

# Rules for Estimating Typical BSA size for the Biodiversity Conservation Fund Charge System

## Purpose

The *Biodiversity Offsets Payment Calculator Order 2022* (the **Calculator**) establishes the offsets payment calculator under section 6.32(1) of the *Biodiversity Conservation Act 2016*.

This document sets out the rules for how the Biodiversity Stewardship Agreement (BSA) size will be calculated for the purposes of parts 3.1 and 3.2 of the Calculator. The document also sets out the geographic regions used when calculating management costs under part 3.3 of the Calculator. These geographic regions are also used when calculating the risk premium under part 7.3 of the Calculator.

## 1. Rules for Estimating Typical BSA size for the Biodiversity Conservation Fund Charge System

- 1.1 Identify the IBRA subregions relevant to the calculation of a charge.
- 1.2 Calculate the values for each of the three criteria in Table 2 for the combination of subregions identified in 1.1, using the process outlined in 2 below.
- 1.3 Determine the relevant typical BSA size category for each of the three criteria in Table 2 based on the values calculated in 1.2 above.
- 1.4 Where the criteria determined in 1.3 above all identify the same typical BSA size category, assign that as the typical BSA size category to apply in part 3.1 and 3.2 of the Calculator.
- 1.5 Where the criteria suggest more than one than one typical BSA size category, the appropriate category to apply in part 3.1 and 3.2 of the Calculator will be assigned by size considering;
  - a) the number of criteria met for a relevant size category
  - b) the closest adjoining category to the assessed values
  - c) utilising averaging between adjoining categories when determining the Management Costs to apply where two categories are equally likely.

*Note Table 3: shows a hypothetical example of considering the range of criteria in application of 1.5.*
- 1.6 The Trust may alternatively determine a typical BSA size from a market sounding consistent with part 6.2 of the Calculator.

**Table 1.** Minimum area of OTG in a property to count as a potential BSA Site

Potential BSA size Category	<30 ha	30-50 ha	50-100 ha	100-200 ha	200-500 ha	500+ ha
Minimum Area of OTG on property	10 ha	10 ha	15 ha	30 ha	80 ha	150 ha

**Table 2:** Criteria to assign typical BSA size category.

Criteria	<30 ha	30-50 ha	50-100 ha	100-200 ha	200-500 ha	500+ ha
OTG extent (thousand hectares)	<5	<5-10	10-30	30-60	60-100	100 +
Predicted credit demand for OTG			<1000	1000-5000	>5000	>5000
Cumulative number of properties for the category that exceed the minimum area in Table 1	<p>Identify the largest area category with more than 60 properties greater than the minimum BSA size. This requires consideration of the cumulative number of properties from the largest area category first.</p> <p>If there are between 40 and 60 properties, then an average of the adjoining categories should be used.</p> <p>When less than 60 properties in total and the property distribution is not skewed towards smaller sizes, select the category with the most properties or average adjoining categories if two adjoining categories contain similar numbers and the most of properties.</p> <p>Where there are few properties and the OTG is characterised by small patches relative to property size, select property size categories where most of the OTG occurs by total area.</p>					

**Table 3.** Example of BSA size assignment to an OTG when more criteria suggest more than one typical BSA size category

Criteria	<30 ha	30-50 ha	50-100 ha	100-200 ha	200-500 ha	500+ ha
OTG extent (thousand hectares)				<b>33</b>		
Predicted credit demand for OTG				<b>1,200</b>		
Number of potential BSA properties (> minimum area in Table 1)	150	125	77	25	16	7
Cumulative number of properties (counted from largest to smallest in row above)	400	250	<b>125</b>	<b>48</b>	23	7
<b>Selected Category</b>	<b>Average of 50-100 ha and 100-200 ha</b>					

## 2. The process to calculate the values to apply to the Typical BSA size criteria

- 2.1 Intersect the best available Offset Trading Group (OTG) Map with a property layer, noting;
  - a) The best available OTG map is adopted by the Trust to represent the predicted extent of each Offset Trading Group.
  - b) A potential property layer is adopted by the Trust which represents potential BSA sites. This layer excludes Crown lands, Commonwealth land and existing BSA and offset conservation agreements as well as properties with less than 10 hectares of native vegetation.
  - c) The intersection of the best available OTG Map and the property layer is used to locate potentially available BSA sites for the applicable OTG.
- 2.2 Calculate the following values for each OTG in each IBRA subregion.
  - a) Total extent of OTG on all properties with more than ten hectares of native vegetation
  - b) Area of the OTG amongst the native vegetation for each relevant property
  - c) Number of properties with native vegetation of each size class (<30 hectares, 30-50 hectares, 50-100 hectares, 100-200 hectares, 200-500 ha and >500 hectares) with an area of the OTG greater than the minimum size for the relevant BSA size category in Table 1.
- 2.3 Identify predicted credit demand for each OTG and IBRA subregion from available data on approved major projects minus credits available at approved and pending BSAs.

## 3. Geographic regions for determining management costs

The Geographic regions used to estimate management costs under part 3.3 of the Calculator are based on the following local government areas

**Greater Sydney** – Bayside Council, Blacktown City Council, Blue Mountains City Council, Burwood Council, Camden City Council, Campbelltown City Council, Canterbury Bankstown Council, City of Canada Bay Council, City of Parramatta Council, Council of the City of Ryde, Council of the City of Sydney, Fairfield City Council, Georges River Council, Hawkesbury City Council, Inner West Council, Kuring-gai Council, Lane Cove Municipal Council, Liverpool City Council, Mosman Municipal Council, North Sydney Council, Northern Beaches Council, Penrith City Council, Randwick City Council, Shellharbour City Council, Strathfield Municipal Council, Sutherland Shire Council, The Council of the Municipality of Hunters Hill, The Council of the Shire of Hornsby, The Hills Shire Council, Waverley Council, Willoughby City Council, Wingecarribee Shire Council, Wollondilly Shire Council, Wollongong City Council, Woollahra Municipal Council.

**Non-Sydney** is the remainder of the local government areas in the state.