Thorn, S., Hobbs, R.J., Valentine, L.E (2018) Effectiveness of biodiversity offsets: An assessment of a controversial offset in Perth, Western Australia. *Biological Conservation*, Vol. 228, pp. 291-300.

DOI: https://doi.org/10.1016/j.biocon.2018.10.021

© 2018. This manuscript version is made available under the CC-BY-NC-ND 4.0 license <u>http://creativecommons.org/licenses/by-nc-nd/4.0/</u>

Effectiveness of biodiversity offsets: an assessment of a controversial offset in Perth, Western Australia 3

Sian Thorn, Richard J. Hobbs*, Leonie E. Valentine

School of Biological Sciences, The University of Western Australia, Crawley, WA 6162

*Corresponding author: Tel: +61 86488 4691

10 Email addresses: <u>sian.thorn@research.uwa.edu.au</u>

11 (S. Thorn), <u>richard.hobbs@uwa.edu.au</u> (R.J. Hobbs), <u>leonie.valentine@uwa.edu.au</u> (L.E. Valentine)

12 13

4

5 6

7 8

9

14 Abstract

15 Environmental offsets are used increasingly as a conservation tool to balance demands of 16 development and environment but there is little evidence that offsets are effective. Our study 17 assessed the effectiveness of the offset package developed for the Roe Highway Extension, in 18 Western Australia, for Carnaby's black cockatoo, red-tailed black cockatoo and southern brown 19 bandicoot. Black cockatoos were accounted for in the offset requirements, while Southern brown 20 bandicoots were accounted for in the mitigation requirements of the approval but not the offset 21 requirements. The development was cancelled after partial clearing and has not been completed. Pre-22 development consultant surveys were examined in relation to the offset requirements. Fieldwork was 23 conducted at the offset sites to ground-truth habitat qualities where possible. The offset package was 24 then compared to the principles of Australian Commonwealth and State offset policies. We found the 25 offset package did not completely satisfy Commonwealth or State offset requirements, showed 26 inconsistencies with the policies and produced net loss of environmental value. The offset sites 27 provided 64 % of the black cockatoo habitat required by the Commonwealth offset requirements, and was of a lower quality. Similarly, undergrowth vegetation (< 1 m; used by southern brown 28 29 bandicoots) varied between the development and offset sites, indicating the offset proposal approval 30 criteria 'similar or better quality' was not met. Like for like is not always required by offset 31 legislation, but it was required in the approval criteria for this development project. The offset sites 32 had previously been deemed unfit for development by the EPA, resulting in little additionality, a 33 fundamental factor in ensuring true gains to compensate for the loss. To improve the suitability of offsets as a conservation tool we strongly encourage a checking process to confirm ecological 34 35 outcomes of an offset, a contingency plan for if the offset doesn't provide sufficient ecological 36 outcomes, greater consideration of requirements of species affected and stricter adherence to the 37 wider principles of offsets. The use of biodiversity offsets is nearly inevitable given current 38 development policies and processes; however, the application of offsets can be substantially 39 improved to reduce further net loss of environmental value.

40

41 Keywords: offsets, Black Cockatoo, ground-truthing, ecological effectiveness

42 **1. Introduction**

Environmental offsets are an increasingly popular conservation tool, used to compensate for
unavoidable residual environmental damage by increasing environmental value elsewhere (Maron et
al. 2016). However, there is much controversy over the effectiveness of this tool (Bull et al. 2013),
with little research on how offsets have worked in practice.

47 The IUCN recently adopted an international policy for offsets, providing a guidance framework (IUCN 2016). This international policy is not yet in practice, meaning countries using offsets have 48 49 developed individual offset policies (Maron et al 2018). These policies have several consistent 50 principles, including the mitigation hierarchy, which requires that offsets are only employed if appropriate avoidance and reduction actions are insufficient (Bull et al. 2013; Gardner et al. 2013; 51 52 Miller et al. 2015). Governing agencies must also decide whether the use of an offset is appropriate, 53 as some areas are of such high environmental value that they cannot be suitably offset (Norton 2009). Another core principle is the concept of 'no net loss', or 'net gain', of biodiversity value 54 55 (Maron et al 2018). To compensate for clearing, an offset should at least maintain, or ideally increase, the initial environmental value of an area (IUCN 2016). To do this, offsets commonly 56 57 provide for either creation or restoration of habitat, or land acquisition for protection of an area of 58 habitat that may otherwise be threatened (Moreno-Mateos et al. 2015). However, the gain offered by 59 land acquisiton depends on whether there is an overall decline or gain in biodiversity in the area and 60 what would have otherwise happened to the area now being conserved (Bull et al. 2014). Any potential benefit depends strongly on the type and quality of habitat at the impacted site and the 61 offset site (Maron et al. 2010). The offset must be tailored to the area being cleared so that it is 62 63 suitable in the type of offset offered and the environmental gain made.

64 In practice, providing habitat of comparable environmental value can be problematic (Haves and 65 Morrison-Saunders 2007) as ecosystems are seldom directly comparable (Gibbons and Lindenmayer 2007). A system for establishing the baseline environmental value of an area should be established. 66 as well as the ecological currency to determine the value of the transaction and the definition of 67 68 success (Quétier and Lavorel 2011). When deciding on an offset, the context around the 69 development and offset should also be considered. An evaluation of other past, present and future 70 development projects nearby will assist when deciding on the baseline environmental value against 71 which gain may be measured (Bull et al. 2014). This biological assessment must then be combined with legal and political factors, adding a further level of complication. Governing bodies must 72 73 provide a solution that caters for the often-conflicting objectives of development projects and 74 environmental protection (Maron et al. 2012). Previous results show offset implementation is not 75 always effective in this purpose (Lindenmeyer et al. 2017). Even where offsets have been considered effective, it has been noted that this has only been made possible by implementing the maximum 76 77 level of offsetting recommended followed by intensive monitoring (Pickett et al. 2013).

78

79 Offset policies in Australia are present at the Commonwealth, State and local government level.

80 Commonwealth requirements are determined in accordance with the Environment Protection and

81 Biodiversity Conservation Act 1999 (EPBC Act) and the EPBC Act Environmental Offsets Policy

82 (Commonwealth policy) (Australian Government 2012). They provide protection for Matters of

83 National Environmental Significance, which includes nationally threatened species and Endangered

84 or Critically Endangered ecological communities (Australian Government 2012).

85 In Western Australia (WA), State offset requirements are created in accordance with the WA

86 Environmental Offsets Policy (State policy) and the Environmental Protection Act 1986 (EP Act)

87 and encompass all significant environmental impact (Government of Western Australia 2014). Both

- 88 State and Commonwealth regimes apply the mitigation hierarchy (Australian Government 2012; The
- 89 Government of Western Australia 2011). Ideally, Commonwealth and State approval processes are

90 undertaken simultaneously, but proposals must be presented to authorities concurrently (Government91 of Western Australia 2014).

92 A recent study found that, based on internal reporting processes, only 39% of offsets in WA were

93 successful in completing their proposed outcomes and noted that field assessment of offsets is

94 lacking, meaning a true assessment of ecological benefit was not possible (May et al. 2017). Here we

95 examine a recent case study that provided the opportunity to examine in detail the ecological

96 effectiveness of an offset package in relation to a road development in metropolitan Perth.

