



DEPARTMENT OF PLANNING, INDUSTRY & ENVIRONMENT

BOS Support for Assessors & Local Government

Biodiversity Stewardship Agreements: Feasibility and business case assessments

NSW Biodiversity Conservation Trust (BCT)

Thursday 1st April 2021, 11:00 AM – 12:00 PM



Sam Luccitti



Joe May

Biodiversity Offsets Program
Biodiversity Conservation Trust

John Spencer/DPIE



Presentation outline

Part 1

Overview of:

- Rationale for BSA feasibility assessments and business case assessments
- The role of BSA feasibility and business case assessments in BCT offset deliver mechanisms

Part 2

Assessing the suitability of your site for a BSA

- Feasibility assessment
- Business case



Sam Luccitti
Principal Project Officer
Biodiversity Offsets Program
Biodiversity Conservation Trust



Rosie Nicolai/DPIE



Biodiversity Stewardship Agreements (BSA)

Voluntary agreement between the BCT and a landholder.

Site generates biodiversity credits representing gain in biodiversity from protection and management.

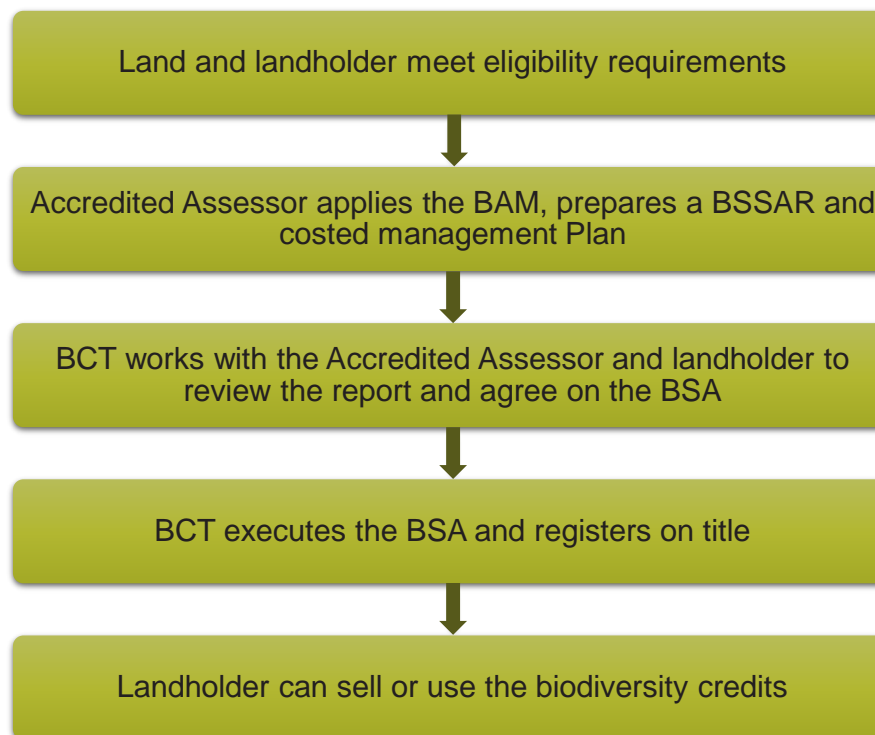
Biodiversity credits sold on the market or retired to offset own development.

Landowners receive annual management payments and upfront market payment from credit sales.



