

How to meet your offset requirement

This information sheet provides an overview of the options for securing a native vegetation offset and how to write an offset statement

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.

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.

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.

Offsets are described as either first or third party:

- **First party offsets** are on land owned by the holder of a permit to remove native vegetation. First party offsets are used to meet landowners' own offset requirements. The *First party offset guide* provides information on how to establish a first party offset site.
- **Third party offsets** are on land owned by another party. Permit holders can purchase native vegetation credits from other landowners to meet their offset requirements. More information about third party offsets can be found on the DELWP website.

Offset statement

An application to remove native vegetation must include an offset statement. The statement must provide evidence that a suitable offset exists, and can be secured in accordance with the Guidelines.

The offset statement:

- Ensures the applicant is aware of any costs to secure an offset *before* they go through the permit process. If the costs are too high the applicant can either look for other offset options or reduce their offset requirement by altering their proposal to remove less native vegetation, or native vegetation with less values.
- Assures the permit assessor that the impacts on biodiversity from the removal of native vegetation can be adequately compensated if the application is approved.

A suitable offset statement includes evidence that the required offset:

- A.** is available to purchase from a third party, or
- B.** will be purchased from a proposed new third party offset site, or
- C.** can be met by a first party offset.

The three options are described in Table 1.

You do not need to secure the offset until after your application to remove native vegetation is approved. You only need to include a statement that shows how you intend to secure the offset if your application is approved. How to write an offset statement for each option is explained in Table 2.

More information about native vegetation offsets is available on the DELWP native vegetation website:

<https://www.environment.vic.gov.au/native-vegetation/offsets>

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Table 1. Overview of the three options that can be described in the offset statement

	A. Offset is available to purchase from a third party	B. Offset will be purchased from a proposed new third party offset site	C. Offset can be met by a first party offset
Description	<p>The easiest way to secure an offset is to purchase an existing offset from a third party. These offsets are recorded by DELWP on the Native Vegetation Credit Register (NVCR), and are called 'native vegetation credits'.</p> <p>Native vegetation credits can be purchased via a Native Vegetation Credit Register (NVCR) accredited broker.</p>	<p>This is when the third party offset site has not yet been established. A third party will establish a new offset site and the offset will be purchased from them.</p> <p>The third party agrees to establish the offset site and to sell the credits to the permit holder.</p> <p>You may know of a suitable site in your local area, or an NVCR accredited broker may know of suitable offset sites that will be established but are not yet finalised.</p>	<p>This is when your offset requirement is met by protecting and managing native vegetation or an area of revegetation on your own property.</p>
What will the offset cost?	<p>The third party sets the price of the native vegetation credits generated from the protection and management of native vegetation on their property. The price will depend on the type of security and management required for the offset site.</p> <p>To understand the potential cost of purchasing native vegetation credits, you can look at the table of previous credit trade prices. Look at previous trades that are similar to your offset requirements and attributes.</p> <p>If you want to know the current price of the native vegetation credits you need, contact one or more NVCR accredited brokers to get an estimate of costs.</p> <p>The list of previous credit trade prices and a list of NVCR accredited brokers is available on the DELWP native vegetation website.</p>		<p>The costs to establish an offset site on your own property will depend on the type of security and management required for the site.</p> <p>Section 2.3 of the <i>First party offset guide</i> provides information on the costs to secure and manage native vegetation at a first party offset site.</p>
How do I secure the offset?	<p>Contact an NVCR accredited broker to purchase native vegetation credits from a third party. They will arrange for all the documents to be completed for you to sign.</p>	<p>The third party must first establish the offset site and record it on the NVCR. You can then purchase the credits from the third party via the NVCR accredited broker.</p> <p>Information for a third party wanting to establish a third party offset site can be found on the DELWP native vegetation website.</p>	<p>You must sign an agreement with a statutory body to protect and manage native vegetation on your property in perpetuity (forever).</p> <p>The <i>First party offset guide</i> explains how to establish a first party offset site. It is available on the DELWP native vegetation website.</p>

NOTE: You do not need to secure the offset until after your application to remove native vegetation is approved. You only need to include a statement that shows how you *intend* to secure the offset *if* your application is approved.

LINKS: Establishing a third party offset site (<https://www.environment.vic.gov.au/native-vegetation/offsets/establish-a-third-party-offset/>);
Securing an offset (<https://www.environment.vic.gov.au/native-vegetation/offsets/secure-an-offset/>)

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Prepare your offset statement in your application to remove native vegetation once you have worked out your preferred way to secure the offset. Table 2 explains how to do this.

Table 2. How to write an offset statement for the three options

	A. Offset is available to purchase from a third party	B. Offset will be purchased from a proposed new third party offset site	C. Offset can be met by a first party offset
Suitable evidence to support your offset statement	<ul style="list-style-type: none"> Suitable evidence from the NVCR or NVCR accredited broker that the required offset is available to purchase. This could be an email stating that the credits are available and may or may not include a cost estimate. Confirm an understanding of the potential cost of the offset. Provide confirmation that the table of past trades has been used to gain an understanding of costs if a cost estimate is not included. 	<ul style="list-style-type: none"> A <i>Native vegetation offset report</i> (either final or preliminary estimate by an NVCR service provider – site assessor) that shows the offset site meets the offset requirements, AND Confirmation from the NVCR site assessor that the site would be eligible to become an offset site, AND Written agreement from the third party (i.e. the offset provider or owner of the offset site) to establish the offset site and sell the credits to the permit holder. 	<ul style="list-style-type: none"> A <i>Native vegetation offset report</i> that shows the offset site meets the offset requirements, AND A letter or an email from a statutory body stating they will sign a security agreement, AND Confirmation that the site is eligible to be an offset site.
Example of how to write an offset statement (words in <i>italics</i> must be replaced with the relevant response)	<p>“I am going to purchase the offset I need from an existing native vegetation credit site. I have attached <i><insert type of evidence></i> to this application, which shows that the offset is available. I have checked and understand the likely cost of the offset.”</p> <p>Make sure you attach the evidence to the application.</p>	<p>“I am going to purchase a new offset that will be established by <i><insert name of third party></i>. I have attached <i><insert type of evidence></i> to this application, along with the written agreement of the owner of the site. I have checked and understand the likely cost of the offset.”</p> <p>Make sure you attach the evidence and the written agreement to the application.</p>	<p>“I will meet the offset requirement by protecting native vegetation on my own property. I have attached the <i>Native vegetation offset report</i>. <i><Insert statutory body></i> has agreed to secure the site via a <i><insert agreement></i>. I have checked and understand the costs and requirements to secure the offset site.”</p> <p>Make sure you attach the report and the written agreement to the application.</p>

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