



Biodiversity
Conservation
Trust

September 2022

Statewide Credit Tender

Outcomes report

May 2023

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1. Purpose

This report outlines the results of the Biodiversity Conservation Trust's (BCT's) state-wide biodiversity Credit Tender held in September 2022. It provides insight to the number and type of credits and bids received and the successful bids BCT offered to purchase credits from. It also explains the reasons for these outcomes. The purpose of the report is to support the Biodiversity Offsets Scheme by providing market information to participants.

2. Introduction

The Biodiversity Offsets Scheme (the Scheme) introduced by the *Biodiversity Conservation Act 2016* (BC Act) delivers a transparent, consistent and scientifically based approach to biodiversity offsetting in NSW. A key function of the BCT is to act as a market intermediary within the Scheme to secure offsets on behalf of developers who pay into the Biodiversity Conservation Fund (BCF). The BCT's Biodiversity Offsets Program (BOP) is responsible for securing biodiversity credits to meet these offset obligations.

A tender is one of the methods used by the BCT to purchase biodiversity credits. In a tender, applicants submit a bid price to sell their credits to the BCT. The BCT considers the bids through a competitive, reverse auction process.

A BCT credit tender is available to existing credit owners as well as landholders who are interested in establishing a Biodiversity Stewardship Agreement (BSA). The tender is limited to credits on the BCT's Wanted Credits List. The Wanted Credits List is specifically developed for the tender and is released on the BCT's [Credit Offer Portal](#) prior to the tender opening.

3. Tender process

The September 2022 State-wide Biodiversity Credit Tender (the tender) opened from 7 to 28 September 2022. The tender process is outlined in the tender [Participants Guide](#) (refer to tender tab).

The tender was promoted on the BCT's website, in the direct mail [BOS Update No. 6](#), and emails to accredited assessors and mailing list contacts.

In total, 270 bids offered more than 30,937 credits with a total price of over \$106 Million. Participants with existing credits accounted for 165 bids, while 105 bids contained credit offers from participants with proposed credits. 36 bids did not proceed due to one or more of the eligibility criteria outlined in the Participants' Guide not being satisfied and 1 bid was withdrawn by the applicant.

The BCT received 233 eligible bids, more than double the number of bids in the March 2022 Tender.

Credits were being sought for two programs, the BCT's Biodiversity Offsets Program (BOP) and the Department of Planning and Environment's (DPE's) Koala Strategy. The BCT received 17 eligible bids for Koala credits. The BCT retained 5 bids and the remaining 12 bids were forwarded to DPE.

In total, 221 eligible bids received for the BOP were subject to further evaluation.

3.1 Bid evaluation

Bids were not prioritised on price alone. The BCT considered other factors in the ranking of bids that provided conservation benefits, or reduced the BCT's transaction timeframes and risks.

Initial ranking of bids

Eligible bids were sorted into a ranked order based on cascading criteria summarised below and outlined in section 6.3.3 of the [Participants Guide](#) (refer to tender tab):

1. Bids in the **lowest-price band** were prioritised over bids in a higher-priced band.
2. Bids for **existing credits** were prioritised over proposed credits.
3. Bids with the **higher number of offered credits** for the credit class were prioritised.
4. Bids from sites in **passive management**, with a **higher percentage of the Total Fund Deposit satisfied** were prioritised.
5. Bids from sites in **active management**, with an **earlier establishment date** were prioritised.
6. If two or more bids were received with the same price for **proposed credits**, then priority was given to the **more progressed proposed sites**. Credits with a submitted BSA application were prioritised over credits with a Draft Biodiversity Stewardship Site Assessment Report (with full plot data), and then a business case.
7. If two or more bids for proposed credits had the same ranking in 6), then bids with the **higher number of offered credits** for the credit class, up to the number wanted by the BCT, were prioritised over less credits.

Evaluation Panel assessment

The BCT Chief Executive Officer established the tender Evaluation Panel (the Panel) to provide independent advice on the review of tender bids. The Panel meeting occurred on 3 November 2022 and was observed by an independent probity advisor.

The Panel reviewed the bid rankings and made recommendations to the BCT on the bids that were considered to be 'value for money'. The Panel evaluated eligible bids against criteria including:

- price competitiveness
- number of credits
- past market sales
- recent trade data
- credit availability
- price paid into the BCF
- time BCT obligations have been held
- transaction timeframes and
- conservation benefits.

