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HABITAT COMPENSATION UNDER THE BIODIVERSITY CONSERVATION STRATEGY

MELBOURNE STRATEGIC ASSESSMENT



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INTRODUCTION

The Melbourne Strategic Assessment (MSA) evaluates the impacts of the Victorian Government's urban development program for Melbourne on matters of national environmental significance protected under the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). It also establishes conservation measures to mitigate these impacts.

The MSA required the Victorian Government to make commitments to the Commonwealth Government in relation to conservation outcomes and measures to protect these matters of national environmental significance, which are outlined in *Delivering Melbourne's Newest Sustainable Communities Program Report*¹ (the Program Report).

These commitments included the preparation of the Biodiversity Conservation Strategy (BCS) which describes the overarching strategy for the protection of biodiversity within Melbourne's growth corridors. The BCS sets out the detailed conservation measures required for Victoria to satisfy the commitments made to the Commonwealth Government under the MSA and meet State requirements for biodiversity under the Victorian planning scheme. These conservation measures will be funded using a cost recovery model.

The Commonwealth Government has approved the BCS and compliance with the habitat compensation arrangements and fees outlined in this document is a condition of that approval.

For landowners undertaking urban development within Melbourne's growth corridors, the habitat compensation scheme provides the method for obtaining offsets for the removal of native vegetation and loss of habitat for threatened species protected under the EPBC Act.

The BCS and the habitat compensation scheme apply to:

- > The four growth corridors in the expanded 2010 Urban Growth Boundary (UGB)
- > 16 of the existing 28 urban precincts in the 2005 UGB
- > The Outer Metropolitan Ring Transport Corridor/E6 Road Reservation.

The BCS does not apply to 12 of the existing 28 urban precincts in the 2005 UGB or the Regional Rail Link corridor between Werribee and Deer Park. Urban development in these 12 precincts has been approved as part of the MSA and is proceeding in accordance with the Commonwealth prescriptions.

The MSA delivers a single environmental approval for both Victorian and Commonwealth environmental regulation for the first time. The program represents a significant cost saving to landowners wishing to develop their land. Cost savings are estimated to be in the order of \$500 million over the expected 30-year period² of development, primarily arising from the reduction in holding costs, avoiding opportunity cost associated with land take in the growth corridors, and reduction in information costs and administrative burden.

The introduction of a flat fee for native vegetation removal and loss of habitat for threatened species affected by urban development in Melbourne's growth corridors provides a streamlined, predictable and stable offset framework for landowners to make informed decisions about overall costs. It also means that landowners can meet their offset obligations with an in-lieu payment and will not be required to undertake assessments or enter into negotiations. The availability of staged fee payments acknowledges the scale and sequencing of development in the growth corridors and responds to the request from industry for this flexible payment option to be made available.

1 Victorian Government (2009). *Delivering Melbourne's Newest Sustainable Communities, Progress Report*. Department of Planning and Community Development, East Melbourne

2 Deloitte Access Economics (2013). *Summary of cost savings under the Melbourne Strategic Assessment*. Melbourne

COST RECOVERY

Objectives of the scheme

The cost recovery model for the MSA has been designed to be consistent with good governance, accountability and transparency.

The objectives of the scheme are to ensure:

- > A price that is stable and provides certainty for a defined time period, enabling stakeholders to plan accordingly
- > That the cost base is efficient and consistent with the principles of cost recovery in line with the Victorian Government *Cost Recovery Guidelines*³
- > That the fees charged are commensurate to the service to be provided by the State in purchasing and managing land as an offset to the loss of matters of national environmental significance, consistent with Victoria's commitments to the Commonwealth Government.

Principles of cost recovery

To improve equity and efficiency in government spending, cost recovery through fees can occur on the basis of a 'user pays' system. Under this arrangement, those who use services are obliged to pay for the cost of those services, rather than have them funded from general taxation revenues.

Cost recovery has the potential for advancing both equity and efficiency objectives, although in some cases these objectives may need to be balanced against each other. According to the Victorian Government *Cost Recovery Guidelines*, and Victorian Government policy more broadly, regulatory fees and user charges should be set on a full cost recovery basis to ensure that both efficiency and equity objectives are met. Full cost recovery requires all efficient costs associated with the provision of the output or activity to be included. By incorporating all costs into the payment required by users for government services, cost recovery charges act as important price signals to users. This serves to increase transparency and efficiency in the allocation of costs.

