

Roles and Responsibilities: Native Vegetation Credit Register – Purchasers

Native vegetation credits are usually purchased to satisfy a planning approval requirement. To achieve this, the credits must be allocated to the approval reference number, most commonly a planning permit number.

Who is a purchaser?

A purchaser is an individual or organisation that has entered and completed a credit trade agreement to purchase native vegetation credits from a third party who has an established offset site. The purchaser may have an offset obligation to satisfy a planning approval condition where they cannot or choose not to meet these obligations on their land with a first party offset site.

Purchaser rights and obligations

The purchaser must enter into a credit trading agreement to secure the native vegetation credits. Read the agreement carefully before signing it. The agreement sets out your rights and obligations, including but not limited to, that you:

- pay the total agreed purchase price within the time nominated in the agreement (usually 28 days)
- provide true and accurate information in all forms and agreements
- ensure that what you are purchasing matches your offset requirement or meets your needs.

Why would I opt to purchase native vegetation credits to meet my requirements?

A native vegetation offset is required when native vegetation is approved to be removed. This offset provides compensation or a benefit to biodiversity that balances the impact caused to biodiversity when the native vegetation is removed. This ensures there is no net loss to biodiversity from permitted native vegetation removal.

An offset can be secured in one of two ways:

- by purchasing native vegetation credits from a third party
- by establishing a first party offset site.

Often the simplest way to secure an offset is to buy existing native vegetation credits from a third party who has an established offset site elsewhere in Victoria.

The advantages of purchasing credits are:

- it may be more cost efficient than establishing and maintaining the obligations of a first party offset site
- your land may not meet the requirements to establish a first party offset site to offset your native vegetation removal.

How do I find native vegetation credits that meet my requirements?

The Department of Energy, Environment and Climate Action (DEECA) has released the online *Search the native vegetation credit register* tool that purchasers can use to search for available native vegetation credits within Victoria under the 2017 and 2013 policy units. For requirements under the 2002 Framework, please contact the NVCR. Any matching native vegetation credit that is available under the 2017 or 2013 guidelines on the Native Vegetation Credit Register (NVCR) will appear in the search results, together with the location of the offset site (Catchment Management Authority and Local Government Authority area) and details of who to contact to arrange the purchase.

The search results will show if the credit owner is also the landowner. Some credit owners are the landowner of the offset site, meaning they own and manage the land that is generating the native vegetation credits. Other credit owners, who are not the landowner, are known as 'secondary owners' and they have either bought credits from another credit owner to on-sell or they have transferred their land to the Crown for reservation in the Crown land parks and reserve system.

The tool displays if the credit owner is selling the credits at a fixed price or negotiated price.

If you do not wish to use the online search tool, you can contact individual brokers to find a match of native vegetation credits from credits owners whom they represent. Always consider getting more than one quote. A list of accredited brokers is available on the DEECA native vegetation website.

What should I expect from a broker?

If you engage a broker to help you purchase the native vegetation credits. You can expect them to:

- explain the process and options available to you when purchasing native vegetation credits
- help you understand current market prices
- help you find native vegetation credits that meet your requirements
- provide one or more quotes for the cost of the credits
- negotiate the purchase with the credit owner
- submit all necessary paperwork to the NVCR to facilitate and finalise the trade and allocation (if required) of the native vegetation credits
- liaise directly with the NVCR and credit owner on your behalf.

A broker may charge a fee and/or commission to process the purchase. This may be set out in the credit trade agreement. For more information about the roles and responsibilities of brokers, see the information sheet *Roles and Responsibilities: Native Vegetation Credit Register - Brokers*.

What should I expect from a credit owner if I purchase directly from them?

If the credit owner has not engaged the services of a broker, you can purchase their credits directly from them. You will need to speak with them to confirm who will complete the credit trade agreement and submit the required documents to the NVCR to facilitate the purchase.

Forms and agreements are available from the NVCR upon request.

How do I know if the price is fair?

Credit owners need to consider many things when setting a price for a native vegetation credit, including

the cost of fulfilling all commitments and obligations to manage the land and any lost opportunity costs as the land is protected for conservation in perpetuity, if they are also the landowner. They would also consider the market value of the native vegetation credit.

You can check the cost of all past trades and median trade pricing on the DEECA native vegetation website. What you pay should be comparable to other trades completed within the same Catchment Management Area (CMA).

Handy tips:

- ask for multiple quotes and speak to multiple brokers
- review the list of past trades on the DEECA native vegetation website or ask your broker to explain the current market value
- if you have used the online search tool, download the report and provide the results to the nominated contact
- ask whether the credit owner has entered into a fixed price trade agreement or not. If not, you can negotiate the price. If they have entered a fixed price trade agreement, they will sell at that fixed price and may be a quicker option if you are under time constraints

More information

The DEECA native vegetation website has useful information for purchasers, including:

- a link to the “Search the Native Vegetation Credit Register” tool, a tool that enables the public to search the NVCR for available credits:
<https://nvcr.deeca.vic.gov.au>
- a list of all NVCR brokers that facilitate the trade of native vegetation credits
- information about pricing native vegetation credits
- records of all past native vegetation credit trades, including the price for each trade.

<https://www.environment.vic.gov.au/native-vegetation/native-vegetation/offsets-for-the-removal-of-native-vegetation/i-need-to-secure-an-offset>

You can email

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

We acknowledge Victorian Traditional Owners and their Elders past and present as the original custodians of Victoria's land and waters and commit to genuinely partnering with them and Victoria's Aboriginal community to progress their aspirations.



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ISBN 978-1-76105-302-3

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