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Your submission for this review:

Q1 - Our experience of the biodiversity market in 2024-25 has been in attempting to understand the market and sell sufficient credits to fulfil our TFD and cover costs associated with establishing a BSA. Since June 2024 we have participated in three Reverse Auctions run by the Supply Fund. In each we have successfully sold credits but as yet none of these have actually eventuated for various reasons. The process of establishing a BSA has been a very long and complex process which has required us to spend a lot of time trying to understand the process. Whilst the individuals with whom we have dealt at both the Department and BCT have been very helpful and tried to give us the information we needed, there seems to be a lack of clarity and certainty in what they can tell landholders. We understand that the assessment and approval process is by necessity thorough and can take time to ensure credibility of the scheme and the assets created. But not knowing what is coming next or having an idea at the outset of how long and complex the process will be, is very hard to manage. Maintaining the motivation to continue participating in the program without any certainty about the outcomes is difficult. There is a high level of uncertainty as to whether a BSA will ever be viable, and this is hard when you have management and financial decisions which would be impacted, we feel as though we are in limbo with very limited ability to impact the process. The potential CGT impact, and the permanent change to land titles, and infinite financial and management obligation are all very serious consequences of entering a BSA. So, there needs to be a commensurate benefit to landholders, and a transparent and rigorous pathway to obtaining a fair commercial return for participants. Q2 In our experience, the process of selling credits is extremely opaque and difficult to navigate with insufficient market information and imperfect mechanisms for buyers and sellers to interact. We have found it very hard to establish a reasonable price for our credits since the various sources of price information vary so greatly and are not easily discoverable or explained. For instance, the Predicted Credit Price provided by the BCT can vary greatly from the various prices for the same credit in the market. We were advised that it was perfectly valid to participate in the Supply Fund Reverse Auctions at point when we had only our initial assessment. However, this meant that we sold a significant parcel of credits which turned out to not exist once the BAM was completed. Not only was this disappointing for us, it was presumably also very frustrating for the purchaser who would have expected that they fulfilled part of their obligation in that sale. Most recently we participated in the August 2025 Reverse Auction and had our offer accepted, and yet the BCT has indicated that they are now looking for a buyer so we have not actually sold anything. In our opinion this process is not a true auction. Further, by setting a limit on prices accepted (BCF Charge Price), the process felt more like a price discovery mechanism than a true auction where the market would dictate the prices, with buyers able to choose whether to purchase or not. A true market allows for fluctuations in price based on supply and demand. Yet the Reverse Auction process has an imbalance in power at its core, with the balance tilted heavily in favour of the Fund. The operation of the market for BSA credits seems to be periodically impacted by changes in the rules, such as the introduction of SODAs and changes to like-for-like rules which in our view will undermine the establishment of a free market, and act as a disincentive for landholders considering the scheme. Q3 We would strongly concur with the comments in the Discussions Paper (page 11) around the need for better information to support informed decision making. We have only been involved in this process since around September 2023 but there seems to have been no improvement in the availability of clear information and price data. In fact, the most recent Reverse Auction has actually introduced yet another change and clouds the market further. We have likened the process to completing a jigsaw in the dark without having all of the pieces, and a person very familiar with the process added, And then someone changes some of the pieces half way through. and that about sums it up for us. Q5 We have engaged Niche to support us with marketing credits given the complexity and fragmentation of the market. Our experience with the Niche team has been that they are very knowledgeable, experienced and professional. Q7 Our understanding is that the Biodiversity Conservation Trust retains the ability to use variation rules for its own conservation programs but amendments prohibit proponents from using them giving the BCT an unfair advantage as a buyer.