IN THE MATTER of the Resource Management Act 1991 ("RMA")

AND

IN THE MATTER of the proposed Waikato District Plan (Stage 1) – Hearing 21A – Significant Natural Areas

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SUMMARY OF STATEMENT OF EVIDENCE OF ILSE CORKERY FOR THE DIRECTOR-GENERAL OF CONSERVATION – OFFSETTING AND COMPENSATION

16 NOVEMBER 2020

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Introduction

1. My full name is Ilse Corkery. My evidence in chief sets out my qualifications and experience.

2. This is a summary of the statement of evidence in chief I prepared for Hearing 21A of the proposed Waikato District Plan (**Proposed Plan**).

3. My summary evidence covers three matters, being:

   a. Biodiversity offsetting

   b. Environmental compensation

   c. provision in the Proposed Plan.

Biodiversity Offsetting

4. Biodiversity offsetting refers to a system that seeks to counterbalance the unavoidable impacts of development activities on biodiversity by demonstrating that both measurable and long-term biodiversity gains can be achieved at another site. The Local Government Guidance defines biodiversity offsetting as:

   > *"…a measurable conservation outcome resulting from actions designed to compensate for residual adverse biodiversity effects arising from activities after appropriate avoidance, remediation, and mitigation measures have been applied. The goal of a biodiversity offset is to achieve no-net-loss and preferably a net-gain of indigenous biodiversity values. To qualify as a biodiversity offset, the action taken to secure the biodiversity gains must adhere to a set of principles that include limits to offsetting; no-net-loss; equivalence; additionality; and permanence".*

5. **No net loss** refers to the objective for a biodiversity offset to generate sufficient gains in target biodiversity values to balance the losses of target biodiversity values because of the development.

6. Several approaches already exist for addressing adverse effects on biodiversity. For example, avoiding and minimising adverse effects or implementing management measures (such as pest or weed control programmes, restoration of degraded areas and fencing-off stock from remnant habitats). Biodiversity

offsetting often employs these approaches and other commonly used management techniques that are known to generate biodiversity gain.

7. What differentiates biodiversity offsetting from other forms of impact management is that it requires:

   a. A mitigation hierarchy to be followed, i.e. any predicted biodiversity impacts must first be avoided, minimised and rehabilitated on-site, before any remaining residual effects are offset;

   b. Explicit measurement and balancing of biodiversity predicted to be lost and gained; and

   c. A goal of no net loss and, preferably, a net gain of biodiversity to be reasonably demonstrated and then achieved on the ground.

8. There are situations where residual impacts cannot be fully compensated for by a biodiversity offset because of the irreplaceability or vulnerability of the biodiversity affected.

9. In my opinion it is important that the Plan acknowledges that there are limits to offsets, for example, when the biodiversity present is either too vulnerable or irreplaceable or where offsetting cannot be adequately quantified. In such cases, where adverse effects will lead to net loss, environmental compensation may be appropriate.

Environmental Compensation

10. In the Local Governments Guidance Document, Environmental compensation is defined as:

> *"…positive actions (excluding biodiversity offsets) to compensate for residual adverse biodiversity effects arising from activities after all appropriate avoidance, remediation, mitigation and biodiversity offset measures have been applied."*

11. Environmental compensation carries the greatest risk for biodiversity outcomes. Accepting environmental compensation is accepting that biodiversity losses will not be accounted for. Therefore, environmental compensation must be clearly defined as the final option in the mitigation hierarchy. It should only be applied to a residual effect as a 'last resort' after all avenues to avoid, remedy, or

mitigate have been exhausted and offsetting has been demonstrated to be either not possible or not appropriate.

12. Similar to biodiversity offsets there are also limits to biodiversity compensation. These include irreplaceability and vulnerability of the biodiversity involved, social acceptability for the losses involved and existing levels of technical feasibility and scientific knowledge and capability.

13. **Monetary contributio**n refers to a monetary payment made to compensate for residual biodiversity losses. The draft National Policy Statement for Indigenous Biodiversity[1] provides a framework of principles for biodiversity compensation. This states that financial contributions must only be considered when there is no effective option available for delivering indigenous biodiversity gains on the ground. These contributions must be related to the indigenous biodiversity impact. When proposed, financial contributions must be directly linked to an intended indigenous biodiversity gain or benefit.

Provision in the Proposed Plan

14. In summary, I recommend the inclusion in the Proposed Plan of:

    a. a definition of "biodiversity offset";

    b. a definition of "environmental compensation"; and

    c. an amendment to Appendix 6 to support (a and b).

Dated 16 November 2020

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Ilse Corkery

[1] Draft National Policy Statement for Indigenous Biodiversity. Nov 2019.