



Australian Government

Department of Climate Change, Energy,
the Environment and Water

Detailed explainer

Exposure Draft Enhancing Native Vegetation Method

Nature Repair Market Delivery Branch



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Cataloguing data

This publication (and any material sourced from it) should be attributed as: DCCEEW 2026, Detailed explainer draft Enhancing Native Vegetation method, Department of Climate Change, Energy, the Environment and Water, Canberra, October. CC BY 4.0.

This publication is available at, <https://app.converlens.com/climate-au/nature-repair-committee-enhancing-native-vegetation-method-consultation>

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Acknowledgement of Country

We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.

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Introduction

The Department of Climate Change, Energy, the Environment and Water (the department) is developing the Enhancing Native Vegetation (ENV) method for the Nature Repair Market Scheme.

This explanatory material is authored by the department to support understanding of the objectives, context and operation of the exposure draft of the ENV method (the draft ENV method). This accompanying explanatory material has been developed to support the Nature Repair Committee's statutory public consultation on the draft ENV method.

Incorporated documents

The draft ENV method includes several references to documents, datasets or systems incorporated by reference. The draft National Biodiversity Assessment System (NBAS) Settings document for the ENV method is available on the consultation web page for the draft ENV method. Other proposed incorporated documents for the method including the Approved Benchmark Source List, the Nature Repair Data Submission Guidelines, the Nature Repair Mapping Guidelines, the Prescribed Vegetation Classification System and the NBAS, will be the same or similar to those same documents published on the DCCEE website for the *Nature Repair (Replanting Native Forest and Woodlands Methodology) Determination 2025* which can be accessed [here](#).

Part 1 – Preliminary

Section 1 - Name

Nature Repair (Enhancing Native Vegetation) Methodology Determination 2026.

Sections 2 and 3 – Commencement and authority

Sections 2 and 3 set up the legal basis for the making of the instrument including commencement and authority.

Section 4 – Schedules

Schedules 1 to 10 include detailed procedures for measurement and assessment of biodiversity. Any provision in a schedule to the draft ENV method will have legal effect according to its terms.

Section 5 – Definitions

Section 5 of the draft ENV method defines key terms used in the method.

The note at the top of section 5 directs the reader to key terms that are used in the ENV method but that are defined in the NR Act.

The following terms from section 5 are provided to aid understanding of explanatory material in this document (for convenience threatened species characteristic related definitions are grouped together).

- *BAI* means the *Nature Repair (Biodiversity Assessment) Instrument 2025*.
- *Complementary layer* means an ecosystem layer other than the defining layer of an ecosystem type i.e. the shrub and ground layers in forests and woodlands, or any tree and

ground layers in shrublands, or any tree and shrub layers in grasslands (where they are part of the reference ecosystem in an undegraded state).

- *Defining layer* means the ecosystem layer reflected in the name or characterisation of the ecosystem type, i.e. the tree layer in forests and woodlands, shrub layer in shrublands (even if emergent trees are present) and the ground layer in grasslands (which are defined to have <10% tree cover). The defining layer also generally contributes the majority of biomass across layers when ecosystems within each Major Vegetation Group (MVG) group are in their natural condition.
- *Ecosystem condition of an activity area or sub-area* means the quality of its ecosystem, measured in terms of its biotic and abiotic characteristics, in comparison with the reference ecosystem for the activity area or sub-area. Ecosystem condition represents the capacity of an area to support the native species naturally expected to occur in that area's reference ecosystem in an intact (or reference) state.
- *Local area*, in relation to an activity area or sub-area and its reference ecosystem, means any area of land that:
 - a) is within the same Interim Biogeographic Regionalisation for Australia (IBRA) subregion as the activity area or sub-area and
 - b) either is within 100 km of the activity area or sub-area or has the same reference ecosystem as the activity area or sub-area.
- *Project outcome* means the biodiversity outcome for the particular ENV project, as specified by the restoration target states for each activity area, the forecast values of the indicators for any culturally significant entities, any relevant threatened species and the commitment to protection.
- *Remnant vegetation* means uncleared native vegetation or regrowth native vegetation that with appropriate management (such as project activities for the purposes of the ENV method) could achieve the structure and composition of the reference ecosystem within two decades.

Threatened species characteristic - related definitions

- *Threatened species* means a species or ecological community that is categorised as threatened (however described) under a law of the Commonwealth, a State or a Territory.
- *Candidate threatened species* are defined by the method as being threatened species that are identified via the Protected Matters Search Tool and the threatened species survey (TS survey).
- *Effectively managed threat* is a threat to a relevant threatened species for which threat management activities have been undertaken as part of an ENV project and have been demonstrated through evidence, monitoring, or reasonable scientific assessment to avoid, minimise or remove the impact of the threat to the extent it can be reasonably expected to improve the long-term viability of the species. *ENVTS project* means an ENV project to which the threatened species characteristic applies. Note: The characteristic will apply unless the project proponent makes a disapplication statement (see section 51(1) of the Exposure Draft).

- *Relevant threatened species* means:
 - a) If a Type A threatened species, it will demonstrably benefit from the project activities.
 - b) If a Type B threatened species, the project activities will, with high certainty, result in the species inhabiting or using the project area during the permanence period of the ENV project.

Section 5 also contains key definitions relating to how projects interact with Aboriginal persons and Torres Strait Islanders and their knowledge.

A project is *subject to Indigenous land interests* if the project area is or includes any of the following:

- a) a native title area
- b) land rights land
- c) land that is subject to an Indigenous land use agreement or
- d) an area of land in relation to which a claimant application (within the meaning of the *Native Title Act 1993*) has been made but not yet determined.

This term is relevant to the mandatory requirements for engagement in the method; where the project area is subject to Indigenous land interests, the project proponent must demonstrate they have engaged appropriately with the relevant Indigenous representatives for the project area in relation to the design and implementation of the project. The term *relevant Indigenous representatives*, for a project area, is defined as:

- a) if the project area is or includes a native title area and there is a registered native title body corporate for the native title area – the registered native title body corporate for the native title area
- b) if the project area is or includes a native title area and there is no registered native title body corporate for the native title area – the persons, or group of persons, who hold the common or group rights comprising the native title in relation to the native title area
- c) if the project area is or includes an area of land in relation to which a claimant application (within the meaning of the *Native Title Act 1993*) has been made but not yet determined—the native title claim group (within the meaning of that Act); or
- d) if the project area is or includes land rights land—the Aboriginal land council that holds an eligible interest in the land or
- e) if the project area is or includes an area that is subject to an Indigenous land use agreement—a person who is a party to the agreement.

The draft ENV method also contains requirements relating to voluntary engagement with relevant Aboriginal persons or Torres Strait Islanders, including in relation to nominating a culturally significant entity to assess as part of the project. The term *relevant Aboriginal persons or Torres Strait Islanders*, for a project area, is defined to mean the Aboriginal persons or Torres Strait Islanders who have a demonstrated connection to the land or waters on or in which the project area is located. This term is broader than relevant Indigenous representatives (though it includes such persons) as voluntary engagement with Indigenous knowledge, values and data is not restricted to projects that are subject to Indigenous land interests.

Section 6 - Biodiversity projects covered by this method

The draft ENV method is intended to apply to projects that enhance and protect biodiversity in native species, in modified landscapes of eastern and south-western Australia. The ENV method sets requirements for how a biodiversity project is to be implemented including the conduct of appropriate activities to enhance and/or maintain the ecosystem condition of remnant vegetation and/or revegetate areas without remnant vegetation.

ENV projects must be designed to enhance or maintain ecosystem condition, and protect native vegetation for the permanence period, and may also enhance or protect threatened species, culturally significant entities and commitment to protection. The restoration and protection of native ecosystems in the methods eligible regions is a conservation priority because they contain high concentrations of threatened species and threatened ecological communities.

The integrated nature of the method allows landholders to initiate projects involving different combinations of management interventions, targeting ecosystem states and habitat values in different condition, as commonly found on properties in the methods' eligible regions. This is designed to reduce transaction costs by avoiding the need for project proponents to register multiple projects under separate methods for native vegetation at different points along the ecosystem condition spectrum.

Section 7 - Fixed biodiversity project characteristics

Project proponents must identify and describe the reference ecosystems for each activity area.

A reference ecosystem in relation to an activity area or sub-area is:

- an ecosystem that can maintain the highest level of ecological integrity, stability and resilience over ecological timeframes and acts as a model or benchmark for restoration.

This can be either:

- a) a pre-1750 reference ecosystem, which reflects the condition of an ecosystem prior to the year 1750 or
- b) an adjusted reference ecosystem, which accounts for irreversible environmental changes such as climate change.

Section 8 - Variable biodiversity project characteristics

All ENV projects are required to measure, and assess change in, the ecosystem condition of native vegetation due to project activities and the level of commitment to protection. Detailed method requirements for measuring and assessing change in ecosystem condition are provided in Schedules 2-7.

Adoption of the culturally significant entities and threatened species variable biodiversity project characteristics is optional and depends on how the project is enhancing and protecting biodiversity, and how change is being assessed. Standard variable biodiversity project characteristics provide a structured and consistent way to describe the different types of biodiversity benefits that the project is intended to deliver. Having comparable information on a range of benefits allows project proponents to describe how their project is improving biodiversity consistent with other ENV projects covered by the method. Changes in variable biodiversity project characteristics due to the biodiversity project are assessed for the duration of the permanence period to monitor progress towards and maintenance of the project outcome.

The variable biodiversity project characteristics included in the ENV method are:

- a) ecosystem condition – mandatory
- b) culturally significant entities - optional
- c) capability of the project area to support threatened species (the *threatened species characteristic*) – optional, however mandatory for offset-capable projects for threatened species or threatened ecological communities
- d) commitment to protection of biodiversity in native species (*commitment to protection characteristic*) – mandatory.

Where a project is seeking to be offsets-capable for a threatened species or threatened ecological community, use of the threatened species characteristic is mandatory. This is to ensure that offset-capable projects targeting threatened species or threatened ecological communities can clearly and consistently demonstrate threatened species outcomes within the characteristic framework.

It will be mandatory for projects to apply the commitment to protection characteristic (through a desktop assessment). This supports consistency with the BAI requirement that methods must require project proponents to describe the level of commitment to protection in the project area. This is met in the draft ENV method using a desktop assessment at the start of the project and describing how the level of protection would change as a result of the project (usually a result of a certificate being issued). This enables the level of commitment to protection as a result of all ENV projects to be described in a consistent way. Potential investors can consider how the value of enhancement to biodiversity in the project area may be strengthened by any commitment to protection.

For some ENV projects the 25-year permanence period will demonstrate a medium degree of protection compared with a baseline of no protection prior to project commencement. Other ENV projects registering a 100-year permanence period or projects with a conservation covenant that meets the requirements of the National Reserve System, could be assigned a 'very high' or 'benchmark' (the highest possible) score for the commitment to protection characteristic.

Section 9 - Counterfactual scenarios for an ENV project

Section 9 provides the counterfactual scenarios against which any change or forecast change in a variable biodiversity project characteristic can be assessed.

For ecosystem condition

Consistent with the approach to the assignment of starting ecosystem condition states, the ENV method requires counterfactual scenarios to be identified for each applicable vegetation layer (defining and complementary, based on MVG structural group) – (see section 11 below for more information on MVG structural groups). This is important because vegetation layers may have different regeneration trajectories in the absence of a project.

The default counterfactual scenario, applicable in the majority of cases, will be an assumption of no change in ecosystem condition in the absence of the project (i.e. static baseline). Under this scenario, all measured changes to the ecosystem condition of native vegetation can be attributed to the project.

The only exception to the default scenario will be activity areas that show established regeneration of the defining layer at project commencement (a regenerating area), which would have an increasing counterfactual applied (i.e. the method assumes that the defining layer would recover in the absence of the project). However, if a regenerating area was subject to an unfettered right to clear the land, the method assumes that this right would be exercised (i.e. it would have a static counterfactual because the land could or would be re-cleared, and so voluntary cessation of this

clearing would represent a gain arising from the ENV project). For example, in a native forest with substantial young regrowth of canopy species following a past clearing event or major natural disturbance (e.g. a stand replacing fire), recovery of the tree layer will often continue in the absence of the project (an increasing counterfactual). By contrast, the shrub and ground layers may reasonably be expected to remain in their current condition unless there is a material change in management or other intervention (static counterfactual). Setting counterfactual scenarios for each layer ensures these differences in likely trajectory can be accounted for when forecasting project benefits.

With an increasing counterfactual, measured change must be compared with the change that would have occurred without the project and the difference between those variables is the change attributable to the project. Under this scenario (e.g. in the absence of the project, the ecosystem condition of native vegetation in the project area would improve, but more slowly), not all measured change can be attributed to the project.

The counterfactual scenario for ecosystem condition will be automatically selected through the application process based on the results of the starting condition assessment and additional information provided by the applicant.

The section provides definitions for *regenerating area* and *unfettered right to clear*.

Regenerating area under the ENV method means an activity area where:

- a) the reference ecosystems belong to MVG structural group 1, 2 or 3; and
- b) the starting condition has been assessed as defining layer class C – highly modified (recovering) (see Schedule 5); and
- c) the land is not used for agriculture, or, if it is used for agriculture, there is no unfettered right to clear the land.

Unfettered right to clear, in relation to an area of land, means a legal entitlement to clear all of the native trees and shrubs on the land for an agricultural purpose without having to:

- a) obtain a government approval (however described) under a law of the Commonwealth, a State or a Territory; or
- b) comply with a requirement under a law of the Commonwealth, a State or a Territory to allow the cleared area to regenerate; or
- c) retain trees on the land with prescribed characteristics (e.g. species, height or diameter at a specific height) under a law of the Commonwealth, a State or a Territory; or
- d) provide compensation of any kind to mitigate the environmental impacts of the clearing event, including by undertaking or acquiring environmental offsets or setting aside other areas for conservation purposes, under a law of the Commonwealth, a State or a Territory.

For the culturally significant entity

A counterfactual scenario may be established in accordance with subsection 46(3), if a counterfactual scenario is relevant for assessing change in the enhancement or protection of a culturally significant entity as a result of the project. Establishment of a counterfactual scenario is subject to the required processes and documentation set out in Section 46(4) and the requirements for the use of Indigenous knowledge or values, or Indigenous data set out in Section 47.

The counterfactual scenario against which the forecast value of the indicators is to be assessed, may be whichever is the most appropriate of the following:

- a) that the condition of the culturally significant entity would remain static
- b) the counterfactual scenario applicable to ecosystem condition of the activity area in which the entity exists (if different) or
- c) the counterfactual scenario applicable to a threatened species characteristic that is relevant to the entity (if different).

For the threatened species characteristic

The default counterfactual scenario for which change in the threatened species characteristic can be assessed is static, unless:

- a) a suitably qualified person justifies the scenario as appropriate based on available evidence for the habitat features and threats management indicators or
- b) a non-static counterfactual is used for the ecosystem condition characteristic, in which case the threatened species ecosystem indicator will use the same counterfactual as ecosystem condition for that activity area.

This means an assumption of no change in the starting condition of threatened species habitat and threats in the absence of the project.

The position of a default static counterfactual, with the above exceptions creates a consistent and justifiable starting state against which project benefits are measured, ensures forecast biodiversity gains are attributed to project activities and allows flexibility where ecological trajectories are reasonably expected to change.

For the Commitment to Protection characteristic

The counterfactual scenario against which change in the commitment to protection characteristic is assessed as static. That is, the commitment in protection before the project commences is assumed to be the commitment to protection in the absence of the project.

Section 10 - Period for achieving the project outcome

The specified period for the achievement of the project outcome for ENV projects is 25 years. This period sets a consistent length of time for projects to achieve restoration target states for activity areas. Restoration target states draw upon ecosystem models developed in the EKS enabling use of the NBAS to provide nationally consistent ecosystem condition scores for ENV projects. These scores enable market participants to compare different projects, even if they vary in size or location.

This period differs from the project's permanence period. The permanence period covers the project life, starting at project registration and ending either 25 years or 100 years after registration.

Section 11 - Meaning of *ecosystem condition*, and *indicators* and *sub-indicators* for ecosystem condition

The ENV method defines the ecosystem condition of an activity area or sub-area as the quality of its ecosystem, measured in terms of its biotic and abiotic characteristics, in comparison with the reference ecosystem for the activity area or sub-area. Ecosystem condition represents the capacity of an area to support the native species naturally expected to occur in that area's reference ecosystem in an intact (or reference) state.

The ENV method requires field assessment of 11 ecosystem condition indicators (**Table 1**) at project commencement and for the duration of the permanence period. The indicators measure aspects of the structure, composition and function of vegetation communities in the project. The indicators and their comparison to undegraded reference benchmark values for the same ecosystem types are used to assign starting ecosystem condition states and determine whether thresholds for certificate issuance have been met.

Table 1: Ecosystem condition indicators

Ecosystem condition indicator	Applicable MVG Structural Groups
Canopy height of the defining layer (in metres)	1, 2, 3
Density of large trees (no.)	1, 2
Crown cover from native plants in the tree layer (as a percentage)	1, 2, 3, 4
Crown cover from native plants in the shrub layer (as a percentage)	1, 2, 3, 4
Crown cover from plants in the tree layer provided by non-native plants (as a percentage of total cover in the tree layer)	1, 2, 3, 4
Crown cover from plants in the shrub layer provided by non-native plants (as a percentage)	1, 2, 3, 4
Ground cover from sub-category A1, A2 and A3 plants as a proportion of total ground cover from category A plants. AND Ground cover from sub-category A1a plants as a proportion of total ground cover from category A plants. AND Ground cover from sub-category A4 and A5 plants as a proportion of total ground cover from category A plants.	1, 2, 3, 4
Recruitment of species from defining layer (as the number of recruiting canopy species)	1, 2, 3
Native species richness index by life form (native tree, shrub, vine, grass and herbaceous vascular plant species other than grasses). Species richness can be calculated for all life forms combined or for specified combinations e.g. species richness index for tree life form or shrub life form.	1, 2, 3, 4

The concept of ecosystem condition sub-indicators is only relevant to the indicator 'native species richness index by life form (native tree, shrub, vine, grass and herbaceous vascular plant species other than grasses)'. It is necessary to obtain reference benchmark values for each life form that makes up the native species richness indicator (see Schedule 2). The number of species of each of native trees, native shrubs, native vines, native grasses and native herbaceous vascular plant species other than grasses, are specified as 'sub-indicators'.

