



DEPARTMENT OF PLANNING, INDUSTRY & ENVIRONMENT

# BOS Support for Assessors & Local Government

A series of webinars to support accredited BAM assessors and Local Government in the Biodiversity Offsets scheme



For more information, go to the [BOS Support webinar webpage](#) or contact us via the [BOS Online Enquiry Form](#)



Department of Planning, Industry and Environment

## BOS SUPPORT WEBINAR 10

### Applying for an assessment of reasonable equivalence - BioBanking credits and the Biodiversity Offsets Scheme



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Department of Planning, Industry & Environment

Wednesday 20th May 2020  
2:00pm - 3:00pm



# Overview

TIME	ITEM	DESCRIPTION	DURATION
2:00pm	Introduction	Acknowledgment of Country Introduction and house keeping	10 mins
2:10pm	Content Presentation	This presentation will: <ul style="list-style-type: none"> <li>- outline when an assessment of reasonable equivalence of biodiversity credits may be necessary</li> <li>- provide an overview of the assessment for existing BioBanking credits and credit obligations</li> </ul>	25 mins
2:35pm	Q & A session	Presenter and panel address participants' questions	20 mins
2:55pm	Wrap-up and Close	Closing remarks Participant feedback Upcoming webinars	5 mins

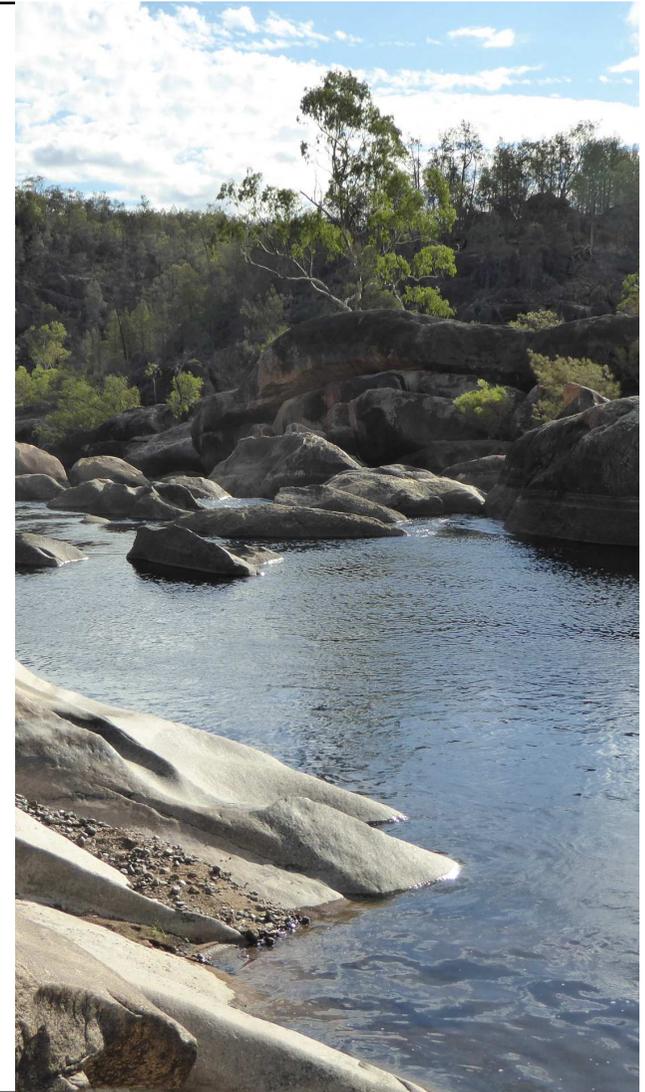


## Overview

This presentation outlines:

- What is a credit equivalence and when one is required
- Process of credit equivalence for:
  - Credit Obligations – BioBanking credit obligation
  - Existing BioBanking Agreement credits
- How to apply for a credit equivalence and what information is required

Note: This is not a presentation on the BOPC pricing- I don't work on the BOPC and any questions on the BOPC are for another webinar





