

No.	DCCEEW comment	IPART response
1	<p>The report references potential corruption risks and references a 2023 submission from ICAC. The sources of potential corruption risks identified in ICAC's 2023 submission pre-date the separation of the planning and environment agencies and scheme-related amendments, including amendments to the <i>Biodiversity Conservation Act 2016</i> in 2024. The potential sources of risk ICAC identified related to:</p> <ul style="list-style-type: none"> the exercise of consent authority discretion when setting offset obligations – these risks have been addressed through the establishment of an Environment Minister concurrence power for major projects and the abolition of proponent-led use of variation rules, both of which were legislated in 2024. transparency of information about offset obligations – these risks have been addressed through requirements, which were legislated in 2024, to establish and maintain a public register of offset obligations compliance and enforcement of offset obligations – these risks are being reduced through the establishment of the new public register. While consent authorities are responsible for ensuring compliance with conditions of consent, if a developer clears land without having met their offset conditions, it may be an offence under the <i>Biodiversity Conservation Act 2016</i>. Any such offences would be considered by DCCEEW's new Biodiversity and Heritage Regulator. While the BCT plays a role in assuring that landholders meet their management action obligations under a stewardship agreement, it does not have any role in assessing/determining credit obligations or ensuring they are met by developers. Its role in purchasing credits from landholders is appropriately separated from this assurance function, and both are underpinned by strong governance, including Board oversight. governance of accredited assessors – these risks are being addressed through DCCEEW's accredited assessors reset program. DCCEEW is also establishing an accreditation scheme for conservation brokers. 	<p>We have addressed this in the Draft Report. The Draft Report continues to note the risks raised in ICAC's submission in the context of concerns raised by other stakeholders on overlapping Government roles. However, we have included your advice on page 71 that ICAC's submission pre-dates changes that have reduced this risk. We have also added some of the additional information provided by DCCEEW on 20 March.</p>
2	<p>Throughout the report, IPART should consider adding more information on:</p> <ul style="list-style-type: none"> The currency of data to help identify where data is relevant to the 2024-25 financial year, where more recent data has been used or where data extends over several years. The stakeholder engagement process including the number of stakeholders who participated, relative to scheme participation rates, and to note that some stakeholders may not be representative of all scheme stakeholders and whether the feedback was based on financial or other interests. Information provided by DCCEEW (and published by IPART on 2 April 2026) in response to some feedback provided by stakeholders during the engagement process. 	<p>We have addressed these comments in the Draft Report to varying degrees. The Draft Report includes context on the basis for the figures presented. We will consider including current financial year data in the Final Report.</p> <p>We have added information on engagement numbers on page 19 of the Draft Report. We have previously discussed the best way of expanding our stakeholder reach with DCCEEW. We worked with DCCEEW staff earlier in the review to ensure that all participants in DCCEEW's stakeholder forum were directly invited to participate in our consultation process.</p>

3	<p>The report references developments over the three years of monitoring but does not include the year on year decrease in proportion of acquittals (by volume) using BCF. This has been a key issue for IPART and other stakeholders, and the metrics have shifted markedly from a majority of credit obligations being met by using the BCF to around 10% of credit obligations being met by using the BCF.</p>	<p>We have addressed this in the Draft Report by adding clarification on page 8 that market activity has increased <i>relative to the Fund option</i>. There are many different calculations that can be reported on and we note that other chapters of our report discuss use of the Fund in detail. We will also consider including additional analysis for the Final Report.</p>
4	<p>The BCT's source data has been inconsistently applied in calculating the estimates of obligations transferred to the fund that remain with the Fund and those for which variation rules and conservation actions have been applied. Some figures have been calculated using BCT data on purchased obligations (where the BCT has purchased credits or applied money) and some using BCT data on secured obligations (where the BCT has purchased credits or applied money or has a commitment in place to purchase credits or apply money). Secured figures are more of a lead indicator.</p> <p>The correct figures as at 30 June 2025 are:</p> <ul style="list-style-type: none"> • 29% of obligations transferred to the Fund are not yet secured • 36% of secured obligations have been met using variation rules and conservation actions. <p>(If only purchased obligations were included, the correct figures are:</p> <ul style="list-style-type: none"> • 58% of obligations transferred to the Fund have not yet been purchased • 25% of purchased obligations have been met using variation rules and conservation actions.) 	<p>We have reviewed the data and do not consider that a change to the Draft Report is needed. We have checked that we are clear where we refer to purchases versus secured obligations and in the Draft Report we have opted to present both types of figures where relevant for transparency to stakeholders.</p> <p>BCT's figures for purchased obligations are calculated using a different methodology from ours and as a result, do not match exactly. We note that our estimates are not materially different.</p> <p>The 40% figure quoted on page 9 of the Draft Report refers to the proportion of Offset Trading Groups, not the number of credits.</p> <p>See also response to comment 75.</p>
5	<p>The report refers to proposed changes to impose a time limit on how long the Fund can hold obligations. These changes are already in force. A time limit of three years commenced on 7 March 2025 as part of the <i>Biodiversity Conservation Amendment (Biodiversity Offsets Scheme) Act 2024</i>. (See s.6.31 (6) of the <i>Biodiversity Conservation Act 2016</i>.)</p>	<p>This error has been corrected in the Draft Report</p>
6	<p>The report refers to the risk that the Fund will not be able to source like-for-like credits to offset obligations not adequately being considered in current processes. Ask that IPART revises this to be explicit that it refers to current <i>planning</i> processes. The risks for the BCF are considered in the <i>Biodiversity Conservation Regulation 2017</i> (BC Regulation) and <i>Biodiversity Conservation Act 2016</i> (BC Act).</p>	<p>We have reviewed the text and do not consider that a change to the Draft Report is needed. This statement intends to refer both to the planning and BCT processes, and aligns with our draft recommendations 1, 10 and 11.</p>

