

Appendix 4 - Biodiversity Offsetting Framework

Introduction

The following sets out a framework for the use of biodiversity offsets. It should be read in conjunction with the New Zealand government Guidance on Good Practice Biodiversity Offsetting in New Zealand, New Zealand Government et al., August 2014 (or any successor document).

Principles for biodiversity offsetting

These principles apply to the use of biodiversity offsets for adverse effects on indigenous biodiversity.

- (1) **Adherence to effects management hierarchy:** A biodiversity offset is a commitment to redress more than minor residual adverse effects and should be contemplated only after steps to avoid, minimise, and remedy adverse effects are demonstrated to have been sequentially exhausted.
- (2) **When biodiversity offsetting is not appropriate:** Biodiversity offsets are not appropriate in situations where indigenous biodiversity values cannot be offset to achieve a net gain. Examples of an offset not being appropriate include where:
 - (a) residual adverse effects cannot be offset because of the irreplaceability or vulnerability of the indigenous biodiversity affected;
 - (b) effects on indigenous biodiversity are uncertain, unknown, or little understood, but potential effects are significantly adverse or irreversible;
 - (c) there are no technically feasible options by which to secure gains within an acceptable timeframe.
- (3) **Net gain:** This principle reflects a standard of acceptability for demonstrating, and then achieving, a net gain in indigenous biodiversity values. Net gain is demonstrated by a like-for-like quantitative loss/gain calculation of the following, and is achieved when the indigenous biodiversity values at the offset site are equivalent to or exceed those being lost at the impact site:
 - (a) types of indigenous biodiversity, including when indigenous species depend on introduced species for their persistence; and
 - (b) amount; and
 - (c) condition (structure and quality).
- (4) **Additionality:** A biodiversity offset achieves gains in indigenous biodiversity above and beyond gains that would have occurred in the absence of the offset, such as gains that are additional to any minimisation and remediation undertaken in relation to the adverse effects of the activity.

- (5) **Leakage:** Biodiversity offset design and implementation avoids displacing harm to other indigenous biodiversity in the same or any other location.
- (6) **Long-term outcomes:** A biodiversity offset is managed to secure outcomes of the activity that last at least as long as the impacts, and preferably in perpetuity. Consideration must be given to long-term issues around funding, location, management and monitoring.
- (7) **Landscape context:** Biodiversity offsetting is undertaken where this will result in the best ecological outcome, preferably close to the impact site or within the same ecological district. The action considers the landscape context of both the impact site and the offset site, taking into account interactions between species, habitats and ecosystems, spatial connections, and ecosystem function.
- (8) **Time lags:** The delay between loss of, or effects on, indigenous biodiversity values at the impact site and the gain or maturity of indigenous biodiversity at the offset site is minimised so that the calculated gains are achieved within the consent period or, as appropriate, a longer period (but not more than 35 years).
- (9) **Science and mātauranga Māori:** The design and implementation of a biodiversity offset is a documented process informed by science and mātauranga Māori.
- (10) **Tangata whenua and stakeholder participation:** Opportunity for the effective and early participation of tangata whenua and stakeholders is demonstrated when planning biodiversity offsets, including their evaluation, selection, design, implementation, and monitoring.
- (11) **Transparency:** The design and implementation of a biodiversity offset, and communication of its results to the public, is undertaken in a transparent and timely manner.

Principles for biodiversity compensation

These principles apply to the use of biodiversity compensation for adverse effects on indigenous biodiversity:

- (1) **Adherence to effects management hierarchy:** Biodiversity compensation is a commitment to redress more than minor residual adverse effects, and should be contemplated only after steps to avoid, minimise, remedy, and offset adverse effects are demonstrated to have been sequentially exhausted.
- (2) **When biodiversity compensation is not appropriate:** Biodiversity compensation is not appropriate where indigenous biodiversity values are not able to be compensated for. Examples of biodiversity compensation not being appropriate include where:
 - (a) the indigenous biodiversity affected is irreplaceable or vulnerable;
 - (b) effects on indigenous biodiversity are uncertain, unknown, or little understood, but potential effects are significantly adverse or irreversible;
 - (c) there are no technically feasible options by which to secure a proposed net gain within acceptable timeframes.

- (3) **Scale of biodiversity compensation:** The indigenous biodiversity values lost through the activity to which the biodiversity compensation applies are addressed by positive effects to indigenous biodiversity (including when indigenous species depend on introduced species for their persistence), that outweigh the adverse effects.
- (4) **Additionality:** Biodiversity compensation achieves gains in indigenous biodiversity above and beyond gains that would have occurred in the absence of the compensation, such as gains that are additional to any minimisation and remediation or offsetting undertaken in relation to the adverse effects of the activity.
- (5) **Leakage:** Biodiversity compensation design and implementation avoids displacing harm to other indigenous biodiversity in the same or any other location.
- (6) **Long-term outcomes:** Biodiversity compensation is managed to secure outcomes of the activity that last as least as long as the impacts, and preferably in perpetuity. Consideration must be given to long-term issues around funding, location, management, and monitoring.
- (7) **Landscape context:** Biodiversity compensation is undertaken where this will result in the best ecological outcome, preferably close to the impact site or within the same ecological district. The action considers the landscape context of both the impact site and the compensation site, taking into account interactions between species, habitats and ecosystems, spatial connections, and ecosystem function.
- (8) **Time lags:** The delay between loss of, or effects on, indigenous biodiversity values at the impact site and the gain or maturity of indigenous biodiversity at the compensation site is minimised so that the calculated gains are achieved within the consent period or, as appropriate, a longer period (but not more than 35 years).
- (9) **Trading up:** When trading up forms part of biodiversity compensation, the proposal demonstrates that the indigenous biodiversity gains are demonstrably greater or higher than those lost. The proposal also shows the values lost are not to Threatened or At Risk (declining) species or to species considered vulnerable or irreplaceable.
- (10) **Financial contributions:** A financial contribution is only considered if:
 - (a) there is no effective option available for delivering biodiversity gains on the ground; and
 - (b) it directly funds an intended biodiversity gain or benefit that complies with the rest of these principles.
- (11) **Science and mātauranga Māori:** The design and implementation of biodiversity compensation is a documented process informed by science, and mātauranga Māori.
- (12) **Tangata whenua and stakeholder participation:** Opportunity for the effective and early participation of tangata whenua and stakeholders is demonstrated when planning for biodiversity compensation, including its evaluation, selection, design, implementation, and monitoring.
- (13) **Transparency:** The design and implementation of biodiversity compensation, and communication of its results to the public, is undertaken in a transparent and timely manner.