## Questions Previously Asked

More information about credit equivalences including the number undertaken	Included in webinar
Are the credit equivalences included in the BOPC calculations	Yes- ratios are provided to BOPC every quarter
Can we convert all BBAM credits to BAM credits	No- there is no reason to convert all BBAM credits to BAM- a lot of these credits are already committed. There is deliberate policy decision to not forcibly convert credits by the expert panel- instead it's a voluntary process
Can completed credit equivalences be released? What are the average ratios?	We haven't done this to date however acknowledge there is interest in this and we are considering how to do this- potentially ratios could be released- we are looking into it
Can equivalent BAM credits be included on the credit supply register	Yes- this is currently underway, with the system being tested.



## Credit Equivalence - What is it?

The Biodiversity Conservation (Savings and Transitional) Regulation 2017 was set in place to facilitate the transition in regulatory environment

The change in the regulatory environment included a change in the method used to calculate biodiversity credits for both offset sites (created credits) and development obligations (credit obligations)





## Credit Equivalence - What is it?

Credit equivalence is one of the arrangements set in place to manage the transition between the *Threatened Species Conservation Act 1995* (TSC Act) and the *Biodiversity Conservation Act 2016* (BC Act)

It preserves credits and credit obligations created under the TSC Act.

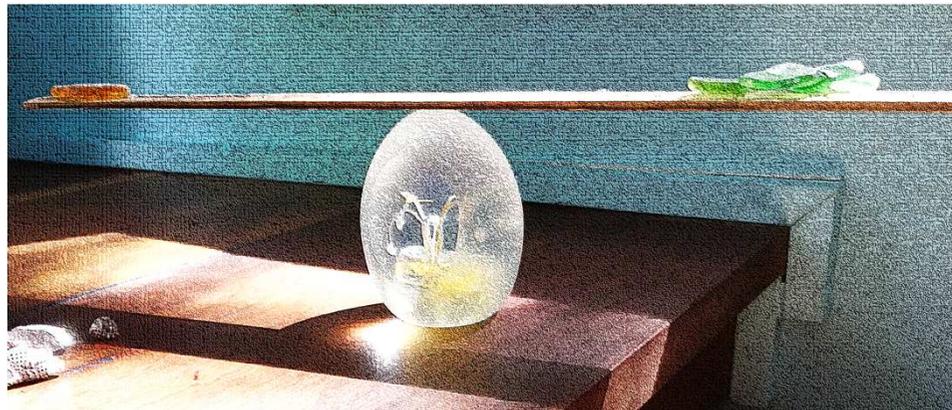
This Regulation allows the Environment Agency Head to determine **reasonable equivalence** of biodiversity credits and biodiversity credit obligations from the TSC Act to the BC Act



## Reasonable Equivalence – it's about the ecology

Credit equivalence is about ecological equivalence – not financial equivalence

The aim is a reasonable ecological match between old BBAM credits or credit obligations and those that would be generated in the new method- the Biodiversity Assessment Method (BAM)





## **Credit Equivalence Process**

We undertake credit equivalence for:

- ✓Where the consent holder/credit owner is the same as the applicant- or where legal authority to deal is provided
- ✓Credit obligations where development consent has been issued
- ✓The whole credit obligation (no partial assessments), except where applicants have already partially met their credit obligation
- ✓The entire Biobanking Agreement (no partial assessments)- except where some credits have been sold



## The Current Situation

- Number of credit equivalences undertaken

~80 credit equivalences for credit obligations

~40 credit equivalences for existing Biobanking Agreements (out of ~200 Biobanking Agreements)

- Still steady number of applications per month
- Assuming we get all required information upfront:
  - Simple applications with ecosystem credits only takes approximately one month
  - Complex applications with species and ecosystem credits takes approximately two months



## The Current Situation

- I am currently undertaking the credit equivalences and am accredited under BBAM and BAM. The Ecosystem Assessment and Ecosystem Program Teams both review the credit equivalences and Derek Rutherford is the decision maker.
  - The process is very technical and I am available to discuss

We aim to provide a 'reasonable' credit equivalence

- There are assessors listening in on the webinar who have made applications, and there is some good experience in this process out there



# Credit Equivalence- Credit Obligations





## Credit Equivalence for Credit Obligations

You should apply for an assessment of reasonable equivalence for Biobanking credit obligations if:

- You have a BioBanking credit obligation (calculated under the provisions of the TSC Act) and you wish to:
  - Retire credits created under the BC Act to meet that obligation.
  - Discharge that obligation by payment into the Biodiversity Conservation Fund.