97

98 2. A case-study on assessing offset effectiveness: The Roe 8 Project

99 Roe 8 involved a five kilometre extension of the Roe Highway through a section of Beeliar Regional 100 Park (Aecom 2016) in Perth, Western Australia (Figure 1). This required the clearing of 97.85 ha of 101 native remnant vegetation and impacted 6.8 ha of conservation category wetlands ("Wetlands which

support a high level of attributes and functions" (Department of Biodiversity, Conservation and

103 Attractions 2014)). This included high quality foraging and potential nesting habitat for nationally

104 threatened species, including forest red-tailed black cockatoo (*Calyptorhynchus banksii naso*) and

- Carnaby's black cockatoo (*Calyptorhynchus latirostris*), (Government of Western Australia 2015).
 The impact on these species triggered the EPBC Act, requiring these species to be accounted for in
- the approval conditions of the proposal. The resulting offset requirements focused on the acquisition
- and subsequent protection of land to provide compensatory habitat for forest red-tailed black
- 109 cockatoo and Carnaby's cockatoo (Table 1). The Final Public Environmental Review described the
- process involved in deciding a suitable offset, which included a review of State and Commonwealth policies and guidance statements, global definitions, field assessments and advice from State and
- 112 Commonwealth governments, including ratio requirements. This review provided a proposed offset
- stating the amount of vegetation to be cleared as 79 ha (38ha intact) of native vegetation, including
- 114 78 ha of black cockatoo habitat, requiring an offset of at least 468 ha of black cockatoo habitat
- (Aecom 2011b). The EPA finalised the significant residual impacts as 97.85 ha of remnant native
 vegetation, including 78 ha of black cockatoo habitat, recommending 234 ha of Carnaby's cockatoo
- 116 vegetation, including 78 ha of black cockatoo habitat, recommending 234 ha of Carnaby's cockatoo 117 habitat and 219 ha of forest red-tailed black cockatoo habitat (Environmental Protection Authority
- 2013). The final approval document required 523 ha of black cockatoo habitat under Commonwealth
- 119 offset requirements and 234 ha under State offset requirements. Approximately 69 ha were cleared
- 120 before a change in government resulted in cancellation of the project (further explained below).
- Following this cancellation, a proposed amendment has been made to the proposal reducing the total
- 122 construction area to 81.2 ha (Government of Western Australia, 2018). This did not define the
- 123 habitat within this area, which is necessary for calculating an offset for this amendment.
- 124 There was also concern for the southern brown bandicoot (*Isoodon obesulus*, quenda), a State-listed 125 conservation priority species, present at the development site. As part of the mitigation process,
- 126 provisions were created for the translocation of quenda to a suitable location, but they were not
- 127 specifically accounted for in the either the Commonwealth or State offset requirements. We evaluate
- habitat for quenda here in order to display the level of compensation offered to species not
- 129 specifically catered for in offset provisions.
- 130 The State also required a wetland rehabilitation plan at the development site and weed management
- plans for *Typha orientalis* and *Zantedeschia aethiopica* (Arum lily) (Government of Western
 Australia 2015).
- 133 The thresholds for success of offsets are explained differently at the State and Commonwealth levels,
- but both require a maintenance or improvement of environmental value. State offset policy requires a
- 135 "proportional" and "like for like" offset that will "compensate" for residual damage (The
- 136 Government of Western Australia 2011). The State offset requirements are satisfied once the land

- 137 has been acquired and the approved management plans for each offset have been implemented.
- 138 Commonwealth offset policy requires that the offset "improves or maintains the viability of the
- 139 protected matter" (Australian Government 2012). Therefore, the offset package should ensure that
- 140 the quality of habitat at the offset sites must be, or become, at least equivalent to the area being
- 141 cleared. Under the Commonwealth requirements, the property is to be managed by the state 142 conservation department for 20 years, with funds to be provided by the proponent. Management
- 143 strategies included: pest control; weed control; maintenance of and creation of fire breaks and
- 144 fences; and a quenda survey. There was no rehabilitation plan and the management plans did not
- 145 include actions to increase the abundance or condition of the native vegetation or foraging habitat for
- black cockatoos. 146
- 147 Roe 8 was strongly contested due to the high environmental value of the area to be cleared and due
- 148 to its value to the local community (Gaynor et al. 2017). In a case taken to the Supreme Court of
- 149 Western Australia, it was found that approval of the proposal was inconsistent with the
- 150 Environmental Protection Authority's (EPA) published policies, in that offsets are not appropriate
- 151 for areas of such environmental importance. This was later overturned, in favour of the proposal,
- 152 with a ruling that it was not mandatory for the EPA to follow its own policies (Senate Environment
- 153 and Communications References Committee 2017). Initial clearing began in December 2016.
- 154 However, a change in government in March 2017 resulted in the cancellation of the project and a cessation of clearing, with the result that about 69 ha of the development site had been cleared but
- 155 the rest remained intact. 156
- 157
- This controversial development provides a good opportunity to assess the proposed ecological 158 effectiveness of an offset in Western Australia. Although the development site was not completely
- 159 cleared, assessing the ecological effectiveness of the offset remains a useful exercise. The
- 160 development was cancelled due to a change in State Government rather than an environmental
- process, and would likely have proceeded had the change not occurred. Indeed, the ability to reassess 161
- 162 the environmental values of the portion of the development site that remained uncleared provided a
- 163 stronger comparison than would have been possible through relying only on the pre-development
- 164 surveys, as ground-truthing of the vegetation was possible. The proposed offset had been secured
- 165 and offset management plan provided, and this offset remains on the Western Australia offset
- 166 register. The environmental approval for the development has been revoked and an application made
- by the proponent to amend the area to be developed, which would involve a smaller area of land is 167
- 168 involved in the construction. A rehabilitation program is being developed for the remaining area.
- 169 However, this amendment has not been finalised (Government of Western Australia 2018). The
- 170 environmental value of the development site, as assessed from the information provided in pre-
- 171 development surveys, was compared to the potential environmental value offered by the offset site. 172 We examined the following:
- 173 1. Are the habitats at the development site and the offset site comparable in type and quality, based
- 174 on the requirements of Carnaby's cockatoo, forest red-tailed black cockatoo and guenda?
- 175 2. What was and would have been lost at the development site and did the offset sites provide 176 adequate compensation for this?
- 177 3. Did the offset policy for State and Commonwealth provide sufficient guidelines and protection to 178 prevent net loss of environmental value?

179 3. Methods

- 180 3.1 Study area and indicator species
- 181 The study area consisted of three sites: the area within the development envelope (development site)
- and the two sites acquired to satisfy the offset requirements (Figure 1). One offset site is next to Lake 182
- 183 Clifton (Lake Clifton), south of Perth, comprising a total of 522.4 ha across three adjoining lots

