



Native vegetation offsets

This practice note provides advice for planning authorities about native vegetation offsets, including:

- ▶ deciding when an offset is required
- ▶ identifying an appropriate offset
- ▶ securing an offset.

Native vegetation means plants that are indigenous to Victoria, including trees, shrubs, herbs and grasses as defined in Clause 72 of planning schemes.

There are other practice notes about native vegetation:

- ▶ [Managing native vegetation in the planning system](#) – how to plan for the protection and removal of native vegetation using native vegetation precinct plans and property vegetation plans.
- ▶ [Assessing applications involving native vegetation removal](#) – how to assess a planning permit application for native vegetation removal.
- ▶ [Preparing a native vegetation precinct plan](#) – when a precinct plan can be used and how to prepare a precinct plan to manage native vegetation.

All practice notes are available at www.dpcd.vic.gov.au/planning

Victoria's Native Vegetation Management – A Framework for Action (the Framework) establishes the strategic direction for the protection, enhancement and revegetation of native vegetation across Victoria. Its goal is: *A reversal, across the entire landscape, of the long term decline in the extent and quality of native vegetation, leading to a net gain.*

The Framework is available at www.dse.vic.gov.au/nativevegetation

Net gain is the outcome for native vegetation and habitat where overall gains are greater than overall losses and individual losses are avoided where possible.

In applying net gain, the Framework sets out a three-step approach. The three steps are:

1. **Avoid** adverse impact, particularly through native vegetation removal.
2. If impacts cannot be avoided, **minimise** through appropriate planning and design.
3. Identify appropriate **offset** options.

Planning and responsible authorities must have regard to the Framework when considering proposals involving native vegetation, including deciding offsets.



The Government's approach to managing native vegetation seeks to maintain ecological security and minimise economic costs.

A strategic approach to native vegetation management and the three steps of avoid, minimise and offset is encouraged. A strategic approach enables significant native vegetation to be identified and planned for early in strategic and regional planning processes. Structure plans, native vegetation precinct plans and property vegetation plans are key tools for assessing native vegetation at a strategic level.

What is a native vegetation offset?

A native vegetation offset is any works or other actions to make reparation for the loss of native vegetation arising from the removal of native vegetation.

An offset may be:

- ▶ an area of existing remnant vegetation that is protected and managed
- ▶ an area that is revegetated and protected
- ▶ an area that is set aside for regeneration or restoration, or
- ▶ any combination of the above.

The relative size of an offset is graded according to conservation significance.

An offset may involve undertaking works or making a payment for certain works to be provided. In either case, an offset should:

- ▶ achieve a gain in the quality and quantity of native vegetation commensurate with the native vegetation lost, and
- ▶ be secure and ongoing.

When do offsets need to be identified?

Offsets must be identified once a decision is made to allow native vegetation removal as part of:

- ▶ an amendment to a planning scheme that will result in the loss of native vegetation
- ▶ a native vegetation precinct plan
- ▶ a planning permit.

Offsets may also be identified as a requirement following the removal of native vegetation in contravention of a planning scheme.

Amendment to a planning scheme

The State Planning Policy Framework requires a planning authority to have regard to the Framework and three-step approach when considering a planning scheme amendment or subdivision that could result in native vegetation removal.

This is particularly important in cases where, once the scheme is amended, there is no further opportunity to control the removal of native vegetation and ensure that new development is appropriately located and designed.

Example

A planning authority is considering amending the planning scheme to allow rural land to be used and developed for urban residential purposes. The native vegetation on the land includes small areas of grassland and a large number of scattered trees.

By applying the steps of avoid and minimise, the planning authority has formulated a proposal that will protect the small areas of grassland and some scattered trees. However, some trees will need to be removed and an offset provided.

In this case, the planning authority and proponent have decided to enter into an agreement to secure the provision of an offset on a neighbouring property. The draft agreement will be exhibited with the planning scheme amendment.

Native vegetation precinct plan

Under Clause 52.16 of the planning scheme, a planning permit is not required for the removal of native vegetation in accordance with a native vegetation precinct plan.

The main purpose of a precinct plan is to manage the removal of native vegetation in a precinct, rather than on a site-by-site basis. Refer to the practice note *Preparing a native vegetation precinct plan* for more information.



Clause 52.17 planning permit applications

Under Clause 52.17 of the planning scheme, a planning permit is required to remove, destroy or lop native vegetation. The purpose and decision guidelines of the clause require the Framework and three-step approach to be taken into account.

If a decision is made that a permit should be granted under Clause 52.17, then an appropriate offset must be determined unless a recommended default offset applies. The practice note *Assessing applications involving native vegetation removal* identifies planning permit applications where a recommended default offset applies. Refer to the practice note for more details.

