

# NATIONAL BIODIVERSITY

## OFFSETS CONFERENCE 2.0

2022 CANBERRA



### PRESENTATION | ESTIMATING THE VALUE OF BIODIVERSITY CREDITS FOR THE NSW BIODIVERSITY OFFSET SCHEME

#### ABSTRACT

The Biodiversity Offset Scheme is the NSW framework for offsetting the unavoidable impacts on biodiversity due to development with biodiversity gains through landholder stewardship agreements. The NSW scheme is notable for having relatively strict like-for-like requirements which means there are hundreds of different credit types which need to match between development and offset sites. The scheme also allows development proponents to meet their offset obligations by making a payment into a biodiversity conservation fund, which transfers the credit obligation to the government to meet. A major challenge to estimating credit value is that most credits types have never or rarely been generated or traded so there is limited market information. During 2021/2022 the Biodiversity Conservation Trust have developed and consulted on a set of new methods to better estimate the value for each of the numerous biodiversity credits. These methods are proposed to be used to set the charge a developer must pay if they choose to meet their obligation via the fund. Key components of the new methods are estimating the typical supply side cost of establishing credits at stewardship sites. For ecosystem credits the key components of estimating the charge are typical management costs, land value and credit yield per hectare. For species credits key components of estimating the cost of generating credits are relative survey effort and management costs for the species, the availability of sites to generate credits and typical credit yield at a stewardship site. The methods rely on best available ecological maps and threatened species record data, overlain with current land valuation data to estimate the potential offset credit availability and value. The work highlights the challenges in estimating credit value given the highly variable nature of ecological considerations, land management costs and land values in a rapidly changing economy as well as participant values and motivation.

### SPEAKER BIOGRAPHY



#### JUSTIN WILLIAMS

Justin Williams is the co-manager of the Biodiversity Offset Program team within the Biodiversity Conservation Trust. Justin has been working closely with Peter Ewin and other BCT staff over the last 15 months to develop new methods for estimating the value of biodiversity credits in NSW. Prior to this Justin has 25 years' experience working as a forest ecologist and forest manager across coastal NSW for the Forestry Corporation of NSW.



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