

16th September 2022

Biodiversity Market Policy and Design Team
Department of Climate Change, Energy,
the Environment and Water (DCCEEW)
CANBERRA ACT 2601
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To Whom It May Concern,

RE: Submission to a proposed National Biodiversity Market

Thank you for this opportunity to make a submission to the consultation process on a proposed national biodiversity market.

I am a Senior Lecturer and Australian Research Council DECRA Fellow based at the University of New South Wales, Canberra¹. I have specific expertise in the design, implementation, and evaluation of biodiversity and carbon credits (offsets).

I was one of five independent academic experts invited to participate in Professor Graeme Samuel AC's Consultative Group as part of the Independent Review of the

Key concerns and recommendations for the proposed National Biodiversity Market

Megan Evans, University of New South Wales, Canberra

Concern #1: There appears to be confusion within Government over the difference between a biodiversity certificate and a credit Ë which are fundamentally different policy instruments.

On

Offsets Policy) and in the emerging “voluntary” space whereby currently unregulated firms are sourcing land and voluntary biodiversity credits to hedge against likely future compliance obligations.

In this “voluntary” space, firms are stating their current intentions⁴ for purchasing biodiversity credits now as “corporate social responsibility” or “commencing our nature positive/sustainability journey”. Their future intentions, however, are likely to use these biodiversity credits to somehow compensate for biodiversity impacts that they have not yet quantified. This therefore opens the possibility for the use of credits to compensate for impacts to biodiversity in a way that falls well short of internationally recognised principles – including to avoid, minimise and mitigate impacts first, to compensate for the same components of biodiversity (i.e “like for like”) and for the amount of biodiversity gain to be equivalent to biodiversity losses (thus “offset”). Compensation that falls short of the amount of biodiversity impacts will not avert biodiversity decline.

The legislative and policy architecture required for a *certification* scheme is also fundamentally different for what is required for a *credit* scheme.

For biodiversity **certificates**, we (the public) need reasonable assurance that the *inputs* or *activities* (e.g planting trees, reducing grazing, erecting a fence)

impacts elsewhere – whether this is occurring under State, Territory and federal environmental laws and regulations, or in a currently unregulated manner. This is neatly highlighted by the NSW BOS, which a recent audit report found only 3% of biodiversity credits under the scheme are traded⁶,