Probity procedures

As outlined in the Participants' Guide, each bid was assigned a unique, generic identification number enabling personal information to be removed during the evaluation process.

Applicants, BCT staff, Board members, Panel members and any contractors involved in the delivery of the tender were required to declare any conflicts of interest. Declarations have been recorded and assessed by the Panel and independent probity advisor and managed accordingly.

4. Tender Outcomes

The Panel recommended that 158 bids be accepted as 'value for money' and the remaining 63 bids not be accepted as 'value for money'. The BCT made offers to purchase 88 'value for money' bids in prioritised order until either:

- all wanted credits for a credit class were obtained through committed purchases, or
- the available budget was exhausted.

Attachment A shows the outcomes of the 221 eligible bids received for 55 Offset Trading Groups including 88 accepted bids BCT offered to purchase. It includes the:

- Offset Trading Group for ecosystem and species credits
- the number of bids and credits the BCT accepted and offered to purchase
- the number of bids and credits not accepted and
- the total number of bid credits.

It is important to note that **not all bids accepted by the BCT proceed successfully to a credit purchase**. The reasons for this can include the credit owner not proceeding with the purchase, or the Total Fund Deposit (TFD) requirements (s6.21 of the BC Act) or other requirements not being met.

4.1 Tender Outcomes Summary - Bids accepted by the BCT

Based on the recommendations of the independent tender Evaluation Panel, the BCT made offers to purchase 7,073 credits from 88 bids for \$19.8 million.

Table 1 outlines the number and cost of ecosystem and species credit bids that the BCT offered to purchase.

Table 1 Bids accepted and receiving offers from the BCT

Credit Type	Number of BAM Credits	Purchase Cost
Ecosystem Credits	2,167	\$16,378,951
Species Credits	4,906	\$3,386,821
Total	7,073	\$19,765,773

This includes \$9.1 million for existing credits and \$10.7 million for proposed credits from 18 proposed BSAs currently being established.

The tender outcomes are expected to contribute funds to 31 existing BSA landowners and enable two existing sites to fulfill their Total Fund Deposit and commence active management.

The BCT offered to purchase credits for 30 different ecosystem Offset Trading Groups in 18 different IBRA subregions¹, and for 13 species in 14 different IBRA subregions.

¹ 'IBRA' refers to Interim Biogeographic Regionalisation of Australia.

Table 2 identifies the number and cost of the credits that the BCT is proceeding to purchase, as at 30 April 2023. This is a subset of the credits included in Table 1, given that in some cases the credit owner decided not to proceed with the purchase, or the TFD or other requirements were not satisfied.

In summary, by the end of April 2023 the BCT had committed to purchase 5,379 credits from the tender bids for a total cost of \$16.8 million. This outcome may vary as purchases proceed. The final outcomes and resulting credit transactions will be reported in the BOS [credit transactions register](#).

Table 2 Bids proceeding to a purchase

Credit Type	Number of BAM Credits	Purchase Cost
Ecosystem Credits	1,652	\$14,224,352
Species Credits	3,727	\$2,606,530
Total	5,379	\$16,830,882

Other sources of market information

This report is only one source of market information. Participants are encouraged to review other sources of market information such as the BOS [credit transactions register](#) , [Biodiversity credits market sales dashboard](#) and [Biodiversity Credits Supply Taskforce](#) reports.

