



Biodiversity  
Conservation  
Trust

# **BCT Credit Tender 24-02**

## **Participants guide**

**September 2024**

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## Glossary of terms

BAM	<a href="#">Biodiversity Assessment Method 2020</a>
BAM credits	Credits created under the <i>NSW Biodiversity Conservation Act 2016</i> using the BAM
BBAM credits	Credits created under the former <i>NSW Threatened Species Conservation Act 1995</i> BioBanking Scheme using the BioBanking Assessment Method
BC Act	<a href="#">Biodiversity Conservation Act 2016</a>
BC Regulation	<a href="#">Biodiversity Conservation Regulation 2017</a>
BCF	Biodiversity Conservation Fund
BCT	NSW Biodiversity Conservation Trust
Biodiversity Stewardship Agreement (BSA)	An agreement made under Division 2 of Part 5 of the BC Act.
Biodiversity Stewardship Site Assessment Report (BSSAR)	An assessment report required to accompany an application to enter a BSA.
Business case	A report providing details of proposed credits that has been prepared in accordance with section 5.2 of this guide.
Credit class	For the tender, a credit class is a group of credits with the same attributes, such as the same subregion, credit type/ PCT ID, offset trading group and Hollow-bearing tree status. <sup>1</sup>
Credit class options	The range of credit classes that are available to acquit an obligation under the offset rules contained in the BC Regulation. <sup>2</sup>
Credit sale agreement (or CSA)	A contract between the BCT and the credit owner or landholder committing both parties to a credit sale.
Cumberland Plain Woodland (CPW)	A critically endangered threatened ecological community listed under the BC Act that occurs within the Sydney Basin.
DCCEEW	Department of Climate Change, Energy, the Environment and Water
EPBC Act	Commonwealth <a href="#">Environment Protection and Biodiversity Conservation Act 1999</a>
Equivalence statement	An ' <a href="#">Assessment of reasonable equivalence of biodiversity credits</a> ' is issued by DCCEEW for BBAM credits to determine the equivalent number of BAM credits.
Hollow bearing tree (or HBT) status	An attribute of a credit class which identifies Hollow bearing trees as either present or absent.
Nature Markets and Offsets division (NMO)	A division within DCCEEW that assesses and approves new BSAs and operates the Biodiversity Credits Supply Fund.

<sup>1</sup> Refer to Section 10.2 of the [Biodiversity Assessment Method 2020](#)

<sup>2</sup> Refer to [Clause 6.2](#) of the BC Regulation.

Obligation	The obligation the BCT is under to secure offsets from the money paid into the BCF by a developer (BC Act, s6.2(g)).
Offset Trading Group (or OTG)	An attribute of a credit class identified in Section 10.2 of the BAM.
PCT	Plant Community Type
Subregion	Interim Biogeographic Regionalisation of Australia (IBRA) subregion
Threatened ecological community (or TEC)	As defined in the BC Act.

## 1. Credit tender

This guide explains how landholders and biodiversity credit owners can participate in a NSW Biodiversity Conservation Trust (BCT) credit tender.

A key function of the BCT within the NSW Biodiversity Offsets Scheme is to act as a market intermediary to secure offsets on behalf of developers who pay into the Biodiversity Conservation Fund (BCF). The BCT is responsible for securing biodiversity credits to meet these offset obligations.

A tender is one of the ways landholders and credit owners can sell their credits to the BCT. Other methods are described in Appendix 1.

**BCT Credit Tender 24-02 opens on 25 September and closes at 11:59pm on 9 October 2024.**

**Bids received after the closing time may not be considered further at BCT's absolute discretion.**

## 2. How does the tender work?

**In a BCT credit tender, applicants offer a price at which they are prepared to sell their credits.**

The BCT considers the bids through a competitive, reverse auction process.

The tender is available to existing credit owners as well as landholders who are interested in establishing a Biodiversity Stewardship Agreement (BSA).

For existing credit owners, if the bid is accepted then the BCT will proceed directly with the transaction.

Landholders interested in establishing a BSA will need to submit a Business case (meeting the requirements outlined in section 5.2) or a draft Biodiversity Stewardship Site Assessment Report (BSSAR) with their application. The BCT will review the Business case or draft BSSAR as part of the bid evaluation process. If the bid is accepted, the BCT will commit to purchasing the credits by entering into a credit sale agreement with the landholder. The credits are then purchased once the BSA site is established and credits created.

If successful in the tender, landholders will have the BCT as a committed buyer of credits before proceeding with additional assessment costs of their BSA.

## 3. What biodiversity credits are being sought?

The tender is limited to credits on the BCT's Wanted Credits List (WCL). The WCL is specifically developed for the tender and is released prior to the tender opening. It identifies the number of credits wanted by the BCT for each credit class. An applicant can offer to sell any number of credits up to this maximum number.

The Wanted Credit List is available through the BCT's [Credit Offer Portal](#). Information on how to use the WCL is provided in Section 3.2.

### 3.1 How does the Wanted Credits List work?

The Wanted Credits List identifies the number of credits wanted by the BCT for each credit class and is based on the developer offset obligations received by the BCT. The BCT can acquit an obligation with credits from a range of different credit classes. The credits wanted for an obligation are therefore displayed for each of the possible credit class options. The Wanted Credits List is then compiled by summing the number of credits required from all obligations for each credit class (See Box 1).