7	<p>The report refers to the importance of consent authorities having access to accurate information about which biodiversity types are at high risk of not being able to be offset on a like-for-like basis. Consent authorities are not required to consider whether offsets can be delivered on a like for like basis, outside of considering serious and irreversible impacts. Proponents do not need to demonstrate how they intend to meet an offset obligation as part of development applications.</p> <p>It is the scheme rules, set out in the BC Act and BC Reg, that set requirements for like-for-like offsetting. Proponents are not able to use non like-for-like offsets to meet their obligations. The BCT can only use non like-for-like offsets in limited circumstances where it has first sought like for like offsets, in line with its statutory hierarchy of offset rules.</p>	<p>We have reviewed the data and do not consider that a change to the Draft Report is needed. The text you refer to in the Draft Report is not describing the status quo but is proposing a change. This text provides support for that recommendation. Chapter 5 discusses these issues further.</p>
8	<p>The report expresses concern that overlapping functions of government entities and lack of guidelines for private brokers risks creating opportunities for corruption. As far as DCCEEW is aware, IPART has not identified any examples of specific or potential corruption, and if it did so, should refer these to ICAC for investigation. As noted above, the ICAC submission pre-dates the separation of the planning and environment departments and a range of relevant scheme-related improvements.</p>	<p>We have added a note in the Draft Report to include the information provided by DCCEEW advising that changes have been made to address this risk since the ICAC submission was made.</p>
9	<p>The report notes that around 80% of development proponents who did not generate their own credits met their obligations by transferring some or all of them to the Fund, while the <i>remaining</i> 20% met their obligations by purchasing credits in the market.</p> <p>Based on other sections of the report, this statement is inaccurate. According to IPART's note below Figure 3.5, the 80% figure includes developers who both made payments into the Fund <i>and</i> purchased from the market. Therefore, it is not correct to suggest 80% paid into the BCF and 20% purchased credits in the market, because some are doing both.</p>	<p>We have reviewed the data and have amended the wording of Draft Finding 2 to clarify that the categories are not mutually exclusive. We note that 4% of developers used both the Fund and the market in 2024-25, which is included in both the 80% and 20% figures. Extracting the 4% of developers who used both the Fund and market would not materially change the estimates.</p>
10	<p>Draft Finding 2 excludes self-generated credits. It is unclear why they are excluded, and why it is representing unique developments rather than credit volume, which is a more appropriate measure of market function.</p>	<p>We have excluded self-generated credits to allow a comparison of acquittal pathways offered in the market. We have observed that a small number of proponents have transacted very large numbers of credits. For this reason, we prefer not to use credit volume alone as an indicator of participation in the market.</p> <p>We will consider further whether more information or analysis should be included in the Final Report.</p>
11	<p>Draft recommendation 5 references the Credits Supply Fund but should reference DCCEEW because the CSF is not a separate government entity.</p>	<p>We have changed the reference in Draft Recommendation 5 to the Department.</p>
12	<p>Draft recommendation 5 supports publishing information on "bid stacks".</p>	<p>We will consider DCCEEW's views on the pros/cons of releasing bid stacks for the Final Report.</p>

	<p>Publishing detailed bid prices for credits that - in many cases - are yet to be created can be misleading. Until the credits are created and a transaction occurs, the credits may not be able to be created at that price and publishing this information sends a price signal that needs to be approached carefully.</p> <p>No analysis has been included in the report on the potential negative market impacts of publishing this information, including the potential to drive prices down to unrealistic levels.</p>	
13	<p>The report makes a statement regarding the BCT's ownership that is incorrect. The BCT is not government-owned, it is a statutory entity.</p>	We have corrected this in the Draft Report
14	<p>The report makes a comment on who holds the offset obligations for SODAs that is incorrect. Under a SODA, a proponent effectively transfers their offset obligations to the EAH who then becomes responsible for meeting these obligations.</p>	We have corrected this in the Draft Report.
15	<p>Please use the following text when referring to Government's upcoming work program: The Government also has a work program to make the following changes in the next 12 months:</p> <ul style="list-style-type: none"> • Setting limits on the circumstances in which proponents pay into the Biodiversity Conservation Fund • Increasing oversight of brokers • Improving the digital systems that underpin the scheme • Improving market reporting, including reporting on the lifecycle of offsets obligations • Changing the fee structure for credit transfer and retirement applications • Changing the fee structure for the delivery fee component of the Biodiversity Conservation Fund charge. 	We have included this information in the Draft Report.
16	<p>The proposal to change the fee structure for the delivery fee component of the Biodiversity Conservation Fund charge is publicly available information and can be included in the report. We have already consulted publicly on this reform.</p>	No change required (comment was a response to confidentiality check).
17	<p>Reference in the report to the options available to the BCT to acquit credit obligations is incorrect. The offset hierarchy includes <i>both</i> meeting credits under variation rules <i>and also</i> other actions such as conservation actions and other conservation measures approved by the Minister.</p> <p>The BCT suggests instead saying "the Biodiversity Conservation Regulation 2017 specifies that the BCT first tries to obtain a like-for-like credit but if not feasible it can also consider purchasing a variation credit or funding a conservation action or other measure if approved by the Minister" (clause 6.6 of the Reg).</p>	We have corrected this in the Draft Report.
18	<p>There is a paragraph in the report that states that most development proponents still choosing to satisfy their obligations by paying into the Fund, which is difficult to follow, and may be misleading for many readers because it swaps metrics from individual developments to volume of credits when alluding to reliance on the BCF and impacts.</p>	We will consider making a change to address this feedback in the Final Report.

19	<p>The report refers to proportions of developers who purchase credits in the market compared with those who pay into the Fund. Proponents who create their own credits should not be omitted from this analysis and IPART's analysis of the impact of this on the market.</p> <p>Further, this statement obscures that BCF reliance is reducing on a credit volume/impact basis. (Figure 3.5 similarly suggests that BCF payments are a majority of impacts/offsets when this is not the case.)</p>	<p>We will consider making a change in the Final Report. We note that proponents who self-generated credits <i>and</i> also used the Fund or the market are included in these figures. Only the 8 proponents who met <i>all</i> their obligations through their self-generated credits are excluded.</p>
20	<p>The report includes figures for the number of credits generated (948,000) and retired (218,00) as at June 2025. As at 7 April 2026, over 480,000 credits have been retired.</p>	<p>Data for the current financial year has not yet been provided to IPART. As a result, we cannot verify the figures or confirm that they align with the basis of other numbers in our Draft Report prior to its publication. We will consider incorporating more recent data in the Final Report.</p>
21	<p>The heading for Table 3.1 is unclear. Suggest # of credits in 2024-25</p>	<p>We have changed the heading of Table 3.1 in the Draft Report.</p>
22	<p>Data post 1 July is not included in Table 3.1. 231,000 credits have been issued and are on the supply register since 1 July 2025. A further 421,000 are listed as pending.</p>	<p>Data for the current financial year has not yet been provided to IPART. As a result, we cannot verify the figures or confirm that they align with the basis of other numbers in our report prior to publication. We will consider incorporating more recent data in the Final Report.</p>
23	<p>Some figures in Table 3.1 do not match DCCEEW/BCT calculations, which are:</p> <ul style="list-style-type: none"> • Demand from BCT - 23,160. • Credits transacted in the market between Trust and sellers – 9,658 	<p>We have clarified the basis for the data included in the Draft Report. The differences between IPART and BCT's figures were discussed and resolved with BCT officers prior to publication. Our demand figure (45,770) includes obligations with purchase commitments in place, which aligns with our intent. Our transaction figure (8,708) is calculated using DCCEEW's transactions register, which is consistent with how we have calculated other similar figures. BCT's registers have a minor timing misalignment with DCCEEW's registers, resulting in a small calculation difference.</p>
24	<p>When referring to Credits Supply Fund purchases in Table 3.1, IPART should report the BCT's purchases from the CSF and proponent purchases from the CSF separately. By combining them downplays how many credits the BCT is transacting in the market.</p>	<p>The reverse auction transactions occur in two legs: (1) credits are sold from landholders to the Supply Fund and (2) those credits are on-sold from the Supply Fund to end-buyers. Our figures are calculated using (1), whereas DCCEEW's figures are calculated using (2).</p>

