



Biodiversity Stewardship Agreements for Landholders

Through the Biodiversity Offset Scheme



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Cover image: Nigel Jones of the BCT with Landholder
Photo by Scott Hartvigsen

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What is the Biodiversity Offset Scheme?

The Biodiversity Offset Scheme is a market-based scheme that brings together:

- landowners who create biodiversity credits by establishing a biodiversity stewardship site, and
- purchasers who buy the credits created.



Early Nancy,
Wurmbea dioica
Photo: Scott Hartvigen

Purchasers may be the NSW Biodiversity Conservation Trust or developers wanting to 'offset' biodiversity loss from a new development site. Conservation groups, philanthropists and government departments may also be interested in conserving biodiversity in perpetuity.

The Biodiversity Offset Scheme provides funds for landowners to manage their land for conservation. The scheme is voluntary and supports landowners to take care of their bushland forever ... and pays for them to do it.

What are Biodiversity Credits?

There are two types of biodiversity credits – species credits and ecosystem credits.

Landowners who enter into a biodiversity stewardship agreement and sell their credits can receive an annual payment in return for actively managing their land's biodiversity.

For a landholder, a Biodiversity Stewardship Agreement is a voluntary agreement which supports landowners to take care of their bushland forever ... and pays for them to do it.

What is a Biodiversity Stewardship Agreement?

A Biodiversity Stewardship Agreement is an agreement that will provide for the permanent protection and management of biodiversity and allows for the creation of biodiversity credits. The agreement doesn't have to cover all of your land – you can set aside a portion as an agreement site to be protected and continue other activities on the remainder.

You can even undertake some activities on a stewardship site - such as strategic grazing or an ecotourism venture - provided the activity doesn't have negative impacts on the biodiversity values of the land. When it comes to managing your agreement site, you can choose to undertake the biodiversity management activities yourself, or use contracted bush regenerators. Either way, annual payments should cover your costs. The Biodiversity Offset Scheme helps you to diversify the income generated from your land.

How does the Biodiversity Offsets Scheme work?

How do I get started?

Assessors will produce a credit report for you to submit with your application

It is recommended that you first lodge an expression of interest with the BCT. This information will be added to the public register of Biodiversity Stewardship Sites expressions of interest on the OEH website. Prospective purchasers can use this register to approach landowners who have the vegetation types and threatened species they require. Alternatively, you can look at the 'list of wanted credits' to see if any purchasers need the vegetation types or species on your land. You may need an ecological consultant to help you identify your vegetation types.

The assessment process

If you decide to establish a Biodiversity Stewardship Site, you need to undertake an assessment of your land. This must be undertaken by an Assessor that has Biodiversity Assessment Methodology (BAM) accreditation.

(A list of Assessors is available on the OEH website, see <https://customer.lmbc.nsw.gov.au/assessment/AccreditedAssessor>).

The Assessor will produce a credit report for you to submit with your application for a Biodiversity Stewardship Agreement. The credits created by each Biodiversity Stewardship Site will vary as each site has different vegetation types, conditions and threatened species. Prospective credit purchasers may be willing to fund the assessment of your property.

Management actions

A Biodiversity Stewardship Agreement includes agreed management actions, such as fencing and control of weeds and feral animals. Your Assessor may be able to help you determine the management actions for your site. You also need to provide costings for these actions.

Managing a stewardship site will probably involve higher costs in the first few years than later on. Money from selling credits has to be deposited into the Biodiversity Stewardship Payments Fund and you will be paid from this for undertaking ongoing management of your land.

Entering into a biodiversity stewardship agreement

When the assessment and management plan have been completed, an application for a Biodiversity Stewardship Agreement is made to the BCT.

If your application is approved, the BCT registers a Biodiversity Stewardship Agreement for your site that specifies

- the number of biodiversity credits created,
- the agreed management actions and
- the amount that must be deposited into the Biodiversity Stewardship Payments Fund when the credits are sold.

You should seek legal advice as a Biodiversity Stewardship Agreement is a legal document linked to the land title in perpetuity.

Selling credits

To start receiving payments for managing the biodiversity on your land, you need to sell your credits. Credits can be sold to anyone. Purchasers can choose to retire the credits or keep them for possible resale at a later date. If a developer buys credits to offset the effects of a development site, they must retire them so they cannot be traded again.

How much is a credit worth?

Many variables influence how much a credit is worth, such as the underlying value of the land, the condition of the vegetation and the demand for particular credit types.

The condition of the vegetation on a Biodiversity Stewardship site will affect the cost of the management actions required, which in turn will affect the credit price required to ensure these actions can be completed.

As the Biodiversity Offsets Scheme is market-based, demand from purchasers and the supply of credits will also affect their price. Landowners can also build a profit margin into the cost of managing the site, so the profit margin desired will affect the credit price. The website provides public registers that lists biodiversity stewardship site expressions of interest, credits available for sale and all past credit transactions, which may help determine the price of your credits.

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Eastern Rosella,
Platycercus eximius
Photo: Scott Hartvigsen

Other benefits and obligations

Land tax is not payable on a Biodiversity Stewardship Site. Where the agreement covers only part of a lot, land tax is not payable on the portion covered by the agreement.

Biodiversity Stewardship Sites attract rates but these, and other costs such as insurance, should be included in the cost of site management which may be recovered through annual payments. Biodiversity Stewardship Agreements and annual payments may also have other taxation implications. You should speak to your accountant about these.

Ensuring perpetuity

A Biodiversity Stewardship Agreement is registered on your land title to ensure biodiversity is protected and managed forever. When land that includes a Biodiversity Stewardship Site is sold, the new owner takes over the obligations of the Biodiversity Stewardship Agreement and in return receives the annual payments from the Biodiversity Stewardship Payments Fund.

Making a Biodiversity Stewardship permanent ensures that the work you do will make a lasting difference to the protection of our native species. It ensures your intentions are observed by any future owners of your land.

Other conservation options for private land

Where a Biodiversity Stewardship Agreement is not suitable for your land, other conservation options are available including:

- conservation agreements
- wildlife refuge agreements.