#### **Box 1 Example of how the Wanted Credits List works**

The BCT has received an obligation for 100 ecosystem credits. The obligation can be acquitted by a number of different credit class options i.e. combinations of IBRA subregion, Offset Trading Group (OTG), Plant Community Type (PCT) and Hollow-bearing tree status.

The Wanted Credits List will display 100 wanted credits for each of these credit classes, but the BCT will only purchase 100 credits in total for this obligation. The 100 credits purchased may be from one or more credit classes.

If different obligations share the same credit class option, then the Wanted Credits List will show the total number of credits being sought from all obligations for the credit class.

The Wanted Credits List is updated and revised for each credit purchase program (e.g. for each tender). The Credit Offer Portal displays the date the Wanted Credits List was last updated. Guidance on how to use the Wanted Credits List is provided in section 3.2.

## 3.2 How to use the Wanted Credits List

As an applicant, **you simply need to search the Wanted Credits List for the credit class you own (or propose to create)**. For species credits, simply enter the species name (common or scientific) of the credits you own (or propose to create) and select the search button. For ecosystem credits, enter the **four** credit class attributes that identify the credits you own (or propose to create):

- IBRA subregion
- PCT ID
- Offset Trading Group
- Hollow-bearing tree status.

Box 2 explains where to find the credit class attributes of your credits.

Entering less than four credit class attributes may result in an incorrect credit class being displayed and your bid may be ineligible. Box 3 (over the page) provides important tips for making sure your ecosystem credit bid is eligible.

If the specific credit class you own (or propose to create) is not visible in the Wanted Credits List, then unfortunately the BCT is not seeking your credits (unless the exception for TEC credits outlined in section 3.3 applies).

### **Box 2 How do I identify the credit class attributes of the credits I own?**

You can only submit a bid if you know the credit class attributes of the credits you own (or propose to create). This information can be found:

- For **BAM credit owners**, in your biodiversity credit report or credit ownership report.
- For **BBAM credit owners**, in your **equivalence statement**.
- For **Landholders looking to establish a BSA**, the credit classes expected to be created at your proposed site will be identified in the Business case or draft or finalised BSSAR.

Please contact the BCT if you require assistance in identifying your credit class attributes.

### **Box 3 Examples of ineligible bids – make sure your bid counts**

In past tenders the BCT has received a large proportion of ineligible bids. This is time-consuming for the BCT to process and can be disappointing for applicants. In most cases, bids were ineligible because one credit class attribute did not match the credit owner or landholder's credit class.

The Wanted Credits List has been designed to ensure that credit owners or landholders with eligible wanted credits are able to submit a bid for their credit type. In other words, if the BCT wants your credits, then the specific credit class of your credits will be displayed in the Wanted Credits List. As mentioned above, if wanted credits are not displayed for your credit class, then the BCT is not seeking your credits for this tender.

We often receive bids offering to sell one credit class against multiple different credit class options. You will not benefit from submitting bids for credit class options that don't match the four credit class attributes of your credits. In most cases these bids will be ineligible.

Some common examples of ineligible bids are provided below.

#### **Example 1 - Wanted credits with and without Hollow-bearing trees**

If your credits have hollow-bearing trees, you can only submit a bid for wanted credits with hollow-bearing trees. You do not need to submit another bid for the same credits without hollow-bearing trees because the wanted credits list already includes credit class options with and without hollow-bearing trees in the number of wanted credits displayed.

If your credits do not have hollow-bearing trees, you are only eligible to submit a bid for wanted credits without hollow-bearing trees.

#### **Example 2 – Wanted credits are displayed for each individual credit class**

If you search the Wanted Credits List for Pilliga Outwash subregion, Western Slopes Dry Sclerophyll Forests <50% cleared Offset Trading Group with Hollow-bearing trees, you may see pages of different PCT IDs all displaying 52 wanted credits. This means the BCT wants 52 credits to meet the offset obligation(s) it holds and can use credits from any of those PCT IDs to acquit the obligation(s). The BCT does not want more than 52 credits and bids for PCT IDs that do not match your PCT ID will be ineligible.

#### **Example 3 – Wanted credits may be different for PCT IDs in the same Offset Trading Group and IBRA subregion**

If you search the Wanted Credits List for Pilliga Outwash subregion, Western Slopes Dry Sclerophyll Forests 50-70% cleared Offset Trading Group without Hollow-bearing trees, you may see pages of different PCT IDs and some display different numbers of wanted credits. This is because different offset rules have been applied to obligations (including like-for-like and variation rules) in accordance with the *Biodiversity Conservation Regulation 2017*. One PCT ID may be a valid credit class option for more obligations than another PCT ID depending on the offset rule applied to each obligation. The Wanted Credits List displays the number of wanted credits for each credit class option and bids for PCT IDs that do not match your PCT ID will be ineligible.

Continued over page.

### Box 3 continued

#### **Example 4 – Submit a bid for the credit class you own up to the number of wanted credits displayed, not exceeding the number of credits you own (or propose to create)**

The guidance in the above examples applies regardless of the number of credits you own (or propose to create). For example, if you hold 80 credits and the Wanted Credits List displays 60 wanted credits for the credit class you own, you are eligible to submit a bid for 60 credits for that credit class. If the Wanted Credits List displays 80 wanted credits for a different credit class (i.e. a different IBRA subregion, PCT ID, Offset Trading Group or Hollow-bearing tree status), you are not eligible to submit a bid for those credits.

