to reach maturity), the offset program (including survey and monitoring programs established, planning completed, initial native species plantings, pest control, long term resourcing and in perpetuity protection) should be in place on-ground in advance of any development commencing. When this is done, it is clear at the outset as to whether or not the development will lead to net loss of the relevant species. There is an example in the ACT where proponents had already undertaken conservation management in an offset area, before the approval decision and agreement were finalized, demonstrating a clear evidence of commitment to the process. Unfortunately, the reverse is generally true; offsets may be decided at the time of the decision to proceed with the development, in some cases requiring only that a nebulous offset package be developed in the future, which stakeholders such as FOG are required to accept at face value. In fact most offsets take time, in some cases considerable time, to provide any gain. As we have already noted, in many cases we are aware of, it may not be clear that the offset will or won't deliver the desired gain until some years down the track, well after the development is complete and the developer has moved on to other projects.

In relation to the EPBC audit process, FOG is only aware of the compliance audit process. The audit process does not appear to have any capacity for capturing the effectiveness of any offset strategy in relation to the aim of no net loss of the ecosystem being affected. In general, this process only targets a handful of the several hundred referrals considered each year. Many of these audits find instances of non-compliance (although in some cases these are administrative or minor rather than impacting on conservation values). However, it does indicate that non-compliance with EPBC approvals is occurring

and that perhaps resources need to be made available for more auditing to occur. Of the audits that have occurred and are reported on the EPBC website, only one has been in relation to a project that FOG is familiar with (referral 2008/4621 – sub-transmission line, Williamsdale to Theodore, ACT). In this case there were two reported non-compliances, relating to submission of the Biodiversity Offset Plan and its contents. What we are most concerned about is that this audit lacks is an assessment of the effectiveness of the offset strategy in terms of the aim of no net loss of Box-Gum Woodland across the landscape. It is not clear to FOG how the effectiveness of such offset strategies will be determined by the Commonwealth, nor how the public will be advised as to the results in the longer term.

We do not have sufficient information to determine whether offsets have resulted in no net loss in temperate grassy ecosystems and their dependent species. We believe that the Inquiry needs to review the results of all offsets to date, to inform future offset proposals and inform the public of the capacity for offsets to meet their objectives – at least of no net loss. In fact, given that these ecosystems are endangered, we should be aiming for net gain, so that in the long term these species and ecosystems are sufficiently extensive to be able to be moved from the critically endangered or endangered lists to the vulnerable list (or even taken off these lists altogether). Instead, there is a continual addition of species and ecosystems to the endangered lists, an indication that the current policy is not sufficient to halt the decline in our unique biological heritage.

If governments adopt offset legislation as a tool to minimise the destruction of biodiversity and landscape and ecological function, such legislation must be both enforceable and enforced. To address the first issue, FOG believes that such legislation should ensure that:

- As part of this Inquiry, a review by an independent body is required to assess compliance and achievement of conservation gains as identified in the offset agreement of existing offsets;
- There must be a process, with oversight by experts, in place to track each offset and take corrective action if needed, with this process being independent and including long term monitoring of the offset;
- The cost of compliance (including returning to a site for an agreed period of time to undertake further work to meet required standards) must be recognized as part of the cost of the offset;
- Penalties must be included in an offset agreement and applied for non-compliance;
- The outcome and any reviews of offset sites should be made publically available;
- Lessons should be learned from reviews of achievements of conservation gains, with new offset proposals being better targeted to increase conservation gains; and
- Offset sites need to be monitored for a long enough period to ensure compliance and attainment of the required gains. This takes resources, which should be part of the offset package (and cost of the development).

Could you also note in your database the change in our postal address and president.

Yours sincerely

Sarah Sharp
President

3 April 2014