

BCT Biodiversity Offsets Program Statewide Biodiversity Credit Tender March 2020

FAQs

Q: What is a 'reverse auction' and why is this being used by the BCT?

A: A reverse auction is a type of auction in which sellers compete to obtain business from the buyer. Competition from multiple sellers competing for a single buyer typically results in prices being bid down instead of up.

The BCT biodiversity credit tender process uses a reverse auction because this approach is considered an effective means of acquiring value-for-money biodiversity credits. Biodiversity credit tenders will be the primary means by which the BCT Biodiversity Offsets Program secures credits to meet developer offset obligations.

Other mechanisms, such as fixed price offers, will also be used by the BCT to purchase biodiversity credits. Fixed price offers will be used where available biodiversity credit supply is low.

More information on the mechanisms used by the BCT to purchase biodiversity credits is available on the [BCT Biodiversity Offsets Program webpage](#).

Q: Does the BCT have a set budget for the purchase of credits or a set number of credits to be purchased?

A: The BCT has not set a total budget for the purchase of credits through the March 2020 Statewide Biodiversity Credit Tender.

The BCT will purchase sufficient credits to meet the offset obligations currently held by the BCT for the target credits. However, the BCT is not bound to accept the lowest or any bid received and is not responsible for any costs incurred in preparing and submitting a bid. Details of the number of credits being sought by the BCT are provided in the Landholder Guide [which is available on the BCT website](#).

Q: Will the BCT set a reserve price for credits? How will the reserve price be set and what will it be?

A: No reserve price will be set for each credit class. All submitted bids for each credit class will be assessed by the evaluation panel to determine value-for-money bids taking into consideration a range of market and other factors.

Q: What credits are being sought by the BCT?

A: The BCT will purchase ecosystem and species credits that represent like-for-like credits in accordance with section 6.3 of the *Biodiversity Conservation Regulation 2017* for the credit classes set out in Table 1 of the landholder guide.

Credit owners and landowners may wish to seek advice from an accredited assessor to determine whether their credits are like-for-like for the target credit classes and therefore whether they are eligible to participate in the biodiversity credit tender.

Q: What is an ‘Assessment of reasonable equivalence of biodiversity credits’? Why is it necessary and what if I don’t agree with the outcome?

A: An assessment of reasonable equivalence is undertaken by Department of Planning, Industry and Environment (DPIE) to determine the number and class of biodiversity credits that could reasonably be assumed to have been generated under a BioBanking agreement, had that agreement been assessed in accordance with the *Biodiversity Conservation Act 2016* and the Biodiversity Assessment Method (BAM) rather than the *Threatened Species Conservation Act 1995* (TSC Act) BioBanking Assessment Methodology (BBAM). The assessment is undertaken using data extracted from the BioBank Site Biodiversity Assessment Report (BSSAR) and identifies the number and type of BAM credits considered ‘*reasonably equivalent*’ to the number and class of BBAM credits generated at the biobank site under the TSC Act.

An assessment of reasonable equivalence is required for a Biobanking agreement because the number and types of credits generated from a given site differs depending on whether the credits were generated under the former TSC Act or current *Biodiversity Conservation Act 2016* (BC Act). To enable the BCT to acquit proponent offset obligations, the BCT must consider the number of BAM credits that are equivalent to the offered BioBanking credits when evaluating ‘value for money’ bids for the BCT biodiversity credit tenders (refer section 4.3). An assessment of reasonable equivalence will not be required for an existing or pending Biodiversity Stewardship Agreement that has been assessed under the BAM.

The assessment of reasonable equivalence will be undertaken by DPIE independently of the BCT. The outcomes of the assessment will be communicated to bidders when notified if their bid has been successful. If your bid has been successful but you disagree with the outcome of the assessment, you will be given the opportunity to revoke your bid.

Q: My credits were generated under the former BioBanking Scheme. Should I price them as BBAM credits or BAM credits?

