

**INQUIRY INTO INTEGRITY OF THE NSW  
BIODIVERSITY OFFSETS SCHEME**

**Organisation:** FAP Nominees Pty Ltd

**Date Received:** 31 August 2021

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## **Integrity of the NSW Biodiversity Offsets Scheme**

1. FAP Nominees has been involved in the Biodiversity Offsets Scheme since 2014
2. In 2018 FAP nominees purchased land to establish a biobank and become investors in the scheme. The cost to FAP to purchase the land and establish the Biobank was \$3.4 million. We did so because our chosen Consultants, then Parsons Brinckerhoff now WSP, valued the total site credits as being a minimum of \$12.14 Million and that included TJ credits valued at \$10.43 million. See attachment A, and our letter to the Ombudsman for details.
3. As a result of that investment FAP Nominees Pty Ltd (FAP) is the owner of 53% of all the BBAM credits of the threatened species *Tetratheca Juncea* [ a beautiful flower with the common name of Black-Eyed Susan] issued by the BCT in NSW (see attachment B)
4. Our experience with the Scheme has been completely unsatisfactory and disastrous for us financially.
5. Consequently we lodged a complaint with the NSW Ombudsman in January this year. Our letter to him is attached with its 11 attachments.
6. The Ombudsman has written to NSW Planning Industry & Environment requesting an explanation and has received a reply from them after more than 3 months. At the time of making this submission he is finalising his response. Essentially that reply states that the methodology used to calculate the equivalent new Biodiversity BAM credits for *Tetratheca Juncea* is the best method for protecting the species. The reply does not address the loss in value that has occurred for FAP nominees as the following paragraphs demonstrate.
7. The value of each of our TJ credits as published by the BCT Spot Price on the 30/8/20 was \$160 (attachment 7 letter to Ombudsman). This valued our holding of TJ credits at \$8.34 million.
8. By email of 27/8/20 (attachment 6 letter to Ombudsman) the BCT advised us that following changes they made in respect of how these credits were calculated and valued, our BBAM credits were now worth \$0.18 equating to a total value of \$9,390. These changes were made arbitrarily and without any consultation with the investors.
9. A loss of 99.99%.

10. Attachment B lists the total holders of BBAM TJ credits in NSW and their TJ BBAM credits. Using the BBAM credit value of \$ 0.18 supplied by the BCT the total value of all TJ credits in NSW is \$17781.

11 At this price they have totally unprotected all the Tetratheca Juncea in NSW. The cost incurred in establishing a Biobank or Biosecurity Site for even the smallest holding of TJ would greatly exceed \$17781.

12. Consequently a developer who must purchase TJ credits can purchase the all of the credits in NSW for this ridiculously small amount, whereas in 2020 they would have had to pay \$15.8 million (attachment 7 letter to Ombudsman)

Accordingly, we submit that the actions of the BCT, the BOS and the DPIE have –

- a Failed in their objective of protecting the TJ species
- b. Caused a loss of at least \$8.3 million to FAP
- c. Destroyed all investor and particularly participant confidence in a scheme they promoted as a safe ecological investment backed by the Government. Instead, the scheme resulted in significant financial loss.

Jerry Lees  
On behalf of FAP Nominees

Barry Buffier, AM.  
Advisor to FAP Nominees  
Chair/CEO NSW EPA 2012-2018