- 184 (Aecom 2016). The second offset site is a single lot totalling 101.6 ha in Nirimba, in the Peel region,
- approximately 59 km south of Perth (Nirimba) (Aecom 2016). Lake Clifton was assessed as
- 186 providing 459.6 ha of black cockatoo habitat and 7.1 ha of conservation category wetland, and
- 187 Nirimba was assessed as providing 69.6 ha of black cockatoo habitat and 11.7 ha of conservation
- 188 category wetland. To provide an assessment of the impact and compensation provided for species
- 189 with different levels of conservation protection, we examined the habitat variables likely to be
- 190 important to the forest red-tailed black cockatoo, Carnaby's cockatoo and quenda in detail.
- 191 Black cockatoo habitat was defined in the Commonwealth offset requirements as any area of habitat
- 192 with a vegetation community that included *Banksia attenuata*, *Banksia menziesii*, *Banksia illicifolia*,
- 193 Banksia littoralis, Xanthorrhoea preissii, Eucalyptus marginata (jarrah), E. gomphocephala (tuart),
- 194 *Corymbia calyophylla* (marri) and *Allocasuarina fraseriana* (sheoak) (BC tree species) (Australian
- 195 Government 2015). This definition was applied in this study as it included preferred habitat tree
- species for forest red-tailed black cockatoo and Carnaby's cockatoo and was an accurate
- 197 representation of the vegetation to be cleared at the development site (Aecom 2011a; Shah 2006).
- Quenda habitat was defined as the undergrowth (under 1m in height) present, with a higher density
 of undergrowth considered a more favourable habitat (Department of Environment and Conservation
 200 2012).
- 201 *3.2 Comparing habitat between development and offset sites: desktop survey of prior work*
- To evaluate effectiveness, the expected loss to occur at the development site was compared to the expected gain at the offset locations in relation to the habitat requirements of the three focal fauna species. Initially, a desktop survey of publicly available information was conducted, which involved the extraction of information sourced from surveys conducted by Main Roads Department and consultants as part of the approvals and development process. The surveys are explained below, and these data provided a baseline data set for initial assessment of habitat. A summary of the information extracted is provided in Table 2.
- 209 Two pre-development vegetation surveys and one pre-development vertebrate fauna survey (fauna 210 survey) completed at the development site were used to provide baseline data for initial assessment 211 of habitat present at the development site (Table 2). One vegetation survey was conducted between 212 September to November in 2009 and April to November 2010 (collectively the '2009 survey') 213 (Aecom 2011a). This provided a total of 77 non-permanent 10x10m quadrats, used to confirm 214 vegetation communities present (n = 41 quadrats in 2009; n = 36 quadrats in 2010) and encompassed 215 a wider survey area than the development site. The plant species were recorded within each quadrat, 216 as well as the percent cover and height of these species. The raw vegetation measurements were not 217 provided for 11 quadrats in the 2009 survey, so a total of 66 quadrats were used to provide baseline 218 data for the initial assessment (n = 30 within the development site; n = 36 outside the development 219 site) (Aecom 2011a) (Table 2). It should be noted that Aecom, who conducted the surveys, were one 220 of the development contractors for the Roe 8 project, an apparent conflict of interest that counters the 221 principle of transparency in the process.
- 222 The second pre-development vegetation survey at the development site was completed in 2015 to 223 provide pre-impact baseline vegetation data in the immediate vicinity to monitor the impact of the 224 development project on the surrounding vegetation (Ecoscape (Australia) Pty Ltd 2016). This 225 consisted of 49 permanent 10x10m quadrats along the border of the development site, within native 226 vegetation communities. The quadrats were paired, with 25 quadrats within a 15 m buffer zone 227 surrounding the project envelope, and 24 in adjacent locations outside of this buffer zone. The plant 228 species and percent cover, height and density of these species was recorded within each quadrat. The 229 fauna survey provided information on the vertebrate fauna and habitat present in and around the 230 development site (Table 2).

- A pre-development survey undertaken in 2016 at the offset sites provided an initial assessment of the
- habitat present to assess whether there was sufficient habitat to satisfy State and Commonwealth
- offset requirements (Aecom 2016; Table 2). The Lake Clifton survey included 63 quadrats,
- measuring 10x10 m (n = 30 inside the offset boundaries; n = 33 outside the offset boundaries). The plant species and percent cover and height of these species were recorded within each quadrat. An
- assessment was also made of the quality of the black cockatoo foraging habitat available at Lake
- 237 Clifton. Draft assessment criteria established by the Department of Environment had been finalised
- into a scoring table by the pre-development consultant, based on key habitat features for black
- cockatoos. An initial desktop assessment by the pre-development consultant identified 35 sites to
- represent areas of black cockatoo habitat in Lake Clifton. Quadrats measuring 50x50 m had been
- established at these sites to complete the scoring assessment and an initial score was established,
- with points being added or removed based on the ecological attributes of the habitat present in each and ret. A final score represented the value of the habitat (kick, quality, valued law)
- 243 quadrat. A final score represented the value of the habitat (high, quality, valued, low).
- No raw vegetation data from the quadrats in the vegetation assessment at Nirimba were publicly available. The area of black cockatoo foraging habitat was provided, based on the presence of one or
- more black cockatoo foraging species in the vegetation community, but no foraging habitat quality
- 247 assessment had been completed (Table 2).
- 248 The quality of black cockatoo foraging habitat was not assessed at the development site in the pre-249 development surveys. We assessed the quality of black cockatoo foraging habitat at the development 250 site using the foraging habitat scoring table from the Lake Clifton foraging habitat assessment. 251 Ouadrats from the 2009 survey at the development site that fell within potential black cockatoo 252 foraging habitat were identified (n = 34) and used as reference sites for the foraging habitat quality 253 assessment. The smaller size of the quadrats from the 2009 survey (10x10 m) compared to the Lake 254 Clifton survey (50x50 m) was compensated for by using GIS mapping. The locations from the 2009 255 survey were located and a 50x50 m square from this location was outlined. Vegetation communities 256 (from the 2009 survey) and potential breeding trees (from the fauna survey) were inserted into the GIS map. The distance to the ecological attributes used in the Lake Clifton survey to assess foraging 257 habitat, such as water bodies and roost sites, were measured and used in conjunction with the 258 259 vegetation communities present to provide a score. All GIS mapping in this project was completed
- using QGIS version 2.18.7.
- 261 3.3 Groud-truthing of habitat between development and offset sites
- Field surveys were conducted with the purpose of ground-truthing the information collected from
- 263 pre-development surveys where possible (assessment surveys). Further information necessary to
- confirm the habitat present at the development and offset sites was also collected, including raw
- 265 quadrat data for Nirimba and the presence and abundance of quenda diggings. The information
- obtained in the assessment surveys was compared with the pre-development surveys to assess the
- accuracy of the information collected in the pre-development surveys in three areas: 1) the
 composition and relative abundance of black cockatoo tree species; 2) the density of understory
- 269 vegetation, using two strata levels (0-30 cm and 30 cm-100 cm); and 3) mapping of vegetation
- communities present. This was to confirm the information from the pre-development surveys could
- be relied upon for analysis. The methodology employed in the pre-development surveys was applied
- as closely as possible to replicate the process. However, inconsistencies in previous methodology
- 273 limited the ability to compare sites. This, combined with time and logistical constraints, meant the
- 274 methods were adapted where necessary. The process that was used is detailed below.
- At the development site, a sample of quadrats from the 2009 and 2015 development site surveys was
- selected to complete the assessment survey (n = 17). The 2009 survey quadrats were entered into a $\frac{277}{1000}$
- GIS map with the vegetation community. Quadrats that fell within the offset boundaries that had not
- been cleared and represented different vegetation communities were chosen for ground-truthing