You can still transfer and retire BioBanking credits that match BioBanking credit obligations. You will not require an assessment of reasonable credit equivalence to do this.

You can also mix and match- you have the flexibility to retire some credits in BAM and some in BBAM



## Credit Equivalence for Credit Obligations

Application form on the Department’s website: send to [BOSCREDITS@environment.nsw.gov.au](mailto:BOSCREDITS@environment.nsw.gov.au)

Applications need to include:

1. Signed Application form
2. Consent reference and conditions
3. Biobanking calculator reference and credit report which must match the credits on the consent as the data within the calculator is used in the credit equivalence
4. For any species credits- include GIS shape files for all vegetation management zones and species polygon or point data- talk to us if you don’t have this- can be a problem with older applications

Applying for an assessment of reasonable equivalence of biodiversity credits – existing BioBanking credits

Applying for an assessment of reasonable equivalence of biodiversity credits – BioBanking credit obligation

Applying for a clause 34A certification

### Applying for an assessment of reasonable equivalence

Why an assessment of reasonable equivalence may be necessary if you own BioBanking credits or hold a BioBanking credit obligation.

The Biodiversity Conservation Act 2016 together with the Biodiversity Conservation Regulation 2017 commenced on 25 August 2017. They replaced the Threatened Species Conservation Act 1995 (TSC Act) and associated regulation. The TSC Act had previously provided the framework for creation of biodiversity credits and biodiversity credit obligations (also called offset obligations). These are also known as BioBanking credits after the name of the program. The change in legislation also included a change in the method that was used to create biodiversity credits and to calculate offset obligations.

To ensure that credits and credit obligations created under the TSC Act could still be used or met within the newer credit market, The Biodiversity Conservation (Savings and Transitional) Regulation 2017 (Savings and Transitions Regulation) preserved these credits and credit obligations. The Savings and Transitions Regulation also provided the power for the Environment Agency Head (EAH) to determine reasonable equivalence of these credits or credit obligations, that is, to match older BioBanking credits or credit obligations to the new Biodiversity Offsets Scheme credit numbers and classes.

### When to apply for an assessment of reasonable equivalence

You should apply for an assessment of reasonable equivalence if:

1. You own BioBanking credits either because you entered into a BioBanking agreement or you had these transferred to your ownership and you wish to sell these to someone with a credit obligation created under the BC Act.
2. You have a BioBanking credit obligation (calculated under the provisions of the TSC Act) and you wish to retire credits created under the BC Act to meet that obligation.
3. You have a BioBanking credit obligation (calculated under the provisions of the TSC Act) and you wish to discharge that obligation by payment into the **Biodiversity Conservation Fund**.

You can still transfer and retire BioBanking credits that match BioBanking credit obligations. You will not require an assessment of reasonable credit equivalence to do this. See the Biodiversity credits page for more details.

### Finding credits that match your Biodiversity Offsets Scheme equivalent credits or obligation

If you want to search for Biodiversity Offsets Scheme equivalent credits that match your Biodiversity Offsets Scheme equivalent credit obligation you will need to do the following:

and Environment

1300 361 967 Email

Online

**Biodiversity Offsets Scheme support**

Need help?

Use our enquiry form to get help, give feedback or ask a question about the Biodiversity Offsets Scheme. The form replaces the LMBC Service Centre.

Visit **Biodiversity Offsets Scheme support**.



