

BioBanking for landholders

BioBanking is a biodiversity banking and offsets scheme that improves biodiversity and pays landholders to manage their land for conservation. It is a voluntary scheme that supports landholders to take care of their bushland forever ... and helps pay for it.

How does BioBanking work?

BioBanking is a market-based scheme that involves:

- landholders who create biodiversity credits by establishing a biobank site
- purchasers who buy the credits.

Purchasers may be developers wanting to 'offset' biodiversity loss from a new development site, conservation groups, philanthropists or government departments interested in conserving biodiversity in perpetuity.

There are two types of biodiversity credits – ecosystem credits (based on vegetation type) and species credits (for some individual threatened species).

Landholders who enter into a biobanking agreement can receive an annual payment (after selling their credits) in return for actively managing their land's biodiversity.

A biobanking agreement doesn't have to cover all of your land – you can set aside a portion of your land as a biobank site and continue other activities on the remaining land. You can even undertake some activities on a biobank site. For instance, you may be able to undertake strategic grazing or operate an ecotourism venture, provided the activity doesn't have negative impacts on the biodiversity values of the land.

When it comes to managing your biobank site, you can choose to undertake the biodiversity management activities yourself or use contracted bush regenerators. Either way, annual payments should cover your costs.

BioBanking helps you to diversify the income generated from your land.

How do I get started?

It is recommended that you first lodge an expression of interest on the biobanking public register. Prospective purchasers can use this register to approach landholders who have the vegetation types and threatened species they require. Alternatively you can look at the 'list of wanted credits' to see if any purchasers need your vegetation types or species. You may need an ecological consultant to help you identify your vegetation types.

The assessment process

If you decide to establish a biobanking site, you need to undertake an assessment of your land. This assessment must be undertaken by an accredited BioBanking Assessor (a list of assessors is available on the website). The BioBanking Assessor will produce a credit report that you submit with the application for a biobanking agreement. The credits generated from each biobank site will vary as each site has different vegetation types, conditions and threatened species. Prospective purchasers may be willing to fund the assessment of your property.

Management actions

A biobanking agreement includes agreed management actions such as fencing, and weed and feral animal control. Your BioBanking Assessor may be able to help you determine the management actions for your site. You also need to provide costings for these actions. The first few years of managing a biobank site will probably have higher costs than later years. Money from selling credits has to be deposited into the Biobanking Trust Fund to enable you to be paid for undertaking ongoing management of your land.

Entering into a biobanking agreement

When the assessment and management plan have been completed, an application for a biobanking agreement is made to the Department of Environment and Climate Change. If your application is approved, the Department registers a biobanking agreement for your site that specifies the number of biodiversity credits created, the agreed management actions and the amount that must be deposited into the BioBanking Trust Fund when the credits are sold. You should seek legal advice as a biobanking agreement is a legal document linked to the land title in perpetuity.

Selling credits

To start receiving payments for managing the biodiversity on your land, you need to sell your credits. Credits can be sold to anyone. Purchasers can choose to retire the credits or keep them to possibly re-sell at a later date. If a developer buys credits to offset the effects of a development site, they must retire them so they cannot be traded again.

How much is a credit worth?

Many variables influence the price of a credit, such as the underlying value of the land, the condition of the vegetation and demand for particular credit types.

The condition of the vegetation on a biobank site will affect the cost of the management actions required, which in turn will affect the credit price required to ensure these actions can be completed.

As BioBanking is a market-based scheme, demand from purchasers and amount of supply will also affect the price of credits. Landholders can also build a profit margin into the cost of managing the site, so the profit margin desired will affect the credit price.

The biobanking public register lists expressions of interest, credits available for sale and all past credit transactions, which may help determine the price of your credits.

Ensuring perpetuity

A biobanking agreement places a covenant over your land to ensure biodiversity is protected and managed forever. When land that includes a biobank site is sold, the new owner takes over the obligations of the biobanking agreement and in return receives the annual payments from the BioBanking Trust Fund.

Other benefits and obligations

Land tax is not payable on a biobank site. If a biobanking agreement only covers part of a lot, land tax is not payable on the portion covered by the biobanking agreement.

Rates are payable on a biobank site but costs such as rates and insurance should be included in the cost of site management which may be recovered through annual payments.

Biobanking agreements and annual payments may also have other taxation implications. You should speak to your accountant about these.

Other conservation options for private land

If BioBanking is not suitable for your land there are other conservation options available including:

- conservation agreements and the Wildlife Refuge Program under the *National Parks and Wildlife Act 1974*
- property vegetation plans under the *Native Vegetation Act 2003*
- conservation covenants under the Nature Conservation Trust of NSW or Part 4A of the *Crown Lands Act 1989*.

Further information

Website www.environment.nsw.gov.au/biobanking
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