3 Victorian Government (2010). *Cost Recovery Guidelines*, Department of Treasury and Finance, Melbourne

The Victorian Government *Cost Recovery Guidelines* state that cost recovery arrangements should be:

- > Consistent with, and supportive of, the policy objectives of cost recovery
- > Imposed directly, where possible
- > Cost effective and practical
- > Feasible and legal
- > Consistent with other policy objectives.

In determining the governance framework for operating the habitat compensation scheme, the following principles have been developed:

Price-setting – an appropriate fee structure that is fully cost recoverable, efficient, effective and stable

Revenue flows – ensuring that revenue from fees is matched with expenditure

Avoiding cross-subsidisation – cross-subsidies between mitigation activities will be avoided as they result in inequitable outcomes and create incentive effects contrary to desired outcomes. The risk of cross-subsidisation is reduced by structuring charges so that they most accurately reflect the effort involved in the corresponding activity

Transparency – ensure an open, transparent and robust process for setting prices for fees.

Basis of the costs

On the basis of these principles, a comprehensive list of potential activities under the Program Report and BCS was reviewed to determine those activities that are cost recoverable.

In determining what costs are recoverable through habitat compensation fees, consideration was also given to competitive neutrality. In the case of the habitat compensation scheme (including offsetting under the program through establishing and maintaining the reserves and conservation areas), the Victorian Government is not considered to be in direct competition with private providers as the program limits the provision of these services to public agencies. As such, it was considered that competitive neutrality adjustments were not required for the fees.

The activities for which costs will be recovered as part of the MSA are broadly described in Table One. The habitat compensation fees will be collected over a 30 to 40 year period which is the expected period of development in the UGB. The fees allow for a period of at least ten years of active management of the reserves and conservation areas, in addition to permanent protection of the conservation areas. This is in accordance with the requirements for offsets in Victoria.

Activity	Description	Total delivery cost
Land acquisition	Purchase of land for specific reserves and associated costs including valuations, subdivisions, conveyance, taxes, advice, compensation, environmental assessments and legal costs	\$443,764,310
On-ground management	Reserve establishment and management of land secured on title or owned by a public authority (the extent of funding is dependent upon reserve type and tenure) including clean up, fencing, management plans, fire break creation, weed management, maintenance, pest control, biomass management and targeted actions for species	\$340,108,038
Habitat construction	Habitat restoration of land secured on title or owned by a public authority including construction and management of Growling Grass Frog ponds, revegetation and grassland restoration (the extent of funding is dependent upon reserve tenure)	\$71,379,450
Ecological monitoring and reporting	Activities associated with adaptive management, progress towards targets, research and reporting for vegetation including design, data collection (surveys), data management, data analysis and interpretation	\$75,985,997
Program delivery	Ongoing oversight, management and governance of the program including reporting to and liaison with the Commonwealth Government, communications, program evaluation, stakeholder liaison, review commitments/priorities, contractor/service provider management (e.g. oversight of Parks Victoria), budgeting, governance, ongoing coordination of land acquisition process, contracts, ongoing legalities, process obligations, data support and systems	\$54,916,723
TOTAL	Fees to be collected over a 30 to 40 year period	\$986,154,518

Land acquisition and management

Western Grassland Reserves

The Victorian Government has committed to establishing two grassland reserves outside the UGB. These reserves are being established to protect critically endangered grassland communities and to offset the clearing associated with urban expansion and associated infrastructure.

The government has committed to acquiring a specific area for establishment of the reserves.

The Western Grassland Reserves will form a new grassland park, covering two large areas around Mount Cottrell and north of Little River. The reserves will contain the largest concentration of remaining volcanic plains grasslands anywhere in Australia. The reserves are designed to provide sufficient habitat to enable the persistence of a number of threatened species, particularly the Golden Sun Moth and Spiny Rice-flower, and also contain a range of other habitat types including ephemeral wetlands, waterways, rocky knolls and open grassy woodlands.

The reserves will be established through progressive acquisition by the State of Victoria of freehold land within specific areas followed by the reservation for conservation purposes under the *Crown Land (Reserves) Act 1978*.

Grassy Eucalypt Woodland Reserve

The Victorian Government has committed to establishing a reserve to protect Grassy Eucalypt Woodland (GEW) outside the UGB north-east of Melbourne. This reserve may also protect habitat for the Matted Flax-lily.

The Program Report for the MSA requires that this reserve must be outside the UGB south-west of Whittlesea, and must be of at least 1,200 hectares in size. The boundaries of a broad 'investigation area', within which the GEW reserve will be located, are published in the BCS.