- 279 (n=8). If all quadrats from a vegetation community had been cleared, a quadrat from the 2015 survey
- 280 was chosen to represent this community (n = 9). Vegetation communities that were completely
- cleared or recorded as significantly degraded in the pre-development surveys were not included. The
- development site assessment survey was completed in September 2017, matching the season of the (A = 2011 F)
- 283 pre-development surveys (Aecom 2011a; Ecoscape (Australia) Pty Ltd 2016).
- At each location, a quadrat measuring 10x10 m was established, with the pre-development coordinate as the north-west corner. The following information was recorded within the quadrat:
- A photo from the northwest corner facing southeast;
- The percent foliage cover, number of individuals and average height of any black cockatoo tree
 species within the quadrat;
- The percent cover of undergrowth from 0-30 cm, and 30-100 cm; and
- The number of quenda diggings present, in four categories (No diggings present, 0-10 diggings, 291
 10-20 diggings, 20 or more diggings);
- A lower level of sampling had been undertaken in the Lake Clifton pre-development survey than in
- the pre-development surveys at the development site, as the offset sites were not required to have the same level of sampling (Aecom 2016). All quadrats (n = 30) within the actual boundaries of the Lake
- same level of sampling (Aecom 2016). All quadrats (n = 30) within the actual boundaries of the Lake Clifton offset were ground-truthed in our survey, which encompassed all vegetation communities
- and accounted for the larger size of Lake Clifton in comparison to the development site. For
- Nirimba, the initial survey provided a map of quadrat locations, but only three quadrat locations were
- within the offset boundaries, accounting for three out of five vegetation communities (Aecom 2016).
- We located these three quadrat locations as closely as possible, and two more quadrat locations were
- inserted to account for the remaining vegetation communities (n = 5). Using similar 10x10 m
- 301 quadrats, the same information was collected as in the development site assessment survey.
- 302 To determine whether the information in the pre-development surveys could be relied upon for
- analysis, the community composition of black cockatoo tree species (n = 8 species) was compared between the data from the quadrats in the assessment surveys and the data from the equivalent
- between the data from the quadrats in the assessment surveys and the data from the equivalent quadrats in the pre-development surveys (n = 30 quadrats from Lake Clifton offset site, n=17
- 306 quadrats from development site), using percent cover data. This was completed by permutational
- 307 Multivariate Analysis of Variance (perMANOVA) using distance matrices in the statistical
- 308 programme R (version 3.3.1; R-vegan function Adonis) (Oksanen et al. 2017). Due to the high
- 309 number of quadrats without any black cockatoo tree species, a dummy species, at a value of 1, was
- 310 included so quadrats that had no target species were represented (Clarke et al. 2006). In addition, the
- density of undergrowth (recorded as % cover between 0-30 cm and 30-100 cm; n = 53 quadrats) was
- 312 compared between assessment surveys and pre-development surveys using a t-test (R, version 3.3.1). The data collected from the Niringhe assessment survey uses then exactly a state of the data of the state of the
- The data collected from the Nirimba assessment survey was then combined with the data from the Lake Clifton survey (offset data set). Information missing from the Lake Clifton survey was
- 315 supplemented with the data from the Lake Clifton assessment survey where necessary.
- 316 *3.4 Habitat assessments*
- 317 Applying the same method as above, a perMANOVA was used to compare the community
- 318 composition and relative abundance of black cockatoo tree species between the data from the 2009
- 319 survey (n = 30 quadrats) and the offset data set (n = 35 quadrats). This was to compare the relative
- 320 abundance of each tree species within the vegetation community and the composition of the habitat
- 321 available. The data were also transformed using log and presence-absence transformations, to 322 account for the presence of less well represented species. Individual t-tests were completed on the
- account for the presence of less well represented species. Individual t-tests were completed on the black cockatoo tree species (n = 8).
- 324 To assess whether habitat differed during the years between initial and final surveys at the
- 325 development site, the community composition of black cockatoo tree species (based on abundance

- 326 estimates from baseline data; n = 31 quadrats for 2009 survey, n = 48 quadrats for 2015 survey; 8
- 327 species in total) were examined between the 2009 survey and 2015 survey data sets by
- 328 perMANOVA. In addition, the density of undergrowth (recorded as % cover between 0-30 cm and
- 329 30-100cm; n = 31 quadrats for 2009 survey; n = 48 quadrats for 2015 survey) was compared
- between survey years using a t-test.
- 331 The abundance of quenda diggings recorded in the assessment surveys at the offset sites were
- compared to the abundance of diggings recorded in the development site assessment survey to
- 333 provide an estimate of the comparative density of quenda at each site.
- 334 The vegetation information recorded in the assessment surveys was used to confirm the vegetation
- 335 communities present at both the development site and offset sites. Using the field calculator tool in
- 336 QGIS (version 2.18.7), the amount of black cockatoo habitat present at the offset sites was337 calculated.
- 338 3.5 Assessing fulfilment of offset requirements at a policy level
- The results from the above ecological assessment, in conjunction with the offset requirements, were compared with the principles of the State and Commonwealth policies to review whether these
- 341 principles were considered in the offset requirements, as follows:
- 342 State
- Whether appropriate avoidance and mitigation measures were present in the approval document;
- If there was consideration of whether an offset was appropriate due to the high environmental value of Beeliar Regional Park;
- Whether the requirements were appropriate and reflective of the significance of the impact. This requires the proposed offset package to provide sufficient additional environmental gain to compensate for the residual environmental loss caused by the development project. It may not be possible for the offset to be exactly like-for-like but it must be relevant to the significant impact (Government of Western Australia 2014);
- Ground-truthing the pre-development information provided and completing a comparison of the
 habitat present to assess whether robust environmental information was used; and
- Reviewing the future projections for the offset site to assess whether a long-term view was taken
 to ensure an enduring offset that satisfies projected environmental outcomes.
- 355 *Commonwealth*

363

- If there was an overall maintenance or improvement of black cockatoo habitat by comparing the black cockatoo habitat to be cleared, with the intended habitat to be gained at the offset;
- Reviewing the offset package to assess whether:
- 359 o The offset was a predominately direct offset;
 360 o More environmental compensation was offered to affected species with higher statutory protection and a higher level of residual impact;
 - An allowance in case of failure of the offset was provided;
 - Maintenance or improvement of resources for black cockatoos was accounted for to ensure future viability of their population;
- 365
 The offset provided sufficient additional conservation gain for black cockatoos. This
 366
 367
 The offset provided sufficient additional conservation gain already required, to ensure
 adequate compensation is provided for the loss caused by the development project.

- Reviewing local management plans to assess whether actions were additional to those in
 previously implemented management strategies; and
- There was transparency of process to allow review and monitoring of the offset package by
 reviewing whether all information was publicly accessible.

372373 4. Results

- *4.1 Review of methodology for pre-development survey effort*
- The methodology used in the pre-development surveys had inconsistencies that made an accurate comparison of the development and offset sites difficult:
- 377 The timeline from the first pre-development survey (2009) to final approval of the Roe 8 project
- 378 proposal (2016) was almost eight years. It appears that no further vegetation assessments were
- undertaken within the development site after 2011, a period of six years (Aecom 2011a, 2016;
 Ecoscape (Australia) Pty Ltd 2016). Further, the EPA guidelines required a level 2 survey because of
- the significant impact at the development site, but required only a level 1 survey at the offset sites
- because there was no significant impact occurring (Aecom 2011a). This resulted in a higher level of
- sampling at the development site, which was a smaller area, making an accurate comparison between
- sites difficult. Pre-development sampling was also incomplete at Nirimba (Aecom 2016), resulting in
- inaccurate vegetation mapping. The information that was provided from the pre-development
- surveys concentrated on a wider survey area than that within the development site and offset
- 387 boundaries (Aecom 2011a, 2016). Although important to consider the surrounding areas, the future
- tenure of these areas is not certain and is not being directly impacted.
- 389 Finally, for the assessment of potential breeding habitat for black cockatoos, transects were used to
- 390 locate significant trees at the development site. Quadrats were used at Lake Clifton and no
- assessment was completed at Nirimba, meaning it was not possible to compare the amount of
- 392 potential breeding habitat present (Aecom 2011a, 2016).
- 393 4.2 Survey comparisons
- 394 The composition and relative abundance of black cockatoo tree species was not significantly
- 395 different between the pre-development surveys and the assessment surveys for the development site
- 396 (perMANOVA: pseudo-F = 0.84; P = 0.49) or for Lake Clifton (perMANOVA: pseudo-F = 0.02; P
- 0.28). The undergrowth between 30-100 cm was also not significantly different between the predevelopment surveys and the assessment surveys for the development site (t = -1.4; P = 0.17) and
- Lake Clifton (t = 0.48; P = 0.63). This allows the data from the pre-development surveys for these
- Lake Clifton (t = 0.48; P = 0.63). This allows the data from the pre-development surveys for these 400 aspects to be relied upon for comparison of the type and quality of habitat at the development and
- 401 offset sites.
- 402 The composition and relative abundance of black cockatoo tree species was not significantly
- 403 different between the 2009 data set and the 2015 data set (perMANOVA: pseudo-F = 0.85; P =
- 404 0.59). The level of undergrowth was also not significantly different in the 2009 survey than the 2015
- 405 survey between 0-30 cm (t = -1.3; P = 0.17) and 30-100 cm (t = 0.67; P = 0.5). Therefore, the
- 406 vegetation did not change significantly over time.