For the starting state assessment, the starting value of each indicator of ecosystem condition needs to be measured. The assessment also requires forecast values of ecosystem condition indicators that the project is aiming to achieve as a result of the project and threshold values that must be met for certificate issuance. The forecast values must reflect the transition in ecosystem states the project is designed to achieve. Repeat measures of indicator values at permanent sampling plots must be

collected for the monitoring assessment, at least every 5 years, to track project progress towards the restoration target states.

The requirement to assess and monitor indicators for the different vegetation layers and lifeforms enables robust assessment of ecosystem condition states. It facilitates adaptive management of activity areas, communicates broad-based ecological condition change and demonstrates project progress towards restoration target states.

The ecosystem condition indicators that apply to an activity area depend on the MVG structural group to which the MVG in the activity area belongs (see Table 1 and Schedule 8). This ensures the indicators are suitable for the MVG to which they are applied.

The MVGs used in the method are derived from the National Vegetation Information System (NVIS) database which enables a national view of native vegetation. MVGs summarise the type and distribution of Australia's native vegetation allowing broadscale analysis. Each MVG has different mixes of plant species within the tree, shrub and ground layers, but vegetation within each MVG is structurally similar and often dominated by a single genus.

The MVG structural groups designed for the ENV method, are clusters of MVGs that share structural similarities. For example, in the *open forests to open woodlands* MVG structural group, the tree layer is the defining layer, and the complementary layer is comprised of the shrub and ground layers. The MVG structural groups are used in the method to tailor method processes to broad groups of MVGs.

Ecosystem condition scores are not calculated directly from the measured indicators. Ecosystem condition scores are based on ecosystem models developed for the EKS that synthesise knowledge from a diverse range of sources on the dynamics, management and restoration of ecosystems. Combinations of ecosystem condition indicators define ecosystem condition states (Schedule 5) and associated scores as detailed in the NBAS Settings for use with the ENV method document published by the Department.

The ENV method sets out detailed procedures for measuring and calculating ecosystem condition indicator values, including procedures for the collection and measurement of relevant data and variables. Procedures in Schedules 2 to 7 are provided to ensure consistency in data collection and comparability of ecosystem condition outcomes.

Section 12 - Meaning of *starting ecosystem condition state*

In the ENV method, the starting ecosystem condition state of an activity area, is the ecosystem condition state assigned for the Starting State Assessment in accordance with Schedule 5.

Schedule 5 sets out a three-step process for assigning starting ecosystem condition states to activity areas:

- **Step 1:** Identify the condition class for the defining layer
- **Step 2:** Identify the condition class for the complementary layer
- **Step 3:** Assign the starting ecosystem condition state by looking up the combination of defining and complementary condition classes for the relevant MVG structural group in Tables 1 – 4.

Schedules 2,3 and 4 set out procedures for measurement of ecosystem condition indicator starting values for different vegetation layers and lifeforms. The starting values are used to determine condition classes for the defining and complementary layers, as detailed in Schedule 5.

Ecosystem states are distinct, persistent configurations of an ecosystem at a particular point in space and time, characterised by ecosystem structure, function and composition. Ecosystem states represent a conceptual partitioning of the commonly observed forms that an ecosystem takes across a landscape. Ecosystem states are typically maintained by characteristic ecological processes and may be classified as reference states or modified states.

Section 13 - Determination of ecosystem condition scores

Section 13 sets out the process to calculate ecosystem condition and contribution to biodiversity persistence scores for activity areas and the project.

The project proponent must use the NBAS accessed through PLANR to assign these scores. The NBAS Settings document specifies the settings and the information NBAS requires to assign these scores. The NBAS provides a nationally consistent approach to scoring ecosystem condition. It also estimates how project-level changes in ecosystem condition are expected to contribute to the nationwide persistence of biodiversity.

Contribution to biodiversity persistence scores are assessed as a function of the ecosystem condition at a project-level, the contribution of the project area to enhancing connectivity across the broader landscape, and the ecosystem significance of the ecosystem type. Biodiversity persistence refers to the continued survival of species, ecosystems or other biodiversity elements over time. It is a measure of the likelihood that the elements making up biodiversity (e.g. species) will continue to exist without significant loss or decline, both now and into the foreseeable future.

Section 14 - Indicators for the threatened species characteristic

For ENVTS projects (projects adopting the threatened species characteristic) the ENV method requires assessment and measurement of specified indicators. All projects are required to measure ecosystem condition as an indicator for the species or community.

Selection of additional relevant indicators for an ENVTS project is based on whether the threatened species is a flora or fauna species or a threatened ecological community. For threatened ecological communities – ecosystem condition is the sole indicator (in accordance with Part 1 of Schedule 9). For threatened flora and fauna species, the threat management indicator must also be described and monitored (Part 2 of Schedule 9). The third indicator is habitat features which only applies to fauna species (Part 3 of Schedule 9).

Sub-indicators are required for ecosystem condition and habitat features indicators. For ecosystem condition, sub-indicators are described in Section 11 and Schedule 2. For habitat features, a suitably qualified person must select relevant sub-indicators based on species needs, project activities, and project context. Selection should be informed by conservation planning documents and guidance, scientific literature and evidence from the starting state assessment.

Threat management

The threat management indicator measures the number of effectively managed threats in the project area as a proportion of all the threats relevant to the threatened species in the project area. Threats are considered to be effectively managed when the proponent commits to a threat management plan for the threat with the objective that the threat is avoided, minimised or removed such that it can reasonably be expected to improve the long-term viability of the threatened species. Examples of threats may include invasive predators like cats, rats and foxes, invasive herbivores like rabbits or deer, or weeds. The project plan must describe a regime for monitoring the threat, and adaptive management approaches to adjust management activities if they are ineffective.

The indicator only reflects the scope of threat management activities being undertaken at the project area, rather than directly measuring the threat or the threat's impact on the species.

For each relevant threatened species, the project proponent commits to managing a proportion of identified relevant threats for the permanence period. Projects where a higher proportion of total relevant threats are managed are rated higher on the threat management indicator.

Relevant threats must be identified by the suitably qualified person through the starting state assessment, supported by conservation documentation, guidance material, or other relevant literature, and must be impacting or likely to impact threatened species within the project area.

Habitat features

The habitat features indicator measures the availability and diversity of habitat elements in the project area that meet the specific needs of the species. Species-specific habitat features that could be measured as a sub-indicator may include food resources, prey availability, shelter, nesting or breeding opportunities, denning habitat, or other ecological requirements. Projects where there are a greater abundance or diversity of habitat features meeting the species needs (that are appropriate for the reference ecosystem) are rated more highly for this indicator.

Section 15 - Determination of threatened species scores

Threatened species scores (which reflect the capability of the project area to support a given threatened species or threatened ecological community), include a collection of information that helps to inform the starting and forecast individual species or ecological community score and project-level scores. The approach to scoring, and the required information for collection, is further described in Part 4 of Schedule 9.

Section 16 - Indicators for the commitment to protection characteristic

Project proponents are required to determine the level of commitment to protection in terms of the two indicators, the security of the protection and the duration of the protection, and how it changes due to the project.

Security is measured according to whether there is a written agreement to protect or conserve biodiversity, the termination rules for the agreement, and if the agreement's obligations are transferred with land ownership.

Duration of protection is measured as the number of years (for example, equivalent to the number of years for the permanence period), or whether the duration of protection is ongoing or enduring (for example, an in-perpetuity conservation covenant, or an Indigenous Protected Area that is considered enduring as it meets the requirements of the National Reserve System).

Values of the indicators including the starting, forecast, threshold, benchmarks and corresponding commitment to protection score, which combines the security and duration indicator values are determined in accordance with Schedule 10.

Section 17 - Species tick

The project proponent may elect to declare a candidate threatened species or a relevant threatened species to be subject to a species tick on the Register. Only threatened species or threatened ecological communities that meet the full relevance assessment, become 'relevant threatened species', requiring selection and monitoring of indicators and receive species-level and project-level scores. Species or ecological communities that do not satisfy the full test remain as 'candidate threatened species' and may still appear on the project plan, inform adverse impact considerations,

and be monitored. They do not have indicators for the purposes of the species tick and therefore do not receive a scorecard.

A species tick is an entry on the Register that:

- a) recognises the presence or population size of the threatened species or presence or size of the ecological community is being monitored in the project area
- b) that the species or ecological community is being measured using a suitable metric set out in the project plan, against an agreed threshold set out in the project plan and
- c) at the time of the last biodiversity report, its presence, area or population met or exceeded that threshold.

The approach to surveying, monitoring and reporting for the species tick will be supported by guidance to ensure consistency. The species tick is intended to provide an indication that a project is achieving species- or community level outcomes over time, without directly affecting certificate issuance. This is to create an incentive for proponents to undertake species-level monitoring and demonstrate positive species outcomes that go beyond habitat proxy measures alone. The species tick operates as a public-facing recognition of species outcomes tool rather than a compliance or certificate requirement like the threatened species indicators.

Section 18 - Meaning of TS survey

The TS survey is a field survey to:

- a) identify threatened species or ecological communities present in activity areas on the basis of:
 - i. direct observation and/or
 - ii. indirect observations of fauna, including for example the presence of scats, tracks, audible calls, and other evidence of habitation such as scratch marks or the presence of burrows
- b) for fauna, identify any habitat features of importance to threatened species that might be present within the area and
- c) identify any evidence of potential threats to threatened species that might be present within the area.

The survey is intended to provide a consistent way for a field survey to be undertaken, and this is intended to apply to both threatened species and threatened ecological communities.

Subsection 2 provides conditions that must be met if the TS survey is used for the purposes of a species tick. It also includes a condition that offset-capable projects must identify, measure and assess an appropriate metric/s in accordance with any relevant threatened species-specific offset requirements. TS surveys must be undertaken or certified by a suitably qualified person.

A survey for threatened species can be organised at any time of year and is not limited to the period of optimal plant growth.¹

Section 19 – Actions that require a *suitably qualified person*

A suitably qualified person is a professional that has the necessary qualifications and experience to perform an action or function under the method in relation to an ENV project. The Clean Energy

¹ Surveys for threatened species would need to follow advice for different types of threatened species published by DCCEEW: [DCCEEW - EPBC Surveys and Data](#).

Regulator assesses whether a person meets the method's definition at project registration and for ongoing reporting.

The definition is intentionally broad, to allow flexible interpretation about who is suitably qualified for the purposes of a particular project (including the nature of qualifications, experience and professions).

A suitably qualified person is defined in the ENV method as a person who:

- a) has an appropriate qualification in ecology or botany, ecological restoration, Indigenous land and sea management or in another subject relevant to the ENV project
- b) has at least 5 years post-qualification experience working as an ecologist, botanist, ecological restoration practitioner, Indigenous land and sea manager, or in another profession relevant to the ENV project and
- c) has worked as an ecologist, botanist, ecological restoration practitioner, Indigenous land and sea manager or in another profession relevant to the ENV project, within the previous 5 years.

Reference in the method to a suitably qualified person does not prevent different parts of the relevant provisions being undertaken by different suitably qualified persons.

Some method processes require a suitably qualified person to conduct specialised scientific activities, to understand complex ecological dynamics and to recommend project activities that are likely to achieve project outcomes and avoid adverse impacts to native biodiversity. The suitably qualified person is responsible for the ecological assessment including undertaking the field survey, assigning reference ecosystems, recommending project activities, assessing restoration target states, calculating forecast values and the assessment of any relevant threatened species and ecological communities.

Where the method requires the involvement of a suitably qualified person in relation to a relevant threatened species, that person must have the appropriate expertise in relation to that threatened species. This is to ensure that assessments made in relation to a threatened species or threatened ecological community are evidence-based and informed by appropriate expertise.

The suitably qualified person is required to document evidence relied upon for assessments and prepare or certify site assessment reports, project plans and biodiversity project reports. Ensuring accurate reporting and that project design, planning and implementation is likely to achieve project outcomes relies on practical professional relevant experience in land management, planning and implementation.

Section 47 sets requirements for ENV projects that include, or are informed by, Indigenous knowledge or values, or Indigenous data in relation to the project's design or implementation. Reflecting the expectations in section 47, an appropriate representative of the *relevant Aboriginal persons or Torres Strait Islanders for a project area* and *relevant Indigenous representatives* can constitute a suitably qualified person. *Relevant Indigenous representatives* and *relevant Aboriginal persons or Torres Strait Islanders for a project area* may have cultural governance or other protocols relating to who has the authority to provide and advise on the use of Indigenous knowledge, values and/or data for the project.

Experience as an Indigenous land and sea manager, may include caring for and healing Country with cultural knowledge, as Healthy Country Planners or Traditional Owners with experience working in land management or caring for Country roles and projects. While an Indigenous land and sea manager may be a suitably qualified person, scheme users should not assume that a person with this experience has the requisite cultural authority to contribute Indigenous knowledge, or values, or Indigenous data about the project area.

A suitably qualified person may be the project proponent if they have the appropriate qualifications or experience. It could also be a person with such qualifications or experience the project proponent has employed or engaged for the purposes of the starting state assessment.

The definition and provisions requiring the involvement of a suitably qualified person are intended to be flexible enough to allow the project proponent to engage different people to conduct different method processes.

The definition provides flexibility that another 'relevant' qualification or profession would be considered suitable. Method processes that don't involve ecological measurement and monitoring for example, can be undertaken by a wider range of professions. Depending on the program of actions designed for the project, relevant professional experience could include recognised expertise in farming systems, soil science, or specific threat abatement.

The term 'qualification' is intended to be interpreted broadly, to recognise different knowledge pathways, including:

- a) university degrees
- b) vocational education and training
- c) equivalent professional experience
- d) Indigenous and cultural knowledge and expertise, including expertise and authority acknowledged through cultural governance and cultural protocols

Requirement for 5-years post-qualification experience ensures that suitably qualified persons have gained the necessary 'real world' experience to support their recommendations and ecological measurement, assessment and evaluation. The requirement to have worked within the past 5 years aims to balance the need for recent experience with experts returning to work after an extended period of leave. This could also include expertise gained through customary protocols, such as knowledge transfer from an Elder with cultural authority.

Section 20 Offset-capable projects

A biodiversity certificate issued in respect of an ENV project may be used for an environmental offsetting purpose under the EPBC Act if:

- a) it is an offsets-capable project in relation to threatened species or threatened ecological communities and
- b) it is an offsets-capable project in relation to other protected matters, and the offset decision maker is satisfied the project has meets the requirements for a relevant offset.

The ENV method will be the first Nature Repair Market method that supports projects for both voluntary and environmental offsetting purposes.

The ENV method places certain specific requirements on projects seeking to be 'offset-capable' (i.e. eligible to be considered for use as an environmental offset). These include:

- a) offset-capable projects must use the threatened species characteristic, where the project is designed with the intention to be used as an offset for threatened species or threatened ecological communities
- b) for offset-capable projects designed to be used as an offset for protected matters other than threatened species or threatened ecological communities, the offsets decision maker must be satisfied that the project has adequate features relating to the offset use, including:
 - i. a starting state assessment
 - ii. the counterfactual scenario
 - iii. the reference ecosystem
 - iv. indicators of biodiversity (starting state and target or benchmark state)
 - v. the details of the planned project and how it will achieve the benefits to the protected matters
 - vi. details of any specific monitoring and reporting
 - vii. the period over which the biodiversity gain is to be achieved
 - viii. the publication of the above information and
- c) section 84(7) also places limits on re-stratification of offset-capable projects in some circumstances.

As referenced in section 75, additional Nature Repair Rules place other requirements on projects seeking to register as offset-capable. For example:

- a) Project proponents must nominate their intention for their project to be offset-capable when applying for registration; they may withdraw the nomination at a later stage if required.
- b) The status of an offset-capable project must be listed on the Register.
- c) The use of a project as an offset must be listed on the Register.
- d) Making clear which information needs to be provided to the offset decision-maker.

While a proponent can withdraw a choice to make a project offset-capable after registration, to manage for additionality and measurable improvement, a proponent cannot change to offset-capable if this was not selected at registration.

The section note explains that the offset decision-maker decides if an offset-capable project can be used as an offset under the EBPC Act.

Subsection 3 explains that section 20 does not limit a biodiversity certificate from an ENV project being used for environmental offsetting purposes under State or Territory law.

Part 2 – Project requirements

Division 2.1 – General

Section 21 - Conditions for registration as a registered biodiversity project

Part 2 of the ENV method sets out the general requirements for projects covered by the method.

Section 21 has the effect that it is a condition of registration for an ENV project that the project proponent has:

- a) satisfied the conditions in Part 2 of the method
- b) taken any actions that Part 2 of the method requires to be taken prior to the project's registration and
- c) provided the information and documents listed in section 77 of the method as part of the application for approval of registration for the project.

In other words, the effect of this section is that a biodiversity project that is covered by the ENV method can only be registered if the Regulator is satisfied that the project proponent has complied with all conditions and requirements in the whole of Part 2, and with the application information and documents listed in section 77.

The conditions and requirements that must be met prior to registration primarily relate to:

- a) the eligibility of land in the project area
- b) stratifying the project area into activity areas
- c) requirements for project activities
- d) requirements for the starting state assessment
- e) a requirement to prepare a project plan for the project and requirements for the
- f) contents of that plan
- g) requirements relating to threatened species and
- h) requirements relating to culturally significant entities.

Division 2.2 – Project activities

Section 22 - Activity period

There is no activity period for projects covered by the ENV method. ENV projects require active management involving one or more principal activities to be undertaken in each activity area for the duration of the permanence period. Active management is required to ensure that ecosystem structure, composition and function are maintained consistent with levels required for the achievement, and maintenance of the forecast values of ecosystem condition indicators.

Proponents can change project activities and other elements through updating the project plan, thus enabling adaptive management. This means a project proponent can manage the timing and intensity of project activities, and change restoration treatments over the permanence period, in response to project context and conditions.

Section 23 - Eligible project activities

Principal activities

One or more principal activities must be selected for each activity area based on recommendations made by a suitably qualified person during the starting state assessment. Project activities must be described in the project plan and designed in response to ecosystem type, the proposed transition in ecosystem states, and project context, including careful consideration of ecological drivers such as fire, hydrology and climate.

The eligible activities for adoption as principal activities for activity areas are:

1. enhanced grazing control
2. enhanced weed control
3. enhanced pest control
4. infill planting and
5. revegetation through:
 - i. environmental planting and/or
 - ii. facilitated regeneration.