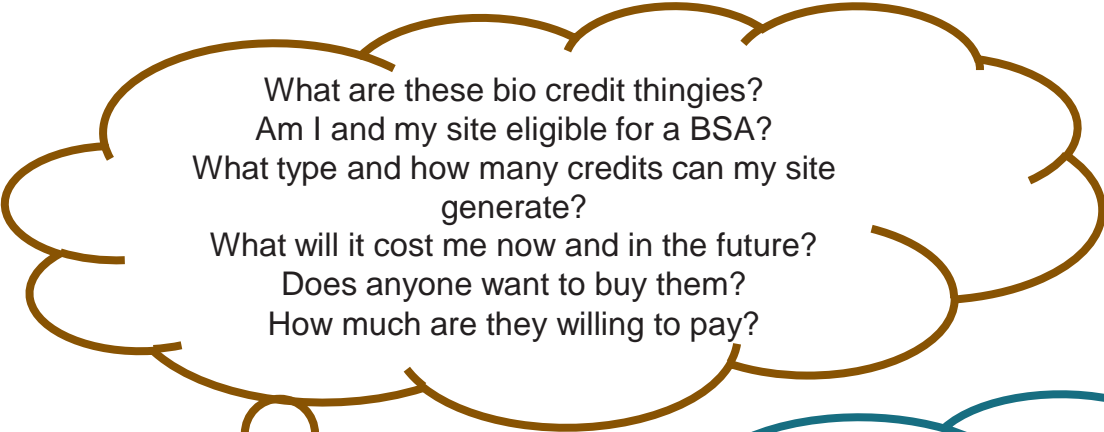


Biodiversity Stewardship Agreements





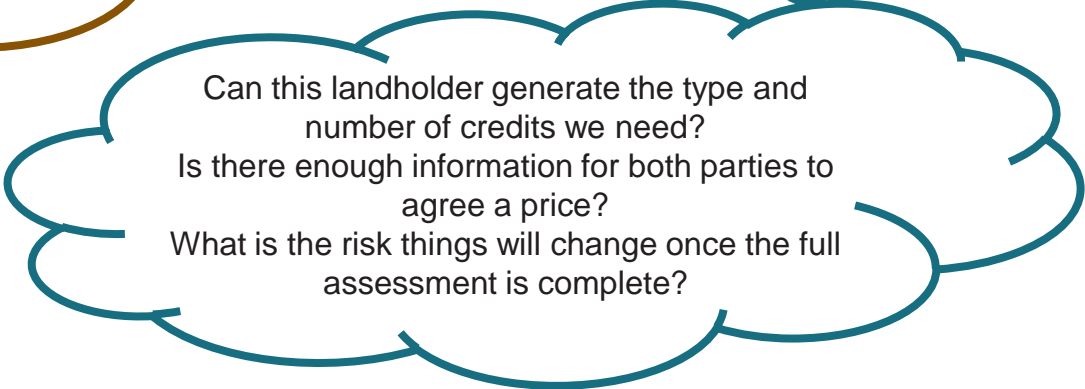
Making the decision to proceed with a BSA

A large, brown-outlined thought bubble containing a list of questions.

What are these bio credit thingies?
Am I and my site eligible for a BSA?
What type and how many credits can my site generate?
What will it cost me now and in the future?
Does anyone want to buy them?
How much are they willing to pay?



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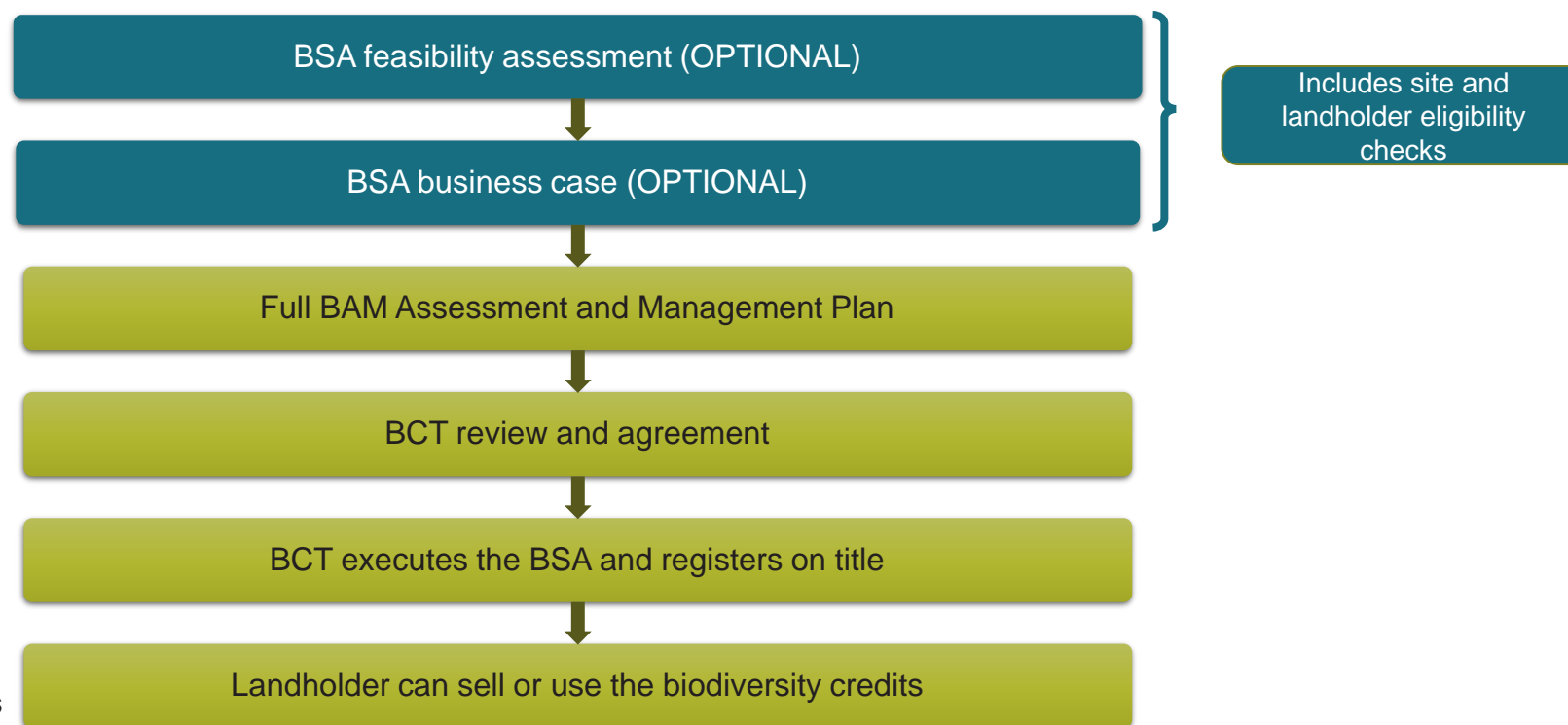
A large, teal-outlined thought bubble containing a list of questions.

