

Issues Paper - Monitoring the Biodiversity Credits Market in NSW - July 2023

August 2023



**CENTRAL NSW
JOINT ORGANISATION**

- Bathurst
- Blayney
- Cabonne
- Cowra
- Forbes
- Lachlan
- Lithgow
- Oberon
- Orange
- Parkes
- Weddin

4 August 2023

Reference: jb:vp 230804
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To whom it may concern,

Re: Issues Paper - Monitoring the Biodiversity Credits Market in NSW - July 2023

Joint Organisations (JOs) were proclaimed in May 2018 under the NSW Local Government Act 1993. The Central NSW Joint Organisation (CNSWJO) represents over 177,000 people covering an area of more than 51,000sq kms comprising the eleven Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes and Weddin.

Tasked with intergovernmental cooperation, leadership and prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here: [Strategic Plan & Regional Priorities - Central Joint Organisation \(nsw.gov.au\)](http://www.centraljo.nsw.gov.au/strategic-plan)

This response is informed by policy developed in region.

This region supports the commitments to protect and restore nature, captured in the Kunming-Montreal Global biodiversity framework. Good policy derived from data should inform navigable legislative, regulatory and funding frameworks. Legislation and regulation ought to be consistent and lasting to enable compliance.

CNSWJO understands the Terms of reference for IPART to monitor the biodiversity credits market by the following tasks;

1. Monitor the performance of and competition within the biodiversity credit market, and make findings and
 - a. recommendations with the aim of:
 - a. maintaining and promoting competition
 - b. addressing the interests of existing and potential biodiversity market participants, and supporting fair
 - c. trading
 - d. identifying opportunities to improve market efficiency and address market failure
2. Report annually on the performance of and competition within the biodiversity market for a period of three years (annual market monitoring report).

Regarding the questions posed by IPART this region focusses on question 13: *Have you decided not to proceed with a development because credits were too expensive or not available?*

The Biodiversity Offset Scheme (the scheme) is not working while driving perverse outcomes for development in the Central NSW region. The Act overregulates areas of limited environment value, adversely impacts development, and restricts land use changes unnecessarily. The scheme is adding costs to development and communities and the ecological outcomes achieved from the scheme are not clear.

Improvements to the scheme are underway, however it is still considered overly complex and costly. When Council is the developer, this region reports having to spend significant sums of money on differing consultants to reduce the biodiversity offset costs. Ultimately, some projects have had to be put on hold where members cite the costs of credits as either a contributing or determining factor. Should IPART wish, meetings can be arranged with Councils to provide more detailed advice.

Member Councils see an increasing effort by the Department in trying to make the scheme workable. However, these increased inputs add to the overall costs of the scheme while the extent to which it is making a difference is yet to be tested. Notably, the engagement with Local Government in recent webinars has been welcomed however exposes the extent of both the interest of Councils and the challenges they are experiencing regarding the scheme. It is the non-metropolitan Councils in NSW that have the greatest resourcing challenges that are impacted the most by this legislation. Some dedicated ongoing support using a case management approach for Councils would be welcomed.

To reduce complexity and costs it is recommended that dedicated work be undertaken with Councils to optimize development pathways in regional NSW. The Central NSW Joint Organisation is scoping what this work would look like and would welcome an opportunity to codesign solutions with the Department. If you require further information or clarification on comments in this submission, please do not hesitate to contact me on [REDACTED].

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Yours sincerely,



Jennifer Bennett

Executive Officer

Central NSW Joint Organisation (CNSWJO)