

3 November 2025

To: **IPART**

Submission to IPART Review of Biodiversity credits market  
by e-mail to [REDACTED]

**Submission – IPART Review of NSW Biodiversity Credit Market**

Please accept this submission to IPART’s review of the NSW biodiversity credit market.

This submission has been prepared by Mathew Bell, Senior Ecologist, MidCoast Council. It does not purport to reflect the views of the Council, and is to be considered an individual submission.

I value IPARTs involvement in the review of this market. have read the IPART discussion paper, dated 30 October 2025.

The comments I wish to make on the performance of the biodiversity credit market in NSW are below:

1. There is little to no evidence that the market is achieving its goals.

The fundamental purpose of the NSW biodiversity credits market is to offset the environmental impacts of development by creating a system where developers can purchase "*biodiversity credits*" to compensate for harm to vegetation, habitat and species. While the scheme does fundamentally deliver positive outcomes in discrete area, there is little to no evidence the market is serving its fundamental purpose. There is no scientific evidence that I have seen that confirms that the performance of the market overall conserves and uplifts the stewardship sites sufficiently to demonstrably, and practically compensate for the harms to the affected entities at the development site and whether the cumulative operation of the scheme is compensating development impacts to threatened biodiversity, broadly. There is apparently little to no validation that the assumptions made in the assessment process are true (species and ecosystems are uplifted at stewardship sites sufficiently). The BCT is assessing whether the BSA management actions are done or not done – there is no information that these actions are satisfactory compensation for all affected PCTs and species. Do the management action costings reflect actual costs and does the management actions deliver the compensation for the biodiversity harm? This is not known.

There needs to be independent, scientific validation that management actions at stewardship sites are effective at uplifting ecosystem and threatened species values sufficiently to compensate for the impacts of clearing and harm. There needs also to be a global validation that the scheme is delivering a neutral or beneficial effect for all affected ecosystems and threatened species. If the market isn’t functioning to meet these goals, it needs to be revised at a practical, operational level.

The market should be considered compromised if it isn't meeting its fundamental purpose.

2. There remains insufficient incentive for participants in the stewardship market.

There is considerable evidence that participating in the scheme as a provider of credits at a stewardship site is very expensive, time-consuming and complex. Credit prices often broadly reflect the costs of activities for certain management interventions to improve the status of the target entity. We have consistently heard that the TFD doesn't tend to provide an incentive or income for landholders. There are complex taxation implications. Consequently, stewardship sites do not tend to compete favourably with alternate, competing land management activities such as private native forestry, farming, land banking for future development, etc, especially in coastal areas – where most new (residential) development is located. Stewardship / biodiversity credits provisioning must be simple, effective, positive and attractive to participants, or credits will not be provided in locations where they are most at need.

We hear that participation costs for developers is very high (sometimes prohibitive) and we hear that income participation returns for landholders are low to nil. This seems to be analogous to the proper functioning of the market.

3. There is insufficient like for like and local outcomes.

We have previously commented on the reliance of the development industry in our region to almost invariably pay into the Biodiversity Conservation Fund (BCF) to meet their credit requirements. We believe this is disingenuous and perverse to achieving biodiversity outcomes. It is pleasing that IPART have made recommendations to reduce the use of the BCF. We haven't seen improvements to processes that deliver like for like, local and strategic advanced offsetting in our LGA since the last published review. The scheme needs to facilitate advanced, local, strategic, like for like outcomes.

Increased use of variation rules may be being utilised to address broad conservation priorities in NSW but they further divert from like for like and local outcomes, which are important to biodiversity and to local communities. That only 65% of credits purchased by the Biodiversity Conservation Fund was "like-for-like" is not acceptable.

Local government should be activated to play a more central role in strategic biodiversity planning and delivery of offset outcomes.

4. There is insufficient value in certain species credit values

I have heard anecdotally that there are certain types of species credits in which the credit price is currently so low that it is below the value of the costs associated with creating the stewardship site, generating / marketing the credits and then implementing the management actions. The TFD is below practical value. This is the case for species such as southern myotis, wallum froglet, and squirrel glider. Again, this impedes like for like, local delivery of offsets. This represents a compromised market system for such species. Cash flow for owners of stewardship sites must always be positive and management actions must be effective.

5. Market concentration is a concern

To the point raised in the IPART Discussion Paper about market concentration remains a concern is endorsed and supported.

6. Staff within the Credits Supply Taskforce and Biodiversity Conservation Trust are helpful and informative

As is typically the case in any scheme review, most of the focus is on perceived negative aspects of performance. However, it is important to also recognise positives. In this respect, I can say that the staff within the Credits Supply Taskforce and Biodiversity Conservation Trust have always proven knowledgeable, responsive and helpful to any inquiry I make. I wish this to be noted.

Sincerely,



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