	<p>Separated figures are:</p> <ul style="list-style-type: none"> • Proponent purchases through Credits Supply Fund – 9,498 • Trust purchases through Credits Supply Fund – 5,305 	<p>The two figures may not align due to time lags for on-sales and as a result, making the requested change would introduce inconsistencies with how other figures in Table 3.1 are calculated. We will consider making a change in the Final Report.</p>
25	<p>Figure 3.2 should include SODAs (which were included in the Biodiversity Conservation Regulation 2017 in the 2024-25 financial year) as a mechanism for a proponent to meet their offset obligation</p>	<p>We will consider making a change for the Final Report. Figure 3.2 is designed to be read in conjunction with the data table below it. SODAs were excluded from the figure and table as there are no SODA transaction volumes to report for 2024-25, which is the financial year that the Draft Report focuses on.</p>
26	<p>Table 3.1 summarises developers' interactions with the market. Note that a single development proponent may use all three pathways (which may mean, for example, that the number of proponents who solely use BCF to acquit obligations is lower).</p>	<p>We have added a note to Table 3.1 to clarify this in the Draft Report.</p>
27	<p>Data on obligations transferred to the Fund do not match DCCEEW/BCT calculations, which are:</p> <ul style="list-style-type: none"> • Number of development proponents – 154 • Average number of credits per developer – 83 • Average price/cost per credit - \$4,667 (\$9,793,949/12,812) 	<p>We have reviewed the data and updated the average price per credit to reflect a rounding error. The differences between IPART and BCT's figures were discussed and resolved with BCT officers prior to publication. The BCT figure of 154 is calculated using the name of the development. Our calculation of 144 was based on the name of the developer, which is consistent with our intent and approach in calculating participation figures in the market.</p>
28	<p>The report includes new credits generated and BSA sites established in 2024-25. In addition to the 31 new BSA sites, the department finalised variations to 12 existing BSAs that created almost 15,400 new ecosystem credits and around 18,000 new species credits. This means that about 309,000 new credits were created in 2024/25.</p>	<p>We have included this information in the Draft Report. We will consider whether further changes are required in the Final Report</p>
29	<p>The report states that the average number of hectares per BSA site in 2024-25 was more than double that in 2023-24. DCCEEW's calculations show that in 23/24, new BSAs covered 22,427 hectares. This increased to 32,822 ha in 24/25, so an increase of just over 10,000ha.</p>	<p>We consider that our figures are correct based on the data supplied to us. We have followed up this comment with DCCEEW officers for further analysis (the comment may be referring to a different measure or methodology). We will review the appropriate calculation methodology for the Final Report.</p>
30	<p>General comment on references through the report to the responsibilities and role of the Supply Fund. The Supply Fund is one program and is not "responsible" for other programs like SSP and SODAs.</p>	<p>We have addressed this in the Draft Report. We will consider whether to include more current information in the Final Report.</p>

	<p>DCCEEW introduced the Stewardship Support Program. It commenced in 2022 (under the name of Stewardship EOI), and we report all data on this program combined.</p> <p>As at 2 April 2026:</p> <ul style="list-style-type: none"> • EOIs commenced in July 2022. • over 600 applications/EOIs have been received • 173 landholders have been offered an on-ground assessment • 32 sites have progressed to a BSA application or finalised BSA • 42 sites are currently under active assessment 	
31	<p>The report sets out the proportion of retired credits that were from Stewardship Agreement sites that developers generated themselves.</p> <p>DCCEEW's calculations show that this year around 45% of credits were retired from stewardship sites that developers had generated themselves. In addition, there were also increases in developer supported landholder BSAs, the market and credit supply pathways, and a reduction in the BCF pathway.</p>	<p>We consider that the figures in our Draft Report are correct based on the data supplied to us. They also align with the methodology applied in prior IPART reports. The differences in figures may be due to a difference in calculation methodology. We will work with DCCEEW officers to resolve this for the Final Report.</p>
32	<p>Figures reporting the proportion of obligations that remain with the Fund and the proportion that were offset with variation rules are based on source data from the BCT that has been inconsistently applied, with some figures being calculated using BCT data on <i>purchased</i> obligations (where the BCT has purchased credits or applied money) and some using BCT data on <i>secured</i> obligations (where the BCT has purchased credits or applied money or has a commitment in place to purchase credits or apply money).</p> <p>This needs to be corrected to ensure consistent figures are being used for all sections. <i>Secured</i> figures are more of a lead indicator.</p> <p>As mentioned earlier, the correct figures as at 30 June 2025 for <i>secured</i> obligations are:</p> <ul style="list-style-type: none"> • 29% of obligations transferred to the Fund are not yet secured • 36% of secured obligations have been met using variation rules and conservation actions. <p>(If only <i>purchased</i> obligations were included, the correct figures are:</p> <ul style="list-style-type: none"> • 58% of obligations transferred to the Fund have not yet been purchased • 25% of purchased obligations have been met using variation rules and conservation actions.) 	<p>We have reviewed the data and do not consider that change is needed. Secured obligations may not materialise into credit acquisitions and as such, they may be misleading as a lead indicator. IPART has used a combination of both metrics (purchases and secured obligations) to provide transparency to readers. The Draft Report notes why we have used purchases for some of our analysis in preference to secured obligations.</p>
33	<p>Figures reporting the acquisition of credits by the BCT, the increase in credits purchased compared with 2024-25 and the reduction in its obligations do not match DCCEEW/BCT calculations.</p> <p>The correct figures are:</p> <ul style="list-style-type: none"> - In FY24-25 BCT purchased 16,387 credits worth \$74 million. <p>Based on the corrected figure, the net reduction would be:</p> <ul style="list-style-type: none"> • 5,900 credits • 25% of obligations that are not secured, or 	<p>We have reviewed the data and do not consider that change is needed. The estimate in the Draft Report is intended to reflect purchases only and does not include obligations met by funding conservation actions. We will consider including a more detailed discussion in the Final Report.</p>

- 13% of obligations that have not been *purchased*.