#### **Example 5 - If different bids are received for the same individual credits, the BCT will only accept the bid with the lowest credit price.**

An applicant with 100 credits of a credit class may submit one bid for 40 credits at Price A and a second bid for 60 credits at Price B. If they submit two bids for the same 100 credits, then the BCT will only accept the lowest priced bid.

### 3.3 Wanted TEC credits

Owners or landholders with credits for Threatened Ecological Communities (TECs) can submit bids for wanted credits of the TEC and / or for wanted credits of the related non-TEC credit class. The related non-TEC credit class comprises of:

- The same IBRA subregion as your TEC credits
- The same PCT as your TEC credits
- The non-TEC Offset Trading Group that corresponds to the same vegetation class of the PCT of your TEC credits and the Percent-cleared class of the PCT
- The same Hollow-Bearing Tree status as your TEC credits.

Box 4 provides an example of a related non-TEC credit class.

Information for determining the related non-TEC credit class is available on your Biodiversity Credit Report or Equivalence statement (for BBAM credits). The BCT can also be contacted if assistance is required.

Alternatively, information for determining the related non-TEC credit class is available in the NSW BioNET [Plant Community Type data](#) spreadsheet. Search for your PCT ID or PCT name in the spreadsheet and identify the corresponding vegetation class and Percent-cleared category in columns F and AF respectively.



#### **Box 4 Example of using TEC credits to submit a bid for a non-TEC credit class**

A credit owner holds credits for PCT 3986 within the Endangered Ecological Community (EEC) Offset Trading Group: Swamp Sclerophyll Forest on Coastal Floodplains of the New South Wales North Coast, Sydney Basin and South-East Corner Bioregions.

PCT 3986 has been assigned a Percent-cleared status of 22% and is within the vegetation class of Coastal Swamp Forests. The non-TEC Offset Trading Group for the PCT is therefore Coastal Swamp Forest <50% cleared.

The BCT Wanted Credits List displays 60 credits for PCT 3986 in this non-TEC Offset Trading Group. The other credit class attributes (IBRA subregion and Hollow-Bearing Tree status) match the owner's TEC credits.

In this case, the credit owner can use their PCT 3986 credits to submit a bid for the non-TEC wanted credits.

### **3.4 Wanted credits in Western Sydney with specific eligibility requirements**

Cumberland Plain Woodland in the Sydney Basin Bioregion (CPW) and Shale Gravel Transition Forest in the Sydney Basin Bioregion (SGTF) credits in the Cumberland, Sydney Cataract, Burratorang, Wollemi or Yengo subregions are wanted by the BCT to meet current and future requirements of the Growth Centres Biodiversity Offsets Program.

Further information on the Growth Centres Biodiversity Offsets Program and eligibility requirements for these credit classes are listed in Appendix 2.

**Handy hint:** If you are a landholder or credit owner with CPW or SGTF credits in the Cumberland, Sydney Cataract, Burratorang, Wollemi or Yengo subregions you should consider participating even if you are unsure about whether you meet the eligibility requirements. The BCT will review your bid information to determine whether it meets the relevant eligibility criteria. Please note that the BCT may request additional information including plot data or spatial shapefiles to review and process your bid.

## 4. Who is eligible to bid?

The tender is open to applicants who:

- own existing credits created under the current Biodiversity Offsets Scheme (termed BAM credits); or
- own existing credits created under the former BioBanking Scheme (termed BBAM credits) and have obtained an **equivalence statement** to determine the equivalent number of BAM credits; or
- are landholders and have obtained a Business case (meeting the requirements outlined in section 5.2) or a draft BSSAR from a BAM accredited assessor or have submitted an application for a BSA.

**Handy hint:** If you own BBAM credits make sure to allow sufficient time to obtain an equivalence statement before applying for the tender. Use this [link](#) to apply for a statement.

### 4.1 Conflicts of interest

Applicants with successful bids will be required to declare any conflicts of interest and how these will be managed. The declaration will be required when you enter into a credit sale agreement with the BCT (refer to Step 5 in Figure 1).