The investigation area is zoned a combination of Green Wedge Zone and Rural Conservation Zone. Most of the area is covered by an Environmental Significance Overlay and parts are covered by a Heritage Overlay.

The reserve will be established through voluntary means, including voluntary purchase by the Crown or voluntary legal agreements (restrictive covenants) under section 69 of the *Conservation Forests and Land Act 1987*. Compulsory acquisition will not be used to secure the GEW reserve.

Network of small- and medium-sized conservation areas

In addition to the Western Grassland Reserves and Grassy Eucalypt Woodland reserve, the Victorian Government has committed to the conservation of some smaller areas within the growth corridors. These contain matters of national environmental significance that will be protected and managed to achieve the conservation outcomes in the Program Report.

These 36 conservation areas are identified in the BCS and comprise all of the land that will require protection for conservation within the growth corridors under the MSA. Urban development will be excluded from the conservation areas and each area will be protected and managed for conservation in perpetuity.

The conservation areas fall into a number of management categories. Table Two described how these areas will be managed and funded according to these categories.

The conservation areas will be established through legal agreements (restrictive covenants) under section 69 of the *Conservation Forests and Land Act 1987*, vesting the land in a public authority or voluntary purchase by the Crown. The Department of Environment and Primary Industries (DEPI) will only seek to purchase conservation areas classified as *nature conservation*.

In some cases, conservation areas include multiple management categories. These combinations include:

- > Nature conservation / Regional parks
- > Nature conservation / open space
- > Growling Grass Frog conservation, floodplain and open space / Regional parks
- > Existing public land / open space.

The delineation between these categories within conservation areas will occur at the precinct structure planning stage in accordance with the following principles:

- > *Nature conservation* will be identified within *Regional parks* only where there is high quality native vegetation supporting populations of matters of national environmental significance. This scenario only applies to conservation area 3: Clarke's Road Grassland, Rockbank
- > *Open space* will be delineated from *nature conservation* based on a general absence of large native vegetation patches and matters of national environmental significance, but may include scattered trees and small patches of native vegetation where these can be managed to retain their biodiversity values within an overall open space context
- > The delineation between *Regional parks* and *Growling Grass Frog conservation, floodplain and open space*, will be determined as part of the Regional parks finalisation and implementation process.

Additional parts of conservation areas designated as *open space* or *Growling Grass Frog conservation, floodplain and open space* may be categorised as *nature conservation* in the following situations:

- > Where part of the *open space* component of the conservation area is required for intensive grassland and threatened species restoration in order to protect a population in the long term. This scenario only applies to conservation area 10: Truganina Cemetery Grassland and Buffer; or
- > Where a parcel contains *nature conservation* and adjoining *Growling Grass Frog conservation, floodplain and open space* categories and, based on the BCS, the latter category on the parcel also contains populations of matters of national environmental significance (other than the Growling Grass Frog) and is predominantly covered by native vegetation. This scenario only applies to conservation area 11, where it adjoins conservation area 2; conservation area 34, where it adjoins conservation area 22 (north-western parcel only); and conservation area 34, where it is located within conservation area 23.

Type of conservation area	Description	Application of Cost Recovery Revenue
Nature conservation	These areas will be protected and managed primarily for nature conservation, including matters of national environmental significance and state significance	<ul style="list-style-type: none"> > Active management > Land purchase > Species and vegetation monitoring
Growling Grass Frog conservation, floodplain and open space	These areas will be protected and managed primarily for the Growling Grass Frog in accordance with the requirements of the Sub-regional Species Strategy for the Growling Grass Frog, but will also include areas managed for floodplain and stormwater infrastructure as well as areas of open space for passive recreation	<ul style="list-style-type: none"> > Construction, revegetation and management of wetlands (incl. buffer zone) for Growling Grass Frog > Species and vegetation monitoring
Regional parks	These areas will be protected and managed as Regional parks, with specific conservation management regimes in place for areas containing matters of national environmental significance. The final boundaries for the Regional parks and conservation areas within them are still to be determined	<ul style="list-style-type: none"> > Specific additional actions in areas designated for protection of matters of environmental significance > Species and vegetation monitoring
Existing public land	These areas will be protected and managed by the existing public land manager. An alternative public land manager may be identified in the future	<ul style="list-style-type: none"> > Specific additional actions in areas designated for protection of matters of environmental significance > Species and vegetation monitoring
Existing offsets	These areas will be protected and managed under existing offset arrangements	> Not applicable
Open space	Most of these areas are currently zoned unsuitable for urban development (Rural Conservation Zone), primarily for landscape values, and will be surveyed to determine the boundaries of any areas required for biodiversity protection	<ul style="list-style-type: none"> > Active management of discrete biodiversity values > Species and vegetation monitoring
Type of conservation area to be determined following surveys	These areas will be protected initially through changes in zoning. Identification of these areas has been based on estimated data as DEPI was unable to obtain access to the land to undertake surveys. Further surveys are required to determine the type of each conservation area and the extent of each area required for conservation	> Not applicable