34	The report notes that the BCT received roughly 80,000 obligations from development proponents, equivalent to \$337 million in payments, since 2018. The correct figure is \$311 million.	The figure is \$311 million in nominal terms. However, the \$337 million in the Draft Report is that amount converted to \$2024-25 dollars, consistent with the values in the rest of the Draft Report. We have now included both numbers and an explanation on page 34.
35	The report notes that the number of credits sought through the market exceeded the number sought through the Fund by almost 6 times in 2024-25. It is unclear why the term 'sought' is used in this context. It may be more accurate to say the "number of credit obligations <u>acquitted</u> through the market exceeded the number acquitted by payment to the fund..."	We have clarified on page 34 of the Draft Report that we are referring to the number of credits purchased through the market.
36	The report notes that the BCT 'offset' obligations. This language is not right. The BCT doesn't offset obligations – the obligations are an offset. The BCT meets obligations (revised text supplied).	We have amended the relevant wording in various places through the Draft Report.
37	Data on the number of credits in the Credits Supply Fund reverse auction process is misleading. The analysis is impacted by a single bid which significantly distorts this data. The bid was for non-target credits (not being sought in that auction) and subsequently determined ineligible by the Panel. This bid should be excluded from IPART's analysis. The Supply Fund defines a bid as all credits offered from a single BSA site. Where a bid includes offers for multiple credit types, each is referred to as a "credit offer". IPART should adopt this terminology in relation to the analysis of the Supply Fund to avoid confusion. The IPART analysis should only include target credit offers received. Adopting this change would demonstrate that in 2024/25, we were offered more credits overall and on average per bid than in the previous FY. The analysis in this section, including the heading, should be amended accordingly.	This error has been corrected in the Draft Report. We note that the data provided to us by the Supply Fund was provided on an inconsistent basis for 2024-25 and 2023-24.
38	The report includes a statement "despite fewer credits being bid" (into the Supply Fund's reverse auctions), which is incorrect. As above, there were more target credits offered in 2024-25 than in the previous FY. This analysis of decreasing bid prices also looks only at the top 5 most commonly offered credit types. Looking beyond the top 5 credit types offered in auctions, overall the Supply Fund has roughly doubled its credit purchases in \$ terms, but the volume of credits purchased has increased by 60%, indicating the Supply Fund has paid a higher average price per credit overall in 2024/25. This is likely due to proponents seeking an increased volume of higher-value credits through the Supply Fund in 2024/25 period than previous financial years.	As noted in our response to comment 37, we have addressed this in the Draft Report by making the recommended change to Supply Fund data. We will consider expanding reporting beyond the most common credits for the Final Report.
39	The report includes a statement that the Fund still holds around 60% of all obligations that have been transferred to it with no offset secured for them. This statement is incorrect. <i>Secured</i> credits include where the BCT has purchased credits or applied money or has a commitment in place to purchase credits or apply money. The correct figure for obligations that are not yet <i>secured</i> is 29%. Alternatively, could say 58% of obligations transferred to the Fund have not yet been <i>purchased</i> and remove the word "secured" from the text.	We have clarified in various places throughout the Draft Report that the 60% figure refers to <i>purchased</i> obligations. References to the BCT's committed purchases are included in various section of the Draft Report, including Table 3.1, Section 3.5.2 and Figure 3.7.

However, we believe it is misleading to only refer to credits that are not yet purchased, because many of these are under contract to purchase. Therefore we request you include that "58% of obligations have not yet been purchased. However, the number of credit obligations not yet secured is 29%, as this includes credits that are under contract for purchase".

40	<p>The report notes that there is a risk that like-for-like offsetting objectives will be compromised if the Fund continues to operate in its current manner. This text suggests the BCT is operating the BCF in an inappropriate manner, which is incorrect.</p> <p>Request that this is reworded to make suggested policy changes clearer and ensure the wording does not imply the BCT operates the BCF or applies the BC Regulation inappropriately.</p> <p>The BCT operates the BCF in line with BC Act and the BC Regulation. The BC Act and the BC Regulation specifically provide the BCT with options to apply funds paid into BCF where like-for-like credits cannot be sourced, including through use of variation rules and conservation actions.</p>	<p>We have clarified on page 44 of the Draft Report that like-for-like objectives would be compromised if <i>legislation allows</i> the Fund to continue to operate in this manner.</p>
41	<p>The report includes reference to stakeholder comments on Government interventions, including the Supply Fund.</p> <p>DCCEEW's objectives in relation to the Supply Fund, as published in the Supply Fund Operating Protocol are to:</p> <ol style="list-style-type: none"> 1. lower the cost of biodiversity credits, compared to current forecasts, increase certainty and reduce delays for proponents 2. reduce the need for proponents to pay into the Biodiversity Conservation Fund as a way to meet offset obligations 3. improve liquidity and confidence in the biodiversity market and enhance the overall effectiveness of the Biodiversity Offsets Scheme 4. enhance conservation benefits by targeting, where consistent with the focus on priority credits, the establishment of biodiversity stewardship agreements (BSAs) that contribute to regional and landscape-scale conservation objectives, integrating private and public land measures and contributing to a cohesive biodiversity strategy for the State. <p>Note that the aim to 'lower costs compared to current forecasts' was based on projects overestimating offset costs due to use of the BCF charge as the default.</p>	<p>We have added the information provided regarding the aim to lower the cost of credits on page 50 of the Draft Report.</p>
42	<p>The report notes that the Fund has the ability to choose not to purchase like-for-like credits to meet its obligations even where they are available. This is incorrect. The BCT always prioritises purchases of like-for-like credits, as required under the BC Regulation. The BCT Board sets principles for moving down the offset hierarchy, including minimum periods that the BCT must test the market for like-for-like credits.</p> <p>Price is rarely the critical factor (for obligations paid in after Biodiversity Offset Payment Calculator (BOPC) reforms in 2022). The BCT can and sometimes does pay more than the BOPC price to purchase credits from the market by considering scarcity and supply factors as part of its value for money assessment.</p> <p>Like-for-like credits identified as available on the credit supply register are often already committed to another project and not available for purchase by the BCT.</p>	<p>We have added the information provided into several sections of the Draft Report. We have also removed the wording that said the Fund can "choose" not to purchase credits in the market.</p>

