

Media Release

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Second annual report on the NSW biodiversity credits market

The second Biodiversity Credits Market Monitoring Annual Report published by IPART shows that the biodiversity credits market continues to have issues that prevent it from functioning effectively.

Tribunal member Jonathan Coppel said ensuring a well-functioning biodiversity credits market was important to ensure development takes place in a way that conserves our unique natural environment.

"In a well-functioning market, credit prices signal the cost of offsetting impacts and give landholders, whether they are seeking to buy or sell credits, the right incentives to develop land or conserve biodiversity," Mr Coppel said.

"Our latest Annual Report has found that there continue to be key challenges affecting fundamental aspects of the market. Many of our findings and recommendations from last year are still relevant in the current landscape."

Mr Coppel said the NSW Government had recently amended the Biodiversity Conservation Act, which sets out the rules for the Biodiversity Offsets Scheme and the biodiversity credits market within it.

"While the amendments present a step in the right direction, there are still fundamental issues in the market that need to be addressed. We continue to advocate for change to make the biodiversity credits market work for NSW," Mr Coppel said.

In particular, the report found changes should be made to the way government agencies are operating in the market, as their interventions are currently overly influential on market prices.

IPART continues to recommend that government agency interventions in the market should support credit trading in preference to keeping prices low. As part of this, it recommends steps be taken as soon as possible to reduce developers' reliance on the Biodiversity Conservation Fund, which allows development proponents to pay the Government to meet their offset obligations.

"We have built on our findings from last year to recommend changes to trading mechanisms, governance, and information access. These changes can go a long way to support fair and efficient trading in the market," Mr Coppel said.

Stakeholders can sign up to receive updates on the review, or read more information, via IPART's website at www.ipart.nsw.gov.au

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