A complete list of the reserves, their type and key habitat is published in the BCS.

Network of conservation areas outside the UGB

The BCS also establishes conservation programs to protect, manage and enhance areas of conservation value outside the UGB for certain matters of national environmental significance impacted by urban development within the growth corridors. These include sites of conservation value for the Golden Sun Moth, Spiny Rice-flower and Matted Flax-lily.

The Program Report committed to the protection of 80 per cent of confirmed high persistence habitat for three species across the Victorian Volcanic Plain. The area of land required outside the UGB to meet this target, over and above the Western Grassland Reserves and the conservation areas identified in the BCS, is:

- > Golden Sun Moth – 680 hectares
- > Spiny Rice-flower – 394 hectares
- > Matted Flax-lily – 529 hectares. Sites secured to meet this target may include land within the GEW reserve.

These conservation areas will be established through voluntary on-title management agreements or voluntary purchase of land by the Crown. There will be no compulsory acquisition of land as part of these programs.

PRICING

Habitat compensation prices

The habitat compensation payable for a parcel of land within the area covered by the BCS is determined by DEPI and is based on the loss or deemed loss of habitat or native vegetation and the fee quantum for that habitat type.

A parcel of land may have obligations associated with one or more of the following habitat types:

- > Native vegetation (remnant patch), measured in hectares lost or removed
- > Scattered trees, measured in number of trees considered lost or removed
- > Matted Flax-lily habitat, measured in hectares lost or removed
- > Spiny Rice-flower habitat, measured in hectares lost or removed

- > Golden Sun Moth habitat, measured in hectares lost or removed
- > Growling Grass Frog habitat, measured in hectares lost or removed
- > Southern Brown Bandicoot habitat, measured in hectares lost or removed.

Habitat compensation obligations will be triggered prior to works commencing on a parcel of land within the area covered by the BCS. Once the land is subdivided or developed, the native vegetation, scattered trees or habitat on that land is considered to be lost or removed, unless DEPI has approved its retention according to the requirements in the *Guidance Note: Biodiversity Conservation Strategy for Melbourne's Growth Corridors* (the Guidance Note)⁴.

The fee for each hectare (or portion of a hectare to three decimal places) of habitat removed is as follows:

Fee Type	Unit	Price as at 1 May 2013 (plus GST)
Native Vegetation fee	Per hectare of native vegetation lost or removed	\$95,075
Scattered Tree fee	Per tree considered lost or removed	\$13,218
Matted Flax-lily fee	Per hectare of habitat lost or removed	\$11,196
Spiny Rice-flower fee	Per hectare of habitat lost or removed	\$7,937
Golden Sun Moth fee	Per hectare of habitat lost or removed	\$7,914
Growling Grass Frog fee	Per hectare of category 2 habitat lost or removed	\$7,529
Southern Brown Bandicoot fee	Per hectare of habitat lost or removed	\$4,015

The habitat compensation fees for the 12 precincts in the 2005 UGB, and the Regional Rail Link corridor between Werribee and Deer Park are published on the DEPI website.

4 Victorian Government (2013). *Guidance Note: Biodiversity Conservation Strategy for Melbourne's Growth Corridors*. Department of Environment and Primary Industries, East Melbourne



Habitat compensation fund

The habitat compensation fees will be governed by a specific fund that will include a requirement for regular reporting on income and expenditure and be the subject of independent financial audits. The fund will be administered by DEPI.

Price review policy

Although the cost base is estimated as accurately as possible, given the uncertain nature of a number of costs involved at this stage of the program's operation, habitat compensation prices will initially be set for a period of two years with a formal review in 2015.

A two-year period will provide the opportunity for the prices to be reviewed in an appropriate timeframe once historical data is available for the actual costs incurred, revenue generated and demand, while still providing a level of certainty and stability for stakeholders. Given that prices will be set for only two years at a time, they will be fixed in nominal terms with no need for an inflationary adjustment each year.