43	Figures 4.1 and 4.2 appear identical. Is this a mistake?	Yes, this was a mistake in the early draft and has been corrected as part of IPART's quality assurance process.
44	The report notes that credit pay-in charges are not adjusted to reflect changing levels of demand and supply for that credit, and that the Fund cannot adjust pay-in charges to take this into account. This is incorrect. The BCT incorporates supply and demand into the cost-structure model in assigning the TFD category (management costs) in the routine annual update.	We have added the information provided on page 49 of the Draft Report. We will consider this issue further in the Final Report
45	<p>The report includes comments that the Fund may choose not to purchase credits in the market if it considers that the price is too high. The report also notes that the use of variation rules allow the Fund the option of not choosing to purchase credits in the market.</p> <p>As mentioned above, the BC Regulation requires the BCT to prioritise like-for-like, which it always does, using processes that are more strict than the BC Regulation requires. The inference that it is an unconstrained BCT decision to "choose" another option is incorrect and unwarranted.</p> <p>Use of <i>variation rules</i> results in the purchase of credits in the market. It is only conservation actions that do not result in credit purchases.</p> <p>The BCT considers value-for-money when purchasing credits to ensure we are operating as a respected, stable and accountable participant in the market and manage available funds in the BCF prudently. The BCT will consider market supply and demand when assessing value-for-money and pays above the BOPC price if the purchase is assessed as value-for-money.</p>	We have removed the wording that said the Fund can "choose" not to purchase credits in the market.
46	IPART calls out that the BCF price sits above the median price, but not that it is below the maximum paid in 5 out of 6 examples cited (i.e. it appears not to be acting as a hard price cap).	We will consider further analysis and alternative interpretations of the data for the Final Report.
47	Table 4.1 presents an incomplete analysis.	We will consider further analysis and alternative interpretations of the data for the Final Report.
48	Chapter 4 of the report again notes a reduction in the number of credits offered by sellers in the Supply Fund's reverse auctions. See comment 37.	As noted in response to comment 37, we have addressed this in the Draft Report.
49	The report states that there is both uncleared demand and supply in the market for the same credit types. IPART should note that buyers, despite having "active" demand, may not yet be ready to commit to credit purchases at any price because they are still to obtain project approval or are not ready to commence construction. This means apparent demand may not be true "uncleared" demand.	We have added the information provided into the Draft Report.

50	<p>The report includes an analysis of the Glossy Black Cockatoo credit (setting out the credits offered in reverse auctions and credit obligations purchased and remaining with the Fund). The BCT does not agree with the figures and information.</p> <p>Based on the BCT's information, correct figures for all Glossy Black-Cockatoo credit obligations paid into the BCF are as follows:</p> <ul style="list-style-type: none"> • 9% available • 24% secured via commitments to conservation actions • 29% secured via commitments to purchase like-for-like credits • 38% acquitted via conservation actions. <p>The BCT included Glossy Black-Cockatoo credits in credit demand in several Credits Supply Fund reverse auctions but were not offered Glossy Black-Cockatoo credits from any of these reverse auctions.</p> <p>The BCT was offered proposed credits via tender, but the offer was deemed ineligible as their application didn't meet the requirements for a Business Case (i.e. the information provided was not enough to substantiate the estimated number, type and required attributes of the credits to be created at the site).</p> <p>As mentioned above, the BCT does consider value-for-money when purchasing credits in order to ensure we are operating as a respected, stable and accountable participant in the market but we will pay above the BOPC price, particularly in cases like these where there is no available supply.</p> <p>The disparity between demand and supply for Glossy Black-Cockatoo, as well as some other species that are difficult to survey for and difficult to generate at BSAs, is caused by the use of "assumed presence" at development sites. There are still no Glossy Black-Cockatoo credits available on the market for purchase.</p>	<p>We have added clarifications that the BCT may not necessarily have been offered the credits in the reverse auctions on page 51 of the Draft Report.</p> <p>We consider that the BCT's comments do not impact the underlying message of this section in the report, which is that there is both uncleared demand and uncleared supply in the market for the same credit type.</p>
51	<p>Further to the above, the Supply Fund has not offered the BCT any Glossy Black-Cockatoo credits, as there were none offered that met Supply Fund price criteria in relevant auctions.</p>	<p>As noted above, we have made some amendments to the wording of this example in the Draft Report. We will consider this further for the Final Report.</p>
52	<p>The report implies the BCT has a choice about accepting obligations. The BC Act enables a person who is required under the BC Act or any other Act to retire biodiversity credits to satisfy that requirement by paying into the BCF (s6.30). If IPART has a policy recommendation about changing the legislation/regulations, it should be phrased in those terms.</p>	<p>We have clarified this in the Draft Report. Draft Recommendations 10 and 11 both address this issue and it is also discussed in detail in Chapter 5.</p>
53	<p>The report notes that the Trust has stated that conservation actions remain its last resort to meeting obligations, however, also makes clear that the amount the Fund can afford to pay for credits is limited by the pay-in price it receives.</p> <p>The "Agreement to acquit Biodiversity Conservation Fund credits held for more than three years" states that <i>Option (e)</i> measures will remain the last resort. It is important to distinguish between <i>Option (e) measures</i> and <i>conservation actions</i>. Conservation actions are third rung on the offset hierarchy provided by the BC Regulation (option (c)). The last resort is "Other conservation measures approved by the Minister" (option (e)).</p>	<p>We have clarified in the Draft Report that the extract from the Agreement refers to conservation <i>measures</i>, not conservation <i>actions</i>. We have also added the information provided stating that the BCT can and sometimes does pay more than the BOPC price on page 55 of the Draft Report.</p>

As mentioned above, the BCT can and sometimes does pay more than the BOPC price to purchase credits from the market by considering scarcity and supply factors as part of its value for money assessment. The second statement may also have come from the Agreement, which talks about historic under-pricing by an earlier version of the calculator used to set the prices to pay into the BCF, which meant the BCT was unable to purchase existing credits at a price acceptable to the seller or to stimulate new supply of credits at a price the BCT could afford to pay. This problem was resolved by the BOPC reforms in 2022 and 99% of credits that were paid in under the earlier calculator have now been secured.

