Biodiversity Council

Submission to the Managing the biodiversity impacts of renewable energy - guidance and advisory notes

29 July 2026

About The Biodiversity Council

The Biodiversity Council brings together leading experts including Indigenous knowledge holders to promote evidence-based solutions to Australia's biodiversity crisis. The Council was founded by 11 universities with the support of Australian philanthropists.

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Introduction

The Biodiversity Council welcomes the opportunity to provide feedback on Managing the biodiversity impacts of renewable energy - guidance and advisory notes.

Our understanding

The Department of Energy, Environment and Climate Action (DEECA) developed the Handbook for the development of renewable energy in Victoria (the Handbook) which was released in May 2025. The Biodiversity Council made a submission regarding the Handbook in February 2025.

The guidance and advisory notes include:

- Pre-application guidance for proponents in the renewable energy sector
- Draft Advisory Note 1: Unmapped Brolga flocking areas
- Draft Advisory Note 2: Unknown Bent-wing Bat roosting sites
- Draft Advisory Note 3: Demonstrating the application of a risk-based approach for onshore renewable energy
- Draft Advisory Note 4: Monitoring, reporting and adaptive management
- Draft Advisory Note 5: Developing compensatory measures
- Draft Advisory Note 6: Community engagement and biodiversity values

The Biodiversity Council is primarily concerned with Draft Advisory Note 5.

Draft Advisory Note 5 - Developing compensatory measures

The fundamental parts of Draft Advisory Note 5 are a set of five assessment criteria and a scoring matrix with each criteria scored by level of confidence.

The five criteria are: 1) Scientifically robust, 2) Benefit indicator, 3) Monitoring, reporting and adaptive management, 4) Treatment of risks and/or uncertainties, and 5) Administrative efficiency.

Scores range from 1 (uncertain, high level of difficulty) to 4 (high level of certainty, high level of efficiency). The Advisory Notes states that the "higher the total score for a compensation action, the more likely it is that DEECA will support the proposed compensation action." Where scores are low, then a proponent may be asked to reconsider or redesign the compensation action, potentially working with DEECA. The approach is problematic.

Key concerns

1. The highly discretionary and vague approach is unlikely to result in compensation equivalent to impact

The goal of compensation should be to mitigate impacts on threatened species. There are significant problems with approving impacts on threatened species in exchange for unknown outcomes for threatened species.[1] This guidance note does almost nothing to provide a more robust framework for species-specific offsets. Over 20 years ago, Victoria released its first method and calculator for determined gains from offsets for vegetation clearance.[2] No such method is outlined here. The proponent or consultant is simply required to state the goal of the compensation action and demonstrate that the goal is achievable and measurable within a 'reasonable' timeframe (to be determined by the proponent). There isn't even a requirement for a consultant to develop their metrics for measuring whether the management actions will deliver a benefit to a threatened species that equals the impact, flawed as that approach may be.

Linking activities a landowner can undertake - such as planting trees or understorey, removing stock, controlling pest species, increasing woody debris - with improvements to species recovery is challenging. Consider for instance, the causal models that the Victorian government has developed which show about the relationship between management activities and outcomes for threatened species.[3] It is clear from these models that the relationship between management actions and species outcomes is complex.

The consultation draft suggests that proponents demonstrate 'scientific robustness' by using expert elicitation or advice, the proven use of similar actions in other jurisdictions or by referring to conservation advice. However, expert elicitation by its nature requires input from many experts who may not be available to assist proponents. Moreover, it needs to be structured and well-facilitated to address differences of opinion that arise between experts due to uncertainty or different perspectives, experience of understanding.[4] This may be avoided by using conservation advice that has already been agreed by experts, but for many species there is no up-to-date conservation advice.[5] We are not arguing for the

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[1] Bekessy, Sarah A., Wintle, Brendan A., Lindenmayer, David B., Mccarthy, Michael A., Colyvan, Mark, Burgman, Mark A., and Possingham, Hugh P. (2010). The biodiversity bank cannot be a lending bank. Conservation Letters **3** (3) 151-158. https://doi.org/10.1111/j.1755-263X.2010.00110.x

[2] See: Department of Sustainability and Environment (2006) *Native Vegetation Vegetation Gain Approach – Technical basis for calculating gains through improved native vegetation management and revegetation*. Victorian Government, Department of Sustainability and Environment, East Melbourne https://vgls.sdp.sirsidynix.net.au/client/search/asset/1268081

[3] e.g. Causal model of fox control on small to medium sized ground dwelling mammals and Causal model of fox and cat control on ground-dwelling birds

[4] MacBride, M. F. et al. (2012) Structured elicitation of expert judgments for threatened species assessment: a case study on a continental scale using email *Methods in Ecology and Evolution* **3**(5), 906-920.

[5] See for instance a 2022 review by the Australian National Audit Office found that "arrangements to review and update conservation advice, recovery plans and threat abatement plans are not appropriate" (p.43) and that the average recovery plan is more than 12 years old. https://www.anao.gov.au/sites/default/files/Auditor-General_Report_2021-22_19.pdf

abandonment of scientific robustness, nor the role of scientific experts, but rather we seriously question whether this is a role that can and should be played by proponents or consultants working to tight project timelines.

