

Entering a Biodiversity Stewardship Agreement (BSA) **The steps**

Step 1: confirm eligibility for a BSA

Confirm your land meets the eligibility requirements to enter into a BSA.

Receive consent from any bank with which you hold a mortgage.

Check you meet the fit and proper person test.

Step 2: consider submitting an EOI - *optional*

You can choose to advertise your interest in setting up a BSA on the EOI register.

This allows you to identify potential interested purchasers, before you proceed with establishing a BSA.

This is an optional step. You can proceed directly to a BSA however most landholders will want to identify firm buyers for their credits before establishing a BSA.

Step 3: engage an accredited assessor to assess the biodiversity values of your site

The biodiversity values on your land must be assessed by an accredited assessor in accordance with the Biodiversity Assessment Method (BAM) before you can apply for a BSA.

We recommend that an assessment be conducted in three steps. Steps 3a and 3b are optional but allow you to have enough information to make an informed decision about whether you should proceed to a full BAM assessment and Biodiversity Stewardship Site Assessment Report (a BSA application) under 3c.

Step 3a: feasibility assessment - *optional*

This is a relatively low-cost, initial assessment to give you information about whether a BSA may be feasible on your land.

It will likely be a “desktop” assessment (i.e. using existing information and mapping about your proposed site, without physically visiting the site) or may involve a brief site visit (a ‘walkover’) to key areas of your property. Any existing ecological information should be made available to improve the accuracy of this step.

The accredited assessor will determine the types of vegetation and habitat on your site and will estimate (possibly a range) the number of each credit type that may be generated.

The accredited assessor should also give you an indication of the likely demand for the type of credits you may generate, i.e. whether there may be a potential buyer for those credits.

An accredited assessor will generally charge you a fee to undertake a feasibility assessment.

More detailed information on what should be included in a feasibility assessment is online.

Step 3b: business case - *optional*

A business case is more detailed and accurate than a feasibility assessment.

The purpose of the business case is to provide a reliable estimate of the financial viability of establishing the proposed BSA.

The business case relies on a preliminary field assessment and the knowledge and experience of an accredited assessor to provide an informed estimate of the type and number of credits likely to be created.

It should also provide you with initial information on the management costs to generate those biodiversity credits (the total fund deposit) as well as the likely minimum price at which those credits could be sold to cover those management costs.

The business case should provide information on the past and current market price for the credits to be generated on your site.

An accredited assessor will charge you a fee to undertake a business case.

Visit our website for more detailed information on what should be included in a business case.

Step 3c: full BAM assessment and preparation of a Biodiversity Stewardship Site Assessment Report

This is a detailed, comprehensive assessment of the biodiversity values on your site and the management requirements, in accordance with the Biodiversity Assessment Method.

It involves the preparation of a document called a Biodiversity Stewardship Site Assessment Report and a management plan for the site, which form your application for a BSA. This step is essential to apply for a BSA.

It will involve a detailed field assessment of the vegetation and (sometimes) the threatened species on site. Threatened species assessment is optional and will involve additional costs (but may generate additional credits for sale).

It will involve agreeing on a management plan for the site with the accredited assessor, noting there are standard, required management actions that must be undertaken. The number of biodiversity credits you will generate on your land is directly related to the expected improvement in biodiversity values to be achieved through management actions.

It will accurately determine the number and type of biodiversity credits that can be generated on your site.

It will specify the in-perpetuity management costs for the site (the total fund deposit) based on the management plan. This is calculated as the total present value of management costs for the site, which the BCT will invest and return to you as annual management payments once you have sold enough credits.

The report will also provide you with information to determine the likely minimum price at which your credits can be sold to cover your management costs.

Step 4: submit a BSA application

The landholder submits an application form for a BSA to the BCT, including the Biodiversity Stewardship Site Assessment Report and the management plan. All supporting documentation listed in the application form must be submitted in the correct format as required by the application for it to be accepted.

The application will be reviewed by the BCT. This will generally involve a BCT staff member based in your region visiting your site, along with your accredited assessor.

Step 5: entering into the BSA

A BSA is a legally binding contract that you enter into with the BCT, through signing the document.

It is registered on your property title and remains there in perpetuity. It binds any future owners of your land.

Biodiversity credits are generated and transferred into your ownership. They are listed on the public registers, managed by OEHL so they can be seen by interested buyers.

You are obliged to undertake 'passive management' (e.g. refraining from activities that will disturb native vegetation or other fauna habitat such as bush rock and dead timber) as soon as your agreement commences.

Step 6: selling your biodiversity credits

You can sell your biodiversity credits to a developer, the BCT or use them to offset your own development.

You determine the sale price of your credits. You should set a price that covers your management costs (total fund deposit), other costs and a desired profit margin, on a per-credit basis.

Once you sell credits, money from the sale needs to be provided to the BCT until the total fund deposit (management money for the site) is fully met. This money is returned to you once your site enters 'active management' (see next step).

Once your total fund deposit is met, any further money earned from the sale of credits is kept by you, the credit owner.

Step 7: receiving management payments

When your site moves into 'active management', you will start receiving your annual management payments from the BCT and you must start managing your site in accordance with your agreed management plan. Your site moves into 'active management' when your total fund deposit is met.

Under the former biobanking scheme, a site moved into 'active management' when the total fund deposit reached 80% full, however, it is now required that the total fund deposit is met in full before management payments commence.