The price review will consider:

- > Updated forecasts of costs, revenue and future demand
- > Actual costs incurred and revenues generated from the previous two-year period
- > Over or under recovery of costs incurred from the previous period
- > Increases in cost estimates due to inflation.

Prices will then be re-calculated on a rolling basis every two years, taking into account the above inputs and guidance from the Victorian Government *Cost Recovery Guidelines*.

While a key objective of the price review is to minimise large fluctuations in prices, price changes may occur.

The review will be undertaken by an independent third party and will commence three months ahead of any change in prices, with any new prices announced on 1 July.

HABITAT COMPENSATION

Habitat compensation requirements apply to parcels of land within the area covered by the BCS that are suitable for urban development and may be cleared (or partially cleared) of native vegetation or species habitat. These requirements are set out in the BCS. Habitat compensation requirements will also apply to any other works carried out in a conservation area, such as public infrastructure.

Habitat compensation obligations for a parcel of land are based on the mapping of native vegetation under DEPI's time-stamping project and threatened species habitat mapping undertaken as part of the BCS, as well as information on scattered trees where available. The time-stamping data and mapping have been approved by the Commonwealth Government and incorporated into DEPI's habitat compensation layer. This specifies the native vegetation and habitat information for a parcel of land. Landowners must use the habitat compensation layer to determine their habitat compensation obligations.

DEPI will issue a Habitat Compensation Statement for each parcel of land that will provide details on the habitat compensation obligations for that parcel of land. This statement will be regularly updated and provides a record that can be used by the regulatory authority to confirm that the obligations have been met.

DEPI may approve minor amendments to the quantum of a habitat compensation obligation resulting from changes to the retention and clearing of habitat from the precinct structure planning process. These amendments include:

- > Adjustments to the boundaries of conservation areas from those indicated in the BCS
- > Development in a conservation area such as roads, stormwater infrastructure and other utilities
- > Increased retention and protection of scattered trees and native vegetation patches beyond what is required by the BCS. Scattered trees are defined in the BCS as Medium Old Trees or larger. The circumstances where DEPI will amend habitat compensation obligations for retaining scattered trees and native vegetation patches are set out in the Guidance Note.

The habitat compensation obligation for a parcel of land must be met before works commence. DEPI considers this obligation to be fully met when payment has been made in full for the entire obligation.

In some circumstances, DEPI may waive the requirement to meet the obligations for all or some of the habitat type before works commence. This may include circumstances where:

- > Land is to be subdivided in stages and a Staged Obligations Agreement has been entered into with DEPI that sets out the proportion of the obligation that must be met at each stage. Works for a subdivision can only commence once the obligation for the respective stage is paid in accordance with that agreement; or
- > A Works in Kind Agreement has been made with DEPI. In such circumstances, DEPI will consider that the obligation to the agreed value and equivalent stages for that habitat type has been conditionally met. Once the agreement has been fulfilled to DEPI's satisfaction, the obligation described in the agreement will be considered to be met in full.

Land security obligations

Where landowners are seeking to undertake development on their property and have an obligation to secure land that has been included in a conservation area, the land may be secured through one of the following mechanisms:

- > The landowner enters into a Land Management Co-operative Agreement with the Secretary to DEPI (under section 69 of the *Conservation, Forests and Lands Act 1987*) registered on the title of the land. This imposes restrictions on the use and development of conservation areas which are to remain in private ownership and require the landowner to maintain the habitat and prevent it from degrading. The use of this mechanism to secure land is available in most of the categories of conservation areas specified in the BCS. The landowner will be responsible for all costs associated with the agreement.
- > Land is purchased by, transferred to, or vested in the Crown, Minister or Secretary to DEPI and added to the Crown reserve system. Any land purchases will be subject to the availability of funds from habitat compensation fees within the trust account. This mechanism to secure land may be available to conservation areas classified in the BCS as nature conservation.
- > Land is vested in the relevant public authority for management as a reserve. This mechanism to secure land generally applies to conservation areas classified in the BCS as either Growling Grass Frog conservation, floodplain and open space, or open space.

A conservation area or part of it vested in a public authority may be eligible to be considered as part of an open space contribution required by a council. This will be determined at the precinct structure planning stage. This would only be in cases where the use of that part of the conservation area as public open space was compatible with the objectives and management of the conservation area (i.e. within conservation areas designated as Growling Grass Frog conservation, floodplain and open space, or open space) and if agreed by the relevant council. Such an arrangement would require approval by DEPI.

