

Permitted clearing of native vegetation

Meeting permit conditions – Third party offsets

Permit offset condition

In Victoria, landowners wishing to remove, lop or destroy native vegetation are required to obtain a planning permit.

The [Permitted clearing of native vegetation - Biodiversity assessment guidelines](#) (Guidelines) is an incorporated document in all council planning schemes and sets out how native vegetation is considered when assessing applications for a permit to remove it.

The objective of the permitted clearing regulations is 'No net loss in the contribution made by native vegetation to Victoria's biodiversity'.

When a permit is granted to remove native vegetation an offset is required. An offset is an undertaking to protect and manage native vegetation.

The planning permit offset condition will state the:

- type of offset (general or specific)
- amount of offset (biodiversity equivalence units)
- required offset site attributes.

In the project planning stage, the *Biodiversity assessment report* for low impact projects and the *Biodiversity impact and offset requirement report* for moderate and high projects will outline the offset requirements.

The requirement to offset the removal of native vegetation is key to delivering the no net loss objective of the permitted clearing regulations. To ensure this objective is achieved the offset must make a contribution to Victoria's biodiversity that is equivalent to the contribution made by the native vegetation that is to be removed.

What is an offset?

Protection and management activities improve the condition of the native vegetation within the offset site. This improvement increases the contribution that

the site makes to Victoria's biodiversity. This is referred to as 'gain'.

The commitment to protect and manage the native vegetation must be permanent. This is usually done by registering a legally binding agreement including a management plan on the land title.

Offset timing

Clearing proposals that are in the moderate or high risk-based pathway must include an offset strategy with their permit application that describes where and how an offset will be secured. All offsets need to be secured prior to the removal of native vegetation. The timing of when proponents start looking for an offset is thus crucial and should begin at the same time that proposals are being planned and developed.

Secured offset

Under the permitted clearing regulations, a secured offset is defined as either, an:

- executed first party offset security agreement
- Allocated Credit Extract from the Native Vegetation Credit Register.

Offset types

Permit holders can choose to satisfy offset requirements through a first party or third party offset.

First party offset

A first party offset is created on a property with the same ownership as the clearing proposal. The offset site must meet the eligibility criteria in the [Native vegetation gain scoring manual](#). A first party offset can be used to meet general and specific offset requirements.

The offset site is secured in perpetuity by signing a security agreement with a statutory authority. The permit holder accepts the cost and responsibility of managing the site in accordance with an approved management plan.

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A simplified process for securing small amounts of first party “general” offsets is described in the [first party general offset kit](http://www.delwp.vic.gov.au/environment-and-wildlife/biodiversity/native-vegetation-offsets) available at <http://www.delwp.vic.gov.au/environment-and-wildlife/biodiversity/native-vegetation-offsets>

Third party offset

A third party offset is purchased as a native vegetation credit from a credit owner.

Many landowners have entered into agreements to permanently protect and manage native vegetation to create native vegetation credits to sell to permit holders.

The credits that the offset site provides are registered in the Native Vegetation Credit Register.

Purchasing a third party offset

Permit holders wanting to purchase a third party offset have a number of options which are described below.

1. Over the Counter Program

Over the Counter (OTC) programs have been established as a quick and easy way to purchase credits. The credits are available at a fixed price and can be purchased quick and easy through an offset broker. These are available through some local councils and through accredited brokers who have been engaged by credit owners to sell credits at a fixed price on their behalf.

Contact details for accredited brokers and Over the Counter schemes is available on Department of Environment, Land, Water and Planning (DELWP's) native vegetation offset web page at <http://www.delwp.vic.gov.au/environment-and-wildlife/biodiversity/native-vegetation-offsets>

2. Trade by negotiation

Some credit owners trade their native vegetation credits by negotiated trade. The price and sale of these credits requires negotiation either directly between the credit owner and the purchaser (two-party negotiated trade), or more commonly between the purchaser and an accredited broker on behalf of a credit owner (three-party negotiated trade).

Contact details for accredited brokers and information on trade prices and credit availability is available on Department of Environment, Land, Water and Planning (DELWP's) native vegetation offset web page at <http://www.delwp.vic.gov.au/environment-and-wildlife/biodiversity/native-vegetation-offsets>

3. Search for new credit site

Proponents who seeking an offset can contact their local council or accredited broker to ascertain whether their required offset is available. If an offset is not currently available in the market, proponents will need to locate a new credit site to satisfy their requirements if they wish to proceed with a planning permit to clear native vegetation. They can contact accredited site assessors or other ecological consultants who will be able to search for the required offsets. Note that only an accredited site assessor can undertake an assessment of a credit site to be registered on the Native Vegetation Credit Register.

Native Vegetation Credit Register

The Native Vegetation Credit Register regulates the establishment, sale and ownership of native vegetation credits. All third party offsets are registered and tracked through this register.

For more information regarding the Native Vegetation Credit Register go to

<http://www.delwp.vic.gov.au/environment-and-wildlife/biodiversity/native-vegetation-offsets> or email nativevegetation.creditregister@delwp.vic.gov.au.

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