These eligible activities are well understood to have a high probability of enhancing or maintaining the ecosystem condition of native vegetation while posing low risk to other environmental values. The method imposes conditions on each activity to allow an accurate assessment by the Regulator, that appropriate activities, if conducted in accordance with the method, could reasonably be expected to result in a biodiversity certificate being issued in respect of the project.

The range of eligible ecosystems and starting ecosystem states in the ENV method means the required management interventions to achieve the desired biodiversity outcomes are highly variable, involving combinations of different activities undertaken at different intensities and at different times. The method is not prescriptive about the intensity, timing and specific techniques required for conducting activities.

When undertaking an activity or management action in an ENV project, whether or not it is a project activity, any applicable Commonwealth, State or Territory laws or policies must be complied with.

Complementary activities

Complementary activities are optional and can be included as project activities where they support one or more principal activities and the achievement of the project outcome. They must be described in the project plan and designed in response to the broader context of the project. For example, well-timed complementary weed control and grazing management may be required where compounding threats occur after burning. Complementary management of hydrological regimes may be required to support facilitated regeneration of native vegetation. Alternatively, fencing may be required to manage any risks to the achievement and maintenance of environmental plantings.

The requirements for complementary activities are intended to provide flexibility for appropriate activities and actions to be carried out provided they are:

- a) likely to be necessary to contribute to the achievement of the project outcome and
- b) unlikely to threaten the achievement of the project outcome or otherwise threaten the biodiversity values of the site.

Whilst the method does not define eligible complementary activities, it imposes conditions on certain common land management practices to minimise and manage risks to biodiversity. For example, ecological thinning and removal of biomass can sometimes accelerate structural development in dense stands of native vegetation. The risks of potential misapplication and adverse impacts mean that it is not included as a principal project activity, and restrictions are imposed on its implementation as a complementary activity.

Complementary activities may be adopted where a project is enhancing or protecting threatened species or a culturally significant entity. For example, use of fire that is consistent with traditional Indigenous practices, may be conducted to enhance a culturally significant entity. Ecological burning may be conducted to enhance and protect a threatened ecological community.

Beyond requirements of law

The requirement that enhanced pest control, enhanced weed control and habitat enhancement activities need to go beyond requirements of law is intended to support compliance with the first biodiversity integrity standard. The standard requires that a biodiversity project must be designed to result in enhancement or protection of native biodiversity that would be unlikely to occur without the project.

In the project plan the project proponent must describe the extent to which the activity exceeds requirements under applicable Commonwealth, State or Territory laws. Going beyond existing legal requirements could involve increased intensity or timing of the activity, a targeted biodiversity outcome tailored to the project beyond what is required by law, or a new activity that is different from activities required by law.

Section 24 - Enhanced grazing control

A principal activity can be enhanced grazing control if it satisfies three conditions required to achieve and maintain the forecast values of ecosystem condition indicators. This principal activity is intended to be carried out for the purposes of enhancing biodiversity through reduction in grazing pressure and should not be confused with use of grazing as a complementary activity consistent with section 34.

The first condition requires that the activity area must have been subject to livestock grazing in the 5 years prior to project registration. This is intended to maintain exclusion of livestock from activity areas that have not been recently grazed by livestock and to support ongoing recovery of native vegetation in those areas. The period of 5 years has been chosen as a reasonable and practical length of time to indicate that the area is used for livestock grazing and that livestock grazing is not currently relied upon to manage native vegetation condition. It is also designed to reduce the risk that protected native vegetation is harmed through the inappropriate use of grazing, i.e. by introducing grazing as part of an ENV project into an area that is not normally grazed.

The second condition is that livestock grazing pressure, measured as stock-equivalent days per year, must be reduced, and then maintained during the permanence period. Grazing pressure must be reduced to no more than 50% of the average pressure for the 5 years prior to project registration. Reduction in grazing pressure is set at a minimum of 50% to ensure that where enhanced grazing control is adopted as a principal activity, substantial change in grazing management occurs (note that use of grazing to support biodiversity improvement is a complementary activity and detailed below in section 34).

Reduction in grazing pressure is intended to facilitate regrowth of native species (e.g. grazing-sensitive shrubs, grasses, lichens, mosses), improve ecosystem structure and function, and reduce soil compaction, erosion, nutrient enrichment and weed threats.

The third condition is that livestock grazing must be excluded from the activity area for a continuous period of at least 3 months each year, including during the optimal growth period for the Natural Resource Management region. This is to ensure an adequate minimum rest period (i.e. 3 months) during the primary growth period to allow for increased recruitment of native species prior to the resumption of grazing.

The decision to undertake enhanced grazing control as a principal activity will be based on the ecosystem type, the nature of the prevailing threats and the intended project outcome.

- For example, projects aiming to improve the richness and cover of forbs in grassy ecosystems may undertake enhanced grazing control if it is recommended by a suitably qualified person to benefit forb regeneration. In this context, enhanced grazing control could limit the re-introduction of introduced pasture plants and reduce the mortality of forbs and their seedlings.

In some circumstances it may be more appropriate to continue grazing at pre-project intensities and adopt grazing management as a complementary activity consistent with section 34, rather than implementing the enhanced grazing control principal activity. This could be appropriate in more grassy systems where grazing has been occurring in the 5 years prior to the project, and those areas receive 3 months of rest from livestock grazing during the main growing season for the activity area.

- For example, where grazing is recommended by a suitably qualified person to help suppress growth in the ground layer of grazing sensitive weeds such as cats' claw or glycine, maintaining livestock grazing may be helpful alongside mechanical or chemical weed control. In such cases, grazing regime changes may not be appropriate as a principal activity (but might still be periodically useful as a complementary activity).

When designing this section (24) and section 34 (Limitations on livestock grazing), the department has carefully considered feedback on grazing from the October 2025 consultation feedback – namely that there are situations where grazing is both appropriate and not appropriate for biodiversity enhancement and maintenance. The two sections (24 and 34) are designed to work in tandem to enable projects that use reduced grazing pressure (section 24) and 'conservation' grazing (consistent with section 34) to enhance or maintain biodiversity, but in a way that reduces risks to protected biodiversity. The risks are managed through the constraints and limitations set out in these two sections and described in this paper. This balance in the method's design is informed by consultation submissions as well as the relevant scientific literature.

Section 25 - Enhanced weed control

A program of weed control activities to be undertaken in an activity area, is enhanced weed control if it targets the species and areas that are most likely to maximise the beneficial impacts of weed control on the capacity of the activity area to support native biodiversity.

Key risks associated with weed control include that it does not target the most important threats to biodiversity values, that it targets or impacts species native to the local area, that it does not involve the use of the most effective methods, and that it involves chemicals that persist in the environment. The conditions for enhanced weed control are designed to address these risks alongside restrictions on use of fertiliser, designed to prevent the growth of non-native plant species.

The requirement not to target or harm plant species that are native to the local area means projects can involve control of invasive native species, so long as they are not native to the local area. Species native to the local area are naturally occurring in the applicable reference ecosystem, native species from within 100 km of the activity area or sub-area, or native species from the same IBRA sub region as the activity area.

The weed management regime must be described in the project plan, including supporting evidence for how weed control is tailored to the characteristics of the activity area. Supporting evidence may include weed risk analysis to identify the most effective treatment approach for each weed species given the relative infestation size and potential impact.

The requirement to go beyond requirements of law is intended to support compliance with the first integrity standard. The proponent would need to describe in the project plan the extent to which the weed management regime exceeds requirements under applicable Commonwealth, State or Territory laws. Going beyond existing legal requirements could (for example) involve a new activity that is different from activities required by law.

Section 26 - Enhanced pest control

A program of pest control activities to be undertaken in an activity area, is enhanced pest control if it targets the species and areas that are most likely to maximise the beneficial impacts of pest control on the capacity of the activity area to support native biodiversity.

Key risks associated with pest control include that it does not target the most important threats to biodiversity values, that it targets or impacts native biota, and that it does not involve the use of the most effective methods.

The pest management regime must be described in the project plan, including supporting evidence for how pest control is tailored to the project site. To limit risks to native biodiversity, enhanced pest control is confined to management of non-native fauna species. Supporting evidence may include pest risk analysis to identify non-native species within activity areas that pose a material threat to the capacity of the activity area to support native biota. The project plan needs to identify pest species in each activity area and map their distribution.

The requirement to go beyond requirements of law is intended to support compliance with the first integrity standard. The proponent would need to describe in the project plan the extent to which the pest management regime exceeds requirements under applicable Commonwealth, State or Territory laws. Going beyond existing legal requirements could involve a pest control regime targeting a specific biodiversity outcome tailored to the project site beyond what is required by law, or a new activity that is different from activities required by law.

Where requisite regulatory approvals and permits can be secured, and upon the recommendation of a suitably qualified person, overabundant native fauna species could potentially be controlled as a complementary activity.

Section 27 - Infill planting

Infill planting can be undertaken in areas that contain remnant vegetation (unlike environmental planting, which can be undertaken in areas that do not contain remnant vegetation).

Remnant vegetation is defined as uncleared native vegetation or regrowth native vegetation that, with appropriate management, could achieve the structure and composition of the reference ecosystem within two decades. Assessment of whether areas of land meet the definition of remnant vegetation needs to be made by a suitably qualified person. This could be done with reference to starting ecosystem condition states that include close to reference or modified defining layers.

Infill planting is intended to restore missing species or structural elements and address compositional and structural ecological deficits to enhance the ecosystem condition of native vegetation.

The infill planting regime must be described in the project plan. It needs to be consistent with the reference ecosystem, restoration target state and forecast values for ecosystem condition indicators. Infill plantings may be staggered over the life of the project to reduce costs or improve project outcomes. This can include further infill plantings that are established to replace plantings that fail or are killed by a disturbance event.

Infill planting may be carried out alongside enhanced weed or pest control to ensure that ecosystem structure, composition and function are maintained consistent with levels required for the achievement, and maintenance of the project outcome.

Section 28 - Revegetation through environmental planting or facilitated regeneration

A specified program of activities undertaken in an activity area is revegetation if it uses environmental planting or facilitated regeneration to achieve the revegetation of areas that do not contain remnant vegetation. The reasons for the absence of remnant vegetation are not relevant to whether an activity constitutes revegetation for these purposes (e.g. it could be due to clearing or the suppression of regeneration following a natural disturbance event).

Environmental planting

Environmental planting involves restoration of native ecosystems using direct seeding, broadcast seeding, the establishment of tube stock or a combination of these methods. Environmental plantings must be tailored to their location and suited to native biodiversity. Planting design, and the targeted composition and structure of the planted community must reflect the native ecosystem most suited to each activity area.

The environmental planting regime must be described in the project plan with supporting evidence for how it aims to achieve the restoration target states and forecast values for indicators of ecosystem condition in each activity area.

Planting activities (either alone or in combination with facilitated regeneration) must introduce a combination of species that is likely to result in vegetation with structure and composition that is consistent with the reference ecosystem for the activity area or sub-area. This is intended to ensure that only native species are planted from the reference ecosystem appropriate to each activity area, that will move the condition of the land closer to its reference condition for native biodiversity.

Plantings must be maintained for the permanence period and may include staggered and remedial plantings.

Facilitated regeneration

Facilitated regeneration involves restoration of native ecosystems through removal of ecological stressors or suppressors including livestock grazing pressure, non-native plants and animals or land clearing by physical or chemical means.

Regeneration activities (either alone or in combination with environmental planting) must support regeneration of a combination of species that is likely to result in vegetation with structure and composition that is consistent with the reference ecosystem for the activity area or sub-area.

Land in activity areas must have potential to regenerate native plant species from the germination of in situ seed, or the growth of in situ seedlings, saplings, rootstock or lignotuber. This is intended to ensure the land has regeneration potential and facilitated regeneration would be an appropriate activity.

Activities by which regeneration can be facilitated include one or more of the following:

- a) a reduction in livestock grazing pressure (using enhanced grazing control)
- b) an increase in the control of non-native plant species (using enhanced weed control)
- c) an increase in the control of non-native animal species (using enhanced pest control) or
- d) cessation of re-clearing by physical or chemical means.

The facilitated regeneration regime must be described in the project plan including supporting evidence for how it aims to achieve the restoration target states and forecast values for indicators of ecosystem condition in each activity area. Supporting evidence may identify and describe areas with regeneration potential, that with the removal of ecological stressors or suppressors, are likely to result in vegetation with structure and composition that is consistent with the reference ecosystem for the activity area.

Section 29 - Remedial planting

Remedial plantings are plantings undertaken in response to mortality events that threaten the achievement of the project outcome. Any remedial planting needs to be described in biodiversity project reports.

Section 30 - Habitat enhancement activities

Habitat enhancement means the introduction of structures or materials to provide additional habitat for species native to the local area. Habitat enhancement activities must be designed to address functional ecological deficits or missing functional elements of an ecosystem, relative to the expected state of those elements in its pre-disturbance reference condition.

Eligible activities for the purposes of habitat enhancement include:

- a) the installation of nesting and roosting boxes for native birds and mammals as a substitute for lost hollow bearing trees and
- b) the placement of rocks or coarse woody debris to provide habitat for native vertebrates and invertebrates, and to facilitate the recovery of native plant species and fungi.

This activity is primarily for the purpose of enabling the threatened species characteristic, however the activity can be conducted as a complementary activity for all projects, whether for the benefit of threatened or non-threatened native species. For example, these activities could improve outcomes for culturally significant species, with benefits identified and described through the nomination of the culturally significant entity characteristic (subject to the required processes and documentation in section 46(4)).

Habitat enhancement can be highly effective in improving biodiversity outcomes in particular conservation contexts. Key risks from misapplication of habitat enhancement include the introduction of pests or pathogens and project design with limited benefit. The sourcing, installation and maintenance of any introduced materials is controlled to address these risks.

The regime of habitat enhancement activities needs to be described in the project plan with supporting evidence that the activities can improve outcomes for native species, with potential risks to biodiversity managed effectively. Evidence could include relevant conservation advice, where applicable, or other authoritative conservation planning documents.

Products and materials used must not be sourced or installed in a way that has, or is likely to have, material adverse impacts on native biodiversity, including introducing or spreading invasive species or disease.

Section 31 - Threat management activities

A threat management activity is an activity that has been identified as such in Schedule 9. Threat management activities include principal or complementary activities that are undertaken for another purpose and are intended to appreciably reduce the effect of an identified threat to a relevant threatened species to the extent that it can reasonably be expected to improve the long-term

viability of the species. For example, enhanced pest control may be a principal activity that improves the ecosystem condition of native vegetation and controls a predator for a threatened species.

Section 32 - Limitation on use of fire

Use of fire may be adopted as a complementary activity and carried out in an activity area in accordance with a fire regime that complies with this section.

Limitations on use of fire do not prevent appropriate use of fire that is consistent with traditional Indigenous practices or to mitigate risks to life, property or biodiversity that is undertaken in accordance with relevant Commonwealth or state and territory laws. A fire regime is eligible as a complementary activity for an ENV project if:

- a) the Starting State Assessment has recognised an appropriate fire regime as an ecological driver that is likely to be necessary to maintain or improve ecosystem condition or
- b) use of fire is likely to be necessary to enhance or protect another variable biodiversity project characteristic (e.g. a culturally significant entity or threatened species) and
- c) it is unlikely to threaten the achievement of the project outcome or otherwise threaten the biodiversity values of the site.

Restrictions on use of fire vary depending on the MVG structural group and time since the last fire. They are tailored to MVG structural groups to account for broadly similar responses to fire for ecosystems within each group. One set of requirements applied to all ecosystem types would not adequately account for varied responses to fire across the eligible regions. Guardrails are included against over-burning while leaving some discretion for projects to use fire as considered appropriate.

Use of fire is not allowed in MVG structural group 1 (rainforest and vine thickets) as it is not recommended as a suitable management tool for rainforest ecosystems. For MVG structural groups 2 (open forests to open woodlands) and 3 (shrublands) there are two sets of guardrails to ensure adequate recovery window after a bushfire event. These are designed to account for ecosystems from MVG structural groups 2 and 3 with a greater proportion of grass cover and lower shrub cover. For MVG structural group 4 (grasslands and herbfields) guardrails are less stringent, as grassland ecosystems tend to be more closely associated with fire and recover on a shorter time frame.

The frequency and area burnt are limited to ensure that ecosystem structure, composition and function are maintained consistent with levels required for the achievement, and maintenance of the project outcome.

The decision to use fire as a complementary activity will be based on ecosystem type, the objectives of the project proponent and the intended project outcome. For example, use of fire in a project enhancing a culturally significant entity would be led by relevant Indigenous representatives or relevant Aboriginal persons or Torres Strait Islanders. This could include working in partnership with relevant Indigenous or non-Indigenous persons who hold contemporary knowledge of the project area. The use of fire as a complementary activity may support the health of particular plants (e.g. native grasses, black grevillea) or animals (e.g. emu, potoroo), bushfoods, threatened species, or biodiversity in general.

The fire management plan, in this example, could be prepared in whole or in part by a suitably qualified First Nations person, who holds the cultural authority for that Country, and describe how use of fire is likely to contribute to achieving the project outcome in alignment with one or more principal project activities. The plan may include site-specific assessment of ecological, cultural, and seasonal factors, tailored approaches that respond to the unique needs of the project area while

respecting cultural protocols, community governance structures and subject to relevant permissions for the use of Indigenous knowledge, or values and Indigenous data (Section 47).

Section 33 - Limitation on ecological thinning

Ecological thinning means the selective removal of trees to enhance native biodiversity and ensure the land better reflects the compositional, structural and functional characteristics of its reference ecosystem. Ecological thinning can sometimes accelerate structural development in dense stands, but limitations have been imposed to mitigate the risks of misapplication and adverse impacts. The frequency and amount of ecological thinning is restricted to ensure that the crown cover of native trees and shrubs is maintained consistent with levels required for the achievement, and maintenance of the project outcome. Thinning for cultural purposes can be undertaken if it aligns with these restrictions.

Native trees and shrubs must not be cleared or otherwise damaged in an activity area, except for ecological thinning that meets the following requirements:

- a) ecological thinning may only be undertaken in activity areas where the reference ecosystems are from MVG structural group 2
- b) an area of land in an activity area may be subject to ecological thinning once over the permanence period (one thinning event over a fixed period)
- c) an ecological thinning event must not reduce crown cover from native trees and shrubs by more than 20% (in absolute terms)
- d) an ecological thinning event must not reduce crown cover from native trees and shrubs to less than 75% of the expected crown cover from native trees and shrubs in the reference ecosystem in either the tree or shrub layers and
- e) biomass that is thinned in an ecological thinning event must not be removed from the activity area.

