This entire chapter has been notified using the RMA Part One, Schedule 1 process (**P1 Sch1**).
Text shown in **red** (both underlined and ~~struck out~~) represents all changes recommended by the Panel from the notified Plan provisions.

APP3 – Te Mahi Hāpai i te Kanorau Koiora

APP3 – Biodiversity Compensation

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.

    Note: While there are no rules in the ECO chapter requiring financial contributions, this does not preclude one being proactively offered.

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.

~~Biodiversity Compensation~~

~~The following sets out a framework of principles for the use of biodiversity compensation. Principles must be complied with for an action to qualify as biodiversity compensation.~~

1. ~~**Adherence to effects management hierarchy:** Biodiversity compensation is a commitment to redress residual adverse effects. It must only be contemplated after the management hierarchy steps in ECO-P2 have been demonstrated to have been sequentially exhausted and thus applies only to residual adverse effects on indigenous biodiversity.~~

2. ~~**Limits to biodiversity compensation:** In deciding whether biodiversity compensation is appropriate, a decision-maker must consider the principle that many indigenous biodiversity values are not able to be compensated for because:~~
   ~~a. The indigenous biodiversity affected is irreplaceable or vulnerable;~~
   ~~b. There are no technically feasible or socially acceptable options by which to secure proposed gains within acceptable timeframes; and~~
   ~~c. Effects on indigenous biodiversity are uncertain, unknown or little understood, but potential effects are significantly adverse.~~

3. ~~**Scale of biodiversity compensation:** The values to be lost through the activity to which the biodiversity compensation applies must be addressed by positive effects to indigenous biodiversity that are proportionate to the adverse effects on indigenous biodiversity.~~

4. ~~**Additionality:** Biodiversity compensation must achieve gains in indigenous biodiversity above and beyond gains that would have occurred in the absence of the compensation, including that gains are additional to any minimisation and remediation undertaken in relation to the adverse effects of the activity. Compensation design and implementation must avoid displacing activities harmful to indigenous biodiversity to other locations.~~

5. ~~**Landscape context:** Biodiversity compensation actions must be undertaken where this will result in the best ecological outcome, preferentially, first at the site, then the relevant catchment, then within the ecological district. The actions must consider 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.~~

6. **Long-term outcomes:** The biodiversity compensation must be managed to secure outcomes of the activity that last as least as long as the effects, and preferably in perpetuity.

7. **Time lags:** The delay between loss of indigenous biodiversity at the impact site and gain or maturity of indigenous biodiversity at the compensation site must be minimised.

8. **Trading up:** When trading up forms part of biodiversity compensation, the proposal must demonstrate the indigenous biodiversity values gained are demonstrably of higher indigenous biodiversity value than those lost. The proposal must also show the values lost are not indigenous taxa that are listed as Threatened, At-risk or Data deficient in the New Zealand Threat Classification System lists, or considered vulnerable or irreplaceable.

9. **Biodiversity compensation in advance:** Biodiversity compensation developed in advance of an application for resource consent must provide a clear link between the compensation and the future effect. That is, the compensation can be shown to have been created or commenced in anticipation of the specific effect and would not have occurred if that effect were not anticipated.