407 *4.2.1 Black cockatoo habitat*

- 408 Approximately 336.4 ha of black cockatoo habitat was mapped at the offset sites using the
- 409 information collected in the assessment surveys. This is only 64% of the amount of black cockatoo
- 410 habitat that was said to be at the offset sites in the pre-development surveys. A large section of the
- 411 vegetation at the Lake Clifton consists of the vegetation community MsTd (Mid to tall heathland to
- 412 closed heathland of Melaleuca systema over low forbland of Trachyandra divaricata and other non-
- 413 native species (Aecom 2016)), which does not include any black cockatoo trees species (Aecom
- 414 2016). Vegetation mapping of Nirimba was not completely accurate and resulted in a larger area of

415 marri dominated vegetation being recorded in the pre-development survey than actually present

416 (Aecom 2016). Approximately 24 ha of marri dominated vegetation was mapped at the offset sites,

- 417 compared to approximately 34.9 ha of marri dominated vegetation at the development site. Marri is a
- 418 key food species for forest red tailed black cockatoo.
- 419 The quality of black cockatoo foraging habitat was higher at the development site as there was a 420 proportionately larger amount of high quality black cockatoo foraging habitat compared to the offset 421 sites (Table 3). More high quality foraging habitat was available for Carnaby's cockatoo than for 422 forest red tailed black cockatoo at the offset sites (Table 3). A portion of the high quality habitat 423 identified in the pre-development survey at Lake Clifton consists of a vegetation community that is 424 not considered black cockatoo habitat under the Commonwealth definition. It has been included as 425 black cockatoo habitat for the purposes of this quality assessment for consistency with the foraging 426 habitat assessment process in the pre-development surveys. Parts of the offset sites were also both 427 previously farm land (Aecom 2016; ENV Australia Pty Ltd 2009). Comparatively, the development 428 site had not previously been used as farmland but rather included high quality remnant native 429 vegetation, within a regional park (Aecom 2011b).
- 430 The community composition and relative abundance of black cockatoo tree species was significantly
- 431 different between the development site and the offset sites (Table 4). The main difference between
- 432 the development site and offset sites lay in a significantly higher amount of *Banksia attenuata* (t = $\frac{1}{2}$
- 433 2.91; $P = 0.006^*$) and *B. menziesii* (t = 2.16; $P = 0.039^*$) at the development site. There were also 434 higher levels of *B. illicifolia*, *B. littoralis*, jarrah and sheoak, with jarrah (t = 3.35; P = 0.002) and
- 435 sheoak (t = 2.68; P = 0.01) becoming significantly higher with a presence absence transformation.
- 436 No marri was recorded at the Lake Clifton offset site in any survey. This indicates that the type of
- 437 habitat at the offset sites is different to that at the development site. The development site also
- 438 provided a higher abundance of the food tree species for black cockatoo species. Despite the
- 439 difference in type and quality of black cockatoo habitat, no rehabilitation plan was established at the 440 offset sites. The proposed management strategies also did not provide for an increase in the quality
- 441 of black cockatoo foraging habitat (Aecom 2016).

442 *4.2.2 Quenda habitat*

The undergrowth between 30-100 cm at the development site was significantly denser than at the offset sites (t = 2.69; P = 0.009). This difference was more pronounced when comparing the 2015 survey at the development site to the offset sites (t = 4.6; P = <0.001). The undergrowth was 19% denser at the development site between 30-100 cm than the offset sites. A higher average number of diggings was recorded at the development site than the offset sites (Figure 2). The higher density of diggings recorded at the development site indicates that the development site potentially has a higher number of quenda or they are more concentrated, due to the smaller size of the area.

- 450 *4.3 Compensation provided for the loss at the Roe 8 development site*
- 451 The habitat acquired satisfied the State land acquisition requirements in its size (Government of
- 452 Western Australia 2015) but not the Commonwealth land acquisition requirements. The habitat at the
- offset sites was not of an equivalent quality, as required by both sets of offset requirements. Lake
 Clifton was part of a section of land assessed for subdivision previously, where the EPA stated
- 454 Clifton was part of a section of land assessed for subdivision previously, where the EPA stated 455 clearing of the land would not meet their objectives for biodiversity and recommended incorporation
- 456 of the site into Yalgorup National Park. Proposed offsets were considered in this proposal indicating
- 457 clearing of Lake Clifton would likely result in referral and potential creation of further offsets
- 458 (Environmental Protection Authority, 2011). The offset area was also within the areas proposed for
- 459 acquisition under the Perth and Peel Green Growth Plan for 3.5 million (Government of Western
- 460 Australia 2015). Therefore, irrespective of the quality of the habitat at the offset sites, they were
- 461 unlikely to be cleared and in a counterfactual situation would have been preserved without being an

462 offset. This means the requirement of additionality is not satisfied, which is a fundamental principle

463 of both State and Commonwealth offset policy.

464 The offset requirements resulted in protection of a large area of potential habitat for quenda. The

465 fauna management plan (Strategen Environmental Pty Ltd 2016) required affected quenda to be

466 translocated to a new site and monitored post-translocation. A large number of the individuals (n = 122)

- 467 133) were translocated to Lake Clifton (Alice Reaveley, Fauna Conservation Manager, DBCA, pers
- 468 comm) but this habitat was significantly different to the habitat at the development site.
- 469

470 **5. Discussion**

471 The use of offsets is increasing globally but there is little empirical evidence to support their

472 effectiveness (Lindenmayer et al. 2017), and this is also the case in Western Australia (May et al.

473 2017). This study addresses this knowledge gap by using an example of a recent development project

to determine whether offsets are producing ecologically effective results in Western Australia. Our

475 study complements that of Lindenmayer et al. (2017) by focusing on a similar development trigger

476 for offsets but involving different offset types. The case study examined did not meet either State or

- 477 Commonwealth offset targets, and potentially represents that offsets were not applied in accordance478 to policy. We consider effectiveness in the context of the three aspects of the offset process that we
- 479 examined.

480 5.1 Ecological attributes of the offset package

481 We have not examined here the logic behind the areas (based on offset ratios) and work included in 482 the offset package. The package did not provide any new habitat, but rather changed the conservation 483 status of existing areas. Given these caveats, how did the offset perform? We found less black 484 cockatoo habitat in the offset sites than in the initial surveys. The original conclusion seemed to be 485 more generous due to black cockatoo habitat being defined using various literary sources, rather than 486 the Commonwealth definition. This resulted in the inclusion of an area dominated by a vegetation 487 community that did not include any black cockatoo tree species (Aecom 2016). Consistency in the 488 definition of black cockatoo habitat between offset requirements and assessment process would 489 reduce the chance of inaccurate representation of habitat. Further, equivalent habitat was not 490 provided at the offset sites for Carnaby's cockatoo and forest red tailed black cockatoo. The minimal

490 provided at the offset sites for Carnaby's cockatoo and forest red taried black cockatoo. The infinitia 491 amount of high quality habitat in comparison to the size of the offsets decreases its value further, as

- 492 increased foraging energy from black cockatoos is required to locate high quality foraging habitat.
- 493 Without a rehabilitation plan, or management plans that address black cockatoo habitat, there is no
- 494 opportunity for this habitat to improve in quality.
- 495 Quenda are particularly vulnerable to fragmentation on the Swan Coastal Plain. They are also a
- 496 territorial species (Senate Environment and Communications References Committee 2017), that
- 497 becomes locally adapted to its habitat (Cooper 1998). The difference in habitat at the offset sites
 498 compared to the development site means any translocated animals would need to be monitored
- 498 compared to the development site means any translocated animals would need to be monitored
 499 closely to ensure their survival, as per the fauna management plan (Strategen Environmental Pty Ltd)
- 500 2016). A rehabilitation plan would also be beneficial in this case to increase the density of
- 501 undergrowth above 30 cm at the offset sites as the high number of diggings present at the
- development site indicates that these individuals prefer a high density of undergrowth between 30
- 503 cm and 100 cm.

