

This entire chapter has been notified using the RMA Part One, Schedule 1 process ([P1 Sch1](#)).

APP2 – Te Mahi Ārai Pānga ki te Kanorau Koiora

APP2 – Biodiversity Offsetting

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.

Biodiversity Offsetting

The following sets out a framework of principles for the use of biodiversity offsets. Principles must be complied with for an action to qualify as a biodiversity offset. These principles will be used when assessing the adequacy of proposals for the design and implementation of offsetting as part of resource consent applications.

1. **Adherence to the effects management hierarchy:** The proposed biodiversity offset will be assessed in accordance with the management hierarchy set out in ECO-P2. It should only be contemplated after the management hierarchy steps in ECO-P2 have been demonstrated to have been sequentially exhausted. Any proposal for a biodiversity offset will demonstrate how it addresses the residual adverse effects of the activity.
2. **Limits to offsetting:** Many biodiversity values cannot be offset and if they are adversely affected then they will be permanently lost. These situations include where:
 - a. Residual adverse effects cannot be offset because of the irreplaceability or vulnerability of the indigenous biodiversity affected or there is no appropriate offset site;
 - b. There are no technically feasible or socially acceptable options by which to secure gains within acceptable timeframes; and
 - c. Effects on indigenous biodiversity are uncertain, unknown or little understood, but potential effects are significantly adverse.

In these situations, an offset would be inappropriate. This principle reflects a standard of acceptability for offsetting and a proposed offset must provide an assessment of these limits that supports its success.

3. **No net loss and preferably a net gain:** The values to be lost through the activity to which the offset applies are counterbalanced by the proposed offsetting activity which is at least commensurate with the adverse effects on indigenous biodiversity so that the overall result is no net loss and preferably a net gain in biodiversity. No net loss and net gain are measured by type, amount and condition at the impact and offset site and require an explicit loss and gain calculation. Provisions for addressing sources of uncertainty and risk of failure in delivering the biodiversity offset should also be included.
4. **Additionality:** A biodiversity offset must achieve gains in indigenous biodiversity above and beyond gains that would have occurred in the absence of the offset, including that gains are additional to any minimisation or remediation undertaken in relation to the adverse effects of the activity. Offset design and implementation must avoid displacing activities harmful to indigenous biodiversity to other locations.
5. **Like for like:** The ecological values being gained at the offset site are the same as those being lost at the impact site across types of indigenous biodiversity, amount of indigenous biodiversity (including condition), over time and spatial context.
6. **Landscape context:** Biodiversity offset 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. Applications must consider 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.
7. **Long term outcomes:** The biodiversity offset must be managed to secure outcomes of the activity that last at least as long as the impacts, and preferably in perpetuity, including through the use of adaptive management where necessary.
8. **Time lags:** The delay between loss of indigenous biodiversity at the impact site and gain or maturity of indigenous biodiversity at the offset site must be minimised so that gains are achieved within the consent period and identified within the biodiversity offset management plan.
9. **Trading up:** When trading up forms part of an offset, the proposal must demonstrate that the indigenous biodiversity values gained are demonstrably of higher value than those lost, and 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.~~

- ~~10. **Offsets in advance:** A biodiversity offset developed in advance of an application for resource consent must provide a clear link between the offset and the future effect. That is, the offset 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.~~
- ~~11. **Proposing a biodiversity offset:** A proposed biodiversity offset must include a specific biodiversity offset management plan, that:~~
- ~~a. Sets out baseline information on the indigenous biodiversity that is potentially impacted by the proposed activity at both the donor and recipient sites, and~~
 - ~~b. Demonstrates how the requirements set out in this schedule will be carried out, and~~
 - ~~c. Identifies the monitoring approach that will be used to demonstrate how the principles set out in this schedule will be fulfilled over an appropriate timeframe.~~