



## **Response to Draft Biodiversity Offsets Policy**

### **Introduction**

The global growth in biodiversity and carbon initiatives presents a unique opportunity for the Northern Territory to become a leader in responsible development and environmental stewardship. NT Farmers firmly believe that agricultural development and environmental safeguards can coexist to achieve successful economic and environmental outcomes for Territorians.

NT Farmers welcome the creation of policies that successfully encourage economic growth while preserving many of the Territory's rich natural assets. While the biodiversity policy is targeted primarily at the mining industry, large agricultural developments may fall into the purview of the policy. The Association has some concerns regarding the policy, especially its triggers and assessment processes.

NT Farmers are committed to working with the NT Government to create a policy that truly promotes biodiversity activities that are underpinned by economic incentives. This report will detail NT Farmer's concerns regarding the policy.

### **Offsets and credits**

NT Farmers believe that the greatest failure of the policy is that it does not provide a pathway for producers to sell biodiversity credits. Providing economic incentives, in the form of tradeable credits, is the most effective and efficient way to stimulate activities that improve biodiversity outcomes.

Territory producers could use a tradeable credit system to diversify their business operations while achieving biodiversity and environmental milestones. Currently there is significant interest from producers in generating and selling environmental credits.

Biodiversity credits could be generated from offset and voluntary activities undertaken on farms, freehold land, pastoral leases and Indigenous land. Unlike the current policy, agribusinesses could undertake voluntary biodiversity regeneration activities on their properties in order to generate an additional source of income.

It is important to note that the voluntary, incentivised credit system will likely drive a higher uptake of biodiversity regeneration activities compared with the current limited scope of the offsets policy. A biodiversity scheme that is open to all landholders and land users will generate a high level of participation which will consequently lead to a greater improvement in biodiversity across the Territory.

The Territory has the opportunity to become a global leader in selling biodiversity credits generated by farmers, land care managers and Indigenous corporations. The credit trading opportunity will drive agricultural best practices and provide green investment opportunities in the Territory. If the credit scheme is successfully implemented, the Territory could be at the forefront of Australia's biodiversity regeneration activities.

### **Size and triggers**

NT Farmers expect to see greater clarity and transparency in the policy and guidelines relating to when the biodiversity offsets will be triggered. A flow chart diagram should be provided to detail when the policy may be triggered and what the potential triggers are.



The Department has advised that the main trigger for reviewing the requirement for biodiversity offsets will occur when a land clearing application fails to meet the land clearing guidelines. When the guidelines are not met, the Environmental Protection Agency will review the application and potentially recommend to the Minister that an offset requirement is applied to the development. It is critical that this process is clear and transparent to developers and stakeholders. Failure to effectively detail the triggers for the offset requirement will undermine the assessment process and negatively impact on agricultural investment in the Territory.

The decision making involved by the agency in deciding to recommend whether offsets are required must be clearly stated in the policy and guidelines. Industry needs to know what assessment criteria will be applied to their development applications.

NT Farmers are concerned that a review process is not outlined in the policy. A review process will provide an essential check and balance to the assessment process. It will provide further transparency and confidence to land holders that their applications will be treated fairly and equitably.

### **Location**

NT Farmers Association notes that the guidelines state that offsets should not be located in areas that are 'subject to significant development pressure'. It is recommended that this policy should be adjusted to remove the requirement for offsets in special agricultural development areas such as agricultural precincts.

If the NT is to attract agricultural development, economic growth and meet its TERC targets the offsets policy should be waived for the development of agricultural precincts. Precinct areas will potentially transform remote regions of the NT and generate valuable jobs for locals. Precinct areas are chosen for their unique growing conditions and access to key infrastructure. Applying the offsets policy to these zones will significantly impede future economic growth and development of the NT.

### **Assessment**

If a biodiversity offsets policy is to be implemented and enforced, assurance is needed that landscapes are appropriately assessed and biodiversity regeneration works achieve outcomes required by the Department. The policy and guidelines provide little clarity or confidence that regeneration activities will be closely reviewed and monitored by an independent auditor, ideally the Department.

The current policy imposes a monitoring requirement on the proponent. This is a conflict of interest, as the proponent will also undertake the regeneration work. In the interests of environmental outcomes and integrity in the program the government must monitor, scrutinise and evaluate the biodiversity generation work undertaken by proponents.

NT Farmers would be open to the concept of a cost recovery charge on proponents to subsidise government work to cross check and validate biodiversity improvement work. Failure to independently verify biodiversity activities will compromise the purpose and legitimacy of the entire offsets policy.

### **Conclusion**

The Department's current Biodiversity Offsets policy is a positive first step towards enhancing biodiversity in the NT. Adjustments to the policy are required in order to ensure that agricultural development can continue to flourish and create economic opportunities in the NT. It is critical that agricultural precincts are exempted from this legislation to allow the agricultural sector to grow.



Agricultural investors will be concerned about this policy and how it operates. It is strongly recommended that the Department provide clarity around the triggers for the policy and details of a review mechanism for decisions regarding offset requirements.

NT Farmers are committed to working with the Department to fine tune this policy for the benefit of the agricultural industry and our unique landscapes.