Attachment A – Results

Offset Trading Group <small>(Note: Threatened ecological communities (TECs) listed in bold)</small>	Number of bids accepted	Number of bid credits accepted	Number of bids not accepted	Number of bid credits not accepted	Total number of bid credits
Ecosystem Credits	58	2,167	121	7,331	9,498
Clarence Dry Sclerophyll Forests < 50% cleared	1	22	0	0	22
Clarence Dry Sclerophyll Forests >= 50% and < 70% cleared	1	39	0	0	39
Coastal Freshwater Lagoons >= 70% and < 90% cleared	1	1	1	8	9
Coastal Heath Swamps < 50% cleared	1	2	2	10	12
Coastal Saltmarsh TEC	1	3	0	0	3
Coastal Valley Grassy Woodlands >= 70% and < 90% cleared	1	20	2	114	134
Coastal Valley Grassy Woodlands >= 90% cleared	0	0	1	4	4
Dry Rainforests < 50% cleared	2	6	0	1	7
Eastern Riverine Forests < 50% cleared	0	0	1	7	7
Freshwater Wetlands on Coastal Floodplains TEC	2	9	1	30	39
Illawarra Lowlands grassy woodland TEC	1	1	0	0	1
Inland Rocky Hill Woodlands >= 50% and < 70% cleared	1	10	1	10	20
Littoral Rainforest TEC	1	2	0	0	2
Lower Hunter Spotted Gum Ironbark Forest TEC	1	32	2	171	203
North Coast Wet Sclerophyll Forests < 50% cleared	3	92	18	1,020	1,112
North Coast Wet Sclerophyll Forests >= 50% and < 70% cleared	1	1	3	171	172
North Coast Wet Sclerophyll Forests >= 70% and < 90% cleared	0	0	2	165	165
Northern Hinterland Wet Sclerophyll Forests < 50% cleared	2	4	15	30	34
Northern Hinterland Wet Sclerophyll Forests >= 50% and < 70% cleared	2	9	0	0	9
Northern Warm Temperate Rainforests < 50% cleared	1	14	1	14	28
North-west Floodplain Woodlands >= 70% and < 90% cleared	0	0	1	242	242
River-Flat Eucalypt Forest on Coastal Floodplains TEC	3	198	2	158	356
South East Dry Sclerophyll Forests >= 90% cleared	0	0	1	39	39
Southern Lowland Wet Sclerophyll Forests < 50% cleared	5	104	0	0	104
Southern Tableland Dry Sclerophyll Forests >= 50% and < 70% cleared	2	47	5	221	268
Southern Tableland Dry Sclerophyll Forests >= 70% and < 90% cleared	0	0	1	87	87
Southern Tableland Grassy Woodlands >= 50% and < 70% cleared	1	40	0	0	40
Southern Tableland Grassy Woodlands >= 70% and < 90% cleared	1	35	0	53	88
Swamp Oak Floodplain Forest TEC	5	106	8	195	301
Swamp Sclerophyll Forest on Coastal Floodplains TEC	8	751	16	587	1,338
Sydney Coastal Dry Sclerophyll Forests >= 50% and < 70% cleared	2	24	0	4	28

Offset Trading Group	Number of bids accepted	Number of bid credits accepted	Number of bids not accepted	Number of bid credits not accepted	Total number of bid credits
Sydney Hinterland Dry Sclerophyll Forests >= 50% and < 70% cleared	2	143	0	57	200
Sydney Sand Flats Dry Sclerophyll Forests >= 50% and < 70% cleared	0	0	4	144	144
Temperate Montane Grasslands >= 90% cleared	0	0	1	4	4
Upper Riverina Dry Sclerophyll Forests >= 50% and < 70% cleared	2	125	0	17	142
Werriwa Tablelands Cool Temperate Grassy Woodland TEC	1	1	0	30	31
Western Slopes Dry Sclerophyll Forests >= 50% and < 70% cleared	1	39	0	0	39
Western Slopes Grassy Woodlands >= 50% and < 70% cleared	0	0	2	74	74
White Box - Yellow Box - Blakely's Red Gum Grassy Woodland TEC	2	287	30	3,664	3,951
Species Credits	30	4,906	12	5,991	10,897
Anthochaera phrygia (Regent Honeyeater)	1	163	0	0	163
Aprasia parapulchella (Pink-tailed Legless Lizard)	1	7	1	7	14
Callistemon linearifolius (Netted Bottle Brush)	2	11	0	0	11
Cercartetus nanus (Eastern Pygmy-possum)	0	0	1	109	109
Chalinolobus dwyeri (Large-eared Pied Bat)	1	120	0	0	120
Crinia tinnula (Wallum Froglet)	1	20	1	20	40
Grevillea juniperina subsp. juniperina (Juniper-leaved Grevillea)	0	0	1	29	29
Litoria brevipalmata (Green-thighed Frog)	1	5	1	5	10
Meridolum corneovirens (Cumberland Plain Land Snail)	1	108	0	0	108
Myotis macropus (Southern Myotis)	5	789	0	25	814
Petaurus norfolcensis (Squirrel Glider)	9	3,482	3	2,356	5,838
Phascolarctos cinereus (Koala)	3	84	2	3,382	3,466
Swainsona sericea (Silky Swainson-pea)	3	71	1	43	114
Synemon plana (Golden Sun Moth)	0	0	1	8	8
Thesium australe (Austral Toadflax)	1	20	0	7	27
Uvidicolus sphyrurus (Border Thick-tailed Gecko)	1	26	0	0	26
Grand Total	88	7,073	133	13,322	20,395