504 5.2 Review of the ecological attributes of the Roe 8 offset package in relation to the proposed offset 505 requirements

- 506 The lack of field verification of the offset package has resulted in minimal ecological benefit from
- 507 the offset. The value of the offset is apparent only on paper, a limitation of offset processes that has
- been identified previously (May et al. 2017). The actual ecological attributes of the offset properties

- 509 only provide sufficient black cockatoo habitat to satisfy the State requirements. The habitat also does
- 510 not satisfy the element of equivalence necessary under both sets of offset requirements. Further to
- 511 this, quenda were not accounted for in the offset requirements, despite being a State conservation
- 512 significant species (Senate Environment and Communications References Committee 2017).
- 513 Reviews of other offset packages have reported mixed results for offset success. An assessment of
- 514 the use of nest boxes created as part of an offset in in southern Australia reported that there was little
- 515 to no use of the nest boxes by the species they were developed for, resulting in minimal net gain
- from this offset (Lindenmayer et al. 2017). An offset program for threatened green and gold bell 516
- 517 frogs in Sydney confirmed no net loss but highlighted the importance of ecological monitoring post-
- 518 implementation (Pickett et al. 2013). These studies support the need for a review of the ecological 519 effectiveness of an offset after satisfaction of the offset requirements.
- 520 5.3 Review of the principles of the State and Commonwealth policy in relation to the Roe 8 offset 521 requirements and resulting offset package
- 522 The approval document for Roe 8 provided both avoidance and mitigation measures prior to the
- required offset package, in accordance with the mitigation hierarchy. However, it could be argued an 523
- 524 offset was not appropriate for this project due to the high environmental value of the area,
- 525 particularly in an increasingly fragmented landscape (Senate Environment and Communications
- 526 References Committee 2017). The subsequent decision not to continue with the project also indicates 527
- the highway extension was not essential. Although this appears to show successful avoidance of net loss, avoidance only occurred because of a political change, rather than an environmental process, 528
- 529 demonstrating the influence of government on environmental decision making. Offsetting processes
- 530 should be exempt from becoming a government bargaining factor and decisions should be based on
- sound environmental information. 531
- 532 The offset package does not appear to reflect the significance of the impact at the development site.
- 533 Further aspects of the offset package such as the arum lily and T. orientalis management plans were
- 534 deemed to be duplications of pre-existing management actions (Senate Environment and
- Communications References Committee 2017). Weed management plans for these species had 535
- 536 already been established in this area (Department of Conservation and Land Management, 2006).
- 537 The habitat acquired under the land acquisition requirement was already present and was of a
- 538 different quality and composition. There was no rehabilitation plan and the management plans did 539
- not provide for an increase in the quality of habitat for key species. This resulted in no additional 540 environmental gain from this acquisition, outside of the habitat being reserved for conservation
- 541 purposes. Additional gain is essential to ensure compensation for environmental loss due to the
- 542 development project.
- 543 The habitat requirements of Carnaby's cockatoo and forest red tailed black cockatoos featured
- 544 heavily in the offset requirements, reflective of their conservation status, with the land acquisition
- 545 strongly influenced by these habitat requirements. This should have provided relevant compensation
- 546 for these species, but this was not the result. Other species, such as quenda, were only accounted for
- 547 in the requirement for the area to be of a similar assemblage of flora and fauna (Australian Government 2015; Government of Western Australia 2015). As a result, animals were translocated
- 548
- 549 to an area with a different composition of undergrowth than the development site.
- 550 The Commonwealth requirements for black cockatoo habitat were more general than the State
- 551 requirements and did not specify factors such as breeding or foraging habitat. Pre-development
- 552 surveys were publicly available and a public review process was undertaken, showing a desire for 553
- transparency. The offset package consisted of a predominantly direct offset and proportionately 554 higher consideration was given to species with greater statutory protection. The acquisition of land
- 555 was additional to current actions in that this land is now being reserved for conservation purposes.
- However, a previous assessment of the site by the EPA, however, indicated development of the land 556

557 would not meet EPA's objectives for biodiversity and a proposed development required

558 consideration of offsets of its own. It was recommended to be consolidated into Yalorup National

559 Park. This advice indicates the area was unlikely to be cleared, arguably resulting in no additionality

560 (Environmental Protection Authority, 2011), a core principle within Commenwealth offset policy.

561 An area of high quality habitat was exchanged for an area of comparatively lower quality habitat, 562 with little improvement planned. The process from the point of initial surveys to the fulfilment of the

563 offset requirements also lacked timeliness.

564 The State requirements were in line with the principles of offsets generally (IUCN 2016; The

565 Government of Western Australia 2011) but had certain elements that limited their effectiveness.

566 Some requirements were not tailored to the development site specifically. For example, the wetlands

acquired were not of a similar type (Aecom 2016; Syrinx Environmental Pl and V&C Semeniuk
 Research Group 2011). Further, there was no provision for further action if the offset should fail in

569 providing sufficient compensation.

570 No net loss of environmental value is a core principle in the use of offsets (Maron et al. 2018) and

571 typically the threshold used to determine success. In this case, despite specific compensatory

572 requirements for black cockatoos, difficulties arose relating to the definition of black cockatoo

habitat and method of assessment. Inconsistencies in these factors during the pre-development

assessment of offset sites resulted in offset requirements not being fulfilled, meaning net loss

575 occurred even when a species was accounted for specifically. The inability for offsets to account for 576 the numerous unspecified ecological factors will then result in further net loss (Bigard et al. 2017), as 577 demonstrated by the translocation of guenda to a significantly different habitat. Land acquisition

578 offsets can offer environmental gain but only when the result is preservation of a higher quality area

579 for conservation purposes and there is a risk of this land being cleared or degraded in the future, or

580 where rehabilitation occurs (Gibbons and Lindenmayer 2007). The acquisition must provide an

additional gain otherwise, as in this case, loss of environmental value is a likely result.

582

583 5.4 Conclusion

584 Offsets aim to compensate for the residual damage after clearing, ensuring no net loss of 585 environmental value. Our findings suggest that the Roe 8 offset package was not successful in satisfying the State and Commonwealth offset requirements and ecological outcomes, resulting in a 586 587 net loss of environmental value. The offset package can be seen as a rushed and expedient solution in a highly politicised and controversial development planning process (Gaynor et al. 2017). Offsets, 588 589 when implemented in this fashion, provide an illusion of compensating for the loss of valued places 590 and biodiversity, but do not deliver and are easily influenced by political decisions. Offset policy is 591 likely to continue to be used in future development processes. However, this case study indicates the 592 principles behind offsets were not reflected in the actual ecological outcomes. More broadly, offset 593 packages that consist mainly of changing the conservation status of existing areas of native 594 vegetation may not actually physically add more habitat: the change is simply on paper and may or 595 may not affect the long-term persistence of these areas. The offset still results in an actual loss of 596 native vegetation in the area to be developed. In addition, the area to be lost often has social as well 597 as ecological value, as is the case with the Roe 8 site. Offsetting the loss of a site that is highly 598 valued by local residents by changing the conservation status of other more distant sites does not 599 compensate for the local loss of amenity, connection with nature and the like – factors not even 600 considered in developing the offset package. There is also no environmental compensatory value 601 when the change in conservation status is not required to protect the offset sites in the future, providing no additional gain. 602

These limitations need to be addressed to ensure there is no further net loss of environmental and social values in the future. Suggestions for improving future offset packages include: a checking