Exemptions

Certain activities and areas are exempt from the need for a planning permit for native vegetation removal. In these cases, there is no need for an offset to be provided. Exemptions are identified in the table and schedule to Clause 52.17.

Other planning permit applications

Other provisions in the planning scheme may require a planning permit to remove native vegetation, such as the Vegetation Protection Overlay, the Environmental Significance Overlay, the Significant Landscape Overlay, the Salinity Management Overlay, the Erosion Management Overlay, the Heritage Overlay or the Public Acquisition Overlay. In these cases, the Framework and three-step approach may be relevant depending on:

- ▶ the purpose of the control
- ▶ the nature and significance of the vegetation to be protected
- ▶ any vegetation protection objectives to be achieved, and
- ▶ the decision guidelines in the control.

The relevance of the Framework to these applications should be decided on a case-by-case basis.

When is an offset not required?

There are some circumstances where the extent of vegetation removal is so minor, or the condition of the vegetation is so degraded, that there is no need for an offset to be provided. These may include:

- ▶ minor lopping or pruning of foliage only (and not the trunk or primary branches of the tree) that does not affect the continued health of the vegetation
- ▶ thinning for ecological or commercial forestry reasons where it can be shown that the habitat score of the vegetation in the area being thinned will not decrease as a result of the thinning
- ▶ removal of regrowth within an established commercial timber plantation
- ▶ removal of vegetation in accordance with an approved ecological management plan to improve the habitat score of the vegetation
- ▶ removal of an environmental weed in the local area that is not indigenous to that area.

What is the process for identifying offsets?

Responsible authorities should use the recommended default offsets set out in the practice note [Assessing applications involving native vegetation removal](#) where they apply.

In other cases, the following steps can guide identifying offsets. These steps are described in more detail in the [Native Vegetation – Guide for assessment of referred planning permit applications](#), DSE 2007.

STEP 1 Calculate the native vegetation loss.

The Framework uses two methods for calculating vegetation loss – ‘habitat hectare’ and number of scattered old trees.

The habitat hectare is a site-based measure of quality and quantity of native vegetation that is assessed against a benchmark for that native vegetation type (or Ecological Vegetation Class).

The loss of scattered old trees should be expressed in terms of the number of large and medium old trees lost. The Framework sets out specific offset criteria for old trees based on the area of the land and the tree density within that area.



STEP 2 Determine the net gain to be achieved.

This step is relevant to determining offsets for areas of native vegetation.

Native vegetation losses need to be offset so that a certain gain is achieved. The required gain is calculated based on the habitat hectare loss and net gain outcome.

The net outcome is graded according to the conservation significance of the native vegetation and is set out in Table 6 of the Framework.

STEP 3 Identify the offset criteria and other relevant planning scheme objectives.

The Framework requires an offset to achieve a gain that is commensurate in quality and quantity to the vegetation lost. Minimum offset criteria for scattered old trees and areas of native vegetation are set out in Appendix 4 of the Framework. Separate offset criteria for harvesting timber from naturally established native forest are set out in Appendix 5.

STEP 4 Identify an appropriate offset.

Refer to the [Native Vegetation – Guide for assessment of referred planning permit applications](#), DSE 2007.

Types of gain – and how it contributes to offsets

Different types of offsets, and the actions taken to protect and manage the offsets, will achieve different gains in vegetation and habitat quality. An offset package should be sought that both suits landholder circumstances and meets the offset criteria in the Framework.

The expected gains from an offset or action can be quantified by determining a 'gain score'. The aim is to achieve a total gain score equal to the net gain target.

DSE can provide information about determining the gain score for different offsets and actions. Refer to [Scoring gain from an offset – user instructions](#), DSE 2006.

Where can an offset be located?

An offset can be provided on the same property where the native vegetation is being removed, or on a different property.

While it will often be possible to provide an appropriate offset on the proponent's own land, there will be situations where this is not possible. For example, where there is no suitable site on the property or the landowner is not able to manage the native vegetation in the long term.

Crown land can be used for offsets in some circumstances. Refer to [Scoring gain from an offset – user instructions](#), DSE 2006.

The location of the offset should take account of:

- ▶ the physical capacity of the land to accommodate an offset
- ▶ the purpose for which the land is zoned and any relevant overlays
- ▶ the land tenure
- ▶ fire protection issues
- ▶ known proposals for future development or use of the land
- ▶ the surrounding land use context
- ▶ the criteria for 'like-for-like' and 'vicinity' in the Framework
- ▶ maintenance or access constraints
- ▶ opportunities to aggregate offsets onto fewer sites or a preferred site
- ▶ opportunities to maximise the benefits to the natural environment, and
- ▶ the ongoing security of the offset.