Can this landholder generate the type and number of credits we need?
Is there enough information for both parties to agree a price?
What is the risk things will change once the full assessment is complete?





Biodiversity Stewardship Agreements





BSA feasibility assessments and business case for BCT Biodiversity Offsets Program

Delivery mechanism	Feasibility assessment and business case requirements
<p>Open Fixed Price Offer Participants approach BCT to sell credits on the Wanted Credits List</p>	<ul style="list-style-type: none"> • New BSA landholders submit, as a minimum, a BSA feasibility assessment with their application. • If the landholder is provided and accepts an offer from the BCT they must then submit a business case within 3 months.
<p>Credit tender Reverse auction process</p>	<ul style="list-style-type: none"> • New BSA landholders submit, as a minimum, a BSA business case with their credit tender application.
<p>Targeted Fixed Price Offer BCT offers to purchase credits from the credit owner / landholder</p>	<ul style="list-style-type: none"> • The BCT may offer landholders financial assistance to undertake a business case or offer to complete a business case on the landholder’s behalf.
<p>Revolving Fund BCT purchases property, establishes BSA and retains credits. Property on-sold</p>	<ul style="list-style-type: none"> • The BCT will undertake a business case before or after purchase of the property.

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Presentation outline

Part 2

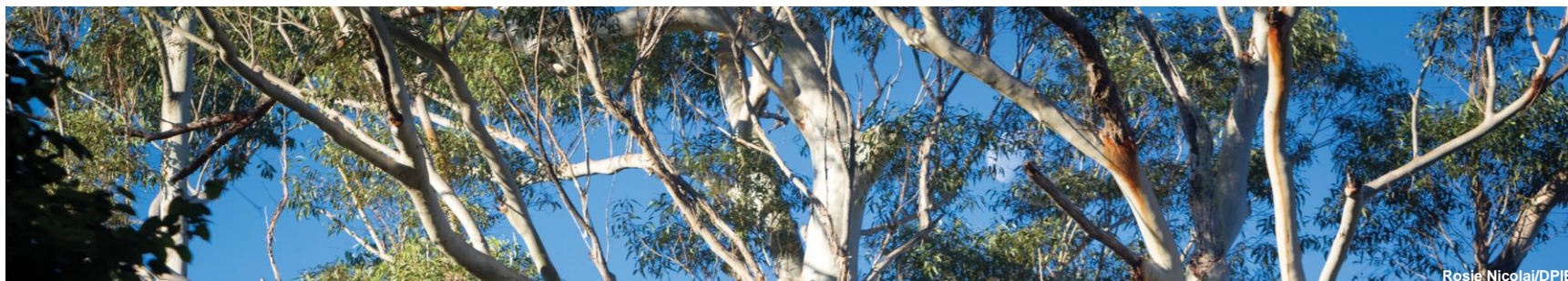
Assessing the suitability of your site for a BSA

