

Mr Andrew Nicholls
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
Level 16, 2-24 Rawson Place
SYDNEY NSW 2000

Dear Mr Nicholls

Thank you for the opportunity to provide feedback on the content of IPART's Biodiversity Credits Market Monitoring Annual Report 2023-24.

We appreciate that IPART provided the Biodiversity Conservation Trust (BCT) with extracts of the report for fact-checking prior to publication. However, on reading the published report we found that some factual errors remain, outlined in the attached table.

We offer these corrections to improve the accuracy of the report, and its utility to stakeholders. In future, we would ask that IPART provides the full draft of such reports to the BCT for confidential fact-checking with sufficient time to enable all corrections to be made prior to publication.

We look forward to collaborating with IPART on the third annual market monitoring report.

Yours sincerely



Dr Erin Giuliani
Chief Executive Officer
6 March 2025

Enclosure

BCT corrections on IPART Biodiversity Credits Market Monitoring Annual Report 2023-24

Page	Correction
42 (s. 4.2)	The Biodiversity Conservation Trust (BCT) is not limited to paying less to purchase credits than the price it received from the developer (its pay-in charge). The BCT can and does pay above the pay-in charge to purchase credits. The BCT can and sometimes does also pay above the current price calculated by the Biodiversity Offsets Payment Calculator, to reflect market prices and scarcity.
44 (Fig 4.1)	The BCT updates the Biodiversity Offsets Payment Calculator (BOPC) annually, including on 1 July 2024. Therefore, the price to pay into the Biodiversity Conservation Fund in July 2024 was not applicable in the 2022-23 and 2023-24 financial years.
46-47	The report describes a case study where the cost of paying into the BCF was 10% below the median sellers' bid price to the Supply Fund's February 2024 reverse auction. It erroneously compares the average Biodiversity Conservation Fund (BCF) pay-in price (averaged over several years) with February 2024 reverse auction bid prices. This is not legitimate because the average pay-in price of the BCF's outstanding Southern Myotis obligations includes historically underpriced obligations that were paid in prior to introduction of the new BOPC method in October 2022. The actual price to pay into the Biodiversity Conservation Fund for Southern Myotis credits: <ul style="list-style-type: none"> • at the time of reverse auctions 1 and 2, was \$201.31 (18%) more per credit than the <i>average</i> pay-in price • at the time of reverse auctions 3 to 5, was \$187.40 (17%) more per credit than the <i>average</i> pay-in price.
48 (Fig 4.4)	Uncleared demand from the Biodiversity Conservation Fund at 1 July 2024 may differ from that at the time of the Supply Fund's February 2024 reverse auction. For example, 223 (75%) of the Squirrel Glider credits that were outstanding on 1 July 2024 were paid into the Fund from late February 2024.
51 (s. 4.2.4)	The Total Fund Deposit value is not determined by the BCT. The Total Fund Deposit value and the management actions required are determined by the Department of Climate Change, Energy, the Environment and Water.
107 (def'n BCF)	The BCT is not required to use payments into the Biodiversity Conservation Fund to source like-for-like credits in the market. The BCT may use any one or a combination of five options in applying the payments towards securing biodiversity offsets, as listed in clause 6.6 of the <i>Biodiversity Conservation Regulation 2017</i> .
107 (def'n BCF Charge)	The BCF Charge did not replace the BOPC, it is the new method of determining it under the current <i>Biodiversity Offsets Payments Calculator Order 2022</i> .

Our reference: 25/254

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3 April 2025

Dr Erin Giuliani
Chief Executive Officer
Biodiversity Conservation Trust

via email

Dear Dr Giuliani

Re: BCT corrections on IPART Biodiversity Credits Market Monitoring Annual Report 2023-24

Thank you for your letter dated 6 March 2025, regarding IPART's second Annual Report on the NSW biodiversity credits market.

The Tribunal has noted the Biodiversity Conservation Trust's concerns regarding several statements in the report and the corrections you have proposed, and we thank you for advising us on these matters. We are concerned to ensure that our work is as accurate as possible and will ensure that we take this information into consideration in our future work. As our report has now been available on our website for several months, we do not propose to issue a revised version of the report. Instead, we propose to publish your letter on our website alongside the report. We consider that this will provide transparency to other stakeholders on the matters you have identified and set out your comments in full. We seek your confirmation on whether you would consent to us publishing your letter dated 6 March 2025.

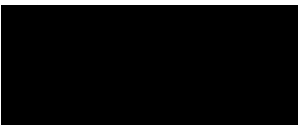
IPART is preparing to commence its 2024-25 monitoring of the biodiversity credits market. We will continue to regularly communicate with BCT staff to ensure our 2024-25 Annual Report is accurate and helpful to a wide range of stakeholders. As part of that, we will confirm details of our fact-checking process closer to finalising the report.

I would also welcome a meeting with you at any time during the project should you wish to discuss these matters further. Our Tribunal members look forward to meeting with the BCT Board later this year to discuss the review.

Please do not hesitate to reach out if you have any other questions. IPART's contact officer for this review is Ineke Ogilvy, Director – Pricing & Policy, contactable on 02 9290 8473.

Yours sincerely

3/04/2025



Andrew Nicholls PSM
Chief Executive Officer
Signed by: andrew.nicholls@ipart.nsw.gov.au