



NSW Biodiversity Offsets Policy for Major Projects

Fact sheet: Relationship of the policy to the NSW BioBanking Scheme

The NSW Biodiversity Offsets Policy for Major Projects (the policy) is being introduced to clarify, standardise and improve biodiversity offsetting for major project approvals under the NSW planning system. The policy has been developed alongside the review of the NSW BioBanking Scheme. This fact sheet explains the similarities and differences between the policy and the scheme.

NSW BioBanking Scheme

The BioBanking Scheme provides an option for developers to assess the impact of their project on biodiversity and offset this impact. It is a market-based scheme that measures biodiversity loss and gain using 'biodiversity credits'. If a developer successfully assesses and offsets their development in accordance with the BioBanking Scheme, the consent authority does not need to further consider the biodiversity impacts of the development during the planning approval process.

A statutory review of the BioBanking Scheme commenced in 2012. The aim of the review was to identify the scheme's strengths and challenges and evaluate ways of improving it to ensure it achieves credible environmental outcomes and is practical to use. OEH undertook public consultation as part of the review. A summary of submissions has been released to provide an overview of stakeholder input received (visit www.environment.nsw.gov.au/biobanking/130187bbsumsub.htm) and a review report is being prepared.

Similarities and differences between the policy and the BioBanking Scheme

The policy incorporates some of the elements of the BioBanking Scheme. These include:

- **use of a methodology** – the policy uses a methodology called the Framework for Biodiversity Assessment (FBA) to assess the biodiversity values at a site and calculate offset requirements. Like the BioBanking Assessment Methodology, the FBA provides instructions for assessing the impacts of a development on biodiversity, and calculates offset requirements using the measurement of biodiversity credits.
- **biobanking agreements** – the policy uses biobanking agreements as the primary mechanism for securing offsets.

The key differences between the new policy and the BioBanking Scheme include:

- **the BioBanking Scheme is an optional scheme** that developers can choose to use as an alternative to biodiversity assessment processes under the *Environmental Planning and Assessment Act 1979* (EP&A Act). This will continue to be the case.
- **the new policy will be the single Government policy** for managing biodiversity impacts for all major projects (state significant development and state significant infrastructure) under the EP&A Act.

- **new features in the policy** – the policy includes new features such as supplementary measures, rehabilitation and discounting, that are not part of the BioBanking Scheme.
- **the use of red flags** – the policy does not incorporate the ‘red flag’ concept that is used in the BioBanking Scheme. Red flags are certain, specifically-defined areas of land that have high conservation values. Under the BioBanking Scheme, development cannot impact on these areas of land except in certain circumstances when a ‘red flag variation’ is obtained. While the policy does not have red flags, it does acknowledge that some impacts on biodiversity are more severe and may not be able to be offset. These impacts will be considered further by the consent authority before development can proceed.

Consistency between offset calculation methodologies

The reason for developing this policy in tandem with the review of the BioBanking Scheme is to increase the consistency in the practices used to assess biodiversity on a site and to calculate offsets.

Methodologies for calculating offsets that are currently used in NSW include:

- BioBanking Assessment Methodology – used in the BioBanking Scheme
- Biodiversity Certification Assessment Methodology – used for undertaking biodiversity assessments at a landscape scale
- Environmental Outcomes Assessment Methodology – used for clearing native vegetation under the *Native Vegetation Act 2003*.

The FBA builds on the experiences of Government and stakeholders in applying the above methodologies.

However, it is now important to, where possible, provide consistency across methodologies. While the ultimate goal is to consolidate all into one combined methodology, this is an extremely complex task that may take some years to achieve.

It is intended that the FBA and the BioBanking Scheme will provide a consistent method for assessing **gains in biodiversity at an offset site**. Therefore, the method for calculating gain at an offset site that is presented in the FBA is the same as the revised BioBanking Assessment Methodology that is being developed as part of the review of the BioBanking Scheme.

The method that the FBA uses to calculate **loss of biodiversity at a development site** will have some fundamental differences to the BioBanking Assessment Methodology. For example, the FBA:

- does not include red flags
- will also be more formally integrated with the consent authority’s decision-making process under the EP&A Act – for example, some impacts will require further consideration by the consent authority under the FBA.

The BioBanking Scheme will remain optional.

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