## Credit Obligations- credit equivalence process

Credit equivalence follows an approved method which applies to credit obligations under BBAM or FBA

- Approved method is on our website <https://www.environment.nsw.gov.au/topics/animals-and-plants/biodiversity/transitional-arrangements/reasonable-equivalence-biodiversity-credits-biobanking-credit-obligation>

- Where there are matching biodiversity credits on the BBAM credit register there is no reduction in credit number – you are given a 1:1 ratio– intended to encourage uptake of existing biodiversity credits

matched 211 records

View results as Excel View results as PDF Search again

Click on the credit register ID/name to see contact details of the credit holder with issued or pending credits

### Ecosystem credits

Credit register ID/name	Agreement ID	Credit ID	Plant community code	Vegetation formation	Credit status	Credits
Meridolum No. 1 Pty Ltd	204	2598	HNS29	GRW	Issued	1464
Roads and Maritime Services	204	2598	HNS29	GRW	Issued	948
Endeavour Coal Pty Ltd	215	2255	HNS06	DNG	Issued	701
Ilawarra Coal Holdings Pty Ltd	382	3141	HNS06	GRW	Issued	524
Roads and Maritime Services	204	2601	HNS28	GRW	Issued	439
Office of Environment and Heritage - Growth Centres Biodiversity Offset Program	147	1916	HNS29	GRW	Issued	364
Graziers Pastoral Pty Ltd	147	1915	HNS29	GRW	Issued	325
Office of Environment and Heritage - Growth Centres Biodiversity Offset Program	168	2001	HNS29	GRW	Issued	321
327	250	2454	HNS29	GRW	Issued	315
L.W DAVIES & L.W DAVIES	321	2211	HNS29	GRW	Issued	275
327	250	2453	HNS29	GRW	Issued	260
Office of Environment and Heritage - Growth Centres Biodiversity Offset Program	250	2455	HNS29	GRW	Issued	250
Office of Environment and Heritage - Growth Centres Biodiversity Offset Program	382	3140	HNS28	GRW	Issued	243
Office of Environment and Heritage - Growth Centres Biodiversity Offset Program	317	2263	HNS28	GRW	Issued	222
Ilawarra Coal Holdings Pty Ltd	325	3200	HNS29	GRW	Issued	191



## Credit Obligations- credit equivalence process

- If there are no matching biodiversity credits on the BBAM credit register then a full recalculation of credit numbers is undertaken
  - Uses information from BioBanking credit calculator and other systems such as VIS and Biodiversity Assessment Method

PCT ID	PCT name/species name	PCT % cleared	Listed ecological community CEEC/EEC/VEC?	zone area	Loss in site value	TS driving original credit obligation	TS sensitivity to gain class (VHNM/L)	Sensitivity to loss EOP/PCT	Sensitivity to gain predicted 1pp	BAM risk weighting	Equivalent credit requirement for BAM	Pro rata credit obligation
1												
PCT 1326 (SR669)	Woollybutt - White Stringybark - Forest Red Gum grassy woodland on coastal lowlands, southern Sydney Basin Bioregion and South East Corner Bioregion	95%	Illawarra Lowlands Grassy Woodland in the Sydney Basin Bioregion CEEC	6.70	58.85	Powerful Owl	H		3	2	2.5	249
46												
PCT 838 (SR 545)	Forest Red Gum - Thin-leaved Stringybark grassy woodland on coastal lowlands, southern Sydney Basin Bioregion	85%	Illawarra Lowlands Grassy Woodland in the Sydney Basin Bioregion CEEC	0.04	41.15	Masked Owl	H		3	2	2.5	1
47												
PCT 838 (SR 545)	Forest Red Gum - Thin-leaved Stringybark grassy woodland on coastal lowlands, southern Sydney Basin Bioregion	85%	Illawarra Lowlands Grassy Woodland in the Sydney Basin Bioregion CEEC	1.08	34.38	Masked Owl	H		3	2	2.5	23
48												
PCT 1232 (SR 649)	Swamp Oak floodplain swamp forest, Sydney Basin Bioregion and South East Corner Bioregion	95%	Swamp Oak Floodplain Forest	0.55	37.5	Yellow-bellied Shearwater	H		3	2	2.5	13
49												
PCT 781 (SR 536)	Coastal freshwater lagoons of the Sydney Basin Bioregion and South East Corner Bioregion	74%	Freshwater Wetlands on Coastal Floodplains EEC	7.2	46.38	Black-tailed Godwit	H		2	2	2	167
50												