Payments in lieu

It is possible to make a payment in lieu of providing an offset. For applications referred to DSE, payments in lieu of offset may be made to a trust to be established or recommended by DSE. In other cases, responsible authorities may establish their own requirements in relation to offset payments.

Based on the principles of need, nexus, equity and accountability, an offset payment should serve a planning purpose and:

- ▶ fairly and reasonably relate to the permitted vegetation removal. This means that there must be a demonstrated connection between the development permitted and the offset payment generated.
- ▶ be a fair and reasonable cost
- ▶ be spent on native vegetation improvements and be accounted for in an open and transparent manner.

It is important to have regard to the controls of section 62(5) and (6) of the *Planning and Environment Act 1987*, when it is proposed to require offset payments by permit condition.

BushBroker

BushBroker is a system to register and trade native vegetation credits. A native vegetation credit is a gain in the quality and/or quantity of native vegetation that is subject to a secure and ongoing agreement.

Native vegetation credits are listed on the Bushbroker register and these can be bought by another party and subsequently used as an offset for the approved removal of native vegetation.

For more information about BushBroker go to www.dse.vic.gov.au/nativevegetation

When are offsets defined?

Unless there has been pre-planning and discussion between the responsible authority, DSE and the applicant about the proposed vegetation removal and the offsets required, or unless the proposal and offset requirements are minor or quite simple, it is better to define offset requirements in two stages.

At the proposal assessment stage, when the acceptability of the proposal is assessed and a decision is made about whether vegetation should be removed, it is important for the planning or responsible authority to be confident that there is a strategy for appropriate offsets to be provided. The precise detail of these offsets is not required. This is because the proposal may be refused or modified, and detailed work to define the offsets would be wasted. On the other hand, if there is little prospect of a suitable offset being possible, this could be grounds for refusing the proposal.

The general source or strategy for providing an appropriate offset should be identified at the approval stage. It could identify a particular area of suitable vegetation, or the use of an offset area or other mechanism for providing an offset.

If it is decided that vegetation can be removed, the details of the offset required can be defined through a secondary consent process. A condition could be included on a planning permit requiring an offset plan to be submitted to the satisfaction of the responsible authority (and DSE where it is a referral authority), before the vegetation removal starts.

While it is not always necessary to define the detail of offsets before approval is given, it is essential that the amount of vegetation loss to be offset is accurately determined and clearly expressed in the secondary consent condition.

An offset plan is a plan that defines the type and location of offsets to be provided. An offset plan should typically include details of:

- ▶ the gain to be achieved by the offset actions
- ▶ location of where offsets will be provided
- ▶ type of offsets to be provided for each location
- ▶ details of revegetation including number of trees, shrubs and other plants, species mix, and density
- ▶ activities that will be forgone within the offset area, such as grazing, removal of all fallen timber and standing trees
- ▶ methods of managing and restoring the vegetation, such as fencing, weed control, enhancement planting and other habitat management actions



- ▶ methods of permanent protection for the offsets
- ▶ persons responsible for implementing and monitoring the offset plan
- ▶ time frame for implementing the offset plan.

The actions in an offset plan must be reasonable, specific, achievable and quantifiable. To be enforceable, the plan should clearly describe the actions required, and the quantity, standard, location and timing of the offset.

Native vegetation precinct plans should specify the works to be provided or payments to be made to offset the removal of any native vegetation permitted by the plan. This includes specifying any native vegetation to be retained.

How are offsets secured?

The offset should be secure and ongoing. If a planning permit is required for the native vegetation removal, and an offset is to be provided on the same land where the vegetation is being removed, a condition on the permit may be sufficient to secure and enforce the offset requirement. For example, if the offset is to be provided by a payment in lieu, the condition may require the payment prior to the commencement of the development allowed by the permit.

In some circumstances, such as when the vegetation that is approved for removal is of very high or high conservation significance, it will be more appropriate to use another mechanism to secure an offset.

The most common mechanism is by an agreement under section 173 of the *Planning and Environment Act 1987*, however other kinds of agreements may be used. These include agreements under section 69 of the *Conservation, Forests and Lands Act 1987*, and also under the *Victorian Conservation Trust Act 1972*.

An enforcement order, made under section 114 of the *Planning and Environment Act 1987*, is another mechanism which may secure offset works. Enforcement orders, once served on an owner or occupier of land, are binding on subsequent owners or occupiers (section 124). This mechanism is useful when the removal of vegetation was carried out without the necessary authorisation under the planning scheme.

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