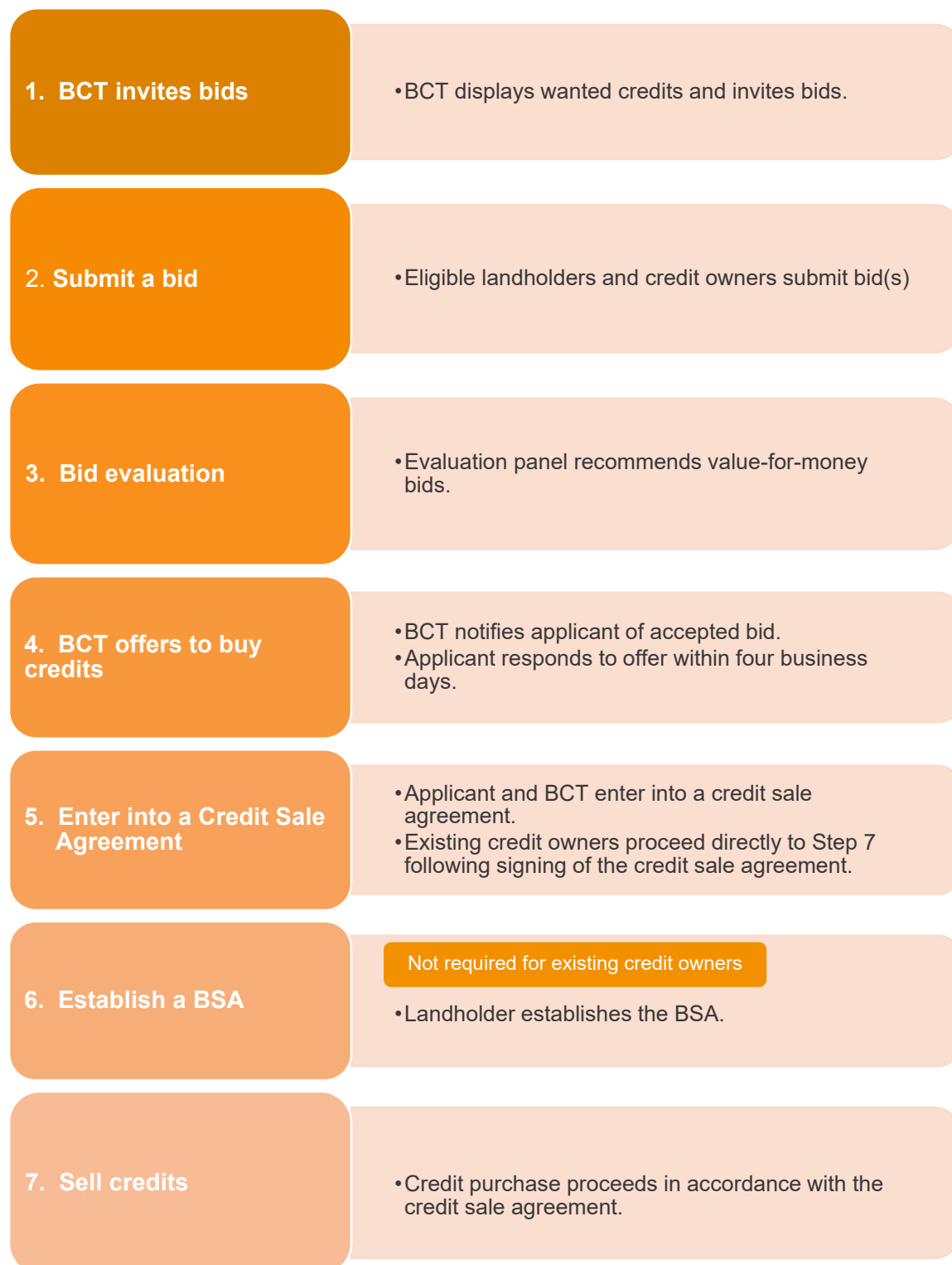
Applicants who have associations that are considered by the BCT to represent a conflict of interest which is unable to be managed may not be eligible.

BCT staff and Board members (and their close family members) and any contractors involved in the delivery of the tender are not eligible to participate. Any offers received from such parties will not progress further in the process.

## 5. Tender process

The steps for participating in the tender are outlined in Figure 1. Note that steps 5 and 6 are bypassed if you have existing credits.

**Figure 1. Steps to participate in the tender**



## 5.1 BCT seeks bids

The BCT will seek bids by promoting the tender through the BCT website and notifying accredited assessors and other known participants in the biodiversity credit market.

## 5.2 Submit a bid

To participate in the tender, you will need to complete and submit the on-line application form that is available on the BCT's [Credit Offer Portal](#). Read the [Guide to the Credit Offer Portal](#) before submitting your tender application. This will help you avoid common mistakes that may result in your bids being ineligible.

The Credit Offer Portal provides access to the Wanted Credits List for the tender.

### Enter your credit class in the Wanted Credits List

As an applicant, **you simply need to search the Wanted Credits List for the credit class you own (or propose to create)**. For species credits, enter the species name (common or scientific) of the credits you own (or propose to create) and select the search button. For ecosystem credits, enter the **four** credit class attributes that identify the credits you own (or propose to create):

- IBRA subregion
- PCT ID
- Offset Trading Group
- Hollow-bearing tree status.

More detailed guidance and tips on how to use the Wanted Credits List is provided in section 3.2.

### Submit an application

An application can be submitted with one or more bids for one or more wanted credit classes, and for any number of credits up to that displayed on the Wanted Credits List, not exceeding the number of credits you own (or propose to create). Each bid in the application must be for the same credit class as the credits you own or propose to create (note an exception for TEC credits in section 3.3).

### Submitting multiple applications

You can submit more than one application. Each application must only contain bids for credits that are from:

- the same agreement (or proposed site),
- the same credit status (i.e., either existing or proposed credits, not both), and
- the same offset scheme (i.e., either BAM or BBAM credits, not both).

There is no need to submit separate applications for each bid for each credit class you are offering to sell if all the credits are from the same site, have the same status and were created under the same offset scheme. Guidance on adding multiple credit offers to your application can be found in the [Guide to the Credit Offer Portal](#).

## Submitting different bid prices for the same credit class

An applicant can submit a number of bids with different bid prices for the same credit class. Each portion of credits with a different price will require a separate bid. For example, an applicant with 100 credits of a credit class may submit one bid for 40 credits at Price A and a second bid for 60 credits at Price B. Both bids can be in the same application.

Note however, that an applicant cannot submit different bids for the same individual credits. If different bids are received for the same individual credits, then the BCT will only make an offer to the bid with the lowest credit price.

## Supporting documents

The application requires you to upload the documents that are relevant for you in Table 1. An application may be rejected if the required documents are not uploaded.