54	The report notes that nearly 3,000 credit obligations for Illawarra Zieria have been offset by the Trust using variation rules or conservation actions. The BCT notes that this statement is incorrect. The BCT has <i>commitments in place</i> to meet nearly 3,000 credit obligations for Illawarra Zieria via conservation actions.	We have clarified in the Draft Report that this figure relates to purchase commitments.
55	The report notes that proposed amendments to regulations would require certain proponents to demonstrate efforts to see credits through other means before making a payment into the Fund but also notes that there are not proposed controls over the circumstances or types of credits for which payments can be made into the Fund. These statements appear to be contradictory.	We have clarified in the Draft Report that there are currently no proposed controls to limit payments into the Fund for credit obligations where the prospects of securing like-for-like credits is low.
56	The term 'Serious and Irreversible Impacts' has a technical meaning under the BC legislation. Where it is used in the report, the wording should be revised so that it does not cause confusion with the regulatory meaning/use, unless this is the intended connection.	We have reviewed and confirmed that this is the intended connection.
57	The report notes that the Department is currently consulting on changes to the BOPC Oder. The BCT consulted on the changes to the BOPC Order, not the Department. The consultation has now closed.	We have included this information in the Draft Report, including that the consultation was conducted by the BCT.
58	The report includes a draft recommendation to introduce a trading platform to centralise transactions and information flows and to reduce search costs. It also notes that the Department is currently developing lifecycle reporting. The Department is progressing both of these. In March 2026, the Department engaged a provider to deliver the NSW Government biodiversity credit market registry. The platform will provide digital infrastructure to underpin biodiversity credit market transactions in New South Wales, enabling the full lifecycle management of biodiversity credits and obligations, while supporting transparent and efficient market participation. The credit registry will be in operation early 2027.	We have added the information provided into the Draft Report. We note that while changes have been proposed, they have not yet been implemented. The report acknowledges and supports the proposed changes.
59	The report includes a note the Supply Fund discloses weighted average prices of successful bids only to participating buyers and not to sellers. The Supply Fund discloses the price to buyers to facilitate contracting and credit purchases. The disclosure of weighted average prices to buyers is done on a limited basis, for the subset of credit types required by the buyer and reflecting the weighted average of the volume of credits proposed to be purchased. It is not designed to reflect an overall average of all successful credits offered and is caveated appropriately (especially where credits have not yet been created). We have seen no evidence of buyers using this information to progress negotiations with sellers outside of the auctions.	We have added the information provided into the Draft Report.

Once the transaction is completed, all market participants (including sellers) can observe actual sale prices via the transaction register, which provides reliable price information, rather than post-auction estimates which may not accurately reflect finalised sales and risk sending misleading price signals.

60	<p>The report notes that the Supply Fund's Operating Protocol states that it will publish information on outcomes of the reverse auctions 'as required'. The Supply Fund published weighted average auction prices in October 2023 in its market update. Since this time there have been 7 more reverse auctions for which no price updates have been disclosed.</p> <p>All Supply Fund transactions are published on the transactions register.</p>	<p>We have clarified this in the Draft Report. We note that while prices are published on the transactions register, this information does not identify which transactions were delivered as part of the reverse auctions.</p>
61	<p>The report states that key pricing information should be fully disclosed to participants in the auction at the same time. This is not possible. Bids aren't successful until after the buyers have been confirmed, which only happens after market sounding with the buyers, prices are discussed with buyers to facilitate contracting and credit purchases.</p>	<p>We have addressed this in the Draft Report by removing the words "at the same time".</p>
62	<p>Please use the following text when referring to proposed reforms: "We understand from the Department that reforms to the fee structure for credit transfer and retirement applications are being considered."</p>	<p>We have included the suggested wording on page 66 of the Draft Report.</p>
63	<p>Please use the following text when describing how capital gains tax applies: 'Capital gains and losses from generating biodiversity credits are subject to Commonwealth tax law, and potentially capital gains tax.' The ATO has now issued two class rulings that could be referenced in the report.</p>	<p>We have included the suggested wording in the Draft Report. We have also added reference to the April 2026 class rulings to page 68.</p>
64	<p>The report refers to 'low transparency into SODAs', for which limited and incomplete evidence is presented to support this assertion.</p> <p>For example, the draft report acknowledges that quarterly reports exist but fails to identify that the two published reports provide detailed information on offset delivery progress, supply sources, supply gaps, expenditure and forward plans for offset acquittal, including where conservation actions have been identified as the likely pathway. The draft report also omits that all credit transactions are recorded in the public registers.</p> <p>This could be compared to what might otherwise have been available to market participants if renewable energy companies delivered their own offsets for a reasonable comparison and counterfactual. The report could also reflect on the extent to which credits are transacted openly in the market under SODAs as compared to offsets delivered by renewable energy companies (where more happen through less transparent, direct arrangements with landholders). Quarterly reports show that 37% of the offset obligation for the CWO Transmission Project SODA has to date been sourced through market purchases, with around 32% of the credit obligation remaining.</p>	<p>Our statement reflects what we have heard from stakeholders and we have clarified this in the Draft Report. We have added additional detail on the SODA reporting that has been released since the time that the submissions were made to IPART on page 70 the Draft Report.</p>
65	<p>A proponent enters into a SODA with the Environment Agency Head not the NSW Government</p>	<p>We have clarified that a proponent enters into a SODA with the Environment Agency Head in the Draft Report.</p>