The 2020 Statewide Biodiversity Credit Tender is open to owners of both BBAM credits and BAM credits and the tender bid form will ask each bidder to identify which type of credit is being offered. Bidders offering BBAM credits are encouraged to price their credits as BBAM credits. Bidders will be required to indicate which credit type their nominated credit price refers to. The BCT will apply the results of the assessment of reasonable equivalence (see FAQ above) to convert offered BBAM credits to BAM credits to enable a value-for-money comparison to other bids offering BAM credits.

Q: My Biodiversity Assessment Report (BAR) / Biodiversity Stewardship Site Assessment Report (BBSAR) and related appendices contain commercially-sensitive information I do not want to provide to the BCT. Can I still submit a bid?

A: Yes. The BCT asks bidders to submit the BAR / BSSAR and any related appendices for review. This allows the BCT to fully assess credit attributes of interest, for example, if the credits generated from vegetation contain hollow-bearing trees.

However, the bidder can choose to redact commercially sensitive information from the BAR / BSSAR and/or related appendices provided that the redaction of information does not hinder the BCT's ability to verify credit attributes.

Q: Does my bid need to be submitted by an accredited assessor or can I do it myself?

A: Tender bids must be submitted by the registered owner of the credits, or where an agreement is still under assessment, by the registered applicant for the agreement.

Credit owners may wish to enlist the help of an accredited assessor to complete their tender bids but are not required to do so.

Q: I have credits generated from several different BioBank / Biodiversity Stewardship agreements. Can I put them all in a single tender bid form?

A: No. Credit owners can submit one bid form per BioBanking agreement or Biodiversity Stewardship agreement. Only credits from a single agreement should be included in a bid form. A separate bid form should be used for any subsequent agreements held by the credit owner.

Q: What happens if my bid is late?

A: The consideration of a late bid will be at the sole discretion of the BCT. Late bids will only be accepted where the BCT is satisfied that the integrity and competitiveness of the process would not be compromised.

Q: How can I best determine a bid price for my credits?

A: The price at which a credit owner is willing to sell their credits is a commercial decision, taking into consideration a range of factors including costs of producing credits (e.g. site management costs, establishment and opportunity costs, etc.), the return on investment sought by the credit owner and prevailing credit market conditions.

Credit owners may wish to seek the assistance of an accredited assessor when attempting to set a price for credits offered as part of the biodiversity credit tender.

BCT staff cannot offer advice on credit pricing.

Q: Can I change or revoke my bid once submitted?

A: Once a tender bid is submitted, no substantive changes can be made by the credit owner. The credit owner may, however, choose to revoke their bid at any time.

Q: What do I do if I decide to sell my credits to someone else after submitting my bid?

A: All bids are non-binding. This means that the credit owner may pursue other opportunities to sell their credits during the tender period. The credit owner may decline any offer by the BCT to purchase their credits or opt out of the tender process at any point.

If credits offered as a tender bid have been committed or sold by the applicant prior to the finalisation of the assessment process, applicants are required to inform the BCT immediately of the change in availability of their credits.

Q: How does the BCT intend to determine 'value for money' when evaluating bids?

A: The tender evaluation panel will take a range of factors into account when evaluating 'value for money'. These include: current market conditions relevant to target credits, the number of bids, spread of bid credit prices, cumulative total value of credits offered and costs borne by the BCT in hosting the biodiversity credit tender.

Q: I am currently preparing an application for a biodiversity stewardship site under the *Biodiversity Conservation Act 2016* (BC Act) which is expected to generate target credits. Can I submit a bid?

A: Yes. The current tender is open to owners of credits generated under the former BioBanking Scheme as well as landholders who currently have a Biodiversity Stewardship Agreement under assessment by the BCT.

Q: Will there be other opportunities to sell credits to the BCT? What if I'm not successful in this tender?

A: The BCT may run biodiversity credit tenders in the future to secure target credits. Credit owners that are unsuccessful in the current biodiversity credit tender may participate in future biodiversity credit tenders or fixed price offers provided they meet eligibility requirements.

Unsuccessful bidders may still sell their credits to other purchasers in the biodiversity credits market.

Biodiversity credit tenders and fixed price offers will be used by the BCT to secure other biodiversity credits required to meet developer offset obligations. Credit owners and landholders are encouraged to visit the BCT website for the latest information on the Biodiversity Offset Program's credit purchasing activities.