

Rules for Estimating Ecosystem Credit Yield 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 determining the likely ecosystem credit yield per hectare for the purpose of parts 3.1 and 3.8 of the Calculator.

1. Credit Yield Dataset

- 1.1 The Trust will adopt a dataset of credit yield per hectare from existing and potential Biodiversity Stewardship Agreement (BSA) sites that have a finalised Biodiversity Stewardship Site Assessment Report (BSSAR).
- 1.2 Where the Biodiversity Stewardship Agreement (BSA) was assessed using the Biodiversity Assessment Method (BAM) 2017, which had lower on average yields per hectare, the BCT has adjusted the yield to be comparable to BAM 2020 yields.
- 1.3 The dataset records information on Plant Community Type, OTG, Vegetation Class and Vegetation Formation as identified in BioNet Vegetation Classification as well as the IBRA subregion for each Vegetation Zone and whether the BSA is approved and credits are issued or if the BSA site is submitted but not yet approved.
- 1.4 The dataset only includes Vegetation Zones that are greater than five hectares in size.

2. Calculating Credit Yield

- 2.1 The credit yield to apply for an offset trading group under 3.1 and 3.8 of the Calculator will be determined from the area weighted average yield per hectare for the vegetation category where at least ten Vegetation Zones are available at the closest matching vegetation level in the following hierarchy:
 - a) OTG
 - b) Class (issued)
 - c) Class (issued and submitted)
 - d) Formation (issued)
 - e) Formation (issued and submitted)
 - f) Statewide
- 2.2 When applying 2.1, credit yield will be calculated from the Vegetation Zones only in the relevant IBRA Subregions if 10 or more vegetation zones credit values are available for the relevant IBRA Subregions.
- 2.3 Table 1 demonstrates which credit yield category is selected where 2.2 applies.
- 2.4 Where the Trust considers the yield for the Vegetation Zones are not directly comparable to the OTG (see Note), the Trust may apply the Statewide average or conduct a Market Sounding to determine the credit yield consistent with part 6.2 of the Calculator.

Note: An example of where 2.4 may be applied is where the available credit yield data for the rainforest formation is mostly from subtropical rainforests on the North Coast and these credit yields may not be relevant for Western Vine Thickets on the North West Slopes despite both being in the Rainforest formation.
- 2.5 Where 2.4 applies, the Trust will keep a record of why the Statewide average was applied or Market Sounding was conducted.

Table 1: Example of hierarchy applied to determine Credit Yield for an OTG. In this case the yield would be calculated from the Vegetation Zones at Formation level from all BSAs for the relevant IBRA Subregions (the numbers highlighted in orange). This is because the first four steps in the hierarchy (OTG, Class Issued, Class and Formation Issued) did not meet the minimum number of vegetation zones.

Group	Subregions		State	
	Number of Vegetation Zones	Weighted Average Yield	Number of Vegetation Zones	Weighted Average Yield
OTG	2	2.4	5	7.6
Class Issued	0	N/A	3	7.8
Class	3	5.4	5	7.6
Formation Issued	5	5.3	15	5.9
Formation	11	4.2	29	7.3
Statewide		N/A		5.7