**Table 1: Documents required for an application to sell credits to the BCT through the tender**

Applicant	Documents required
Owner of BAM credits	<ul style="list-style-type: none"><li>Finalised Biodiversity Credit Report (not the summary report) and/ or</li><li>Credit ownership report</li></ul>
Owner of BBAM credits	<ul style="list-style-type: none"><li>Credit ownership report and</li><li>'Assessment of reasonable equivalence of biodiversity credits' report (i.e. equivalence statement)</li></ul>
Landholder proposing a BSA	<ul style="list-style-type: none"><li>Either a Business case (meeting the requirements outlined below),</li><li>or if available, a draft BSSAR,</li><li>or if available, a BSSAR submitted with a BSA application.</li></ul>

**Notes:** Reports may be redacted to remove any commercially sensitive information.

The application authorises the BCT to verify the credits with DCCEEW.

## Business case for proposed credits

A Business case (or a draft or finalised BSSAR) needs to be submitted with a bid for proposed credits.

The purpose of the Business case is to assist the landholder in making an informed decision on proceeding with a BSA and the price at which credits can be sold. It also allows the BCT to make sure it's not committing to purchase credits that are unlikely to be delivered and so preventing other participants from having the opportunity to sell these credits.

Business cases must be prepared by an accredited assessor and must include the following information to be eligible:

- Name of assessor and accreditation number.
- Map of PCTs on the proposed BSA site that has been ground-truthed through an on-site assessment.
- Preliminary map of vegetation zones (note that a map of management zones is not required).

- Estimate of the number of ecosystem credits expected to be created in each vegetation zone (or management zone where relevant) based on BAM plot data collected from the site. Credit information must include the IBRA subregion, PCT ID, Offset Trading Group and Hollow-Bearing Tree status.
- For applications for species credits, confirmed presence of the species on the site and an estimate of the number of credits expected to be created.
- Total Fund Deposit (TFD) estimate for the site.

The BCT will only accept the bid as eligible if sufficient evidence is provided to support the above requirements. The BCT may at its discretion, seek additional information or clarification on any bid during the assessment process, however it is not required to do so.

### **Completing the application**

Please check your application carefully before submitting it.

**It's important to ensure that the credit details in your application are the same as for the credits you own (or propose to create), as identified in your supporting documents. If the details are incorrect then your application may be rejected.**

For example, if the credits you own are identified in the credit report as Hollow-Bearing Tree absent, then the bid must be for Hollow-Bearing Tree absent wanted credits. Other examples for PCT ID, Offset trading group and IBRA subregion were provided above and in section 3.2.

The application must be completed by either the registered owner of the credits, or the landholder of the property for the proposed BSA, or a person authorised to represent the credit owner or landholder.

Once the on-line application is submitted you will receive an emailed acknowledgement of its receipt.

**Handy hint:** Consider taking screen shots of bids as they are entered into the online Credit Offer Portal. This will provide a useful reference if needed.

### **Applications are non-binding**

Applications are not binding, meaning applicants can choose not to accept an offer from the BCT to purchase credits from the tender.

### **What do I do if I'm also participating in a NMO reverse auction?**

Applicants may submit applications concurrently for both a Nature Markets and Offsets (NMO) reverse auction and a BCT tender. If an applicant is unsuccessful in a NMO reverse auction, then they are free to accept an offer from the BCT.

If credits included in a BCT tender application are no longer available for sale, then applicants are required to inform the BCT immediately.

### 5.2.1 Bid price

An application must specify a bid price (excluding GST) per **BAM** credit for each bid for each credit class offered for sale. Only a single bid price will be accepted for each credit class.

If BBAM credits are being sold, then the equivalent bid price per BAM credit can be calculated by the applicant using the equivalence statement. The BCT can be contacted if assistance is required with the equivalence calculation. If the bid is successful and the purchase proceeds, the BCT will confirm the final number of BBAM credits to be purchased and the price per BBAM credit.

Information to assist in estimating biodiversity credit prices is available on [DCCEEW's website](#).

**Handy hint:** Remember that your bid price must be sufficient to meet the relevant proportion of the Total Fund Deposit (TFD) that is required to be paid for a BSA. The BCT reserves the right to reject a bid where the bid price does not meet these requirements. Box 5 provides more details.

#### Box 5 Total Fund Deposit requirements

Credits cannot be sold unless the relevant proportion of the TFD is paid into the Biodiversity Stewardship Payment Fund. The 'relevant proportion' refers to the proportion that the number of biodiversity credits to be transferred bears to the number of biodiversity credits created at the site (refer to s6.21 of the BC Act).

The relevant proportion of the remaining TFD can be determined using the approach identified in Part D of the '[Application to transfer biodiversity offsets scheme credits](#)'. The relevant proportion is calculated based on both ecosystem and species credits.

Example:

- 100 credits are created on a BSA with a remaining TFD of \$1,000,000.
- You intend to sell 50 credits (i.e. 50% of the credits since 50 of 100 credits = 50%).
- The relevant proportion of the remaining TFD that must be paid through the sale is therefore 50% which is equal to \$500,000 (i.e. 50% of \$1,000,000 = \$500,000).
- The minimum price at which you can sell your credits must be, on average, \$10,000 (since 50 credits at \$10,000 per credit = \$500,000)
- If the credit sale price is lower, you will be required to pay the balance of the relevant proportion before the credit transaction can proceed.

It is the credit owner's responsibility to ensure that they only agree to a credit sale price if the TFD requirements of the BC Act can be satisfied. For proposed credits, the TFD requirements for selling credits will be estimated through the Business case or draft or finalised BSSAR and then finalised when the BSA is established.