Section 34 - Limitation on livestock grazing

Limitations on livestock grazing are intended to ensure that it is used in ways ensure the ecosystem structure, composition and function are maintained consistent with levels required for the achievement, and maintenance of the project outcome. This includes projects adopting grazing management as a complementary activity (e.g. conservation grazing), whereas reduction of grazing pressure as a principal activity is covered by a separate provision in the method (see section 24 above).

Limitations include that the activity area must have been subject to livestock grazing in the 5 years prior to project registration. This is intended to maintain exclusion of livestock from activity areas that have not been recently grazed by livestock and to support ongoing recovery of native vegetation in those areas. The period of 5 years has been chosen as a reasonable and practical length of time to indicate that livestock grazing is not currently relied upon to manage native vegetation condition. It is also designed to reduce the risk that protected native vegetation is harmed through the inappropriate use of grazing, i.e. by introducing grazing as part of an ENV project into an area that is not normally grazed.

Livestock grazing must be excluded from activity areas for a continuous period of at least 3 months each year, including during the optimal growth period for the Natural Resource Management region.

Livestock grazing must not be undertaken in any activity area in which revegetation activities are undertaken until the plantings or regeneration have become established, so that 90% of individual trees and shrubs (for species with mature heights of 2m or more) that comprise the plantings in the activity area have reached 1.5 m. For plantings that do not include trees or shrubs expected to exceed 2m in height, grazing must not occur until individuals of 80% of species included in the planting have been observed flowering at least once.

Section 35 - Prohibited activities

This section sets out requirements to ensure that specified activities are not carried out, by the proponent or any other person, in the project area.

The project proponent must ensure that the following activities are not carried out in the project area:

- a) activities that involve the destruction or removal, including by harvesting, of native plant biomass including woody debris and standing dead trees, rocks and soil, fruits, nuts or seeds other than permitted activities
- b) activities that involve the disposal, dumping or burning of rubbish and
- c) activities that involve ground and rock disturbance, including ploughing or ripping.

The list of prohibited activities is intended to ensure proponents do not undertake activities that harm the biodiversity values of the project area, even if they are not project activities.

The above activities can still be carried out to the extent that is necessary for the purposes of carrying out project activities. For example, ploughing or ripping may be necessary as part of undertaking site preparations for environmental plantings – in which case those activities are permitted, but only to the extent necessary to undertake the relevant plantings.

The proponent must ensure that fertiliser is not used in an activity area other than:

- a) fertiliser found in tubestock used for plantings and
- b) a single application added when planting seedlings in an activity area where the reference ecosystems are from MVG structural group 1.

Use of fertiliser is restricted to prevent the unintentional growth of exotic plants and to keep soil chemistry suitable for native species. The exception made for application of fertiliser where the reference ecosystems are from MVG structural group 1 is to assist the establishment of seedlings in those areas.

In addition, the following activities are permitted activities that can be carried out in the project:

- a) activities that involve movement of rocks or woody debris within the project area:
 - I. as part of a habitat enhancement activity or
 - II. for the purposes of habitat enhancement and in accordance with paragraph 30(d).
- b) ecological thinning in accordance with section 33
- c) activities that involve the removal of fruits, nuts or seeds (whether for personal or commercial purposes) provided that no more than 20% of the fruits, nuts or seeds of any native species in an activity area are removed in a calendar year and
- d) activities that are consistent with:
 - I. traditional Indigenous practices; or
 - II. native title rights under the Native Title Act 1993.

The 20% limit for removal of fruit, seeds and nuts in a calendar year is based on the guidelines for setting a safe limit to seed collecting from *Plant Germplasm Conservation in Australia – Third Edition*. The guidelines are set to reduce any adverse effects of over-collection and keep seed collections within limits which will reasonably avoid any impact on the long-term survival of the wild population i.e., <20 % of available seeds. In some States or Territories, the amount of seed that may be collected may be legislated and may be less than these recommendations.

Where a biodiversity certificate has been issued for the project, failure to comply with a requirement in this section is contravention of a civil penalty provision. This will ensure that the project proponent is required to comply with the requirements in section 35 even after a biodiversity certificate has been issued for the project.

Division 2.3 – Land and location

Section 36 – Project area must be in eligible region and include eligible land

The project area for an ENV project must be wholly located in one or more eligible regions and must include eligible land.

The term eligible region has the meaning of that term in Schedule 1. Schedule 1 to the ENV method makes it clear that an eligible region must be both:

- a) an IBRA subregion and
- b) included in the list of eligible IBRA subregions specified in Schedule 1.

This means that a biodiversity project covered by the ENV method can only be registered if the Regulator is satisfied that activity areas are located wholly in one or more IBRA subregions that are listed in Schedule 1.

IBRA (short for Interim Biogeographic Regionalisation for Australia) means version 7.0 of the geospatial database (including maps) of that name, published by the Department, and freely accessible on the Department's website (dcceew.gov.au), as existing from time to time.

Eligible regions for the ENV method have been selected because they represent modified landscapes that have historically experienced widespread clearing of native vegetation. Areas of remnant vegetation are often degraded, are subject to pressures such as pests and weeds, and can suffer from low levels of ecological connectivity. Reflecting this, these areas also contain high concentrations of threatened species and ecological communities, making them a priority for restoration and conservation.

The use of IBRA is appropriate in this context as it represents a nationally consistent classification framework based on abiotic and biotic factors influencing biodiversity distribution, as opposed to administrative or other boundaries (e.g. NRM regions, local government areas).

The inland boundary of the eligible region is delineated using the set of IBRA subregions where 20% or more of the native vegetation has been historically cleared, based on National Vegetation Information System (v6.0) data and NSW Statewide Vegetation Type data.

Section 37 - Meaning of *eligible land*

The project area for an ENV project covered by the ENV method must include eligible land.

Land is defined as eligible to ensure the integrity of the method is maintained and forecast ecosystem condition outcomes can be accurately assessed. Areas of land where project activities are

carried out are used to estimate the forecast ecosystem condition scores attributable to project activities.

To be *eligible land*, land in activity areas must meet all the following requirements:

- a) any native vegetation on the land must not have been damaged or destroyed by mechanical or chemical means in the 3 years prior to the application being made
- b) the land must not have been affected by fire within the 9 months preceding the application date
- c) if the defining layer includes woody vegetation, the land must not have been affected by a fire that killed more than 50% of the plants in the defining layer within the 3 years preceding the application date and
- d) the land must be at or above the level of the highest astronomical tide
 - i. The note in this section explains that marine and estuarine ecosystems, including mangrove and other tidal wetlands, will be ineligible because they occur below the level of the highest astronomical tide.
 - ii. This is intended to ensure projects are undertaken on land where the primary benefits will typically accrue to terrestrial biodiversity. For the avoidance of doubt, projects can be undertaken on land adjacent to aquatic and marine ecosystems.

Division 2.4 – Stratification of the project area

Section 38 – Initial stratification of the project area

The ENV method requires project areas to be stratified into activity areas and exclusion areas for management, assessment and monitoring. Stratification supports consistent project monitoring and reporting by allowing data to be collected and project benefits to be reported using permanent sampling plots within activity areas.

In practice, activity area boundaries are likely to be settled in conjunction with the making of the starting state assessment. Originally proposed activity areas may need to be revised as assessments are made of the qualities that relate to stratification requirements. This is required to ensure that:

- a) the whole of an undivided activity area must have the same reference ecosystem
- b) the whole of each sub-area of a divided activity area must have the same reference ecosystem, and all the sub-areas must have reference ecosystems from the same Major Vegetation Group
- c) the whole of an activity area has the same starting ecosystem condition state and the same restoration target state and
- d) permanent sampling plots can be selected that are representative of at least 90% of the activity area based on native vegetation composition and condition.

Appropriate stratification into areas that share ecological similarity is important for selecting appropriate activities and accurately forecasting and assessing project progress towards the forecast ecosystem condition indicator values and restoration target states.

Section 39 - Requirements for activity areas

To be designated as an activity area, an area of the project area must meet all the following requirements:

- a) it must consist only of eligible land
- b) it must not include any excluded water
 - i. excluded water is defined as meaning inland water or sea, including mangrove areas, but does not include ephemeral or vegetated (palustrine) wetlands (such as riparian areas, floodplains, swamps and marshes), or coastal land on the landward side of the low water mark.
- c) it must be an area of the project area on which the project proponent proposes to carry out project activities as part of the ENV project
- d) it must be at least 0.2 hectares
- e) It must have either the same reference ecosystem or be divided into sub-areas that all have a reference ecosystem from the same major vegetation group and
- f) it must have the same starting ecosystem condition state and the same restoration target state.

The note in this section explains that most riparian and floodplain ecosystems will meet requirements for activity areas while lakes (lacustrine wetlands) and in-channel riverine ecosystems are unlikely to meet requirements.

In addition to the above:

- a) an activity area may consist of a single contiguous area, or multiple disconnected areas and
- b) the activity areas together must be at least 5 hectares.

The minimum project area of 5 hectares aims to ensure the combined area of activity areas is of a sufficient size to be ecologically viable. Small patches of degraded native vegetation can be restored, particularly through the restoration of adjoining areas and linking with other nearby patches. However, small, isolated patches, and thin strips, of degraded native vegetation are generally likely to have higher levels of threats ongoing and lower potential capacity to support native biota.

ENVTS projects must include at least one threatened species activity area.

Project proponents need to ensure that, when they stratify the project area, all activity areas meet these requirements.

Section 40 - Exclusion areas

A part of the project area that is not an activity area must be designated an exclusion area. Project activities cannot be undertaken on an exclusion area.

Section 41 – Mapping of boundaries

The boundaries of the project area and of the activity areas and any sub-areas must be mapped in accordance with the Nature Repair Mapping Guidelines.

Part 3 – Assessment of the project area

Section 42 and 43 - Starting state assessment

A key feature of project design is the starting state assessment (SSA). Evaluation of data and information collected for the starting state assessment is intended to underpin the design of the

project including the identification of reference ecosystems, assignment of starting ecosystem condition states and restoration target states. The starting state assessment provides the data and information needed for the Regulator to be satisfied that the criteria for approving the project's registration are satisfied.

The ENV method requires the project proponent to make a starting state assessment, in accordance with Division 2.5, of the project area as it stands when the application for approval of registration is made.

Each element of the starting state assessment must be either prepared or certified by a suitably qualified person, unless the relevant provision provides otherwise. For offset-capable projects, the SSA should be prepared and certified by a suitably qualified person.

The starting state assessment requires collection and evaluation of information and data required to:

- a) ensure the project area meets the eligibility requirements in the NR Act and the applicable method
- b) divide the project area into activity areas (where relevant)
- c) identify the appropriate scope and nature of activities for the project area
- d) plan where the project activities are to be carried out
- e) identify and describe the variable biodiversity project characteristics that are relevant to the project
- f) establish the permanent sampling points in each activity area
- g) assess the starting ecosystem condition state for the project area or, where relevant, for each activity area
- h) determine the starting values for each indicator for ecosystem condition
- i) assess the risk to the biodiversity outcome posed by the impact of risks
- j) assess the risk posed to the project by the reasonably expected effects of climate change, including identifying any areas particularly vulnerable to such risks
- k) understand the likelihood of threatened species or ecological communities occurring in the project area
- l) record observations of candidate threatened species, important habitat features, and evidence of threats
- m) plan any management actions that will be required to address any risks to the biodiversity outcome being achieved
- n) identify if there are any legal encumbrances within the project area, such as sites of cultural heritage, covenants or other legal interests and
- o) engage with relevant Aboriginal persons or Torres Strait Islanders on whether there are culturally sensitive areas within the project area, or on how Indigenous knowledge, values or data could contribute to the project.

The starting state assessment must include a field survey, which is an on-ground assessment of the project area undertaken at the proposed project site. The field survey must be undertaken at, or as close as practicable to, the time of optimal plant growth for the relevant Natural Resource

Management region, to maximise potential to identify species. Additional surveys may be required for threatened species/ecological communities and can be performed at other relevant times.

The concept of the starting state assessment is broader than the field survey because the project proponent may, as part of the starting state assessment, seek information and data from other sources such as remote (desktop) surveys (including remotely sensed data), historical sources (including other persons) or from direct engagement with groups such as local Aboriginal or Torres Strait Islander communities.

Section 44 - Assessment of the eligibility of the land

The project proponent for an ENV project must make an assessment of the project area and each activity area to confirm eligibility of the land.

The purpose of this requirement is to ensure that the stratification of the project area complies with the method. In practice, activity areas are likely to be settled by the project proponent in conjunction with the starting state assessment. Originally proposed activity areas may need to be revised as the assessments are made of the qualities of those areas against the requirements for activity areas in the method.

Section 45 - Engagement with relevant Indigenous representatives

As part of the starting state assessment, the project proponent must identify any areas within the project area that are subject to Indigenous land interests.

The purpose of these requirements is to ensure that where there is a legal interest in the project area by one or more Indigenous groups or communities, it is mandatory for project proponents to demonstrate that they have engaged appropriately with those groups or communities in relation to the design and implementation of the project. This engagement can be informed by available guidance.

If there are any Indigenous land interests, the proponent must engage appropriately with the relevant Indigenous representatives for the project area in relation to the design and implementation of the ENV project, including in relation to the following:

- a) the planning and conduct of the initial field survey
- b) using Indigenous knowledge and values, or Indigenous data (including any data generated during the planning or implementation of the ENV project) relating to enhancing or protecting biodiversity in native species, in a culturally appropriate way, taking account of any requirements the Indigenous representatives may have relating to use of Indigenous knowledge, values or data in a project, and who can advise on such matters and
- c) identifying whether there are areas within the project area that are considered culturally sensitive or significant to relevant Aboriginal persons or Torres Strait Islanders.

If the proponent finds information on a cultural heritage register that interacts with the project area, the proponent must comply with the relevant national, state or local jurisdiction's requirements to protect the cultural heritage values of the site.

In addition to complying with such obligations relating to cultural heritage under national, state and local regulations, it is strongly recommended that the proponent make efforts to identify and engage with the relevant Aboriginal persons or Torres Strait Islanders about the cultural heritage entry, before completing the project plan.

This engagement is recommended to discuss aspects relating to project design and implementation to minimise cultural harm. For example, this might result in excluding areas of cultural heritage from the project area, adjusting random sampling site or photo monitoring point locations to avoid cultural heritage sites, or timing of the project activities in respect to cultural matters. Incorporation of any Indigenous knowledge, values or Indigenous data must be in line with knowledge consent requirements and accompanied by evidence of appropriate attribution and consent for use of the knowledge, in accordance with the method. Adjustments to a project design and implementation in relation to information on cultural heritage may be reflected as demonstrating culturally informed project design in the project plan.

What constitutes ‘appropriate engagement’ may differ, depending on the preferences of the relevant Indigenous representatives. For project proponents to engage appropriately with the relevant Aboriginal persons or Torres Strait Islanders, they must engage in a way that acknowledges and respects the customs of those people. As noted above, where the relevant Indigenous representatives wish to be involved in the design or implementation of the project, or where the project proponent wishes to use Indigenous knowledge or values, or Indigenous data, in the design of their project, appropriate engagement could involve significant and ongoing consultation and obtaining consent or agreement relating to particular aspects of the project design. Any engagement should consider cultural governance or other protocols relating to who has the authority to provide and advise on the use of Indigenous knowledge, values and/or data for the project.

Evidence of such engagement and results of discussions could be in the form of benefit sharing agreements, Indigenous data management agreements, knowledge sharing agreements, Indigenous Cultural Intellectual Property agreements and engagement plans outlining the forward project milestones and times when the proponent and the relevant Indigenous representatives agree to engage again.

Conversely, where the relevant Indigenous representatives do not wish to be involved, the project proponent would be able to demonstrate they have engaged appropriately by providing evidence that they have approached the relevant Indigenous representatives and provided an opportunity for their involvement, which has not been accepted. The evidence may include information about the scope and nature of the engagement undertaken, and how time and information were provided to allow for customary decision-making processes and informed decision-making.

Where there are Indigenous land interests in the project area, but the relevant Indigenous representative chooses not to engage in relation to the interaction with Indigenous knowledge, values and data, the proponent may continue with the project (though must still get consent for any use of Indigenous knowledge, values and data in the project design and implementation). What is important is that the relevant Indigenous representatives are provided the opportunity to contribute their knowledge and values to the design or implementation of the project in a way that reflects their wishes and traditions.

This section makes it clear that even if there are not any Indigenous land interests in the project area, the project proponent may engage with relevant Aboriginal persons or Torres Strait Islanders for the project area in relation to the design and implementation of the ENV project.

The use of any Indigenous knowledge, values or data arising from Indigenous engagement under the method (including in the context of nominating a culturally significant entity to assess as part of the project) will need to comply with this section.

Section 46 - Culturally significant entities of an ENV project

As part of the starting state assessment, the project proponent for an ENV project may consider whether a thing, place, matter or process (the entity) that is within the project area should be nominated as a culturally significant entity for the project in accordance with the method.

A culturally significant entity may be a thing, place, matter or process that is of cultural significance to Aboriginal or Torres Strait Islander people. Under the ENV method a proponent may consider whether to engage with the culturally significant entity variable biodiversity project characteristic.

Before making the nomination, the project proponent must:

- a) engage with relevant Aboriginal persons or Torres Strait Islanders for the project area (the relevant persons), or relevant Indigenous representatives acting on their behalf and
- b) determine that the entity is of cultural significance to the relevant persons.

This will ensure that the culturally significant entity is a culturally significant entity that is relevant to the project, within the meaning of section 4 of the BAI.

Indicators and restoration targets

The nomination may be made only if the project proponent has established the following:

- a) how the culturally significant entity will be identified and described
- b) the project activities that will contribute to protection or enhancement of the culturally significant entity
- c) indicators to measure and assess change to the culturally significant entity, and the process by which these will be assessed by the relevant persons
- d) the starting value of each of the indicators
- e) the counterfactual scenario against the forecast value of the indicators is to be assessed if applicable
- f) the forecast value of each of the indicators as a result of the activities of the project and
- g) the threshold value of each of the indicators.