Land security obligations must be met before the commencement of any development or loss or removal of native vegetation or habitat on the land. DEPI will consider this obligation to be met when:

- > Land is purchased, transferred or vested in the Crown, Minister or Secretary to DEPI; or
- > Land is vested in the relevant statutory authority as agreed by DEPI; or
- > A Land Management Co-operative Agreement is registered on the title of the land.

In some circumstances, DEPI may waive the requirement to meet the land security obligations before development commences for all or some of the habitat types. This includes circumstances where:

- > The landowner and the Secretary to DEPI have entered into a contract providing for the Secretary to purchase the land in the future, outlining the basis for valuation and timing. In these circumstances, to manage the land prior to purchase, the landowner will be required to fence the site with temporary fencing and maintain the land in accordance with the general duties of landowners described under Part 3 of the *Catchment and Land Protection Act 1994*, or enter into an interim Land Management Co-operative Agreement to provide for management of the land.
- > The landowner and the Secretary to DEPI enter into a Works in Kind Agreement to achieve outcomes for a specific habitat type through transfer of the land to a relevant land manager and/or the carrying out of conservation works. Once the land transfer and/or conservation works have been completed to DEPI's satisfaction, the obligation described in the agreement will be considered to be met in full.

Staged obligations arrangements for subdivisions

Where the land is subject to a staged subdivision, landowners may request that the Secretary to DEPI approves the proportional staging of habitat compensation obligations where these are consistent with the staging of the subdivision. The percentage of the obligation to be met at any stage is based on the area of that stage as a proportion of the total developable area of the parcel of land.

In such circumstances, the landowner is required to enter into a Staged Obligations Agreement with the Secretary to DEPI. The Agreement must be registered on the land title before works can commence on the land.

Works in Kind

It may be possible for all or part of the obligation for a habitat type for a parcel of land to be met through the provision of habitat 'Works in Kind'.

DEPI will consider two types of Works in Kind proposals:

- > Transfer to the Crown, Minister or Secretary to DEPI of land in conservation areas classified as nature conservation in the BCS
- > Construction of Growling Grass Frog ponds. Construction must be done to DEPI specifications and standards as specified in the Works in Kind Agreement. Works in Kind are not applicable where land will remain in private ownership.

Landowners do not have an automatic right to meet their obligations through Works in Kind.

The Works in Kind proposal must provide value for money to fulfil the habitat compensation obligation and be to DEPI's satisfaction. DEPI will determine whether the habitat compensation fee or the provision of Works in Kind represents the best value for money on a case-by-case basis. Landowners will be required to submit a pre-proposal, followed by a full proposal if requested by DEPI. The value of all Works in Kind proposals will be assessed by the Valuer-General, the costs of which will be borne by the landowner.

The value of any proposed Works in Kind must be agreed by both the landowner and DEPI. The valuing of construction works will be based on DEPI standards and requirements at a location and set out in the Works In Kind Agreement.





Habitat Compensation Statement

DEPI will issue a Habitat Compensation Statement for each parcel of land that will provide details on the habitat compensation and other obligations for that parcel of land. The habitat compensation obligations for each parcel of land will be calculated using the habitat compensation layer.

The statement will be the key tool for recording and tracking habitat compensation obligations and their status, and providing evidence to the regulatory authority when an obligation has been met.

Updates to the Habitat Compensation Statement will be triggered by signed agreements, payment of obligations or changes to stages. A new statement will be issued as a result of any of these actions and provided to the landowner as evidence.

The Habitat Compensation Statement will contain the following information:

- > Property and permit details
- > Land security obligations, timing and status
- > A summary of habitat compensation obligations, current status, remaining obligations and payment made to date
- > Works in Kind – summary of any agreements signed, related stages and habitat type
- > Staged obligations – outline of obligations for each stage, and status of that obligation
- > Native vegetation considered to be retained in accordance with the criteria set out in the Guidance Note.

REPORTING

DEPI will prepare annual reports for the habitat compensation scheme. The annual report will include the following information:

- > Any statutory reporting requirements
- > Revenue, including total fees collected and fees collected for each habitat type
- > Expenditure, including on each matter of national environmental significance subject to fees
- > Conservation outcomes achieved for each matter of national environmental significance subject to fees
- > Approved Works in Kind
- > Opening and closing balances.