- Feasibility assessment
- Business case

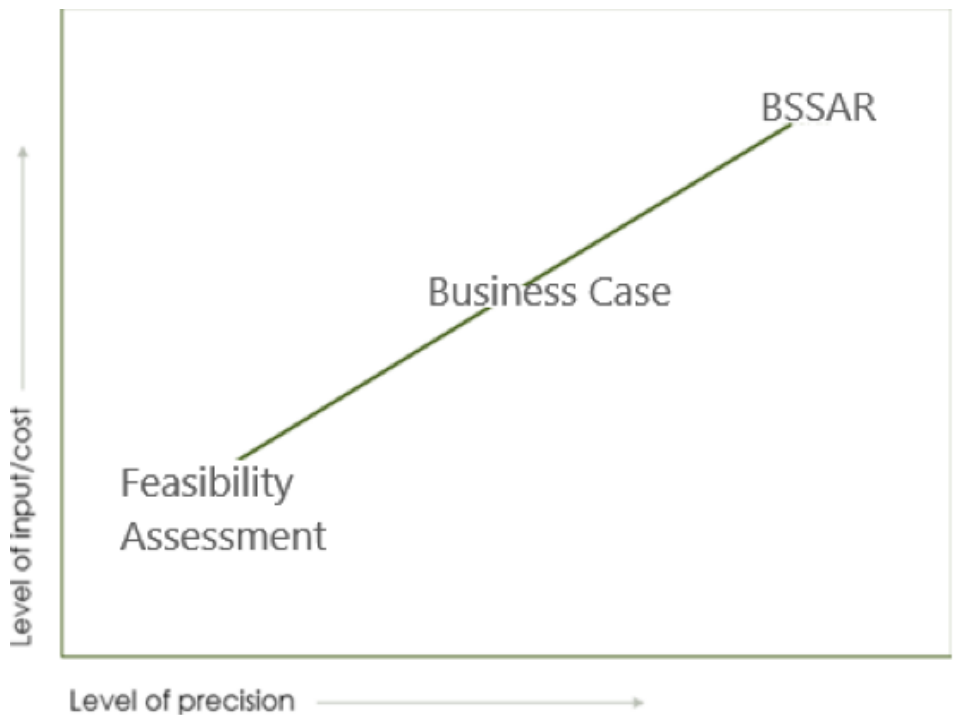


Joe May

Project Officer
Biodiversity Offsets Program
Biodiversity Conservation Trust



Rosie Nicolai/DPIE





Minimum requirements	Feasibility Assessment	Business Case
Site and landholder eligibility for a BSA	Show-stoppers only	Show-stoppers and possible encumbrances
High-level description of the site including size, location and position in landscape	Desktop	Desktop and field verification
A description of biodiversity values on site	Desktop assessment but may include site walk-over	Desktop info ground-truthed with field assessment
Information of type and number of credits to be generated	Preliminary estimates (typically based on AA experience)	Estimates based on field assessment including indicative BAM plots and BAM-C
BSA management and other costs	Preliminary estimates (typically based on AA experience).	Estimates based on field assessment, draft management actions and indicative draft TFD
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Assessing site and landholder eligibility for a BSA

Feasibility Assessment	Business Case
<ul style="list-style-type: none"> • Assess site eligibility against BC Regulation criteria (Section 5.1) • Landholder self-assessment of fit and proper person criteria (BC Reg Section 5.3) 	<ul style="list-style-type: none"> • Site eligibility criteria and landholder self-assessment of fit and proper person criteria. • Identify and map areas of the site that cannot generate credits or where credits must be reduced <ul style="list-style-type: none"> - Infrastructure easements - Land subject to covenant - Land with existing conservation obligations (i.e. BAM 2020 - Section 11.9) • Other due diligence checks <ul style="list-style-type: none"> - Mining interests - Mortgage interests



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High-level description of the site

Feature	Description
In either a feasibility assessment or a business case	
Location	
Lot & DP	
Area (ha)	
Identified owner	
LGA	
Zoning	
IBRA subregion	