These matters are essential for accurately measuring and assessing the change in the culturally significant entities as a result of the project activities, which will contribute to determining whether the project outcome has been achieved or is likely to be achieved.

The project proponent must be able to demonstrate and document, with culturally appropriate evidence:

- a) that they have done all of the following
 - I. identified and engaged with the relevant persons
 - II. obtained appropriate consent from the relevant persons for the use of Indigenous knowledge or values to identify and describe the culturally significant entity
 - III. appropriately engaged with the relevant persons in relation to each of the above matters for the culturally significant entity
 - IV. identified (or, where relevant, identified and described) each of the above matters, for the culturally significant entity, consistently with any requirements of the relevant persons

- V. obtained agreement from the relevant persons to the proposed culturally appropriate verification process that will be followed to demonstrate the delivery of change to the culturally significant entity
- VI. obtained agreement from the relevant persons on how information relating to the culturally significant entity will be provided to the Regulator and the extent to which it can be included on the Register and
- b) that the project activities are likely to result in the forecast values for each of the indicators for the culturally significant entity.

These requirements ensure that the processes and requirements that must be complied with in identifying and describing culturally significant entities, and related matters, will be tailored to ensure that the knowledge, values and traditions of the relevant Aboriginal persons or Torres Strait Islanders are respected. In particular, the process to identify and describe indicators for culturally significant entities and determine the approach for the culturally appropriate verification of change in the culturally significant entities is not set out in the ENV method. The process would be tailored to the needs of the relevant Aboriginal persons or Torres Strait Islanders and could follow an Indigenous-led standard or framework. This flexibility enables project-specific application to suit different circumstances and cultural priorities or needs. This could include a peer-to-peer First Nations verification framework, an Indigenous developed framework for monitoring cultural and heritage values, or a culturally appropriate identification and verification approach guided by Indigenous research.

Section 47 - Use of Indigenous knowledge or values, or Indigenous data

Section 47 applies if:

- a) it is proposed that the ENV project will include, or be informed by, Indigenous knowledge or values, or Indigenous data in relation to the project's design or implementation and
- b) the Indigenous knowledge or values, or Indigenous data, were informed by engagement with:
 - i. relevant Indigenous representatives for the project area or
 - ii. relevant Aboriginal persons or Torres Strait Islanders for the project area.

In this circumstance, the project proponent for the project must, as part of the starting state assessment:

- a) obtain agreement on the appropriate attribution for the Indigenous knowledge or values, or Indigenous data
- b) obtain appropriate consents for use of such knowledge, values or data
- c) use culturally appropriate approaches for the collection, interpretation, use, recording and governance of such knowledge, values or data and
- d) document how the project design and implementation includes or is informed by such knowledge, values or data.

This section applies whether or not the Indigenous knowledge or values or Indigenous data resulted from the engagement for the purposes of section 45 or 46.

The purpose of this condition is to ensure that, if a project proponent chooses to use Indigenous knowledge or values, or Indigenous data, they are required to do so in a culturally appropriate way, including obtaining appropriate consents and attributions. This includes the storage and protection of that knowledge, values or data.

This requirement will apply to the use of Indigenous knowledge or values and Indigenous data arising out of engagement that is required, or is undertaken voluntarily, in relation to the culturally significant entity or otherwise.

The nature and form of the consent provided, and how this is evidenced, will depend on the cultural governance arrangements and practices of the relevant Aboriginal persons or Torres Strait Islanders. Evidence will need to be consistent with guidance or aligned with best-practice, Indigenous-led approaches to ensure that appropriate processes are followed, protections are provided and standards for evidence and transparency are met, consistent with the wishes of the relevant Aboriginal persons or Torres Strait Islanders. If given consent is to be modified or withdrawn, the project proponent is obligated to notify the Regulator.

Section 48 - Ecosystem assessment

As part of the starting state assessment, a suitably qualified person must do the following for each activity area:

- a) identify and describe the reference ecosystem or ecosystems for the activity area in accordance with the method
- b) for each reference ecosystem:
 - i. if the approved benchmark source list gives an appropriate benchmark value for an indicator or sub-indicator, or an appropriate large tree threshold—select that value and
 - ii. otherwise—establish a benchmark or large tree threshold value in accordance with Schedule 2
- c) establish permanent sampling plots for the activity area in accordance with the plot establishment method in Schedule 3
- d) make a photo survey of each permanent sampling plot (which need not be done personally by a suitably qualified person)
- e) determine the value of each indicator for the ecosystem condition of the activity area (the starting value of the indicator) in accordance with Schedule 4 and
- f) determine the starting ecosystem condition state of the activity area in accordance with Schedule 5.

Section 49 - Identifying reference ecosystems

As part of the starting state assessment, a reference ecosystem must be identified for all activity areas or sub-areas. A reference ecosystem, in relation to an activity area or sub-area, is defined in the method to mean an ecosystem that will serve as the model or benchmark for restoration, against which to compare the ecosystem condition of the activity area or sub-area. An activity area may consist of sub-areas that contain more than one native vegetation type, provided those reference ecosystems are from the same Major Vegetation Group.

This section sets out the process for identifying the reference ecosystem for an activity area or sub-area, for the purposes of ecosystem assessment in accordance with the method covering:

- a) the assignment of reference ecosystems, recording and documentation of the evidence must be undertaken by a suitably qualified person
- b) the project proponent needs to set out the justification for making the selection, which must include any available evidence of historic ecosystems for the activity area
- c) the assignment of reference ecosystems must be undertaken at a maximum scale of 3 hectares, with a minimum width of 50 metres for linear features. (The intention of this

requirement is to encourage project proponents to think about ecosystem classification at a scale consistent with the Prescribed Vegetation Classification System and its inputs). Use of the term 'maximum scale' relates to the GIS use of the 'maximum scale' of a given layer being the smallest representative fraction (or highest 'zoom') which is permitted and

- d) the selected reference ecosystem must be identified in a way that is consistent with:
 - i. the IUCN Global Ecosystem Typology, as it exists at the time the starting state assessment is undertaken, at the functional group level and
 - ii. the National Vegetation Inventory System (NVIS), as it exists at the time the starting state assessment is undertaken, at both the association level and sub-association level.

The procedure for the assignment of reference ecosystems requires a suitably qualified person to:

- a) access the Prescribed Vegetation Classification System (which is the database of that name published on the Department's website, as it exists from time to time)
- b) identify the prescribed vegetation map for the activity area on PLANR (which is the spatial data product of that name that forms part of the Prescribed Vegetation Classification System (PVCS))
- c) determine whether or not the prescribed vegetation map is likely to be correct, using relevant data and information obtained from the permanent sampling plots, the field survey and virtual assessment
 - i. where the prescribed vegetation map identifies that an area contains a mixture (or 'mosaic') of two or more native vegetation types, interpret the distribution of the types across the assessment area so that all land within the assessment area is assigned to a single native vegetation type
- d) where the information obtained from steps a, b and c suggests the native vegetation type assigned to an area on the prescribed vegetation map is likely to be correct, the native vegetation type must be designated as the reference ecosystem
- e) where the information obtained from steps a, b and c suggests the native vegetation type assigned to an area on the prescribed vegetation map is likely to be incorrect, or the prescribed vegetation classification system does not contain a native vegetation type at the association (Level 5) and sub-association (Level 6) level for the area, use the list of native vegetation types from the PVCS to determine the native vegetation type that was most likely to be present on the land prior to clearing (or pre-1750), having regard to the biophysical characteristics of the site and the type of native ecosystem it is currently likely to support
- f) determine that the selected native vegetation type must be designated as the reference ecosystem for the applicable area and
- g) document justification for use of an alternative native vegetation type as the reference ecosystem for an activity area and provide evidence in the site assessment report.

Exception—changes since clearing too great

If there is compelling evidence that the biophysical attributes of an activity area, or a part of an activity area, have changed to such an extent that enhancement or maintenance of ecosystem condition relative to the pre-clearing (or pre-1750) reference ecosystem is not likely to be feasible, the project proponent may designate an alternative eligible native vegetation type as the reference ecosystem for the activity area, or sub-area.

A native vegetation type is eligible if it occurs, or previously occurred, within the relevant eligible region in which the land is located, or an adjacent IBRA subregion and

- a) is suited to the biophysical attributes of the land and the type of ecosystem it is currently likely to support and
- b) is from the same Major Vegetation Group as the native vegetation type that was most likely to be present on the land prior to it being cleared or pre-1750.

If changes to the biophysical attributes of land mean it is not likely to be possible to revegetate that land towards a native vegetation type that satisfies this subsection, the land must not be included in a proposed activity area.

Section 50 - Assessment of drivers of the ecology of the project area

As part of the starting state assessment, the project proponent must make an assessment of:

- a) Relevant historic drivers of change associated with biodiversity in native species in the project area and
- b) Continuing ecological drivers of change that affect the project area and that:
 - i. could threaten capacity of the project to achieve the restoration targets for each activity area and
 - ii. are necessary enablers of the restoration target states for each activity area.

The assessment of the relevant historic drivers of change may be informed by, but is not limited to, the following:

- a) any clearing that was undertaken in any of the activity areas within the 10 years prior to the date of the assessment
- b) any damage or destruction of native vegetation by mechanical or chemical means undertaken in any of the activity areas within the 3 years prior to the date of the assessment
- c) any cultivation or other activities involving significant soil disturbance in any of the activity areas within the 3 years prior to the date of the assessment and
- d) any natural disturbances (such as fire, flood or drought) that have materially affected the condition of the ecosystem or ecosystems of any of the activity areas within 10 years prior to the date of the assessment.

The assessment of the relevant ecological drivers must include but is not limited to, the effect on the project area of the following:

- a) the hydrology of the area
- b) climate and climate change
- c) fire
- d) non-native plant and animal species
- e) contaminants and
- f) traditional Indigenous practices.

The assessment of ecological drivers is intended to support holistic approaches to facilitate ecosystem recovery across multiple landscape scales. Ecological drivers refer to natural or human-induced factors that cause changes in ecosystems. Projects can directly influence vegetation condition, ecosystem quality and integrity through addressing the causal factors for ecosystem degradation and reinstating appropriate land management regimes. Assessment of ecological drivers supports project design that is informed by wider landscape trends and ecological processes.

The activity recommendations for principal and complementary activities for the purposes of section 59 must be informed by the assessment of historic drivers of change and continuing ecological

drivers that affect the project area. Monitoring assessment of current and emerging ecological drivers is required for ongoing project reporting.

Section 51 - Identification of threatened species that may benefit from the project

This section is for assessment of the applicability of the threatened species characteristic, identification of candidate threatened species and assignment of Type A and Type B candidate threatened species, along with the conditions for making a disapplication statement.

A project proponent may make a disapplication statement if:

- a) there does not appear to be any threatened species or threatened ecological communities that may benefit from the ENV project or
- b) the project will not be an offsets-capable project.

While projects may choose to use the threatened species characteristic, projects seeking offset capability are required to use it (where the project is designed to be used as an offset for threatened species or threatened ecological communities). If a project uses the threatened species characteristic, they must identify the threatened species, or threatened ecological communities that are relevant to the project, and for which the characteristic applies

This section sets out the method for identification of candidate threatened species and assignment of candidate threatened species into Type A and Type B relevant threatened species. Candidate and relevant threatened species assessments apply to threatened species and threatened ecological communities. A suitably qualified person must use the Department's Protected Matters Search Tool (PMST) (and if appropriate corresponding systems or State or Territory) to identify threatened species or ecological communities that are likely to be in the area. Any threatened species or ecological communities that are likely to be in the area and are also identified as being present as part of field surveys or TS surveys are considered candidate threatened species.

Candidate threatened species are assigned as a Type A candidate threatened species if it was identified as present in the area and would be likely to benefit from the project activities. Type B candidate threatened species are selected from the candidate threatened species where:

- a) it is likely to inhabit one or more of the reference ecosystems of the ENV project, or
- b) essential habitat features for the candidate threatened species were either identified during surveys undertaken within 12 months of the application date or will be re-introduced as part of project activities, and
- c) it would be likely to benefit from project activities.

The identification of candidate threatened species and assignment of type is intended to distinguish between threatened species where there is high confidence that they inhabit the project area from threatened species that may not currently inhabit the project area, but the project activities will create habitat or increase the likelihood of the threatened species inhabiting the project area.

The section requires the identification of the Type A and Type B candidate threatened species to be undertaken or certified by a suitably qualified person who also has the appropriate expertise in relation to that threatened species. This does not apply if the project proponent intends to make a disapplication statement.

A candidate threatened species or threatened ecological community (Type A or Type B) can be declared a species tick species whether or not it is also a relevant threatened species or relevant ecological community. Where the suitably qualified person elects a candidate species or ecological

community (Type A or Type B) as a species tick species, they must document the selection and justification of an appropriate metric to of that threatened species or ecological community relevant to the direct measurement of that species or ecological community. As part of the starting state assessment, the suitably qualified person will measure the chosen metric of the threatened species or ecological community to determine the starting value of the metric. The species tick will only be awarded on the register if the value of the metric comes to exceed the starting value.

Section 52 - Identification of relevant threatened species

For ENVTS projects, relevant threatened species (which includes threatened ecological communities) must be identified from among the Type A and Type B candidate threatened species.

Type A threatened species are considered relevant threatened species when it is likely the threatened species will demonstrably benefit from the project activities, based on the forecast state of relevant indicators.

Type B threatened species are considered relevant threatened species if project activities will result, with high certainty, in the species inhabiting or using the project area during the permanence period. For a Type B threatened species identified as likely to be present solely through modelling, it must be supported by strong evidence, including from conservation planning and other relevant documentation, that project activities are likely to result in the threatened species inhabiting or using the project area in the future. This bar is required to be met as part of the determination if a species is a relevant threatened species, further explained in Section 63. The suitably qualified person must have the appropriate expertise related to that species to support this assessment.

Section 53 - Assessment of relevant threatened species

An ENVTS project must assess the site importance and listing status for each relevant threatened species (including threatened ecological communities).

The section lists the requirements for the assessment of site importance. This includes:

- a) the information collected in the SSA
- b) the contribution of the project area, in its current and in its forecast ecosystem state, to connectivity
- c) the importance of the site when considering the distribution of the relevant threatened species and its life cycle (as applicable)
- d) any guidance materials provided by the Department and
- e) any other material that a suitably qualified person considers relevant.

The assessment is qualitative, although future guidance may include optional quantitative tools. This provides for the communication of the relative importance of the site for threatened species or threatened ecological communities and helps contextualise species-level scores for potential investors

The section requires the listing status of threatened species to be determined. Threatened species must be categorised according to EPBC or equivalent state/territory listings (where not EPBC listed), with Commonwealth listings taking precedence where inconsistent. This allows for the incorporation of conservation significance of a threatened species or ecological community into the scorecards and ensures nationally significant listings are consistently applied.

Section 54 - Assessment of the level of commitment to protection

The ENV method requires information on the level of commitment to protection to be assessed as part of the starting state assessment through two indicators, security and duration. The required information includes:

- a) the value of the security indicator (e.g. low, medium, high) for the project
- b) the value of the duration indicator, expressed in years (or if in-perpetuity or enduring) and
- c) the starting project-level score for the commitment for protection characteristic for the project.

This assessment is required for all ENV projects. This enables project proponents to report on the level of commitment to protection prior to the ENV project's commitment to protection in a way that is consistent to enable comparability between projects. The information identified in this section can be determined via a desktop assessment that will be minimal burden to proponents. Guidance about the practical implementation will be provided for project proponents and the CER.

Section 55 - Assessment of the project context

As part of the state assessment the proponent must identify and describe the following:

- a) any potential risks to the achievement of the project outcome being achieved including the following:
 - iii. non-native plant and animal species
 - iv. contaminants (including, but not limited to, biological and chemical contaminants) or contaminant sources
 - v. significant natural disturbances (including wildfire, drought, flood or disease)
- b) those parts of the project area (if any) that, based on one or more projections, may be vulnerable to the reasonably expected effects of climate change in a way that could affect the likelihood of the project outcome being achieved
 - i. The project proponent must detail in the project plan how they plan to address the risks to the project outcome from the reasonably expected effects of climate change, including to any areas identified, in the starting state assessment, as vulnerable.
- c) any significant hydrological features within the activity area, and in the surrounding landscape, that may affect, or be affected by, the project activities:
 - i. The note following this paragraph explains that examples of such significant hydrological features include flood prone areas and features that materially affect plant water availability and
- d) the extent of, and the evidence for, natural regeneration including:
 - i. the location, approximate density and species that are naturally regenerating and
 - ii. (ii) any areas of land with potential to regenerate native plant species from the germination of in situ seed, or the growth of in situ seedlings, saplings, rootstock or lignotuber.

These matters are relevant to the Regulator's assessment of whether the project outcome is likely to be achieved. In addition, detailed assessment of project context ensures the biodiversity values of the project area are appropriately and accurately characterised. This is used to inform project design ensuring project activities do not have a significant adverse impact on protected matters within or outside the project area.

The assessment of natural regeneration is required to assess the regeneration potential of the project area (both in situ and migratory) including within remnant vegetation, within variegated

native vegetation areas and cleared areas. Assessment of regeneration potential is intended to inform the design of appropriate restoration treatments. A rapid assessment of regeneration potential can be used, reading the indicators of potential soil seed bank and colonisation. Best practice standards and guidelines for the assessment of regeneration potential and appropriate restoration treatments are available.

Section 56 - The site assessment report

This section prescribes the matters that must be included in the site assessment report of the starting state assessment. The preparation of the site assessment report must be either undertaken by a suitably qualified person or certified by a suitably qualified person.

The site assessment report must include information including:

- a) site details
- b) reference ecosystems
- c) benchmark values for ecosystem condition indicators
- d) starting ecosystem condition states for activity areas
- e) evidence for starting ecosystem condition state
- f) threatened species and ecological communities
- g) level of commitment to protection
- h) relevant environmental and cultural features
- i) details for the suitably qualified person

Any Indigenous knowledge, values or data included in the site assessment report must be provided in accordance with the consent and permission of the relevant Aboriginal persons or Torres Strait Islanders. This includes the format of the evidence, which may be flexible to suit culturally appropriate forms. For example, audio or written records, photos and visual representations.

The data in the site assessment report, and its presentation, must be consistent with the Data Submission Guidelines. The Data Submission Guidelines are defined in the ENV method as meaning the document of that name published on the Department's website as it exists from time to time.