- 605 process to confirm ecological outcomes of an offset, a contingency plan or provision for if an offset
- does not provide sufficient ecological outcomes, greater consideration of the necessary ecological
- 607 requirements of species affected, and stricter adherence to underlying principles in offset
- 608 requirements and ecological outcomes. Otherwise offsets will merely provide a convenient way in
- 609 which biodiversity conservation is subverted by ongoing human alteration of the planet.
- 610

611 Acknowledgments

- 612 We acknowledge funding support from the ARC Centre of Excellence for Environmental Decisions,
- 613 the National Environmental Science Program Threatened Species Recovery Hub (NESP-TSR) and
- 614 the University of Western Australia's School of Biological Sciences. The Western Australian
- 615 Department of Biodiversity, Conservation and Attractions provided access to the offset sites. We
- 616 thank Ben Byrne, Alan Wright, Harry Moore, Erika Roper, Andrew Bossie, Misha Lavoie and
- Brooke Richards for assistance, and 2 anonymous referees for helpful comments on the initialmanuscript.
- 619

620

621 **References**

- Aecom, 2011a. Roe Highway Extension Kwinana Freeway to Stock Road: Vegetation and Flora
 Assessment Phase 2, Aecom, Perth
- Aecom, 2011b. Roe Highway Extension: Public Environmental Review, Government of Western
 Australia. Main Roads Western Australia, Perth, WA.
- Aecom, 2016. Roe Highway Extension: Land Acquisition and Management Plan. Aecom, Perth.
- Australian Government, 2012. Environment Protection and Biodiversity Conservation Act 1999
 Environmental Offsets Policy, Department of Sustainability, Water, Population and
 Communities, Canberra.
- Australian Government, 2015. Approval: Roe Highway Extension, Kwinana Freeway to Stock Road,
 WA (EPBC 2009/5031), Department of the Environment. Australian Government, Canberra.
- Bigard, C., Pioch, S., Thompson, J. D., 2017. The inclusion of biodiversity in environmental impact
 assessment: Policy-related progress limited by gaps and semantic confusion. Journal of
 Environmental Management 200, 35-45.
- Bull, J., Gordon, A., Law, E., Suttle, K. Milner-Gulland, E.J. 2014. Importance of Baseline
 Specification in Evaluating Conservation Interventions and Achieving No Net Loss of
 Biodiversity. Conservation Biology 28(3), 799-809.
- Bull, J., Suttle, K., Gordon, A., Singh, N., Milner-Gulland, E., Bull, J., Suttle, K., Gordon, A., Singh,
 N., Milner-Gulland, E., 2013. Biodiversity offsets in theory and practice. Oryx 47, 369-380.
- 640 Clarke, K.R., Somerfield, P.J., Chapman, M.G., 2006. On resemblance measures for ecological
 641 studies, including taxonomic dissimilarities and a zero-adjusted Bray–Curtis coefficient for
 642 denuded assemblages. Journal of Experimental Marine Biology and Ecology 330, 55-80.
- 643 Cooper, M.L., 1998. Geographic variation in size and shape in the southern brown bandicoot,
 644 Isoodon obesulus (Peramelidae: Marsupialia), in Western Australia. Australian Journal of
 645 Zoology 46, 145-152.
- 646 Department of Biodiversity, Conservation and Attractions, 2014. Wetlands Mapping. Parks and
 647 Wildlife Service, Perth. Accessed on 02.04.2018 at
- 648 https://www.dpaw.wa.gov.au/management/wetlands/mapping-and-monitoring?showall=1
- 649 Department of Conservation and Land Management, 2006. Beeliar Regional Park: Final
 650 Management Plan, Conservation Commission of Western Australia, Perth.
- Department of Environment and Conservation, 2012. Fauna profiles: Quenda, *Isoodon obesulus*.
 Department of Environment and Conservation, Perth.
- 653 Ecoscape (Australia) Pty Ltd, 2016. Roe Highway Extension Baseline Flora and Vegetation
- 654 Condition Survey. Ecoscape, Perth.

Environmental Protection Authority, 2011. Review and recommendations of the Environmental
Protection Authority: Rural Subdivision, Lots 1000, 2240, 2275, 2675, and 3045 Preston Beach
Road, Lake Clifton. Report 1041, Perth, WA.

Environmental Protection Authority, 2013. Report and recommendations of the Environmental
 Protection Authority: Roe Highway Extension, Main Roads Western Australia. Perth, WA

- Senate Environment and Communications References Committee, 2017. Report on the Continuation
 of Construction of the Perth Freight Link in the Face of Significant Environmental Breaches,
 Commonwealth of Australia, Canberra.
- Gardner, T.A., Von Hase, A., Brownlie, S., Ekstrom, J.M.M., Pilgrim, J.D., Savy, C.E., Stephens,
 R.T.T., Treweek, J.O., Ussher, G.T., Ward, G., Ten Kate, K., 2013. Biodiversity offsets and the
 challenge of achieving no net loss. Conservation Biology 27, 1254-1264.
- Gaynor, A., Newman, P., Jennings, P. eds., 2017. Never Again: Reflections on Environmental
 Responsibility After Roe 8. University of Western Australia Press, Perth.
- Gibbons, P., Lindenmayer, D.B., 2007. Offsets for land clearing: No net loss or the tail wagging the
 dog? Ecological Management & Restoration 8, 26-31.
- 670 Government of Western Australia, 2014. WA Environmental Offsets Guidelines, Western Australia.
- 671 Government of Western Australia, 2015. Government of Western Australia Environmental Offsets
 672 Register: Roe Highway Extension. Government of Western Australia, Perth.
- Government of Western Australia, 2015. Perth and Peel Green Growth Plan for 3.5 million.
 Government of Western Australia, Perth.
- Government of Western Australia, 2018. Media Statement: Further Protections for Beeliar Wetlands.
 Accessed on 21.08.2018 at
- https://www.mediastatements.wa.gov.au/Pages/McGowan/2018/06/Further-protections-for Beeliar-Wetlands.aspx
- Hayes, N., Morrison-Saunders, A., 2007. Effectiveness of environmental offsets in environmental
 impact assessment: practitioner perspectives from Western Australia. Impact Assessment and
 Project Appraisal 25, 209-218.
- 682 IUCN, 2016. IUCN Policy on Biodiversity Offsets. Gland, Switzerland.
- Lindenmayer, D.B., Crane, M., Evans, M.C., Maron, M., Gibbons, P., Bekessy, S., Blanchard, W.,
 2017. The anatomy of a failed offset. Biological Conservation 210, 286-292.
- Maron, M., Brownlie, S., Bull, J.W., Evans, M.C., von Hase, A., Quétier, F., Watson, J.E.M.,
 Gordon, A., 2018. The many meanings of no net loss in environmental policy. Nature
 Sustainability 1, 19-27
- Maron, M., Dunn, P.K., McAlpine, C.A., Apan, A., 2010. Can offsets really compensate for habitat removal? The case of the endangered red-tailed black-cockatoo. Journal of Applied Ecology 47, 348-355.
- Maron, M., Hobbs, R.J., Moilanen, A., Matthews, J.W., Christie, K., Gardner, T.A., Keith, D.A.,
 Lindenmayer, D.B., McAlpine, C.A., 2012. Faustian bargains? Restoration realities in the context
 of biodiversity offset policies. Biological Conservation 155, 141-148.
- Maron, M., Ives, C.D., Kujala, H., Bull, J.W., Maseyk, F.J.F., Bekessy, S., Gordon, A., Watson,
 J.E.M., Lentini, P.E., Gibbons, P., Possingham, H.P., Hobbs, R.J., Keith, D.A., Wintle, B.A.,
- Evans, M.C., 2016. Taming a wicked problem: Resolving controversies in biodiversity offsetting.
 BioScience 66, 489-498.
- May, J., Hobbs, R.J., Valentine, L.E., 2017. Are offsets effective? An evaluation of recent
 environmental offsets in Western Australia. Biological Conservation 206, 249-257.
- 700 Miller, K.L., Trezise, J.A., Kraus, S., Dripps, K., Evans, M.C., Gibbons, P., Possingham, H.P.,
- Maron, M., 2015. The development of the Australian environmental offsets policy: from theory to
 practice. Environmental Conservation 42, 306-314.
- Moreno-Mateos, D., Maris, V., Béchet, A., Curran, M., 2015. The true loss caused by biodiversity
- 704 offsets. Biological Conservation 192, 552-559.

