

# A quick comparison of first party and third party offset sites

In Victoria, a planning permit is usually required to remove, destroy or lop native vegetation. Landholders must apply for a planning permit from their local council. If a permit is granted a native vegetation offset must be secured before the native vegetation is removed.

The *Guidelines for the removal, destruction or lopping of native vegetation* (the Guidelines) are incorporated into all Victorian planning schemes. The Guidelines set out what must be included in an application to remove native vegetation, how an application is assessed, and what can be an offset.

## What is an offset?

An offset compensates for the loss in biodiversity value when native vegetation is removed. An offset is delivered by protecting and managing native vegetation at an offset site. This protection and management improves the security and condition of the native vegetation, resulting in 'gain'. This gain is used to meet the offset requirements when native vegetation is removed.

## Types of offsets

There are two types of offsets:

- A **species offset** is required when the removal of native vegetation has a significant impact on habitat for a rare or threatened species.
- A **general offset** is required when the removal of native vegetation does not have a significant impact on habitat for a rare or threatened species.

Offset sites are described as either first or third party. Table 1 gives a quick comparison of first party and third party offset sites.

**The *First party offset guide* explains how a landowner can establish an offset site on their own property to meet their own offset requirements.**

*If you want to establish a third party offset site and trade credits through the Native Vegetation Credit Register (NVCR) visit the DELWP website for more information.*

Table 1. A quick comparison of first party and third party offset sites

	First party offset sites	Third party offset sites
<b>Description</b>	<b>First party offset sites</b> are on land owned by the holder of a permit to remove native vegetation. They are used to meet landowners' own offset requirements.	<b>Third party offset sites</b> are on land owned by another party. Permit holders can buy native vegetation credits from other landowners to meet their offset requirements.
<b>Eligibility</b>	All offset sites must meet the eligibility requirements described in section 9.1 of the Guidelines.	
<b>Security</b>	<p>All offset sites must be protected in perpetuity (forever) with an on-title security agreement. The security requirements are described in section 9.2 of the Guidelines.</p> <p>First party offset sites can be secured with:</p> <ul style="list-style-type: none"> <li>• an agreement with the Secretary to DELWP under section 69 of the <i>Conservation, Forests and Lands Act 1987</i></li> <li>• an agreement with a responsible authority under section 173 of the <i>Planning and Environment Act 1987</i></li> <li>• an agreement with Trust for Nature to register an offset covenant under the <i>Victorian Conservation Trust Act 1972</i>.</li> </ul>	<p>Third party offset sites can be secured with:</p> <ul style="list-style-type: none"> <li>• an agreement with the Secretary to DELWP under section 69 of the <i>Conservation, Forests and Lands Act 1987</i></li> <li>• an agreement with Trust for Nature to register an offset covenant under the <i>Victorian Conservation Trust Act 1972</i>.</li> </ul>
<b>Management</b>	All offset sites must be managed to ensure gain is achieved. The management requirements are described in section 9.3 of the Guidelines.	
<b>Trading and registration</b>	<p>First party offset sites should be recorded on the Native Vegetation <b>Offset</b> Register.</p> <p>Any first party offset site that will be allocated over time to a number of approvals <b>must</b> be registered on the Native Vegetation Offset Register.</p>	<p>Third party offset sites must be recorded on the Native Vegetation <b>Credit</b> Register.</p> <p>Third parties can sell credits that their offset site generates to permit holders needing to meet offset requirements.</p>