Part 4 – Project plan

Division 4.1 – Restoration assessment and activity recommendations

Section 57 - The restoration assessment

Before the making of the Project Plan as set out under Division 4.2, a suitably qualified person must undertake a restoration assessment as set out in Division 4.1.

Based on evaluation of data and information from the starting state assessment, and taking account of the resources and objectives of the project proponent, a suitably qualified person must recommend:

- a) permissible and achievable restoration target states
- b) restoration target state recommendations

- c) activity recommendations
- d) a justification for the recommendations
- e) forecast values of ecosystem condition indicators and forecast scores and
- f) forecast changes in values of ecosystem condition indicators and forecast scores.

The section note explains that the suitably qualified person may propose different restoration treatment prescriptions for activity areas in the site assessment report. This may include options for different combinations of activities, transition types that differ in ambition, different permissible restoration target states and potential project outcomes.

The project proponent must specify in the project plan, the targets and activities to be adopted by the project from among those alternatives.

Section 58 - The assessment of permissible and achievable restoration targets

This section requires a suitably qualified person to assess the permissible restoration target states, the associated transition type and certificate issuance threshold values for the indicators of ecosystem condition, for each activity area.

A restoration target state can only be assigned to an activity area if it is a permitted restoration target state. The permitted restoration target states are set out in Schedule 6. These restrictions prevent a proponent from adopting restoration target states that are unlikely to be achieved or that involve a deterioration in the ecosystem condition of the site. The restoration target states must also be assigned having regard to the proposed project and complementary management activities.

The starting ecosystem condition states (and the defining and complementary layers respectively) and MVGs determine the permitted restoration target states that a proponent can pursue for an activity area. The extent to which a project can enhance or maintain the condition of native vegetation in an activity area is partly a function of its starting condition and vegetation type. In other words, only certain transition pathways are possible, while others are unlikely or impossible depending on the ecosystem, starting state and available management interventions. For example, the closer a site is to its reference condition, the less scope there will be for improvement. Similarly, generally, it is not possible for highly degraded sites to be restored to reference condition in project-level timeframes (i.e. 25 years). To reflect these biophysical constraints, the method contains restrictions on the restoration target states that proponents can adopt for activity areas, based on the relevant MVG structural group and starting ecosystem condition state.

By selecting appropriate and achievable restoration target states during project planning, the likelihood of a registered project being issued with a biodiversity certificate can accurately be assessed by the CER.

Each permissible combination of starting ecosystem condition and restoration target states has been classified as 1 of 4 transition types (M1, M2, E1 and E2).

- a) M1 Maintaining the ecosystem condition state of moderate to high condition native vegetation.
- b) M2 Maintaining the ecosystem condition state of modified native vegetation, with targeted enhancement of certain ecosystem condition indicators.
- c) E1 Enhancing ecosystem condition state of modified native vegetation (for example, improving either the defining layer or complementary layer).
- d) E2 More ambitious enhancement of the ecosystem condition state of modified native vegetation (for example, improving both the defining layer and complementary layer).

The transition types signify the extent to which the project is aiming to maintain or enhance the condition of the vegetation in the activity area through targeted management of one or both of the native vegetation layers. This helps communicate the nature of the effort and level of ambition associated with restoration of native vegetation in ENV projects.

As set out in Schedule 7, the transition types have specific certificate issuance thresholds for key ecosystem condition indicators, for example reduction or maintenance at very low levels of non-native cover for M1 and M2 transition types, restoration of the canopy layer for typical E1 transitions in rainforests, and restoration of ground and shrub layers for typical E2 transitions in woodlands.

Section 59 - The recommendations for restoration target states and associated project activities

A suitably qualified person must make recommendations as to:

- a) the appropriate restoration target state for each activity area and
- b) the principal and complementary activities that are likely to be the most cost-effective ways of achieving the recommended restoration target states.

These recommendations should be based on evaluation of data and information from the starting state assessment and taking account of the resources and objectives of the project proponent.

Additionally, a suitably qualified person must make activity recommendations that include at least one principal activity for each activity area.

The activity recommendations for principal activities must be based on:

- a) the restoration target states that the project will aim to achieve in each activity area and
- b) the forecast values for indicators of ecosystem condition in each activity area that are likely to be achieved as a result of the implementation of the activities and
- c) evidence that the activity is likely to enhance or maintain the ecosystem condition of native vegetation in activity areas, with low risk of adverse impacts on biodiversity in native species.

The activity recommendations for principal and complementary activities must be informed by the assessments of:

- a) the historic drivers of change associated with biodiversity in native species in the project area and
- b) the continuing ecological drivers that affect the project area.

The section requires the project proponent to provide supporting evidence for the eligibility to undertake that principal activity in an activity area.

Section 60 - The forecast values of, and forecast changes in, the indicators for ecosystem condition

This section requires a suitably qualified person to determine the forecast value for each relevant ecosystem condition indicator that will be reached and maintained within the 25-year project outcome period if the recommended activities are carried out (the forecast value of each indicator).

A suitably qualified person must determine the forecast value for each indicator such that it is:

- a) at least as close to reference as the lower bound of indicators for ecosystem condition states specified in Tables 5 to 8 in Schedule 5 and
- b) the forecast change in each relevant indicator is consistent with the transition type for the activity area.

Tables 5 to 8 in Schedule 5, provide the lower bound of indicators for ecosystem states (the lower bound is furthest from reference) for the defining layer and complementary layers, grouped by MVG structural group. These condition indicator values represent the transition points between ecosystem states for the purposes of the ENV method. The requirement for forecast values to be set at least as close to reference as the lower bound of indicators for ecosystem states, prevents forecast values being set that would involve transition to a lower condition ecosystem state.

A suitably qualified person must determine the forecast change in each ecosystem condition indicator attributable to the project. This involves:

- a) for an activity area with a static counterfactual scenario— the forecast change is the difference between the forecast value of each relevant indicator and the corresponding starting value of the indicator and
- b) for an activity area with an increasing counterfactual scenario (that is, a regenerating area)— the forecast change is the difference between the forecast value of each relevant indicator and the corresponding counterfactual value of the indicator, assessed on the basis that the defining layer will transition from a highly modified to a modified state.

The note in this section explains that:

- a) If the restoration target state for a regenerating area has a modified defining layer, the result will be that forecasts for indicators for the defining layer must be the same for the project and counterfactual scenarios, so that there would be no forecast change in the value of those indicators.
- b) If the restoration target state for a regenerating area has a close to reference defining layer, the forecasts for indicators for the defining layer under the increasing counterfactual scenario will be the middle of the range encompassed by the modified state for the defining layer for each specific indicator. For example, the range for canopy height in a modified state for the defining layer is from 25 to 75% of reference, therefore, the forecast value for canopy height in the counterfactual must be 50% of reference canopy height.

The suitably qualified person must provide evidence that the project is likely to result in the forecast value of each indicator for ecosystem condition for each activity area, and of the forecast change in each of the indicators. Such justification and evidence might include:

- a) state and transition models, botanical field guides, management standards, scientific literature, guidance materials, historic aerial photography, surveys and plans
- b) weed risk analysis to identify the most effective treatment approach for each weed species given the relative infestation size and potential impact
- c) evidence about where, when, why and how use of fire aligns with project activities and is likely to contribute to achieving the project outcome
- d) selection of plant species and seed provenances consistent with best practice guidelines and how these are likely to contribute to achieving the project outcome, build resilience and adaptive capacity or
- e) mapping of wetlands and floodplains and evidence that sensitive management or restoration of hydrological regimes could enhance, restore or facilitate natural recovery of native vegetation.

Section 61 - The activity recommendations for threatened species

This section sets out conditions a suitably qualified person must follow when recommending activities for ENVTS projects. Activity recommendations for threatened species or threatened

ecological communities must be activities that are likely to achieve the forecast values of each of the indicators for that species. The recommended activities may also be, or overlap with, recommended activities in relation to other relevant threatened species, ecosystem condition or culturally significant entities. If the activity is required for determining the values of the indicators, the recommendation must state which indicators, or aspects of indicators, the recommended activities address.

The suitably qualified person must ensure that all proposed activities chosen are consistent with the best available species and site data, including demonstrating an expected uplift in benefit having regard to the site and species context. Further, activities must be selected and prioritised having regard to, and supported by, relevant conservation planning documents and scientific literature. The design of proposed activities must minimise, as far as practicable, any adverse impacts identified per section 64. If the expected benefit is uncertain, the suitably qualified person must apply conservative assumptions.

A suitably qualified person must provide evidence that the project is likely to result in the achievement of the forecast value and forecast change of each relevant threatened species indicator, for each relevant activity area.

Section 62 - Forecast values of, and forecast changes in, the indicators for threatened species

For ENVTS projects, for each relevant threatened species (including threatened ecological communities) a suitably qualified person must assess the values the indicators and/or sub-indicators will reach and be maintained within the 25-year project outcome period, if the recommended activities are carried out. Specified requirements for indicators for Type A and Type B relevant threatened species are listed in this section.

A suitably qualified person must also determine the forecast change in each indicator and/or sub-indicator in relation to the applicable counterfactual scenario and provide evidence that the project is likely to result in the forecast values and forecast value changes.

Section 63 - Effect of other project activities on threatened species

For ENVTS projects, all project activities must be selected on the basis of minimising the potential adverse impacts on threatened species or threatened ecological community.

A suitably qualified person is required to identify potential adverse impacts of each project activity on each identified candidate threatened species including the likely severity of the impacts. Efforts to avoid or minimise the impacts need to be documented. Potential adverse impacts that are uncertain due to being unpredictable, not effectively avoided or mitigated, or where mitigation measures are uncertain also need to be identified.

Potential adverse impacts that can be expected during the project period need to be identified through an assessment of the likelihood and severity of the impacts.

A suitably qualified person needs to justify the activity recommendation in consideration of adverse impacts and provide evidence. If information becomes, or is found to be, out of date or incorrect after registration, the project proponent may be required to up-date the project plan.

Division 4.2 – The project plan

Section 64 - Requirements for project plan

Before applying for approval of registration, the project proponent must prepare a project plan for the proposed ENV project.

The proponent is required to set out:

- a) the restoration target states for each activity area
- b) the forecast indicators for each culturally significant entity (consistent with the requirements in Section 69, including consent for the use of Indigenous knowledge and values)
- c) the forecast values of the indicators for any relevant threatened species and
- d) the level of commitment to protection

This represents the *project outcome* for the purposes of the ENV method.

The project proponent needs to set out the program of actions in relation to each activity area of the ENV project that, if implemented, is likely to achieve the project outcome and result in a biodiversity certificate being issued in respect of the project.

An important function performed by project plans is the matching of project activities with the biodiversity values and threats at the site. This aims to ensure that project activities are undertaken using the most effective methods and to an appropriate standard.

This section requires the project proponent to set out the recommendations, justifications and evidence that support the choice of the project outcome and the program of actions.

This information is intended to ensure the Regulator can be satisfied as to whether the project is sufficiently likely to achieve the project outcome and therefore result in a biodiversity certificate being issued for the project.

The project plan must be maintained and in force for the duration of the permanence period for the project.

This is intended to ensure the program of management actions set out in the project plan to support the ongoing maintenance of the project outcome is sustained over the permanence period. The project plan (including any updates or amendments to the project plan) must be prepared or certified by a suitably qualified person.

This is intended to ensure the accuracy of any data, interpretations of data, or conduct of ecological processes that form part of the project plan or the basis for proposals in the project plan.

The data in the project plan report, and its presentation, must be consistent with the Data Submission Guidelines. The Data Submission Guidelines are defined in the ENV method as meaning the document of that name published on the Department's website as it exists from time to time.

Section 65 - Project plan activities and timetable

This section requires the project plan to include a timetable that sets out the future steps and actions that the project proponent will take to implement the project activities.

This requirement is intended to support strategic planning for ENV projects over time. Ecological restoration projects typically have long timeframes and require adaptive management to support continuous improvement in the condition of ecosystems. Undesirable species can be highly resilient

to the disturbances that accompany restoration and may require comprehensive, consistent and repeated treatment.

The project proponent must up-date the project plan from time to time as necessary to ensure that the timetable covers the project activities for at least the next 5 years.

Section 66 - Fire management plan

If use of fire is adopted as a complementary activity, the project plan must incorporate a fire management plan in accordance with this section, developed and, where required, updated or amended, by a suitably qualified person.

Relevant qualifications and professional experience for a suitably qualified person preparing the fire plan could include experience in fire regime management and caring for Country through cultural burning.

The fire management plan must include an explanation of how use of fire is likely to contribute to achieving the project outcome in alignment with one or more principal project activities.

Indigenous knowledge and practices may be used as evidence of how use of fire is likely to contribute to achieving the project outcome, consistent with consent for the use of that knowledge from the relevant Aboriginal persons or Torres Strait Islanders. State government resources such as *Tolerable Fire Intervals for TASVEG communities* by Natural Resources and Environment Tasmania, could also be used as evidence.

Section 67 - Information arising from the restoration assessment

This section sets out the information and supporting evidence from the restoration assessment required to be provided in the project plan. This includes ecosystem condition indicator threshold and forecast values, starting ecosystem condition state and scores and forecast ecosystem condition scores. These values and evidence they have been calculated in accordance with the method are required in the project plan.

Section 68 - Other information about each activity area

The project plan must describe the management regime for each project activity, how it meets the requirements of the method and is likely to be the most effective way of improving the capacity of native vegetation in each activity area to support native biodiversity. It must describe the methods, techniques, timing and intensity with which activities will be undertaken.

The project plan can be updated during the permanence period meaning project activities can be changed, techniques and intensity can be adjusted in response to conditions, performance and emerging risks. The timing and nature of project activities described in the project plan must be relevant for a forward period of at least 5 years from the date the project plan was prepared or updated.

Proponents planning to collect native seed from activity areas, must describe how seed harvest is proposed to be carried out consistent with relevant best practice, for example *Florabank Guidelines – best practice guidelines for native seed collection and use* (Florabank Consortium: Australia).

Description of how matters identified for the assessment of project context have been addressed in project design needs to be provided including any mitigation or proposed management of risks.

Section 69 - Indigenous engagement

The project plan for an ENV project must include a description of any engagement with Aboriginal persons or Torres Strait Islanders that is planned to occur or has occurred since the application date.

In addition, where the project will include, or be informed by, Indigenous knowledge or values, or Indigenous data, in relation to the project's design or implementation, the project plan must also include:

- a) a description of how the project design and implementation includes or is informed by Indigenous knowledge or values, or Indigenous data and
- b) information, including supporting evidence, that demonstrates that the project proponent has, and will continue to:
 - I. obtain the appropriate attribution for, and consent for the use of, that knowledge or those values or data and
 - II. use culturally appropriate approaches for the collection, interpretation, use, recording and governance of that knowledge or those values or data.

Indigenous data is defined in section 5 as data or other information, in any format or medium, that is:

- a) about or may affect Aboriginal persons or Torres Strait Islanders, either individually or collectively or
- b) generated as a result of using Indigenous knowledge or values.

The requirements in section 69, are intended to ensure ongoing engagement with the relevant Aboriginal persons or Torres Strait Islanders to enable the confirmation or update of permission for the use and management of Indigenous knowledge, or values, or Indigenous data in the project.

How ongoing engagement is management may differ, depending on the preferences of the relevant Aboriginal persons or Torres Strait Islanders. It is encouraged that engagement plans are prepared and agreed between the proponent and relevant Aboriginal persons or Torres Strait Islanders. These set out the future points in time in the project when the proponent will engage again with the relevant Aboriginal or Torres Strait Islanders in relation to, where applicable:

- a) using the Indigenous knowledge and values or Indigenous data provided
- b) re-confirming consent for use of Indigenous knowledge and values
- c) demonstrating use, collection and storage of Indigenous data in line with any agreements
- d) seeking information and verification of the progress of indicators of culturally significant entities towards the threshold values or
- e) providing information on progress of the project to meeting the project objectives.

An engagement plan helps demonstrate that the relevant Aboriginal persons or Torres Strait Islanders will have the opportunity to re-engage with the proponent on consent and use of Indigenous knowledge throughout the project period. This will aid both parties understand expectations and obligations in relation to the project implementation, and interaction with Indigenous knowledge, values and Indigenous data. When followed, a forward engagement plan may provide a form of evidence of exercising best practice engagement and support obtaining ongoing consent that is free, prior and informed.

Another purpose of the requirements in section 69 is to ensure that, if a project proponent chooses to use Indigenous knowledge, values or data in the design or implementation of their project, they

are required to do so in a culturally appropriate way, including obtaining appropriate consents and attributions. This includes the storage and protection of that knowledge or those values.

This will apply to the use of Indigenous knowledge, values or data arising out of engagement that is required under the method, or that is undertaken voluntarily.

The nature and form of the consent provided, and how this is evidenced, will depend on the cultural governance arrangements and practices of the relevant Aboriginal persons or Torres Strait Islanders. Some examples could include being recorded in Indigenous Cultural Intellectual Property agreements, or written statements with clearly identifiable authors (with appropriate authority) or records of board meeting discussions and decisions.

Evidence will need to be consistent with guidance or aligned with best-practice, Indigenous-led approaches to ensure that appropriate processes are followed, and standards for evidence and transparency are met, consistent with the wishes of the relevant Aboriginal persons or Torres Strait Islanders.

Section 70 - Threatened species in non-ENVTS project

Projects that are not engaging with the threatened species characteristic are required to provide a disapplication statement, to identify projects to which the threatened species characteristic does not apply. They are also required to provide a description of any Type A or Type B threatened species identified, and a description of measures that are proposed to be taken for the purpose of conserving, or promoting the recovery of, such threatened species or ecological communities.

This requirement ensures all project proponents consider threatened species implications, support project planning and impact avoidance and establish the evidence base for conservation measures within the project plan.

Additionally, where relevant, the project plan must include information declaring a species tick species and associated nominated metric and justification. As the species tick applies to candidate species, as well as relevant species, this provision has been included here where a proponent elects a species tick species but does not engage with the characteristic.

Section 71 - Threatened species in an ENVTS project

For ENVTS projects, the project plan must include details of relevant threatened species and details of threatened species other than relevant threatened species, including threatened ecological communities. Various details must be included in the project plan for relevant threatened species. Including:

- a) identifying and describing the threatened species
- b) describing any project activities that will contribute to habitat enhancement for, or a threat management program for, the threatened species
- c) specifying the indicators that apply, with sub-indicators
- d) specifying:
 - i. the starting values
 - ii. the threshold values
 - iii. the forecast values of the indicators and
 - iv. counterfactual information
- e) information related to relevant and managed threats of the threatened species or threatened ecological community (including threat management programs undertaken) and
- f) details concerning habitat enhancement activities undertaken, where relevant.