- Norton, D.A., 2009. Biodiversity offsets: Two New Zealand case studies and an assessment
 framework. Environmental Management. 43, 698.
- Oksanen, J., Blanchet, F.G., Friendly, M., Kindt, R., Legendre, P., McGlinn, D., Minchin, P.R.,
 O'Hara, R.B., Simpson, G.L., Solymos, P., Stevens, M.H.H., Szoecs, E., Wagner, H., 2017.
- 709 vegan: Community Ecology Package. R Package. Version 2.4-4.
- Pickett, E. J., Stockwell, M. P., Bower, D. S., Garnham, J.L., Pollard, C. J., Clulow, J., Mahony, M.
 J., 2013. Achieving no net loss in habitat offset of a threatened frog required high offset ratio and
 intensive monitoring. Biological Conservation 157, 156-162
- Quétier, F., Lavorel, S., 2011. Assessing ecological equivalence in biodiversity offset schemes: Key
 issues and solutions. Biological Conservation 144, 2991-2999.
- Shah, B., 2006. Conservation of Carnaby's Black-Cockatoo on the Swan Coastal Plain, Western
 Australia. Birds Australia, Perth.
- Strategen Environmental Pty Ltd, 2016. Roe Highway Extension: Fauna Management Plan. Main
 Roads Department, Perth.
- Syrinx Environmental Pl, V&C Semeniuk Research Group, 2011. Roe Highway Extension Project:
 Wetland Ecology Investigations, Perth, WA. Syrinx Environmental, Perth.
- The Government of Western Australia, 2011. WA Environmental Offsets Policy. Department of
 Environment Regulation. Government of Western Australia, Perth.

724 Figure headings

725

Figure 1. Location and extent of development site and the two offset sites. Maps modified from

- original survey documents (Aecom 2011a, 2011b, 2016). In the left picture, a red outline shows the
- development site boundary. The right picture shows the offset sites, Lake Clifton having a pink
- outline and Nirimba a red outline.
- 730
- Figure 2. Percent of quadrats at the development site and offset sites with bandicoot diggings presentand abundance of diggings per quadrat.
- 733



- Figure 1





746 Table 1. Summary of the Commonwealth and State offset requirements for the Roe747 Highway Extension

Habitat to be lost	Corresponding State offset requirement	Corresponding Commonwealth offset requirement	
97.85 ha remnant native vegetation	234 ha land similar or better than the vegetation association impacted, unless rehabilitation plan in place	N/A	
78 ha foraging habitat for Carnaby's Cocktoo	234 ha of Carnaby's cockatoo foraging habitat	N/A	
73 ha foraging habitat for Red-tailed Black Cockatoo	219 ha of Red-tailed Black Cockatoo foraging habitat	N/A	
2.5 ha potential black cockatoo nesting habitat	7.5 ha black cockatoo potential breeding habitat	N/A	
Impacts to 6.8 ha of wetlands, including conservation category wetlands	7 ha Conservation Category Wetlands areas and appropriate buffer	N/A	
Loss of black cockatoo habitat		 523 ha of black cockatoo habitat with similar or better quality than the black cockatoo habitat being impacted by the development Management funding provided within 5 years to maintain the quality of black cockatoo habitat at the offset property for 20 years 	

748

749 Table 2. Pre-development surveys used to create baseline data set for initial assessment

750 of development and offset sites and the information extracted from each survey

Survey source	Information taken from survey
2009 survey: AECOM, April 2011. Roe Highway Extension Kwinana Freeway to Stock Road: Vegetation and Flora Assessment Phase 2. Unpublished report prepared for South Metro Connect, Perth, WA.	 Percent cover of each black cockatoo tree species (n=8) within each quadrat; percent cover of vegetation between 0-30 cm and 30-100 cm within each quadrat; GIS mapping of vegetation communities present in the DS; and quadrat locations.

2015 survey: Ecoscape (Australia) Pty Ltd, 2016. Roe Highway Extension Baseline Flora and Vegetation Condition Survey.	 Percent cover of each black cockatoo tree species (n=8) within each quadrat; percent cover of vegetation between 0-30 cm and 30-100 cm within each quadrat; GIS mapping of vegetation communities present in the DS; and quadrat locations. Survey for the Lake Clifton offset site:
survey: Aecom, 2016. Roe Highway Extension: Land Acquisition and Management Plan. Aecom, Perth.	 percent cover of each of 8 black cockatoo tree species within each quadrat; percent cover of vegetation between 0-30 cm and 30-100 cm within each quadrat; GIS mapping of vegetation communities present and quadrat locations; and amount (in ha) of foraging habitat present for each quality value. Survey for the Nirimba offset site: GIS mapping of vegetation communities present at Nirimba; position of quadrats from the pre-development vegetation survey; and amount of foraging habitat present
Fauna survey: Phoenix Environmental Sciences, February 2011. Vertebrate Fauna Survey for the Roe Highway Extension Project. Unpublished report prepared for South Metro Connect, Perth, WA.	 Location of potential breeding trees for black cockatoos in the development site (DBH > 500 mm; potential nesting hollows suitable for black cockatoos); area described as black cockatoo foraging habitat; and known and potential roosting sites for black cockatoos within 6 km of the development site
Fauna management plan: Strategen Environmental Pty Ltd, 2016. Roe Highway Extension: Fauna Management Plan. Main Roads, Perth, Australia	• Translocation plan for quenda



Table 3. Amount of black cockatoo foraging habitat (ha) at development and offset sitesas defined by guidelines in Appendix One.

Site	High <i>Carnab</i>	Valued y's cockatoo h	Low abitat	Other	Total
Development site	78.00	0	0	19.85	97.85
Lake Clifton	71.90	81.70	343.20	25.60	522.40
Nirimba	69.39	0	0	32.21	101.60
Red-tailed black cockatoo					

	Development site	73.00	0	0	25.75	98.75
	Lake Clifton	11.88	0	188.27	322.25	522.40
	Nirimba	42.90	0	0	58.70	101.60
755 756						

759 Table 4. Results of perMANOVA comparing community composition and relative

abundance of black cockatoo tree species between the development site (based on the

761 2009 survey and 2015 survey) and the combined offset sites

2009 survey						
Comparison	DF	R2	Р			
Within the boundaries of the development site and the offset boundaries						
No transformation	1	0.065	0.005 **			
Log transformation	1	0.092	0.001 ***			
Presence absence transformation	1	0.152	0.001 ***			
Including the survey area surrounding the development site and the offset sites						
No transformation	1	0.085	0.001 ***			
Log transformation	1	0.091	0.001 ***			
Presence absence transformation	1	0.161	0.001 ***			
2015 survey						
Comparison	DF	R2	Р			
<i>Within the boundaries of the development site and the offset boundaries</i>						
No transformation	1	0.039	0.018 *			
Log transformation	1	0.055	0.005 **			
Presence absence transformation	1	0.077	0.001 ***			
Including the survey area surrounding the development site and the offset sites						
No transformation	1	0.060	0.001 ***			
Log transformation	1	0.085	0.001 **			
Presence absence transformation	1	0.104	0.001 ***			

762