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Description of biodiversity values on site

Feasibility Assessment	Business Case
<ul style="list-style-type: none"> • <u>Desktop based</u> – may include ‘walkover’. - Preliminary mapping of vegetation zones - Estimated native vegetation cover - Estimated potential of existing TECs - Any threatened species known or expected. 	<ul style="list-style-type: none"> • <u>Field Assessment</u> - Preliminary mapping of vegetation zones - Identification of TECs - Any threatened species known or expected, including incidental observations - Preliminary mapping of management zones - Completion of indicative BAM plot(s) in each vegetation zone. - Presence/absence of hollow-bearing trees



Preliminary Vegetation Mapping (Feasibility Assessment)

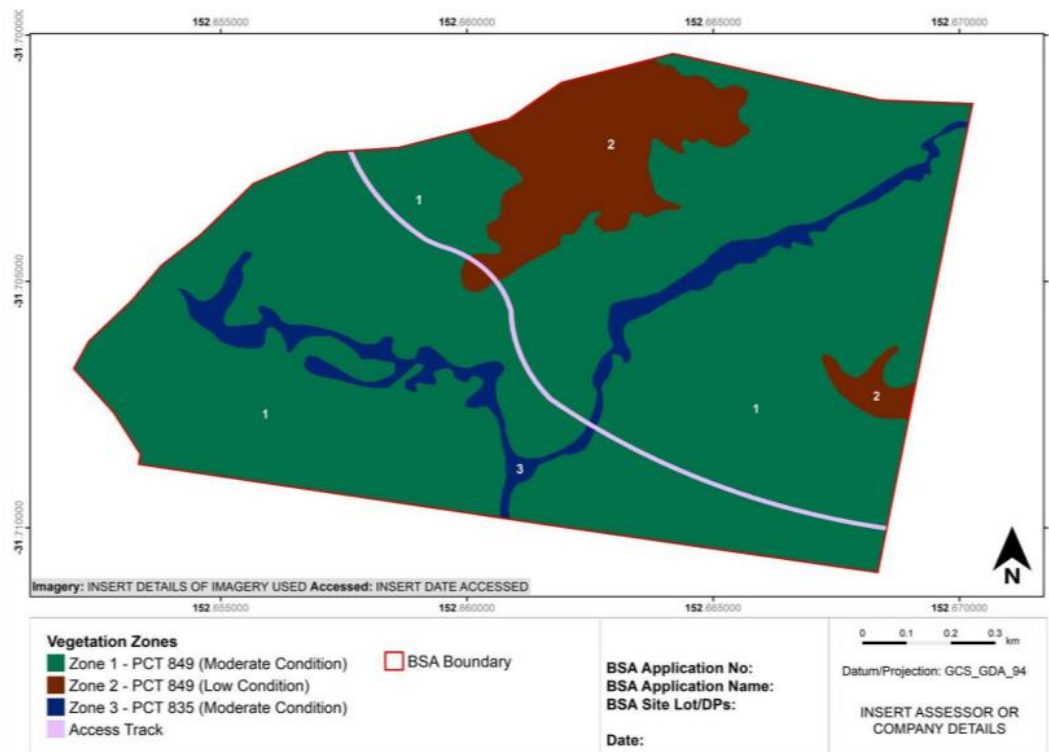


Figure 2 An example of vegetation zone mapping



Preliminary Vegetation Mapping (Business Case)