66	<p>This stakeholder's comments on like-for-like offsetting rules are unclear and potentially misleading. It is important to clarify for readers that the broader scheme rules, including like-for-like offsetting rules, have not changed.</p> <p>The stakeholder may be referring to the fact that SODAs are seeking to deliver offsets in the region that has experienced the impact, to the extent that is possible. It is not uncommon for credit buyers to consider additional factors, such as location and other requirements beyond the offset rules in their decisions.</p> <p>We also note that this appears to be the only instance in the report where IPART has included direct quotes from stakeholders like this, which can allow for inclusion of exaggerations / inaccuracies that are not IPART conclusions but potentially imply endorsement. IPART does not appear to have considered information published in quarterly reports that addresses the concerns of these stakeholders.</p>	<p>We have addressed this in the Draft Report. We will consider whether we need additional analysis in the Final Report.</p>
67	<p>The report fails to evaluate the validity of concerns raised around transparency and market confidence against the data published in SODA reports. For example, the most recent report shows that offsets have been sourced for 68% of the obligation to date (nearly 60,000 biodiversity credits, all like-for-like) and 37% have come from market purchases. In contrast, 140 credits for one credit type has so far been identified as likely being offset through a conservation action.</p> <p>The progress of credit purchases from commitment to retirement is traced. Credits that are purchased and retired for a SODA, including price, are discoverable in the credit transaction register. Clear and regular updates will be available to the market throughout SODA delivery.</p>	<p>We have added a note in the Draft Report that the Department has recently published 2 SODA progress reports but we have not included any detail from the progress reports themselves. We would need to undertake analysis of the underlying figures before including them in our report, given that the numbers presented include committed purchases and credits that are yet to be generated. We will consider this further for the Final Report.</p>
68	<p>The report includes a diagram that shows the Government functions in the biodiversity credits market. There are errors in the diagram:</p> <ul style="list-style-type: none"> • The Supply Fund is not a separate entity and should not be included as a heading in the diagram – it is one program that operates alongside others that are currently listed below it • The Supply Fund is described as securing credits for proponents via SODAs, which is not accurate in this context. Rather, the Supply Fund can secure credits for any person with a credit obligation – including proponents, the BCT or the EAH (who under a SODA becomes responsible for meeting credit obligations) • The Stewardship Support Program is a separate program, not run by the Supply Fund • The Supply Fund has no role in assessing and approving new BSAs, which is also a regulatory function so should be in the "Regulatory" section of this figure <p>The figure needs significant amendment and we suggest IPART work with us to make sure it is accurately reflecting government functions and not adding to confusion in this space.</p>	<p>We consider that it is important that the Government's various functions are shown accurately. We acknowledge the complexity of the Scheme and the difficulty in doing this. We have removed the figure from the Draft Report and will work with the Department to ensure it is accurate for inclusion in the Final Report.</p>
69	<p>The Supply Fund purchases and sells credits for SODAs in the same way it sells credits to any other buyer; it does not purchase credits on behalf of SODA proponents. The legal obligation sits with the Environment Agency Head (EAH). The Supply Fund has always required bids to be below the BCF charge, and this has not changed for SODAs.</p>	<p>We have clarified on page 72 of the Draft Report that the Supply Fund does not purchase credits on behalf of SODA proponents and that the Supply Fund does not deliver SODAs.</p>
70	<p>The report notes that there is no public reporting on successful Supply Fund bid prices. IPART should include a note that these prices are published on the transaction register.</p>	<p>We have clarified this in the Draft Report. Please refer to response to comment 60 above.</p>

71	<p>The report states that the Supply Fund's role has broadened over time. This is not correct. The Supply Fund does not deliver SODAs. The SODA program delivery team (which is separate from the Supply Fund team) can access credits through Supply Fund reverse auctions in the same way as other credit buyers.</p> <p>Outside auction processes the Supply Fund has supported matching of supply and demand by advising potential buyers on how to identify sources of credits they require if the auction process is not suitable (due to timing). The Supply Fund does not 'pick winners' and only provides general information, such as extracts of all available credits from the supply register including contact details, to buyers, rather than direct contact details for a selected individual.</p>	<p>We have clarified on page 72 of the Draft Report that the Supply Fund does not purchase credits on behalf of SODA proponents and that the Supply Fund does not deliver SODAs.</p>
72	<p>The report notes that stakeholders have expressed declining confidence in the governance of the market. This is not correct. There has been increased use of the Supply Fund and engagement with the Department. Data support this e.g. increased stakeholder use of Supply Fund, which suggests a level of confidence.</p>	<p>We have clarified in the Draft Report that this is a reference to views provided to us by some stakeholders and have noted DCCEE's position on page 73.</p>
73	<p>The report makes reference to comments from 2 accredited assessors about the quality of assessments. There are currently 443 accredited assessors so this feedback is not meaningful. It is also out of scope for IPART to evaluate whether the ecological assessments are of sufficient quality. The five year statutory review of the Biodiversity Assessment Method (BAM) in 2024 found 'that the BAM is scientifically robust, repeatable and provides a high level of transparency in assessments.' The BAM is subject to scientific peer review processes. The <i>Complaint and feedback management policy for accredited assessors</i> sets out how the department, receives, investigates and responds to complaints made about accredited assessor work quality.</p>	<p>We have removed this reference from Section 4.4.4 of the Draft Report. We have also included information in Chapter 5 regarding the 2024 Biodiversity Assessment Method review.</p>
74	<p>The report makes reference to a proposed accreditation scheme for brokers. It would be helpful to note that the department intends to consult on proposed contents with the proposed regulated community.</p>	<p>We have added the information provided into the Draft Report.</p>
75	<p>The report makes reference to the number of obligations accepted by the Fund to date. These do not match the BCT's calculations, which are (as at 30 June 2025):</p> <ul style="list-style-type: none"> • 502 different credits types, or 326 different Offset Trading Groups • 36% of secured obligations have been met using variation rules and conservation actions. <p>(If only <i>purchased</i> obligations were included, the correct figures are: 25% of purchased obligations have been met using variation rules and conservation actions.)</p>	<p>We have reviewed the data and do not consider that change is needed. We confirm that we have used secured obligations in this calculation. BCT's figures for purchased obligations are calculated by number of obligations. In this instance we have referred to the number of offset trading groups.</p>
76	<p>The report states that to date, more than half of all obligations transferred to the Fund have not been offset. As above, this language is not quite right. The BCT doesn't offset obligations – the obligations are an offset. The BCT suggests replacing this with "29% of obligations transferred to the Fund are not yet secured". Alternatively, it could be replaced with "more than half of all obligations transferred to the Fund have not yet been purchased."</p>	<p>We have clarified in the Draft Report that we refer to purchased obligations. We have also amended a number of references to 'offsets' in relation to the BCT through the Draft Report.</p>