### **5.2.2 Obligation not to disclose bidding strategy**

A participant must not disclose a bid, proposed bid or bid related information that could affect the integrity or outcome of the tender. Any participant in this process is expected to adhere to the [BCT's Statement of Business Ethics](#).

A participant is not prevented from disclosing a bid, proposed bid or bid related information, for the purpose of obtaining finance, or for obtaining financial, legal or other advice, or if the disclosure is required or permitted by any law.

### **5.2.3 Disqualification from participating in future BCT programs**

The BCT reserves the right to disqualify a participant from participating in future BCT programs for an identified period. This can be done if the BCT believes on reasonable grounds that the participant has engaged in misconduct in relation to any purchasing process. In determining whether to disqualify a participant, the BCT may consider whether the participant has breached:

- The participant guide for the tender
- A direction given by the BCT in relation to this tender
- The occurrence, suspected occurrence or possible future occurrence of conduct intended to affect the integrity of the process. This includes disclosing a bidding strategy.

### **5.2.4 Withdrawing a bid**

A participant may withdraw a bid during the tender period. This will become an ineligible bid and will not progress through the tender process. Applicants are required to inform the BCT immediately if any credits offered in a bid have been sold to another party prior to notification of the results of the tender. This will result in the bid being withdrawn.

If successful, the credit owner or landholder reserves the right to decline the offer by the BCT to purchase credits as a result of this Biodiversity Credit Tender.

#### **Notifying the BCT if credits are no longer available**

If credits included in an application are no longer available for sale, then applicants are required to inform the BCT immediately. Similarly, the BCT will notify the applicant as soon as possible if the credits are no longer being sought (refer to section 6.4.1).



## 5.3 Bid evaluation

### 5.3.1 Reserve price

No reserve price will be set for each credit class. All submitted bids will be assessed by the evaluation panel using a range of factors to determine value-for-money bids (refer to section 5.3.2).

The BCT is not obliged to purchase any biodiversity credits offered within each credit class.

### 5.3.2 Evaluation process

#### Review of applications

The BCT will review applications to ensure that they are complete. BCT staff may access and review non-price related application information prior to the close of the tender so that it can expedite the evaluation process. Bid price information will not be accessed until after the close of the tender.

**Applications that are incomplete, or contain incorrect credit details, may be rejected at BCT's absolute discretion.**

The BCT may, at its absolute discretion and according to its interests, decide to amend incorrect details using information provided, or to request additional information from an applicant, and may accept the information as part of the application if it is received by a specified date. This request for information may occur, for example, for some applications with minor errors and/or with sought-after credits.

#### Review of Business cases

A Business case (or draft or finalised BSSAR) needs to be provided with a bid to sell proposed credits. The BCT will undertake a review of the Business case to ensure that the proposed credits for the bid are likely to be created. The Business case is accepted if the BCT, in its sole discretion, is satisfied that the proposed BSA is likely to create the required number and types of wanted credits. If the Business case is not accepted, then the bid will be rejected.

#### Evaluation Panel assessment

Bids will be assessed by an evaluation panel. The panel will be independent of the BCT staff directly involved in running the biodiversity credit tender. It will include an independent representative, external to the BCT and the evaluation process will be overseen by a probity advisor.

Bids will be assessed by the evaluation panel 'blind', meaning that identifying information will be removed and bids assigned a generic identifier. Where a credit owner or landholder has submitted multiple bids, either as part of a single application or multiple applications, each bid will be given a separate identifier and assessed separately throughout the process.

The evaluation panel will provide recommendations to the BCT on bids that are considered 'value-for-money' in accordance with the tender evaluation plan. In making these recommendations the panel may consider a range of factors, including the bid price in relation to market information on the credit class and the number of credits being offered for sale. Other considerations may include the level of

credit supply for the credit class, the level of market activity, and the length of time that offset obligations for the credit class have been held.

Bids for credits of threatened ecological communities in Western Sydney, as described in Section 3.4, will be evaluated according to the evaluation process set out in Appendix 2.

### **BCT decision**

The BCT will consider the panel's recommendations in determining which 'value for money' bids are to be accepted. 'Value for money' bids will be accepted and prioritised for making offers based on the cost implications of the credit purchase and consideration of other factors, such as the preferencing of purchases with higher conservation benefits, or that reduce the BCT's transaction timeframes and risks (e.g.; preferencing existing credits over proposed credits). The decision of the BCT is final.

The BCT will make offers to prioritised, value for money bids until either:

- all wanted credits for a credit class have been obtained through committed purchases, or
- the available budget has been exhausted.

### **BCT consideration of applications from other programs**

The BCT may consider opportunities to purchase credits from other credit purchase programs at any time, including during, and following a tender. As a result, credits offered by applicants through the tender may no longer be required by the BCT.

## 5.4 BCT offers to buy credits

If you included multiple bids in your application, then you will receive a separate response for each of your bids. Successful bids will receive an offer from the BCT to purchase credits, and unsuccessful bids will receive a notification (Section 5.4.1). The BCT may offer to purchase credits up to the number offered in your bid. If the BCT makes an offer, then your bid price and the number of credits offered to be purchased by the BCT is not negotiable.

You will be provided **four business days to respond to an offer**. This timeframe is required to enable the BCT to make offers to other applicants in a timely manner if you choose not to accept the BCT's offer. Responses to the offer will be received up to 11:59pm on the due date, as determined by the date stamp of your return email. An extension of this timeframe may be made by the BCT at its sole discretion.