There is a significant risk that inaccurate assessments and predictions by consultants will result in on-ground actions at offset sites inadequately compensating for significant impacts on threatened species. The offsetting framework proposed for the Federal Nature Repair Market seeks to reduce this risk by requiring projects to achieve predetermined threshold indicators before a tradeable certificate can be issued (and therefore used as an offset). There seems to be no such consideration here.

Rather than enabling proponents or their consultants to propose methods for offsetting residual impacts on any bird and species impacted, it would be more appropriate to specify the species which are able to be offset based on our current state of knowledge and practical experience. A new paper further outlines this concept.[6] Where there are higher degrees of uncertainty about outcome, it is more appropriate to be cautious for instance, by trialling the approach with a limited number of species of lesser conservation concern and undertake a rigorous evaluation.

2. <u>The compensatory measures are offsetting by another name but with few of the standard guardrails for additionality, security and compliance</u>

The 'compensatory measures' are an offsetting approach by another name. Yet there appear to be few of the standard requirements for offsets:

- There doesn't seem to be any additionality requirement to ensure that the management actions are additional to any land management requirements or contracts.
- There doesn't seem to be any on-title mechanism to secure the site where compensatory measures (offsetting) is being undertaken.
- There doesn't seem to be any 'authority' who will be responsible for overseeing the site and ensuring compliance nor requirement to list the site on a central register.

The guidance note simply leaves it to the proponent to outline their own governance arrangements to monitor the delivery of the actions; a huge conflict of interest.

It is hard to overstate just how inadequate the approach is.

Victoria's approach to native vegetation offsets is far more sophisticated with requirements that address additionality, security and management actions. There seems to be no justification for departing from these well-established minimum requirements.

Residual impacts on birds and bats from wind turbines is likely to require approval under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). Despite this,

[6] Maron et al. (2026) Ecological Irreplaceability in the Era of Nature Positive *Conservation Letters* (proof for publication) DOI:10.1111/con4.70073

Advisory Note 5 is not consistent with the draft Offsets Standard under the EPBC Act which has specific requirements relating to the standard offsetting principles of security, additionality, feasibility, timing and location. While the advisory note may have been drafted to provide 'flexibility' it is more likely to create problems for proponents who must provide different information to meet State and Federal requirements (which will not streamline assessments).

3. The scoring approach is poorly designed

The scoring approach is poorly designed. The 'benefit indicator', the only criterion that relates to the outcome for a threatened species, is just one of five factors that are 'scored'. However, it is a key measure related to the success of the offset. To put it plainly it doesn't matter if a proponent has good monitoring and reporting, the project is administratively efficient, if the project fundamentally fails to deliver benefits for threatened species that compensate for impact. The criteria are not equally important and shouldn't be given equal weight. Indeed some should simply be mandatory requirements that are either met or not met, including:

- Is there sufficient funding to deliver the action? Yes/No
- Is there a monitoring, reporting and improvement plan? Yes/No
- Is there a risk assessment with appropriate mitigation? Yes/No

Our position

Compensatory measures are offsets by another name.

Offset schemes are complex, with legal, economic and ecological factors that must be considered to ensure they are well designed, efficient and deliver environmental outcomes. The Advisory Note fails to do this.

Rather than building on establishing offsetting principles and administrative arrangements that currently operate at both a Victorian and Federal level, the Advisory Note introduces a new, untested and poorly designed approach that is unlikely to ensure impacts on threatened species are mitigated nor streamline development assessment.

We strongly recommend that the Victorian Government take the time to design a more comprehensive framework, building off established practices, consistent with Victorian and Federal government requirements, and informed by the latest science.

Specifically, the Victorian Government should:

1) Review the Victorian native vegetation offsets requirements and the Federal Offset Standard, determine which is a stricter requirement and specify that those are the mandatory requirements for all projects that propose 'compensatory measures'.

2) Use the population viability analysis models being developed by the Arthur Rylah Institute as the framework for assessing impacts of renewable energy on viability via mortality (above and beyond habitat loss) and to determine what constitutes 'residual impact'.
3) Use a demographic offsetting approach to compensate for direct mortality. In demographic offsetting the benefits of any compensatory actions are measured in terms of population viability and must compensate (while considering additionality, time lags, likelihood of failure etc.) for the impact of the development on expected viability.
4) Establish a list of "offsettable species," defined as bird and bat species with reliable evidence showing that practical, on-ground management actions directly enhance their long-term viability.
5) Trial demographic offsets for species on the offsetable list with a clear commitment to independent evaluation in a set timeframe.
6) As noted in our submission regarding the Handbook, if it is not possible to increase population numbers through offsetting measures, then this should inform thresholds for impacts on birds and bats and consideration of whether a more precautionary approach should be taken to siting or mitigation measures.