

Questions and Answers

How do you determine reasonable credit equivalence for a species credit species generated under the BioBanking Assessment Methodology (BBAM), which are now ecosystem credit species under the Biodiversity Assessment Method (BAM)? e.g. broilga and pale-vented bush-hen. Are these BBAM species credits still valid?

If you have a credit obligation for a species credit under the *Threatened Species Conservation Act 1995* (TSC Act) and it's now an ecosystem credit under the *Biodiversity Conservation Act 2016* (BC Act), then the ecosystem credits associated with that credit obligation are now considered to have met the credit obligation for that species credit. This has happened a few times and if you have a case where you think this might be applicable, contact us at BOSCREDITS@environment.nsw.gov.au.

If you've generated species credits in a Biobanking Agreement under the TSC Act and now that species is considered an ecosystem credit under the BC Act, then we can't do a credit equivalence for that species credit as there is no equivalent species credit. If you have a case where you think this is applicable, contact us at BOSCREDITS@environment.nsw.gov.au.

Once an assessment of reasonable equivalence has been provided, can offset liabilities originally calculated using BioBanking that deal with Matters of National Environmental Significance (MNES) now be satisfied by payment into the fund?

There's been some recent changes with the bilateral agreement between the Commonwealth and NSW (weblink below).

<https://www.environment.nsw.gov.au/topics/animals-and-plants/biodiversity/assessment-bilateral-agreement>

There's a webinar on this topic scheduled for 6th June 2020.

How does an assessment of reasonable equivalence work when BBAM credits are available on the register but the owner of the credits will not sell?

If you have a Biobanking credit obligation firstly check the supply register to see if the credits are available. If you contact the credit owner/s and those credit/s are already committed and not for sale, then we can do a full recalculation for your credit equivalence.

When you have credits that have passed through the reasonable equivalence process and you have 'fractions' of credits as residuals following a trade, what is the practice to be employed where credits from an original pool are traded in both BBAM and BAM? (the transactions are not in clear proportions)

Equivalent BAM credit transactions are still processed through the Biobanking system even if they're sold as BAM credits, and appear on the BBAM registers. A credit equivalence could be undertaken on any remaining credits.

Can an organisation pay into the Biodiversity Conservation Trust (BCT) Fund when there are credits available on the market but the conversion from BBAM to BAM is not favourable?

An organisation can pay into the BCT to discharge a credit obligation, even if credits are available on the supply register. If your credit equivalence is given a 1:1 ratio you can still pay into the BCT, but it will be at the 1:1 ratio.

Does the conversion apply to the whole BBAM agreement?

Credit equivalences are undertaken for the entire Biobanking Agreement; or if some credits have already been sold, then for the remaining credits.

Are credits generated under BBAM, when converted to credits under BAM and traded under BAM, based on a one-to-one ratio? For example, is a mangrove credit equal to one saltmarsh credit? Similarly, is a credit for the mangrove honeyeater equal to a credit for the southern myotis on a one-to-one basis when traded?

If ecosystem credits fall into the same offset trading group under BAM they can be traded within that offset trading group at 1:1 ratio.

The question about ratios when trading different species credits is more about the variation rules and not credit equivalence.

If you've got a specific question, please send it through to the BOS credits mailbox (BOSCREDITS@environment.nsw.gov.au) or a specific case you want to discuss and we can discuss it in more detail with you.

What should be done if the Biobanking register is not up to date? e.g. credit holder contact details are no longer valid, credits have been sold/retired.

Thanks for letting us know. If you can't get in touch with a credit owner on the Biobanking register, please inform us at the Biobanking mailbox (biobanking@environment.nsw.gov.au) and we'll contact the original owner, if we can, and update their details in the system.

Have EES looked at whether the offset ratios are remaining the same post credit equivalence (between BBAM and BAM)?

Yes, John Seidel has been looking at the BAM offset ratios. John's tracking the credit yields and the credit demands that are coming through the assessments. Overall, the intention is that the offset ratios remain about the same. At the high level that's what we are seeing in the BAM assessments

On a case-by-case basis there will be variations. Recently we had a situation where there was a large increase in the offset ratio - from when it was done in BBAM. The assessor spoke to us about the increase and we had a look at it together. Derek Rutherford (Delegate of the Environment Agency Head) made the decision to change the equivalence to provide an offset ratio that was closer to the FBA/BBAM ratio. It still was an increase but wasn't as large. Derek has the flexibility as the delegate of the Environment Agency Head to provide a "reasonable" equivalence. If you're getting something significantly different. please contact us.

Note: It's not a financial equivalence, it is an ecological equivalence. We look for ways that we can use a surrogate site or look into the calculations to see what's driving the increase in the ratio. If you encounter this situation then please contact us.

Are the ratios data driven? i.e. comparison between BBAM/FBA and BAM? We have been finding that the number of credits generated is much lower under BAM when directly comparing using FBA/BAM data.

In terms of credit equivalence, the ratio between the credits you had under BBAM and now the credits you have under BAM are data driven. The ratio is based on equations outlined in the Biodiversity Assessment Method, which uses site value, area of management zone/number of individuals and BAM risk weighting.

Ratios between a development site and an offset site is a bigger question that involves more of an overview of how the BAM's going versus those ratios as they were under BBAM. So, credit equivalence doesn't really address the offset ratios.

Is there a statutory timeframe for processing an application of reasonable credit equivalence? If no, what is the estimated timeframe?

No there's no statutory timeframe for processing an application for reasonable equivalence. The time frame depends on whether or not we get all the required information up-front. If an application includes the signed forms, correct biobanking credit calculator reference, correct ABN/CAN, proof of identity and GIS shape files for species data, then a simple credit equivalence would take around 4 weeks. More complicated credit equivalences that include multiple ecosystem and species credits would take around 8 weeks.

I understand that to generate the higher credit yield at offset sites, much more active management is required. That wasn't the case when BBAM offset sites were set up though. Does the active management at BBAM sites that were established affect the equivalent BAM credits awarded?

As far as how the BAM compares to active management under BBAM, we're finding that under BBAM, for a lot of cases, particularly in the Cumberland area, there was a lot of active management happening, so a lot of revegetation, bringing in timber and those sorts of things on to a site. Under the BAM you can still do similar sorts of active management, they're just given slightly different names. The active management under BBAM doesn't really affect the credits created under equivalence with BAM except for the fact that it does increase your future score, the gain on a site and the number of credits created.