Generally a full recalculation will reduce the credit obligation UNLESS the site value or BAM risk weighting is high- this has occurred a few times



## Credit Obligations- full ecosystem credit recalculation

Credit type	Calculation
Ecosystem	Apply BAM equation 1- uses vegetation management zone area, BBAM loss in site value and BAM risk weighting (Table 18) to calculate reasonable equivalence.



### Credit Obligations- full species credit recalculation

Credit type	Calculation
Species credit (fauna)	Apply BAM equation 2- uses habitat area, loss in BBAM site value and BAM risk weighting (Table 19) to calculate reasonable equivalence.
Species credit (flora assessed by area)	Apply BAM equation 2- uses habitat area, loss in BBAM site value and BAM risk weighting (Table 19) to calculate reasonable equivalence.
Species credit (flora assessed by count)	Apply BAM equation 3- number of individuals and BAM risk weighting (Table 19) to calculate reasonable equivalence.



**It's not just about the numbers....**

Once you receive your equivalent Biodiversity Offsets Scheme credit class you may notice that both the number and the attributes of the credits have changed

What was once this:

<b>Ecosystem credit number</b>	<b>10</b>
Plant Community Type	Red Ironbark - Black Cypress Pine - stringybark +/- Narrow-leaved Wattle shrubby open forest on sandstone in the Gulgong - Mendooran region, southern Brigalow Belt South Bioregion (CW282/HU707, PCT478)
IBRA subregion	Pilliga and any IBRA subregion that adjoins the IBRA subregion in which the development occurs



**It's not just about the numbers....**

Can become something like this:

<b>Ecosystem credit number</b>	<b>10</b>
Plant community type	Red Ironbark - Black Cypress Pine - stringybark +/- Narrow-leaved Wattle shrubby open forest on sandstone in the Gulgong - Mendooran region, southern Brigalow Belt South Bioregion (CW282/HU707, PCT478)
Offset trading group	Western Slopes Dry Sclerophyll Forests with a percent cleared value <50%
Hollow bearing trees	Not applicable
Vegetation class	Western Slopes Dry Sclerophyll Forests
Vegetation formation	Dry Sclerophyll Forests (Shrubby sub-formation)
IBRA subregion	Pilliga and any IBRA subregion that adjoins the IBRA subregion within which the development occurs and any such subregion that is within 100 kilometres of the outer edge of the impact site



## It's not just about the numbers....

Or this - there may be more than one equivalent credit class ....

Ecosystem credit number	5
Plant community type	Red Ironbark - Black Cypress Pine - stringybark +/- Narrow-leaved Wattle shrubby open forest on sandstone in the Gulgong - Mendooran region, southern Brigalow Belt South Bioregion (CW282/HU707, PCT478)
Offset trading group	Western Slopes Dry Sclerophyll Forests with a percent cleared value <50%
Hollow bearing trees	Not applicable
Vegetation class	Western Slopes Dry Sclerophyll Forests
Vegetation formation	Dry Sclerophyll Forests (Shrubby sub-formation)
IBRA subregion	Pilliga and any IBRA subregion that adjoins the IBRA subregion within which the development occurs and any such subregion that is within 100 kilometres of the outer edge of the impact site.

Ecosystem credit number	5
Plant community type	Red Ironbark - Black Cypress Pine - stringybark +/- Narrow-leaved Wattle shrubby open forest on sandstone in the Gulgong - Mendooran region, southern Brigalow Belt South Bioregion (CW282/HU707, PCT478)
Offset trading group	Western Slopes Dry Sclerophyll Forests with a percent cleared value <50%
Hollow bearing trees	Vegetation containing hollow-bearing trees
Vegetation class	Western Slopes Dry Sclerophyll Forests
Vegetation formation	Dry Sclerophyll Forests (Shrubby sub-formation)
IBRA subregion	Pilliga and any IBRA subregion that adjoins the IBRA subregion within which the development occurs and any such subregion that is within 100 kilometres of the outer edge of the impact site.