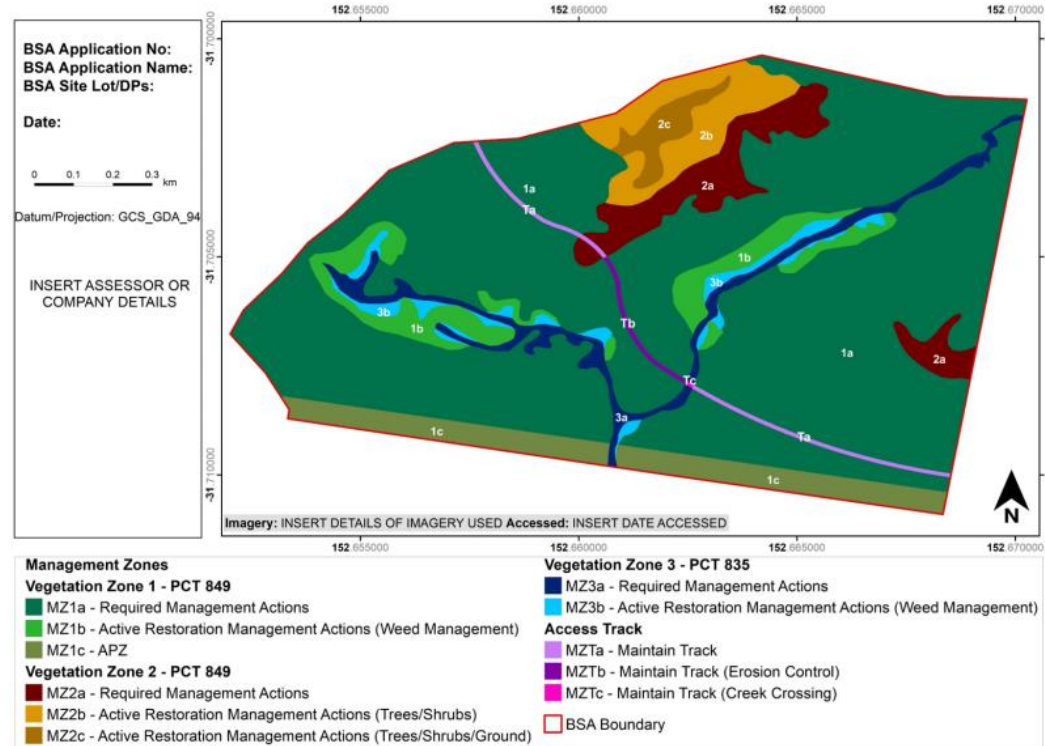


Figure 3 An example of management zone mapping



Vegetation Classification

DATA MANAGE REGISTRATION LOGOUT LOGGED IN (RE)

Community
vegetation community

VCAID : 0 PCT Name : Smooth-barked Apple - Red Bloodwood - Scribbly Gum grass - shrub woodland on lowlands of the Central Coast

PCT Benchmark Calculation level : Class/IBRA Status : 1 out of 1 IBRA regions Approved
PCT Threatened Ecological Communities Association Status : 20/04/2016
Authority : Hunter Project

Threatened Biodiversity, TECs & Benchmarks Spatial information Image management Status, Lineage history

Communities Threats Endangered populations

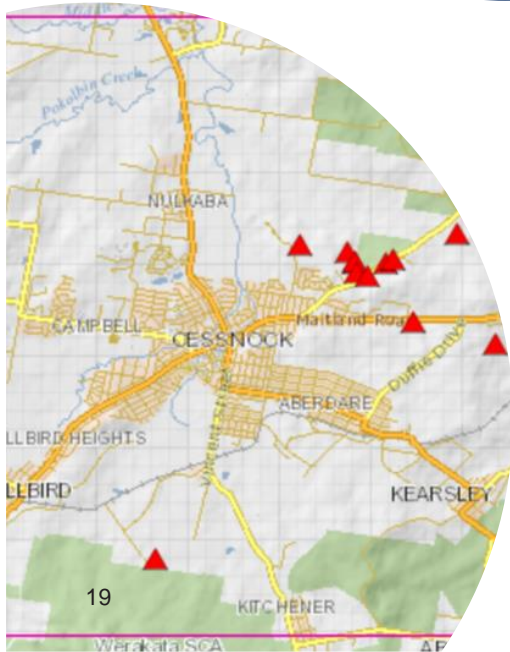
species list View map

Records of Threatened (listed on BC Act 2016) or Commonwealth listed Plants in selected area (No. 81 records of 7 species).

Species below
Select up to 5 species then click "view map".
Click "view map" (without selecting any species first).