The section also sets out the project plan requirements for threatened species other than relevant threatened species. This includes:

- a) any Type A or Type B threatened species that are not relevant threatened species
- b) how they might benefit from project activities and
- c) any other measures that are proposed to be taken for the purposes of conserving, or promoting the recovery of, such threatened species or ecological communities.

The project plan must also contain information pertaining to any species tick species, including whether it is identified as a Type A or Type B species, its listing status and details of, and justification of the metric used.

Section 72 - Nomination of culturally significant entities

The proponent may nominate an entity within the project area as a culturally significant entity for the project (the entity).

This provides an opportunity for the project to be designed and described in terms of how it improves the health of Country, considering cultural priorities, values and Indigenous ecological knowledge. The 'culturally significant entities' are determined by the relevant Aboriginal persons or Torres Strait Islanders for the project area. The identification and describing of culturally significant entities, and the enhancement and protection of the culturally significant entities as a result of the project activities, should be guided by a culturally appropriate, locally relevant and place-based approach. 'Culturally significant entities' is intended to include tangible things such as species, ecological communities in landscapes and seascapes, scar trees, rock formations, water resources and natural resources (for example rock art sites, ochre deposits, and wetlands). It also includes intangible things like songlines and totems, and the value of sites and places.

The nomination may be made before or after the project is registered. Where the nomination is made after the project is registered, the project plan will need to be updated with the information above, before an application for a certificate can be made.

The requirements of this section are subject to any agreement about provision of information relating to the entity that was made with the relevant persons for the purposes of subparagraph 46(4)(a)(vi).

For each culturally significant entity that is nominated, and subject to the consent provided by the relevant Aboriginal persons or Torres Strait Islanders for the use of Indigenous knowledge and values, the project proponent must also, in the project plan:

- a) identify and describe the entity in accordance with subsection 46(3)
- b) specify the indicators, their threshold values and the forecast values of their indicators as established in accordance with subsection 46(3)
- c) set out, as established in accordance with subsection 46(3)
 - i. the process by which indicators will be assessed
 - ii. the starting value of each of the indicators
 - iii. the project activities that will be used to contribute to protection or enhancement of the entity and
- d) the demonstration or documentation of the requirements set out in subsection 46(4).

The matters are essential for accurately measuring and assessing the change in the culturally significant entities as a result of the project activities, which will contribute to determining whether the project outcome has been achieved or is likely to be achieved.

The requirements in this section ensure that the processes and requirements that must be complied with in identifying and describing culturally significant entities, and related matters, will be tailored to ensure that the knowledge, values and traditions of the relevant Aboriginal persons or Torres Strait Islanders are respected, including any restrictions on sharing knowledge.

The option to nominate a culturally significant entity after the project is registered will also ensure there is flexibility for ongoing engagement with the relevant Aboriginal persons or Torres Strait Islanders during the course of the project. This flexibility is intended to enable the relevant Aboriginal persons or Torres Strait Islanders additional time for making for decision-making if required.

Section 73 - Climate change considerations

The project plan must include the following information:

- a) how the project proponent plans to reduce the risk of the project outcome not being achieved as a result of the reasonably expected effects of climate change, particularly in relation to those areas identified by the starting state assessment as vulnerable to the effects of climate change and
- b) the evidence on which those plans rely.

The risk from climate change to projects achieving biodiversity outcomes has been considered in other requirements in the ENV method, for example in determining the period for achievement of project outcome and flexibility in the identification of alternative reference ecosystems. However, there is the potential for residual climate risks to apply to the project area. This requirement to consider the reasonably expected effects of climate change in the project plan is intended to support market confidence, as it should reduce climate-related risks to the project's biodiversity outcome, where those risks are foreseeable and mitigable. Examples include flood prone areas or features that materially affect plant water availability.

This requirement will ensure that project proponents are required to consider the potential effects of climate change on the likelihood of the biodiversity outcome for the project being met, and that projects are designed in a way that, to the extent possible, takes account of and manages the projected risks to the project relating to climate change. This will, in turn, increase the likelihood of the biodiversity outcome for the project being achieved, which will result in better environmental outcomes for biodiversity in native species.

Section 74 - Preparing for and responding to adverse events and ecological drivers

This section sets out requirements for the project plan relating to preparing for and responding to adverse events and ecological drivers.

This is intended to support adaptive management and planning to identify, assess, and minimize the impact or likelihood of potential risks to a certificate being issued or to the achievement of project outcomes. Identifying adaptive management performance triggers or decision points during project planning, where consideration of new approaches may be required to respond to project performance and emerging risks, can guide adaptation as the project develops.

To meet this requirement the project proponent must describe any changes to project activities or management activities that may be needed in response to underperforming indicators or emerging ecological drivers that could threaten the achievement of project outcomes.

Section 75 - Offsets information

If the project proponent wishes to apply for registration as an offsets-capable plan of one or more kinds, the plan must include:

- a) a statement of that fact and
- b) the information required to be in the application by the NR rules.

Further requirements will be set out in upcoming changes to the NR Rules. Further details will be provided in separate consultation on updates to the NR rules, planned for July.

Section 76 - Updating a project plan

If any information required to be set out in the project plan becomes, or is found to be, out of date or incorrect, the project plan must be updated as soon as practicable so that it remains up-to-date and correct.

Any updates or amendments to the project plan must be either undertaken by a suitably qualified person or certified by a suitably qualified person.

The notes in this section explain that any project plan updates, changes or corrections mentioned in this section will also be subject to section 113 of the Act for notification requirements. This section imposes a civil penalty for a breach.

Where a biodiversity certificate has not been issued for the project, the project plan must be updated in the following circumstances:

- a) changes are made to project activities
- b) changes are made to restoration target states or forecast values of indicators
- c) any re-stratification occurs
- d) there is a withdrawal or modification of a consent to use Indigenous knowledge or values
- e) there is an adverse event that:
 - i. results in a more than a 50% change in ecosystem condition indicators of an activity area away from the relevant forecast value; or
 - ii. is likely to materially affect the capacity of an activity area to achieve the restoration target state within the period of 25 years
- f) the Regulator directs the project proponent, in writing, to amend the project plan, based on evidence that an activity area is unlikely to achieve the restoration target state within the 25-year project outcome period.

The project plan will also need to be updated if a culturally significant entity is nominated after the project is registered in accordance with section 72.

Updates must be made as soon as practicable after the project proponent becomes aware that an update is required.

Part 5 - Registration

Section 77 - Information and documents required for registration application

The registration application for an ENV project must include, or be accompanied by the following:

- a) the site assessment report

- b) the project plan
- c) evidence that each activity area consists of eligible land
- d) any additional information that is relevant to establishing the counterfactual scenario for the ecosystem condition of activity areas.

The application for approval of registration of a biodiversity project will also need to comply with the requirements of the NR Act and the Nature Repair Rules 2024 (NR Rules) for such applications, including in relation to the information that needs to be included in the application and the documents that need to accompany the application.

The required information and documents ensure that the biodiversity project application contains sufficient information for the Regulator to be able to decide whether the criteria for approving the project's registration under the NR Act are satisfied. In other words, the effect of this section is that a biodiversity project that is covered by the ENV method can only be registered if the Regulator is satisfied that the project proponent has complied with all conditions and requirements in the whole of Part 2, and with the application information and documents listed in this section.

Section 78 - Information to be included in the Register

This section prescribes the information that must be included on the Register for each ENV project. This includes:

- a) a description of the stratification of activity areas and sub areas including a map and geospatial data showing the activity areas are within the project area
- b) framework of the ENV project including the project outcome, counterfactual scenarios with indicators and circumstances in which they apply, and any variable project characteristics not applicable to the project
- c) ecosystem condition of each activity area
- d) ecosystem condition scores
- e) culturally significant entities, with the information reflecting the wishes and consent of the relevant Aboriginal persons or Torres Strait Islanders for the project area
- f) threatened species details
- g) species tick details if applicable and
- h) commitment to protection details.

Requiring that this information is made available on the public Register for each project will provide transparent information and reporting on project progress towards the biodiversity outcome. It will allow comparison of registered ENV projects.

The note in this section explains that the Register will include copies of, or links to both the site assessment report and the project plan for an ENV project, as well to each biodiversity project report. Nearly all the items of information listed in section 78 are in those documents, but the Register will also list them separately or provide a links to the relevant parts of those documents, in a systematic way that will allow the user to find the information easily, and to make comparisons between projects.

Part 6 – Operation of the project

Section 79 - Notification obligations of project proponent

The proponent of an ENV project must notify the Regulator if any of the following occurs:

- a) an activity is carried out in the project area (either by the project proponent, another person, or as a result of a natural disturbance) that is a prohibited activity under the method
- b) consent in relation to Indigenous knowledge or values or Indigenous data is modified or withdrawn
- c) if a biodiversity certificate has been issued, the values of indicators for ecosystem condition fall, or are expected to fall, below the certificate issuance thresholds for the project or
- d) the project plan is updated to nominate a culturally significant entity, after the project is registered.

It is important that the Regulator be notified of these matters, as they will be relevant either to the likelihood of the project outcome being achieved, or the criteria for issuing a biodiversity certificate for the project.

In the event of the project proponent being notified by the relevant Aboriginal person or Torres Strait Islanders that they wish to remove or alter the knowledge consent provided for the Indigenous knowledge or values in the project, it is expected that the project proponent engages with the relevant parties in efforts to negotiate and work through concerns, if applicable, and relevant.

Failure to comply with notification requirements is a civil penalty provision.

Section 80 - Monitoring requirements – ecosystem condition

This section sets out requirements for monitoring the ecosystem condition of native vegetation in activity areas. These requirements will apply to all ENV projects covered by the method.

A monitoring assessment must be made by a suitably qualified person for each reporting period.

Monitoring performs the following functions:

- a) it assesses the extent to which the project is progressing towards and is likely to achieve the forecast values for indicators of ecosystem condition.
- b) it assesses the extent to which the project is being implemented in accordance with the project plan and facilitates adaptive management.
- c) it provides the evidence base to support an application for a biodiversity certificate.

If a biodiversity certificate has not been issued for an ENV project, the assessment must monitor the progress of each indicator towards the threshold value.

If a biodiversity certificate has been issued for a project, the assessment must monitor whether each indicator is being maintained at or above the threshold value and progress towards the forecast values.

The monitoring assessment must include a field survey that is undertaken as close as practicable to the optimal growth period for the project and that it is undertaken by a suitably qualified person.

Monitoring assessment must include a photo survey of each activity area at the following times:

- a) if a biodiversity certificate has not been issued for the project—every 12 months following registration of the project and
- b) if a biodiversity certificate has been issued for the project—every 2 years following the issue of the certificate.

The photo survey does not have to be undertaken by the suitably qualified person.

A suitably qualified person must do the following for each activity area.

- a) determine the value of each indicator for the ecosystem condition of the activity area at the time of the monitoring, in accordance with Schedule 4
- b) identify and record any potential risks to the project at the time of the monitoring, in the same way as for the assessment of project context
- c) identify and record any threatened species or ecological communities that occur, or are likely to occur, within the activity area and in the surrounding landscape at the time of the monitoring, in the same way as for section 51 and
- d) assess any area that has been subject to infill planting or environmental planting and record any significant absences or mortality of plantings at the time of the monitoring.

The methods used to monitor projects are the same as those used in the initial site assessment and involve the collection of ecological data from the same permanent monitoring plots. This ensures there is consistent data through the life of the project, which facilitates valid analyses on project performance.

The section explains that a significant absence or mortality of plantings occurs if:

- a) a biodiversity certificate has not been issued for the project and
- b) there are insufficient live plants of relevant species to ensure the activity area will achieve the threshold values prior to the 25th anniversary of the project's registration.

Section 81 - Monitoring requirements – culturally significant entities

The project proponent must monitor progress towards the threshold value for each indicator for a culturally significant entity. These requirements will apply where the project proponent has nominated, in the project plan, a culturally significant entity to assess as part of the project – either prior to, or after, the project is registered.

The monitoring must be done with the consent of, and in accordance with any requirements of, the relevant Aboriginal persons or Torres Strait Islanders for the culturally significant entity. This ensures Indigenous knowledge, values and traditions related to the culturally significant entity are respected and that the project is implemented in an appropriate and culturally informed manner.

Section 82 - Monitoring requirements – threatened species

The section sets out monitoring requirements for relevant threatened species and species tick species.

For relevant threatened species

- a) a suitably qualified person must make an assessment of the project area, in accordance with the requirements below, for each reporting period for the applicable biodiversity project report (whether category A or category B reports)
- b) the assessment must monitor and assess the progress of each indicator for each relevant threatened species towards the forecast value and threshold value of the indicator

- c) if a biodiversity certificate has not been issued, the assessment must monitor the progress of the indicators towards the forecast and threshold values, or if a certificate has been issued, monitor whether each indicator is being maintained above the threshold value
- d) assessment must include a TS survey that is undertaken during a period that is appropriate for the relevant threatened species and is undertaken by a suitably qualified person and
- e) for each relevant threatened species and each relevant activity area, a suitably qualified person must determine the value of each indicator and sub-indicator for the relevant threatened species at the time of the monitoring, in accordance with Schedule 9.

For species tick species

To maintain a species tick on the Register, a suitably qualified person must make a TS survey to assess the population size of the species tick species (or other appropriate aspect for a threatened ecological community such as area or condition) using its applicable metric.

Monitoring must assess progress toward indicator forecast values, indicator threshold value achievement, threat management effectiveness and optional species tick metrics. Monitoring must be undertaken consistently with the starting state assessment and by appropriately qualified experts. The intent is to verify project performance over time, support adaptive management, maintain data consistency and ensure threatened species outcomes remain measurable and credible.

Section 83 - Matters to be included in biodiversity project reports

This section prescribes the information that must be included in each biodiversity project report for an ENV project.

Reporting on the project as a whole

Each biodiversity project report must include:

- a) an assessment of the implementation of the project during the reporting period
- b) details of whether, and how, seed collection has been conducted in accordance with relevant best practice guidelines
- c) details of any engagement with Aboriginal persons or Torres Strait Islanders during the reporting period in relation to the implementation of the project, including any changes made to the implementation of the project as a result of such engagement and
- d) details of how any Indigenous data used during the reporting period in relation to the implementation of the project was collected, used and stored in a culturally appropriate way, including in accordance with any consent obtained for the collection, use or storage of the data.

Ecosystem condition

Each biodiversity project report must include a report on the results of the monitoring assessment of the ecosystem condition of native vegetation in each activity area for the reporting period including:

- a) assessment of monitoring data obtained during the reporting period (in accordance with the method) from each permanent sampling plot, provided in data tables appended to the report;
- b) an analysis, based on the monitoring data, of the progress of each indicator for ecosystem condition against the forecast value for that indicator
- c) an analysis, based on the monitoring data, of the progress of each indicator for ecosystem condition against the threshold value (for issuing a certificate)

- d) details of the ecological drivers relevant to the area that:
 - i. could threaten the capacity of the project to achieve the restoration target states; and
 - ii. are necessary enablers of the restoration target states and
- e) details of the potential risks to the likelihood of achieving the project outcome identified during the reporting period.

Culturally significant entities

For ENV projects that have one or more culturally significant entities, biodiversity project reports must:

- a) if the relevant persons for the project area have consented to the inclusion of such information in the biodiversity project report—information on progress of the project toward the threshold value and nominated restoration target for each indicator for each culturally significant entity during the reporting period for the report or
- b) otherwise—a statement as to whether or not the relevant persons have verified the progress of the project towards the threshold value and nominated restoration target for each indicator for the each culturally significant entity during the reporting period for the report.

Relevant threatened species

Biodiversity project reports for ENVTS projects must include a report on the results of the monitoring assessment for the reporting period. In addition to the requirements above, the report must specify:

- a) for each relevant threatened species, information on the progress towards the forecast value for each indicator for the threatened species at the time that the biodiversity project report is prepared.
- b) details of habitat enhancement activities including:
 - i. the species to be targeted by the activities
 - ii. the type of habitat features
 - iii. their quantity and location
 - iv. the source for materials used in their construction
 - v. the timing of the activities
 - vi. steps taken to avoid material adverse impacts
 - vii. any failure, damage or destruction of habitat features and
 - viii. any detected habitat usage of the habitat features by the targeted species.

Species tick information

For each species tick species, a biodiversity report for an ENV project may include the value of the elected appropriate metric determined as part of the monitoring of the species done in accordance with the monitoring requirements for threatened species.

Commitment to protection

If a project has engaged with the commitment to protection characteristic, the biodiversity report must include any changes to the security arrangements.

The data in the biodiversity project report, and its presentation, must be consistent with the Data Submission Guidelines. The Data Submission Guidelines are defined in the ENV method as meaning the document of that name published on the Department's website as it exists from time to time.

Section 84 - Varying activity areas and re-stratifying the project area

Under the legislative rules biodiversity projects can apply to vary the defined 'project area' of their project. This section sets out additional specified requirements for proponents seeking to vary the project area of an ENV project covered by the method in relation to:

- a) varying the boundaries of the project area
- b) adding, removing or merging activity areas, or otherwise varying the boundaries of activity areas or
- c) varying the restoration target states or transition types of activity areas.

An application to vary the registration of an ENV project by re-stratifying the project area may not be made after submitting an application for a biodiversity certificate.

The note in this section explains that in effect, the activity areas are provisional until the application for the certificate is made.

The project proponent may wish to re-stratify because, for example:

- a) an activity area has not responded to restoration treatment, but appears likely to respond to a different one
- b) an activity area, or part of an activity, has failed and appears unlikely to respond to different approach or
- c) the proposed activities may not be able to be implemented because expected resources, such as seeds or project funding, are no longer available.

Re-stratification must satisfy the conditions of Division 2.4 - Stratification of the project area.

Re-stratification may not create or extend an activity area outside the original project area more than 5 years after the registration date. This is the date when the first Category B biodiversity report is due.

Where the changes in the stratification affect any element of assessments and documents specified in this section, the proponent must ensure that this is undertaken in accordance with the method.