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## What happens next?

- Applicant is issued with a Statement of Reasonable Equivalence for their credit obligation
  - They may still purchase matching BBAM credits if they wish
  - They may use the Statement to pay into the Biodiversity Conservation Fund
- Biodiversity and Conservation Division provides the data to BOPC including ratio of conversion
- If you have any questions about your credit equivalence please contact us at [BOSCREDITS@environment.nsw.gov.au](mailto:BOSCREDITS@environment.nsw.gov.au)



## Credit Equivalence- Existing Biobanking Agreement Credits





## **Credit Equivalence for Existing Biobanking Credits**

You should apply for an assessment of reasonable equivalence for existing Biobanking Agreement credits if:

- You own BioBanking credits either because you entered into a BioBanking agreement or you had these transferred to your ownership and you wish to sell these to someone with a credit obligation created under the BC Act
- Credit owners keep their existing BBAM credits but can sell them as BAM credits too
- We will re-issue the BAM credit ownership report if you sell some BBAM credits



## Credit Equivalence for Existing Biobanking Credits

Application form on the Department's website:  
send to [BOSCREDS@environment.nsw.gov.au](mailto:BOSCREDS@environment.nsw.gov.au)

Applications need to include:

1. All credit owners must sign the application form
2. Proof of identity provided to protect credit owner/s- we are working on a Practice Note to make this process clearer
3. Credit ownership report
4. Biobanking calculator reference
5. For any species credits- include GIS shape files for all vegetation management zones and species polygon or point data- talk to us if you don't have this- can be a problem with older applications

Applying for an assessment of reasonable equivalence of biodiversity credits – existing BioBanking credits

Applying for an assessment of reasonable equivalence of biodiversity credits – BioBanking credit obligation

Applying for a clause 34A certification

### Applying for an assessment of reasonable equivalence

Why an assessment of reasonable equivalence may be necessary if you own BioBanking credits or hold a BioBanking credit obligation.

The Biodiversity Conservation Act 2016 together with the Biodiversity Conservation Regulation 2017 commenced on 25 August 2017. They replaced the Threatened Species Conservation Act 1995 (TSC Act) and associated regulation. The TSC Act had previously provided the framework for creation of biodiversity credits and biodiversity credit obligations (also called offset obligations). These are also known as BioBanking credits after the name of the program. The change in legislation also included a change in the method that was used to create biodiversity credits and to calculate offset obligations.

To ensure that credits and credit obligations created under the TSC Act could still be used or met within the newer credit market, The Biodiversity Conservation (Savings and Transitional) Regulation 2017 (Savings and Transitions Regulation) preserved these credits and credit obligations. The Savings and Transitions Regulation also provided the power for the Environment Agency Head (EAH) to determine reasonable equivalence of these credits or credit obligations, that is, to match older BioBanking credits or credit obligations to the new Biodiversity Offsets Scheme credit numbers and classes.

### When to apply for an assessment of reasonable equivalence

You should apply for an assessment of reasonable equivalence if:

1. You own BioBanking credits either because you entered into a BioBanking agreement or you had these transferred to your ownership and you wish to sell these to someone with a credit obligation created under the BC Act.
2. You have a BioBanking credit obligation (calculated under the provisions of the TSC Act) and you wish to retire credits created under the BC Act to meet that obligation.
3. You have a BioBanking credit obligation (calculated under the provisions of the TSC Act) and you wish to discharge that obligation by payment into the **Biodiversity Conservation Fund**.

You can still transfer and retire BioBanking credits that match BioBanking credit obligations. You will not require an assessment of reasonable credit equivalence to do this. See the Biodiversity credits page for more details.