Common name	Scientific name	Map
Leath Wrenklewort	Rutidosia heterogama	<input type="checkbox"/>
Yeton Mint Bush	Prostanthera cincolifera	<input type="checkbox"/>
Bottle Brush	Callistemon linearifolius	<input type="checkbox"/>
Wattle	Eucalyptus glauca	<input type="checkbox"/>
	Eucalyptus parramattensis subsp. decedens	<input type="checkbox"/>
	Grevillea parviflora subsp. parviflora	<input type="checkbox"/>
	Microseris palustris	<input type="checkbox"/>

active Map Tool



Information sources

Records of mammals, birds, reptiles, amphibians, some fish, and some (mainly endangered) species Sightings and Systematic Flora and Fauna Survey collections

group?
Plants Fungi Communities Threats Endangered populations

Status?
Select records that fall under one or more categories

categories
Threatened in NSW Threatened Nationally Protected in NSW CAMBA JAMBA

at area?
Select a geographic area Define my own area (Remember that you must select an area at least 10km x 10km. It will be automatically extended to approximately 10km x 10km.)

of records?
Select records for a specific time period



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Information on type and number of credits to be generated

Feasibility Assessment	Business Case
<ul style="list-style-type: none"> Type and number of credits can be based on existing expert knowledge 'Dummy data' can be run through the BAM-C A site 'walkover' may be used 	<ul style="list-style-type: none"> Based on a field assessment Completion of subset of BAM plots enabling data to be entered into the BAM-C Breakdown of credit yield per management zone

1. Assessment details [↗](#) 2. Site context [↗](#) 3. Vegetation [↗](#) 4. Habitat suitability: Predicted [↗](#) 5. Habitat suitability: Candidate [↗](#) 6. Habitat survey [↗](#) 7. Credits [↗](#) 8. Credit classes [↗](#)

Ecosystem credits for plant communities types (PCT), ecological communities & threatened species habitat

Zone	Vegetation zone name	Vegetation integrity gain	Area	Ecosystem credits
Smooth-barked Apple - Turpentine - Sydney Peppermint heathy woodland on sandstone ranges of the Central Coast				
1	1627_High	6.2	6 hectares	9
				Subtotal: 9
				Total: 9

Species credits for threatened species

Vegetation zone name	Habitat condition (vegetation integrity) gain	Area / Count	Species credits
Cryptostylis hunteriana / Leafless Tongue Orchid (Flora)			
1627_High	6.2	2.5 hectares	4
			Subtotal: 4

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Presentation of information

Ecosystem credits



IBRA Subregion	PCT ID	PCT Percent Cleared	Vegetation Class	Offset Trading Group	Hollow Bearing Tree status	Estimated number of BAM credits
Eg; Hunter	1602	Greater than 50% and less than 70% cleared	Hunter-Macleay Dry Sclerophyll Forests	Lower Hunter Spotted Gum Ironbark Forest in the Sydney Basin and NSW North Coast Bioregions	Present	40

Species credits



IBRA Subregion	Species ID	Offset Trading Group	Estimated number of BAM credits
Eg; Wyong	10023	Eg; <i>Mixophyes iteratus</i> (Giant Barred Frog)	20



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Total Fund Deposit

Feasibility Assessment

- Based on general knowledge or comparison to other TFDs created for similar sites
 - general understanding of p/ha costs
 - landscape context
 - Results in a large estimate range

Business Case

- A preliminary assessment of management issues at the site and an informed estimate of likely management costs presented in a draft Total Fund Deposit spreadsheet

- ***2020-21 Total Fund Deposit Calculator (XLS 312KB)***
– ***OEH website (link from BCT website)***



Indicative costs

Credit pricing is driven by costs of production and the credit seller’s desired profit margin.

Normal supply/demand market dynamics will influence the profit realised.



Note: Historically, species credits produced at little or no extra cost to landholder. Species credit pricing therefore driven more directly by supply/demand.



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Credit Supply and Demand

BioBanking public register (for BBAM credits)

- BioBanking agreements register
- Biodiversity credit transactions and sales register
- Biobank site EOI register, and credits wanted register
- Spot Price Index

Biodiversity Offsets Scheme public register (for BAM credits)

- Credit supply register
- Credit demand register
- Transactions register
- Private land conservation register
- Spot Price Index

BCT Wanted Credits List

- Displays biodiversity credits that the BCT is interested in purchasing



Q&A

This session will not be included in the webinar recording.

Written questions and answers will be attached to the online webinar recording.

Questions asked during these webinars also contribute to the development of the [Assessor Q&A](#) page, future webinars and other Biodiversity Offsets Scheme supporting resources.

John Spencer/DPIE



Thank you for your participation

Webinar recordings will be available to view online on the BOS Vimeo Showcase at vimeo.com/showcase/6271450 and via the [BAM Support Webinar webpage](#)

Contact us at www.environment.nsw.gov.au/biodiversity/bos-help-advice

Simone Cottrell/DPIE