The re-stratification must not have the effect that any re-doing, re-assessing or re-writing of an element for subsection (5) would require or result in any of the following

- a) a change to a forecast ecosystem condition score based on ecosystem condition data other than that collected in the original SSA
- b) a change to the permanence period or
- c) new permanent sampling plots.

If the ENV project is registered as offset-capable, and is being used, or is under consideration for use, as an offset, the re-stratification must not be made unless the project proponent has obtained approval from the offset decision-maker for the changes and fulfilled any additional requirements of the offset's decision-maker.

Re-stratification prior to certificate issuance is intended to allow changes to the design of a project in circumstances where they support the achievement of the project outcome. For example, in the initial stages of project establishment, the proponent may discover that seed is not available for species planned for environmental planting. Resources or environmental conditions required for successful implementation of a particular restoration treatment might have changed. In these

circumstances variation to registration through re-stratification could allow the proponent to adjust the project design and continue the project.

The method would require transparency of any changes via updates to the project plan and updated information published in the biodiversity project report and on the biodiversity market register.

Section 85 - Record-keeping requirements

The note at the start of section 85 explains that Part 17 of the NR Act requires the project proponent of a registered biodiversity project to keep certain records in accordance with the rules, and that this section imposes additional record-keeping requirements on top of those in the NR Act and the NR Rules.

Project proponents are required to keep records for 7 years after the record is made and failure to comply with record-keeping requirements is a civil penalty provision.

Records that must be kept include the following:

- a) evidence the project area and the activity areas meet the conditions and requirements for registration under this instrument
- b) records that demonstrate that the monitoring activities have been undertaken in accordance with the method
- c) records relating to the installation of fences or other devices to exclude livestock, and any related maintenance work
- d) evidence that the principal activities and complementary activities have been implemented in accordance with the project plan including records of:
 - i. historic livestock grazing, records showing how livestock grazing pressure has been reduced by at least 50% relative to average pressure prior to registration, and how livestock grazing is being controlled
 - ii. weed control (methods, species targeted, timing, chemicals used, labour hours)
 - iii. pest control (methods, species targeted, timing, labour hours, and numbers/species removed where relevant)
 - iv. environmental plantings (species, quantities, timing, locations, and plant losses)
 - v. remedial plantings (same details as above)
 - vi. habitat enhancement activities (type, quantity, location, materials, timing, and any failures or replacements)
 - vii. fire events (dates, locations, affected areas, and vegetation loss)
- e) details of actions taken or events (like disturbances) affecting the site, including steps taken to protect project outcomes
- f) records of consultation and engagement with relevant Aboriginal or Torres Strait Islander representatives, including any required consents and
- g) records relating to any engagement with the relevant Indigenous representatives for the project area, or any other relevant Aboriginal persons or Torres Strait Islanders for the project area, consistent with any requirements of the persons with whom engagement took place.

Part 7 – Biodiversity certificates

Section 86 - Application for a biodiversity certificate

This section sets out the conditions that must be met by an ENV project and the time that must pass before an application can be made for a biodiversity certificate in respect of such a project.

The project proponent may not apply for a biodiversity certificate less than 5 years after registration.

In addition to waiting 5 years, the project proponent must be satisfied that ecosystem condition thresholds specified in Schedule 7 have been met, with supporting evidence that they have been satisfied in two or more consecutive monitoring reports.

The period of 5 years before an application can be made is intended to provide a high degree of confidence that certificate issuance threshold values for ecosystem condition have been met or exceeded and then maintained over two reporting periods. The 5-year period is intended to increase confidence that the project is well established and the program of actions set out in the project plan is likely to result in the achievement and maintenance of the forecast values for ecosystem condition indicators (i.e. ecosystem condition is measured at three points before a certificate is granted – starting state, and then two biodiversity reports).

Meeting threshold values—ecosystem condition

The project proponent must be satisfied that, for each activity area, each indicator for ecosystem condition:

- a) reached the threshold value in the second most reporting period and
- b) maintained the threshold value during the most recent reporting period.

The threshold values for indicators of the ecosystem condition of native vegetation in an activity area, are set out in Schedule 7. The threshold values are intended to represent the level of change in ecosystem condition that will allow the Regulator to be satisfied that the project outcome is likely to be achieved.

The threshold values of the indicators of ecosystem condition that apply to each MVG structural group and specified for each transition type M1, M2, E1 and E2, are expressed in relation to initial values and benchmark values, as a percentage of total cover, or the lower bound of indicators for ecosystem condition states (the lower bound is furthest from reference). Threshold values for each indicator of ecosystem condition, for each activity area, must be set in accordance with tables 1 to 4 in Schedule 7.

The application must include a statement and supporting monitoring report that demonstrates:

- a) where the activity area is less than 10 hectares in size—each threshold value for an indicator has been reached in 100% of the permanent sampling plots in the activity area (most activity areas smaller than 10 ha will only have 3 sampling plots and so it is reasonable to require thresholds be reached in 100% of those plots) and
- b) where the activity area is 10 hectares or more in size – each threshold value for an indicator has been reached in 75% of the permanent sampling plots in the activity area.

Additional culturally significant entities

If the project plan has been updated to nominate a culturally significant entity since the registration of the project, the application must be accompanied by the updated project plan, which must demonstrate that sections 46 and 73 have been complied with.

Meeting threshold values—culturally significant entities

The project proponent must be satisfied that, for any culturally significant entity for the ENV project, each indicator for that culturally significant entity has reached the threshold value.

The threshold values of the indicators for a culturally significant entity are as set out in the project plan in accordance with subsection 73(4).

The application must include a statement to this effect and supporting evidence that the relevant persons have verified that the threshold value has been met for each indicator, consistent with the culturally appropriate verification process agreed under subsection 46(a)(v).

Indigenous knowledge or values or Indigenous data

If the ENV project includes, or is informed by, Indigenous knowledge or values or Indigenous data, the application must include evidence that the project proponent has implemented the project consistently with the relevant consents.

Meeting threshold values—commitment to protection of biodiversity

The project proponent must be satisfied that the indicators for the commitment to protection of biodiversity characteristic have been reached. All ENV projects will have a security threshold value of 'medium' upon registration. This will automatically be the case for an ENV project, as the project itself is the security arrangement for the Commitment to Protection characteristic.

Section 87 - Issue of a biodiversity certificate

This section sets matters in respect of which the Regulator must be satisfied before issuing a biodiversity certificate in respect of an ENV project.

The Regulator must be satisfied that:

- a) the indicators for ecosystem condition for each activity area have reached the relevant threshold values and
- b) the relevant persons have verified that the indicators for any culturally significantly entity of the project have reached the relevant threshold values.

If the ENV project includes, or is informed by, Indigenous knowledge or values or Indigenous data in relation to the project's design or implementation as mentioned in section 47, the Regulator must be satisfied that the project proponent has implemented the project consistently with the consent for the use of that knowledge, or those values or data, that was obtained in accordance with that section.

If the project is an ENVTS project, the Regulator must be satisfied that the indicators for each relevant species characteristic have reached the relevant threshold values.

If the project plan was updated to nominate a culturally significant entity for the project after registration, the Regulator must be satisfied that:

- a) the requirements in section 46 were met and

- b) the project plan was updated in accordance with section 73

Schedules

Schedule 1 – Eligible regions

Schedule 1 to the ENV method lists the eligible regions of Australia in which an ENV project can occur.

The term eligible region is defined in section 5 as having the meaning given by Schedule 1. Schedule 1 has the effect that an eligible region must be both:

- a) an IBRA subregion and
- b) included in the list of eligible IBRA subregions specified in Schedule 1.

This means that a biodiversity project covered by the ENV method can only be registered if the Regulator is satisfied that the project area for the project is located wholly in an IBRA subregion that is listed in Schedule 1.

An IBRA subregion is a subregion defined by the Interim Biogeographic Regionalisation for Australia (IBRA) landscape classification framework version 7.0, as in effect at the relevant time.

Schedule 1 provides a list of IBRA subregions that are eligible regions for the purposes of section 36 of the ENV method.

Schedule 2 – Establishing the benchmark values of indicators for ecosystem condition

Schedule 2 sets out the reference site survey process and calculations for establishing the benchmark values of ecosystem condition indicators and large-tree threshold value for the purposes of the ecosystem assessment.

Benchmark values are needed for each indicator or sub-indicator for the reference ecosystem identified for each activity area or sub-area within the project area. This is because change in the values of the indicators for the ecosystem condition in the relevant activity area or sub-area as a result of project activities is measured against the benchmark values of those indicators – to assess the progress of the project towards the project outcome. The starting, threshold and forecast values for ecosystem condition indicators, are measured relative to benchmark values.

For each reference ecosystem, if the Approved benchmark source list gives an appropriate benchmark value for an indicator or sub-indicator, or an appropriate large tree threshold value the project proponent does not need to follow the reference site survey process.

It is expected that, in most cases, project proponents will be able to select an appropriate benchmark value for each indicator or sub-indicator for ecosystem condition from the Approved benchmark source list. However, where this is not the case (either for an indicator or all indicators), the project proponent must establish their own benchmark values for the indicators and sub-indicators, using the reference site survey process in Schedule 2.

The reference site survey process involves selecting at least three comparable, minimally disturbed reference sites, choosing random and well-spaced survey plots within those sites, and applying prescribed ecological survey methods to collect data on plant species, groundcover, and vegetation structure. The process also includes measuring tree diameters to calculate an average large tree

threshold and assessing the density of trees above that threshold. Steps can be omitted where data is not needed, and unidentified species must be managed using the prescribed method.

Schedule 3 – Various measuring and monitoring methods for ecosystem condition

Schedule 3 sets out monitoring techniques for the field assessment of ecosystem condition indicators. The same monitoring techniques, involving the collection of ecological data from the same permanent sampling plots, are used to determine the starting, threshold, forecast and benchmark values of ecosystem condition indicators. This ensures there is consistent data through the life of the project, which facilitates valid analyses on project performance.

The plot establishment method requires establishment of permanent sampling plots in an activity area, including a minimum density of sampling plots per activity area. The locations of sampling plots must be, between them, representative of at least 90% of the activity area in terms of ecosystem condition and composition.

Monitoring techniques include:

- photo survey requirements to assess periodic observations from photographs, including general progress of the project within the activity area and evidence of disturbance and plant mortality.
- a method for dealing with unidentified species.
- the point intercept method of measuring plant cover.
- the quadrat method of measuring the number of plant species, and the proportion of ground area covered by each plant species in each activity area.
- the plot survey method for identification and recording of the number and identity of all plant species in the sampling plot and the species of the recruiting plants.
- the large tree density method assesses the number of trees larger than the benchmark diameter.
- the method of estimating the canopy height of native trees or shrubs from the defining layer.

The requirement to assess and monitor indicators for the different vegetation layers and lifeforms enables robust assessment of ecosystem condition states and the condition of native vegetation for biodiversity.

The indicators and their comparison to undegraded reference benchmark values for the same ecosystem types are used to assign starting ecosystem condition states and determine whether thresholds for certificate issuance have been met.

Schedule 4 – Assessing ecosystem condition

Schedule 4 provides procedures for the calculation of starting, threshold and forecast values for each indicator of ecosystem condition, including the collection of relevant data and measurement of relevant variables. A suitably qualified person must use these procedures to obtain data on the ecosystem condition of native vegetation for biodiversity in each permanent sampling plot in each activity area. The collection and analysis of data on changes in indicators of ecosystem condition enables evaluation of the effectiveness of project activities, project progress towards threshold and forecast values and facilitates adaptive management.

Schedule 5 – Determining the starting ecosystem condition state of an activity area

Schedule 5 sets out the process for determining the starting ecosystem condition state of an activity area. This 3-step process requires starting values for ecosystem condition indicators calculated under Schedule 4 and reference benchmarks determined for section 48 to identify condition classes for defining and complementary layers for the relevant MVG structural group. Condition classes for defining and complementary layers are then combined using tables 1 to 4 to determine the activity area's starting ecosystem condition state.

Tables 5 to 8 in Schedule 5, provide the lower bound of indicators for ecosystem condition states (the lower bound is furthest from reference) for defining layer and complementary layers, grouped by MVG structural group. These condition indicator values represent the transition points between ecosystem states for the purposes of the ENV method. Forecast values for ecosystem condition indicators must be at least as close to reference as the lower bound of indicators for ecosystem condition states specified in these tables.

Schedule 6 – Permitted restoration target states for MVG structural groups

Schedule 6 sets out permitted restoration target states for activity areas. Permitted restoration target states are determined based on starting ecosystem condition state (and the defining and complementary layers respectively) and Major Vegetation Group. Each activity area can have only one restoration target state. Areas with the same MVG and same starting condition but different restoration target states must be separated into different activity areas.

Schedule 7 – Ecosystem condition threshold values

Schedule 7 sets out the certificate issuance threshold values for ecosystem condition indicators that must be met for assessment and certification purposes.

The threshold values of the indicators of ecosystem condition that apply to each MVG structural group and specified for each transition type M1, M2, E1 and E2, are expressed in relation to initial values and benchmark values, as a percentage of total cover, or the lower bound of indicators for ecosystem condition states (the lower bound is furthest from reference). Threshold values for each indicator of ecosystem condition, for each activity area, must be determined in accordance with tables 1 to 4 in Schedule 7.

Each transition type has specific certificate issuance thresholds for key ecosystem condition indicators, for example: reduction or maintenance at very low levels of non-native cover for M1 and M2 transition types, restoration of the canopy layer for typical E1 transitions in rainforests, and restoration of ground and shrub cover for typical E2 transitions in woodlands.

For each activity area, project proponents will need to monitor the change in the indicators for ecosystem condition as a result of the activities of the project (see section 80. Once satisfied that the threshold values for each ecosystem condition indicator have been met and maintained over two consecutive reporting periods, (and provided additional requirements in section 86 are also met), the project proponent can apply for a biodiversity certificate to be issued in respect of the project.

Schedule 8 – Major vegetation groups and MVG structural groups

The ENV method applies to MVGs listed in Schedule 8. The MVGs used in the method are derived from the National Vegetation Information System (NVIS) database which enables a national view of native vegetation. MVGs summarise the type and distribution of Australia's native vegetation allowing broadscale analysis. Each MVG has different mixes of plant species within the tree, shrub

and ground layers, but vegetation within each MVG is structurally similar and often dominated by a single genus.

The MVG structural groups designed for the ENV method, are clusters of MVGs that share structural similarities. For example, in the *open forests to open woodlands* MVG structural group, the tree layer is the defining layer, and the complementary layer is comprised of the shrub and ground layers. The MVG structural groups are used in the method to tailor method processes to broad groups of MVGs.

MVG structural groups are used to define:

- ecosystem condition indicators for the MVG structural group to which the MVG in the activity area belongs.
- restrictions on use of fire, ecological thinning and fertiliser use tailored to MVG structural groups.
- threshold values of the indicators of ecosystem condition defined for each MVG structural group and transition type M1, M2, E1 and E2.
- starting ecosystem condition states and the corresponding permitted restoration target states grouped by MVG structural group and transition type.

Schedule 9 – Threatened species indicators

Schedule 9 establishes how to set starting values (from the initial site assessment), benchmark values (representing optimal or reference conditions and full threat management), forecast values (expected outcomes supported by evidence), and threshold values (minimum acceptable progress towards the forecast value), ensuring that all assessments and assumptions are justified and documented. It also describes the ways in which the species and project is scored for the threatened species characteristic.

For ecological communities, only the ecosystem condition indicator applies. For flora species, ecosystem condition indicators apply. For fauna species, all indicators apply (ecosystem condition, threat management and habitat features). At least one of the applicable indicators for the species or community in the activity area must have a forecast value which represents a demonstrable improvement in the viability of the threatened species.

The threatened species ecosystem condition indicator starting, forecast, benchmark and threshold values are determined as per the method requirements for ecosystem condition.

The threat management indicator reflects the proportion of relevant threats to a species in the project area that are effectively managed, where the benchmark value is ‘all threats to the species managed’. The threshold value for the threats management indicator is the same as the forecast value. That is all threats proposed to be managed by the project, need to be managed in such a way that meets the requirements of the method for the threshold value to be met. It requires identifying relevant and priority threats that occur in the project area and can be addressed, selecting practical management actions or programs, and tracking how effectively each threat is managed over time.

The habitat features indicator reflects the diversity and abundance of habitat features that are important for meeting the species’ needs of the habitat, where the benchmark values are those expected from the reference ecosystem. The threshold value for habitat features indicators is by default 80% of the difference between the starting value and the forecast value of the habitat features indicators, unless the SQP identifies an alternative reasonable threshold value supported by evidence.

The schedule also outlines how the scores are described for the threatened species characteristic. Each relevant species and community receives a species-level scorecard, describing:

- a) the listing status
- b) the area of habitat that is managed for that species through the project
- c) the area of habitat that is created
- d) the range of starting and forecast threatened species ecosystem condition values for the activity areas relevant to the species
- e) the starting and forecast habitat features indicator values, as well as a list of the features that will be present at each point in time
- f) the starting and forecast threat management indicator values, as well as a list of the relevant threats identifying those that will be managed as part of the project and
- g) an indication of habitat importance.

A project-level score card is also described for the threatened species characteristic, including:

- a) the number of relevant threatened species and communities
- b) the number of those that are critically endangered or extinct in the wild
- c) the number that are endangered
- d) the number that are vulnerable
- e) the area of habitat managed
- f) the area of habitat that has been created and
- g) the highest level of habitat importance for a relevant species for the project.

Schedule 10 – Commitment to protection indicators and scores

Schedule 10 sets out how to assess a project's commitment to protection of biodiversity in native species by looking at two main factors: the strength of protection (security arrangements) and the length of time those protections last.

Security is evaluated based on whether arrangements or agreements exist, how difficult they are to terminate, and whether obligations continue if land ownership changes.

Arrangements that meet the requirements for inclusion in the National Reserve System (NRS) score benchmark (the highest possible score). Duration is assessed on a scale from short-term arrangements (low scores) through to long-term or in-perpetuity protection (very high or benchmark/highest possible scores).

These two indicators are considered together to determine an overall score, with the highest scores given to projects that have both robust, enduring protections and long or in-perpetuity duration. The highest possible score (benchmark) is for projects with in-perpetuity protection that meets the security requirements for inclusion in the National Reserve System, including Indigenous Protected Areas.

The Schedule also defines different scoring points in time: a starting score (at application), a forecast score (expected within 25 years), a benchmark score (best practice), and threshold values (minimum baseline met by the project itself).