77	The report illustrates the "Trust's decision hierarchy". This characterisation of the hierarchy is incorrect. It is not 'the Trust's' or a "decision hierarchy". The offset hierarchy is a set of rules established in clause 6.6 of the BC Regulation.	We have clarified in the Draft Report that the offset hierarchy is established under the BC regulation.
78	The Department considers the discussion in section 5.3 on serious and irreversible impact determinations to be outside the scope of IPART's terms of reference.	The terms of reference allow IPART to consider any other matters it considers relevant. In our view, this is a broader policy issue that is relevant because it affects the delivery of like for like offsets.
79	The report notes that the consent authority must consider serious and irreversible impacts and determine whether additional measures are needed to minimise or offset the impacts if approval is to be granted. Additional and appropriate measures relate only to reducing the impact to the entity at risk of a serious and irreversible impact – if this section is retained, remove reference to 'or offset the impacts'.	We have removed reference to 'or offset the impacts' in the Draft Report, as suggested.
80	The report notes that the Department has stated that it is currently working on improvements to its reporting and plans to introduce a more comprehensive offsets register. The <i>Biodiversity Conservation Amendment (Biodiversity Offsets Scheme) Act 2024</i> introduce this as a statutory register. The report should reference section 9.7(h1) which sets out the requirements of the public register. The department is currently building the underpinning systems that will allow for the register to operate.	We have clarified this statement and added the information provided into the Draft Report.
81	The report notes that some stakeholders expressed concern about the standard of management of BSAs. This matter is not explicitly included in IPART's terms of reference.	The terms of reference allow IPART to consider any other matters it considers relevant. In our view, this is a broader issue that is relevant because it affects confidence and participation in the credits market.
82	<p>The report notes that the Scheme is relatively young compared to its in-perpetuity design and as a result it is difficult to evaluate the long-term performance of BSA sites at this stage.</p> <p>The BCT notes that this is incorrect. The BCT undertakes annual reporting and oversees a comprehensive five-year ecological monitoring program of Biodiversity Stewardship Agreements (BSA) to assess management effectiveness, as described below:</p> <ul style="list-style-type: none"> Annual reporting is a yearly, activity-based check-in for BSAs that confirms landholders are delivering agreed management actions, supports the release of management payments, and provides the compliance and accountability foundation that complements five-year ecological monitoring. 	We have clarified what was meant by this statement and have added the information provided on page 86 of the Draft Report. Our statement intends to raise the risks of a much longer term sustainability of BSA sites – beyond the 20 year management actions referred to in the BCT's comment. We consider this is a matter that should be raised for consultation with stakeholders.

	<ul style="list-style-type: none"> The BCT's Ecological Monitoring Module (EMM) is a standardised, science-based five-yearly monitoring program using methods accredited by Accounting for nature. Across the whole private land conservation estate it includes over 3,000 permanent monitoring plots, including control plots. It collects vegetation, structure and soil condition data at agreement and control sites to assess ecological condition and change over time. EMM monitoring is a requirement of BSAs once sites enter active management. Once baseline monitoring is established, sites are re-surveyed at five-year intervals, allowing the BCT to detect ecological changes, assess management effectiveness, and support five-year agreement management plan reviews. Landholders are responsible for commissioning their five-year reviews from appropriately trained ecologists using tools and standards set by the BCT. 	
83	<p>The report references the introduction of SODAs and their ability to offset large scale biodiversity impacts under conservation actions. This statement appears to imply SODAs offset large scale biodiversity impacts under measures that are not delivering like-for-like outcomes. SODAs can only use like-for-like offsets. For more information on the BCT acquittal process see comment 17.</p>	<p>We have amended page 87 of the Draft Report to address this.</p>
84	<p>The report references a 'new' ability for the Fund to acquit obligations by matching the dollar value of the liability rather than the number of credits. This is incorrect.</p> <p><i>The Biodiversity Conservation Amendment (Biodiversity Offsets Scheme) Act 2024</i> did not give the BCT a new ability to acquit Fund pay-in obligations by matching the dollar value of the liability. This is a persistent misunderstanding/mischaracterisation by some stakeholders and IPART of the 2024 legislative amendments and exists despite the BCT and the Department having corrected this error with IPART on multiple occasions.</p> <p>The legislative amendments introduced in the <i>Biodiversity Conservation Amendment (Biodiversity Offsets Scheme) Act 2024</i> clarified the original legislative intent that, when purchasing like-for-like or variation credits, the BCT must retire the same number of credits as were transferred via payment to the BCF. It further clarified that, when applying money to secure an offset via conservation actions or other conservation measures approved by the Minister, the BCT must apply amount equal to the amount transferred. (See s6.31 of the BC Act.)</p>	<p>We have corrected this error in the Draft Report.</p>
85	<p>The report references stakeholder views that flexibility offset acquittals provided by SODAs has come at the expense of like-for-like offsets, which they consider ensure higher quality compensation for biodiversity losses. This statement may conflate SODA and BCF settings when discussing flexibility and like-for-like outcomes.</p> <p>SODAs can only use like-for-like offsets and are diverting offsets from the BCF pathway (which can use variation rules).</p>	<p>We have clarified that we are referring to "like for like credit retirements" rather than "like for like offsets" in the Draft Report.</p>
86	<p>The report references that stakeholder concerns regarding SODAs are partly driven by a lack of clarity and reporting around them. Statement ignores that there are published reports on SODA progress and expenditure and transactions recorded in the register. Progress reports include a clear signal around the future use of conservation actions for the CWO SODA, noting no conservation actions have yet been delivered.</p>	<p>We have clarified this statement and added the information provided on page 88 of the Draft Report.</p>

87

The report notes that the Department needs to transparently report on how all offsets via the Fund and SODAs are being met. This statement does not reflect existing quarterly reporting on SODAs and associated rationale for conservation actions. The Department does transparently report on how all offsets via SODAs are being met in quarterly reports. This includes explanations for why a conservation action may be used, noting these will always be for the specific entity impacted (like-for-like). This statement conflates offset delivery options under SODAs with the offset delivery options available to the BCF. Variation rules are not available under SODAs.

The intention of the statement is to express that there is no consolidated reporting on outcomes across **all** acquittal pathways. We discuss SODA reporting elsewhere in the report. We have added clarifications on recent SODA reports into the Draft Report (for example, see response to comments 67 and 86).