**Handy hint:** Be prepared to receive an offer! Check your emails and your 'spam folder' in case the email is not displayed in your inbox. Unfortunately, if you miss the offer then the BCT, at its sole discretion, may terminate the bid and make an offer to the next applicant.

The offer is accepted if the applicant provides emailed advice of acceptance by the due date.

The offer is refused if either the applicant advises in writing via email that they refuse the offer or there is no response within the required time.

If the credit owner or landholder accepts the BCT's offer, then the BCT will provide confirmation of its in-principle commitment to purchase the credits and details of the next steps in the process.

### 5.4.1 Unsuccessful bids

Your bid may be unsuccessful for the following reasons:

- The bid was determined by the BCT to not be 'value for money', or
- The bid was considered 'value for money' however the wanted credits were obtained from higher priority bids up to the limit of the available budget, or
- The Business case or draft BSSAR for proposed credits was not accepted (refer to section 5.3.2), or
- The application was rejected during the review of applications (section 5.3.2), or
- A BCT offer to purchase credits was not responded to in the required timeframe (section 5.4), or
- The bid didn't meet the eligibility criteria for wanted credits in Western Sydney with specific eligibility requirements (refer Appendix 2).

If your bid is unsuccessful then you will be notified of this decision as soon as possible.

### 5.4.2 Unsuccessful bids may be considered further

If the BCT has received additional credit obligations since the Wanted Credits List was released, then it may re-consider and make an offer for unsuccessful bids. In these circumstances, the bids to receive a BCT offer will be prioritised from recently held credit purchase programs with the aim of providing best value for money and for reducing the BCT's risks and transaction timeframes.

## 5.5 Enter into credit sale agreement

The credit sale agreement (CSA) provides a contractual agreement in which both parties commit to proceed with the credit transaction. The BCT will enter into a CSA with an applicant who has agreed to proceed with the sale of credits.

### Agreements are binding

If a participant breaches a CSA without adequate justification, then the BCT may at its sole discretion, disqualify a participant from participating in future BCT programs for an identified period.

#### 5.5.1 What happens if the BSA does not create the required credits?

The CSA is a commitment by the landholder and the BCT to proceed with the credit transaction in accordance with the terms of the CSA. If less credits are created by the BSA than expected then, subject to the terms of the CSA, the BCT will purchase as many credits as are created.

#### ***Important note:***

By entering into a CSA, the BCT is not in any way committing to the landholder that the BSA will create the required credits.

The landholder is responsible for their decision to establish the BSA and to enter into a CSA with the BCT. It is recommended that the landholder carefully consider the advice from an accredited assessor on the number and type of credits likely to be created by a BSA, as well as any financial advice that is required for their decision. Valuable advice is also provided on DCCEEW webpage for [generating credits from a BSA](#).

#### 5.5.2 Purchase of additional credits

If more credits are available for sale, then the BCT may offer to purchase additional credits of the same credit type and at the same credit price as that offered by the applicant through the tender. The purchase of the additional credits would be facilitated through a variation to the CSA, which may occur at any time until the transaction has been completed by mutual agreement of the parties.

## 5.6 Establish a BSA

***This step is not required for existing credit owners.***

The landholder will require an accredited assessor to prepare the BSSAR and other documents that support a BSA application.

The submitted BSA application is reviewed by [Nature Markets and Offsets](#) (NMO). The proposed management actions and details of the BSA are therefore established independently of the credit sale to the BCT. This means that the BCT's earlier review of the Business case to inform its decision to enter a CSA has no bearing on the subsequent review of the BSA application by NMO.

Landholders will need to demonstrate that adequate progress is being made to establish the BSA. The required timeframes will be specified in the CSA. Table 2 provides an example of these timeframes. If satisfactory progress is not occurring in accordance with the CSA, then the CSA may be terminated.

**Table 2: Example of timeframes for landholders to establish a BSA**

Documents to be provided to the BCT	Required date
Evidence of engagement of an accredited assessor to prepare a BSSAR	<ul style="list-style-type: none"><li>Two calendar months following signing of the credit sale agreement</li></ul>
Evidence of submission of an application to enter into a BSA	<ul style="list-style-type: none"><li>Six calendar months following signing of the credit sale agreement</li></ul>

**Note:** *The above timeframes for submitting an application are examples and final timeframes will be specified in the CSA.*

## 5.7 Sell credits

For applicants with existing credits, the credit transaction usually proceeds within six weeks of the CSA being executed (subject to the terms of the CSA). These timeframes may need to be extended when the BCT are processing a large number of transactions immediately following the tender.

For landholders with a proposed BSA, the credit transaction usually occurs within six weeks of the BSA being registered on title (subject to the terms of the CSA).

## 6. Use of personal information

The application form seeks your consent for the BCT to access, store and use personal information that you have submitted, and also information held by DCCEEW and the BCT.

We will use this information for the purpose of assessing your application to sell credits. With your consent, this includes information from DCCEEW and the BCT to verify the ownership and attributes of the credits that are the subject of your application. It also includes attributes of the BSA or Biobanking agreement that created the credits, such as data on the Total Fund Deposit.

There is no legal requirement for you to provide us with personal information. However, if you do not provide all required information, we may not be able to consider your application.

If your application includes personal information about other persons that together comprise the applicant, then you must first obtain the consent of that person for the BCT to collect and use their information.

