

POST/EMAIL SUBMISSION DETAILS		
Date Received	08/03/2017	
Name	[REDACTED]	
Organisation	Vegetation Link Pty Ltd	
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Privacy Options	I am making this submission on behalf of an organisation , and understand that it may be published and will include the name of the organisation unless otherwise requested	
Privacy Statement Correct?	Yes	
Privacy Collection Notice Read?	Yes	
Submission Type	Consultancy	
Previous engagement in review?	Info session 2015	Yes
	Workshop 2015/16	
	Targetted consultation	
	SRG	
	Written submission to CP?	
Other? Describe	Consultants Briefing (2017)	
Will changes improve function of regs?		
Reasons	N/A – Not directly involved implementation of VPP	
Implementation issue with proposed changes?	Yes	
Reasons	Please see attached comments regarding units & old trees	
Guidelines – guidance or clarification needed?	Yes	
Details	Please refer attached notes around old tree offsets and transition for credit holders	
Terms to include in guidelines glossary?	Unsure	
Details		
Subscribe to e-newsletter?	Yes. Please send information updates to my email address	
Other comments	Please refer attached.	
Written submission provided?	Yes – attached	

Thank you for the opportunity to provide a response to the planned changes to Victoria's Native Vegetation Clearing Regulations. Vegetation Link is an Accredited Organisation providing offset brokerage services in accordance with the rules of the DELWP Native Vegetation Credit Register (NVCR)

We are pleased to offer the following comments for consideration, based on our experience in facilitating offsets for the permitted removal of native vegetation. We have restricted our comments to those areas directly relevant on the registration, transfer and/or allocation of Native Vegetation Credits, areas of our experience and expertise.

General implementation comments regarding "Units"

1. We understand that as a result of moving to a new "Strategic Biodiversity Value", and the changed relative weighting of site scale and landscape scale information in calculating losses and gains, there will be a new "unit".
2. In introducing a new unit, we offer the following comments:
 - a. Consider the useability of the unit. The current approach with General Biodiversity Units (GBEUs) expressed to three decimal places has led to some misunderstandings in its application, including relatively common mistakes or "typos" in Planning Permits due to misplacing the decimal place, e.g. 0.066 units being expressed as 0.66 units, etc. While typos etc. can be made with whole numbers, decimal places do seem to create greater confusion in the community;
 - b. There is also a perception of lack of value; when someone is purchasing 0.001 GBEUs for example, it appears as a very insignificant contribution towards biodiversity;
 - c. We suggest consideration of a factor to enable the units to be expressed, traded and allocated as whole numbers. For example, under the current system calculations could have been multiplied by 1000 to give whole numbers: e.g. 0.010 GBEUs could have been expressed as 10 Units.
3. We are faced with the prospect of having three concurrent offset systems and units, with trading in Habitat Hectares and Old trees still frequently occurring (particularly driven by Native Vegetation Precinct Plans incorporated into Planning Schemes). The complexity of the current system (with "spatially" based Biodiversity Class Units driven by modelled habitat intersects) not aligning with zone boundaries has made it almost impossible for anyone outside of DELWP to track the relative impact of drawing down one style of unit on the other. A third unit has the potential to compound this issue.

It is likely much of the "behind the scenes" calculations are already set, but an option that would have assisted in the 2013 regulation changes was that if habitat was modelled over part of a zone, then the entire zone became habitat for the species (which also makes more on-ground sense as if the habitat is assessed as being of the same type and quality, then it would be expected to provide habitat for a species across the entire zone). This would have simplified tracking the relative draw down of Habitat Hectares and GBEUs/SBEUs, as at least they would have been spatially linked. Any opportunity to take a similar approach (or an alternative that enables more straight forward tracking of multiple unit types) following the changes could be considered.

General Implementation comments regarding Old Trees

1. The reintroduction of specific measurement and quantification of Old Trees is sound, particularly in providing a "market signal" on the relative biodiversity value of Old Trees in the landscape.
2. We note that the permitted removal of Old Trees will require offsets with additional attributes, namely that *"When an application includes the removal of large trees the offset secured must include protection of at least one large tree for every large tree removal"*.

Careful consideration of this requirement and its application in the third party credit market (via the Register) is of critical importance.

3. It is acknowledged that a balance must be struck between the ecological integrity of the protection of large old trees (i.e. Gain) and the functionality and operability of the credit system.
4. Our understanding, based on an industry briefing, is that it is not the intention of DELWP to have stand-alone "tree" credits that are separably tradeable as was the case for offsets under the old Framework. Ecologically we acknowledge this system had some additional issues, or potentially "double dipping", as in some (limited) circumstances habitat hectare gain was attributed to the old tree component, as well as the tree protection benefit being able to be traded elsewhere.

While the detailed approach to accounting for trees is yet to be publically released, we see some significant complications in an approach that attempts to merge a gain attribute and tree protection attribute into a single unit. As was the case for General and Specific Units, proportional drawing down of units within BCAs is relatively complex and hard to track without the appropriate software. Having General Units with an attached "tree" attribute has the potential to add to the complexity. For example:

- a. Some BCAs may have fractions of Old Trees available;
- b. The relative number of units and trees within a BCA (or new measure) may be very different based on Old Tree density, and the transfer of one or the other has a big impact on the balance of the BCA;
- c. Credit Owners transferring units may also be drawing down trees for offsets where trees are not required;
- d. Complications arising where units are sourced from one site (to meet a particular minimum Strategic Biodiversity Value) but trees from another site (where there is no requirement to meet a minimum Strategic Biodiversity Value)

The potential complexity, particularly if credit owners and/or their brokers cannot account for the relative movement of units and trees in a simple manner, will place a greater pressure on the resources of the NVCR.

5. Despite the old framework approach of separate tree accounting having some "criticism" related to double counting, this approach did have the following benefits (and thus we think should not be discounted):

- a. It provided a simple tangible expression of tree protection understood in the community;
- b. It successfully placed an economic value on Old Trees, and in turn a price signal to avoid their clearance (i.e. avoid the increased costs of offsets if tree protection was also required); and,
- c. Provided a market signal/incentive to establish offset sites containing old trees which provides protection of high value habitat.

General comments regarding Transition

1. It is widely acknowledged that the changes from the Framework to the Guidelines had a material impact on the value of some credits already registered on the NVCR (i.e. Where a Landowner Agreement had been registered on title, but not all credits 'sold'). This occurred both in the positive and negative, depending on the location and modelled attributes of the credit site. While overall there were "swings and round-a-bouts", the negative impact on some individuals who had proactively participated in the market caused some disenfranchisement

2. In reviewing the information provided for comment, it is difficult to estimate the likely impact of the changes on individual Credit Owners who have elected to participate in the market, as the greatest potential for change is likely to be as a result of changes to modelling (e.g. the SBV of a site could be considerably lower than the prevailing policy settings, or an offset site may have a completely different mix of modelled habitat compared with when it was established.)

3. Developing sound, sensible transition arrangements for credit owners as well as permit holders/attributes should be included as part of the regulation updates.

We thank you again for the opportunity to provide feedback on information released to date. We would also welcome the opportunity to provide any further input, advice and/or review (including face to face meetings) as some of the more detailed implementation information comes to hand.

Faithfully



Director