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| Roles and responsibilities: Native vegetation credit owners  |
| Information sheet on the roles and responsibilities of those selling native vegetation credits.  |

Native vegetation credit owners can sell native vegetation credits with or without the help of a broker to anyone who has a requirement to secure a native vegetation offset.

**What is a native vegetation credit?**

A native vegetation credit is a unit of gain generated by protecting and managing land at a third-party offset site.

## What is a credit owner?

There are two types of native vegetation credit owners:

1. Credit owners who are landowners of the offset site that generates native vegetation credits.
2. Credit owners who are not landowners. These credit owners have either purchased credits from someone and can sell them to others or transferred their land to the crown for reservation into the Crown land parks and reserve system to generate gains and receive native vegetation credits.

**Obligations of setting up a native vegetation offset site**

To set up a native vegetation offset site landowners must enter into a security agreement which establishes the site that generates gains in native vegetation. This is then registered on the native vegetation credit register.

The first step is to engage a Native Vegetation Credit Register (NVCR) site assessor, a list can be found on the DELWP native vegetation website. NVCR site assessors have entered into a *Site Assessor Agreement* with DELWP to provide the required services.

A security agreement can be a section 69 agreement under the *Conservation, Forests and Lands Acts 1987* with the Secretary to DELWP or an offset covenant agreement under the *Victorian Conservation Trust Act 1972* with Trust for Nature (TfN).

The security agreement must be registered on the land title and runs with the land in perpetuity.

These credit owners must comply with their obligations and commitments detailed in the security agreement, actively manage the site to generate gains, and report progress of this management to the relevant statutory body (DELWP or TfN).

## Selling native vegetation credits

A credit owner can sell their native vegetation credits (with or without the help of a NVCR broker) or use them themselves. The native vegetation credits must be recorded on the NVCR and traded or allocated in accordance with the Rules of the NVCR, using the correct credit trading agreement or allocation form.

### Self-manage your native vegetation credits

Credit owners can sell their native vegetation credits to third parties using the NVCR *Two-party Credit Trade Agreement*. This is an agreement that the credit owner and purchaser sign and then submit to the NVCR. It details the nature of the trade including the number and type of native vegetation credits and the price to be paid. The NVCR will provide an updated native vegetation credit statement to the credit owner after completing a trade(s).

### Use a Native Vegetation Credit Register broker

Credit owners can choose to enter into an agreement with an NVCR broker who manages the sale of their credits. The broker will facilitate the trade and allocation of native vegetation credits on behalf of the credit owner. The credit owner must inform the NVCR if they choose to use a broker, and the NVCR will direct all correspondence about their native vegetation credits, the trade and balance of native vegetation credits to the broker. The broker is responsible for passing this information onto the credit owner and ensuring the correct credit trade agreements and forms are used.

Credit owners can negotiate a price for each trade using a NVCR *Three-party Credit Trade Agreement*. This agreement is between the credit owner, the broker and the purchaser.

Credit owners can also choose to enter into the NVCR *Credit Owner Agreement for fixed price trading* with a broker. This agreement specifies the number of credits and the price of credits that the broker can trade on behalf of the credit owner. The broker will then sell specified credits at the fixed price using NVCR *Fixed-price Credit Trade Agreement*. This agreement is only between by the purchaser and the broker.

## How do I set a price for native vegetation credits?

DELWP has prepared the information sheet *Pricing native vegetation credits* which explains how to price native vegetation credits.

## How do purchasers find my native vegetation credits?

There is an online *Search the native vegetation credit register* tool that purchasers can use to search for credits when they have a requirement to secure a native vegetation offset. Any matching native vegetation credit listed as “for sale” on the NVCR will appear in the search results. The search tool will list the relevant broker(s) to contact (if any have been nominated). If no broker is nominated the purchaser will be directed to contact the NVCR. The NVCR will inform the credit owner of the interest and put the purchaser and credit owner in contact with each other.

The NVCR does not enter into any discussion regarding trade prices or recommendation of brokers or properties to purchase from.

## Rights of the credit owner

A native vegetation credit owner can:

* allocate their own native vegetation credits if they have not already been traded or allocated
* enter into an agreement with an NVCR broker or sell their credits themselves, processing the sale through the NVCR.
* update their contact details, broker details, status of their credits from ‘not for sale’ to ‘for sale’ or *vice versa* by submitting a signed *Credit trading and broker details collection form* to the NVCR
* determine the price of the native vegetation credits to be sold which must at a minimum consider the ongoing management costs at the site.

## More information

The DELWP native vegetation website has useful information for landholders, it:

* explains the steps required to establish an offset site
* contains a list of NVCR site assessors and brokers
* has the management standards that must be complied with when managing the offset site
* details the NVCR fees
* has information to help set a price for native vegetation credits, including all past trade prices.

Go to: <https://www.environment.vic.gov.au/native-vegetation/native-vegetation/offsets-for-the-removal-of-native-vegetation/i-want-to-establish-a-native-vegetation-credit-site>.

You can also email nativevegetation.offsetregister@delwp.vic.gov.au for queries about trading and allocating native vegetation credits or nativevegetation.offsetmanagement@delwp.vic.gov.au for queries about setting up a new offset site or managing an existing offset site.

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