The Privacy Notice included in the application provides further information.

## 7. Additional information

Further information on the credit tender is available on the BCT's [credit tender](#) website.

Additional information can be sought by contacting [offsets@bct.nsw.gov.au](mailto:offsets@bct.nsw.gov.au).

Please note, the BCT cannot provide any additional information that has the potential to provide the enquirer with a competitive advantage over other possible applicants for the tender, but can provide procedural information on the application process.

# Appendix 1 - How does the BCT obtain credits?

The BCT uses a suite of credit purchase methods to acquit the offset obligations it receives from developers (see Table 3).

**Table 3 BCT credit purchase methods**

Credit purchase method	
<p><b>Credit tender</b></p>	<ul style="list-style-type: none"> <li>• <b><i>Applicants offer a price at which they are prepared to sell their credits.</i></b></li> <li>• Credit owners or landholders submit a bid price through a competitive, reverse auction process.</li> <li>• Open to existing credit owners and / or new landholders willing to establish a BSA.</li> <li>• New landholders must submit a Business case or draft BSSAR with their bid.</li> <li>• Bids are considered on a competitive basis.</li> </ul>
<p><b>Open fixed price offer</b></p>	<ul style="list-style-type: none"> <li>• <b><i>BCT offers applicants a price at which it wants to buy credits.</i></b></li> <li>• Credit owners or landholders apply to obtain the BCT's offer price.</li> <li>• New landholders must submit, as a minimum, a BSA feasibility assessment with their application.</li> <li>• Applications are considered in a ranked order.</li> <li>• BCT offers to purchase credits at a non-negotiable fixed price.</li> </ul>
<p><b>Targeted fixed price offer</b></p>	<ul style="list-style-type: none"> <li>• BCT offers to purchase credits directly from the credit owner / landholder.</li> <li>• May be open to both existing and prospective credit owners.</li> <li>• Will be used in limited circumstances and specific regions to obtain highly sought-after credits.</li> </ul>
<p><b>Revolving fund</b></p>	<ul style="list-style-type: none"> <li>• BCT purchases a property, establishes a BSA over the site to generate the relevant biodiversity credits which would then be used to acquit credit obligations. Property on-sold with BSA. Likely to be used opportunistically.</li> </ul>

# Appendix 2 – Eligibility and evaluation process for western Sydney TECs

## Eligibility requirements that apply to credit classes sought in western Sydney.

Credits for two TECs in Western Sydney are sought for the Growth Centres Biodiversity Offsets Program:

- [Cumberland Plain Woodland in the Sydney Basin Bioregion](#)
- [Shale Gravel Transition Forest in the Sydney Basin Bioregion.](#)

### Growth Centres Biodiversity Offset Program

The Growth Centres Biodiversity Offset Program aims to offset the impacts on biodiversity that are occurring as Sydney’s North-West and South-West Growth Centres are developed by permanently protecting some of the best remaining bushland in Western Sydney and surrounding regions. Bushland is protected under the program by acquiring land from willing landowners for new reserves, purchasing biodiversity credits from existing biodiversity stewardship sites and by establishing new biodiversity stewardship sites on private land.

Table 4 identifies the eligibility requirements for the Growth Centres Biodiversity Offsets Program.

**Table 4 Eligibility requirements for the Growth Centres Biodiversity Offsets Program**

Offset trading group	Specific eligibility requirements – Growth Centres
Cumberland Plain Woodland in the Sydney Basin Bioregion	Bids are eligible for the tender if the credits are: <ol style="list-style-type: none"> <li>Either existing credits, or proposed credits with a Business case as a minimum level of assessment, and</li> <li>derived from a BSA or biobank site that is within, or partially within, the Priority 1 Area<sup>3</sup> for the Growth Centres Biodiversity Offset Scheme, and</li> <li>derived from vegetation that satisfies the <a href="#">EPBC Act listing</a> for this community.</li> </ol>
Shale Gravel Transition Forest in the Sydney Basin Bioregion	
IBRA subregions: Cumberland, Sydney Cataract, Burragorang, Wollemi and Yengo.	

### Evaluation process for the Growth Centres Biodiversity Offset Program

The evaluation panel will provide recommendations to the BCT on the bids that are considered to be value for money, and the BCT will then rank those bids in line with the prioritisation process outlined below.

#### Ranking of bids

Eligible, value for money bids will be ranked from lowest to highest value.

<sup>3</sup> The Priority 1 Area is identified on the map on the [Growth Centres Biodiversity Offset Scheme web page](#).



In order to prioritise the purchase of existing credits when bids have a similar price, bids within each credit class will be grouped into 'price bands' (i.e., groups of bids within the same range) using a pre-determined method. Bids in the lowest-price band will be prioritised over bids in a higher-priced band.

The BCT will prioritise the purchase of **existing credits** within each band. If two or more bids are submitted within the same price band for the same credit class, then bids for existing credits will be given priority over proposed credits. This reduces BCT's risks and transaction timeframes.

If multiple bids are received within the same price band for **existing credits or proposed credits**, then priority is given to bids with the lowest price per hectare. This is to ensure the greatest area of eligible vegetation is secured in line with the area-based targets of the Growth Centres Biodiversity Offset Program.

When ranking bids for proposed sites, the BCT may also prioritise more progressed sites. That is, credits from a submitted BSA may be prioritised over credits with a draft BSSAR, and then a Business case. Prioritising credits from more progressed sites aims to reduce the BCT's risks and transaction timeframes.