### Finding credits that match your Biodiversity Offsets Scheme equivalent credits or obligation

If you want to search for Biodiversity Offsets Scheme equivalent credits that match your Biodiversity Offsets Scheme equivalent credit obligation you will need to do the following:

and Environment

1300 361 967 Email

Online

**Biodiversity Offsets Scheme support**

Need help?

Use our enquiry form to get help, give feedback or ask a question about the Biodiversity Offsets Scheme. The form replaces the LMBC Service Centre.

Visit **Biodiversity Offsets Scheme support**.



## Existing Biobanking Credits- credit equivalence process

- Credit equivalence follows an approved method
- Approved method is on our website <https://www.environment.nsw.gov.au/topics/animals-and-plants/biodiversity/transitional-arrangements/reasonable-equivalence-of-biodiversity-credits-existing-biobanking-credits>
  - Calculated site by site with non fixed ratios- we had hoped there was a standard ratio we could apply however it's apparent there is too much site by site variation and each must be done on case by case basis
  - A percentage reduction for sites with existing conservation obligation is based on the original BBAM percentage reduction



## Existing Biobanking Credits- credit equivalence process

Credit type	Calculation
Ecosystem	Apply BAM equation 4- uses vegetation management zone area and gain in vegetation integrity score to calculate reasonable equivalence. Vegetation integrity gain is calculated based on BBAM site value score, averted loss and Security Benefit Scores. The class of credit will be updated using information from the Biodiversity Assessment Report (BAR).



### Existing Biobanking Credits- credit equivalence process

Credit type	Calculation
Species credit (fauna)	Apply BAM equation 5- uses habitat area and gain in vegetation integrity score to calculate reasonable equivalence. Vegetation integrity gain is calculated based on BBAM site value score, averted loss and Security Benefit Scores.
Species credit (flora assessed by area)	Apply BAM equation 5- uses habitat area and gain in vegetation integrity score to calculate reasonable equivalence. Vegetation integrity gain is calculated based on BBAM site value score, averted loss and Security Benefit Scores.
Species credit (flora assessed by count)	Apply BAM equation 6- number of individuals and BAM intrinsic rate of increase to calculate reasonable equivalence.



## **Existing Biobanking Credits- credit equivalence process**

- Where the original Biobanking credit type is spread across more than one class of equivalent credits- any remaining credits will be proportionally allocated across these classes. This is done so as to not advantage or disadvantage any credit owners.
- Where the original Biobanking Credit type is now spread across more than one class of equivalent credits- and owned by multiple owners- each owner will be proportionally allocated credits from each of the equivalent classes. This is done so as to not advantage or disadvantage any credit owners.



## What happens next?

- Credit owner is issued with a Credit Ownership Statement
- Credit owner may use this information to transfer or retire either BioBanking or equivalent Biodiversity Offsets Scheme credits
  - All transfers and retirements occur in the BioBanking registers
  - New owners can get credit equivalence if required
  - We are working on updating the BAM public register of available credits to include equivalent BAM credits
- Biodiversity and Conservation Division provides the data to BOPC including ratio of conversion
- If you have any questions about your credit equivalence please contact us at [BOSCREDITS@environment.nsw.gov.au](mailto:BOSCREDITS@environment.nsw.gov.au)



## Credit equivalence process- general

Common problems with applications:

- Form not signed/ not signed by required parties
- No Proof of Identity provided by credit owners
- Credit Ownership Report or Consent Conditions don't match the Biobanking credit calculator or where there appear to be anomalies in credit calculator output.
  - Multiple versions/ unfinalised Biobanking cases
  - Post-approval amendment/ project modifications of Biobanking cases

The goal for today was to improve understanding of the credit equivalence process and to answer questions previously asked. There is a Q&A following this presentation for any further specific questions



# Q&A

**This session will not be included in the webinar recording.**

**Written questions and answers will be attached to the webinar recording soon after the event.**

**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.**



# Thank you for your participation

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

Contact us at [www.environment.nsw.gov.au/biodiversity/bos-help-advice](http://www.environment.nsw.gov.au/biodiversity/bos-help-advice)