



Biodiversity
Conservation
Trust

Biodiversity Conservation Trust Conservation Management Program

Program Implementation Plan 2019-20 to 2022-23

| September 2019

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1. Introduction

1.1 Private Land Conservation

The benefits of private land conservation to landholders, communities and governments are many and varied. Private land conservation allows a landscape-scale approach to protecting biodiversity, increasing resilience to the impacts of climate change by connecting protected areas and providing pathways for the movement of species. Private land conservation also provides an opportunity to engage individuals and communities in conservation using innovative programs designed to achieve cost-effective biodiversity outcomes.

For many landholders, the conservation of biodiversity and native vegetation is already an integral part of their land management, undertaken out of a sense of stewardship and altruism, contributing to personal wellbeing and protecting the aesthetic value of their property. These benefits of private land conservation to the landholder also extend to economic outcomes.

The protection and restoration of native vegetation through conservation programs can enhance property values, increase productivity by sheltering livestock, pasture and crops from extreme weather, provide alternative fodder and reduce soil erosion as well as weed and disease transfer between properties. Retaining native vegetation can also increase the abundance of beneficial organisms such as crop pollinators and predators to control agricultural pests. Importantly, the flexibility of the conservation actions available to landholders means that their participation can often integrate with continued agricultural production or other land uses.

Participation in incentive-based schemes such as the Biodiversity Conservation Trust's (BCT) Conservation Management Program (CMP) can diversify farm income, assist in mitigating the financial impacts of fluctuating markets, or drought and climate change, and open up new business opportunities such as marketing sustainable agricultural products or eco-tourism.

Far from being an isolated activity or program, private land conservation has become a mainstream idea – a way of landholders, communities and governments working together to achieve conservation outcomes that deliver benefits to the environment and to supporting productive landscapes.

There is growing international recognition of the critical role that private land plays in the long-term conservation of biodiversity and ecosystem services. Investment in private land conservation forms a critical part of meeting our national and international obligations for the strategic growth of protected areas and the long-term conservation of biodiversity, including targets under the international Convention on Biological Diversity.

Much of the world's threatened biodiversity is found outside the public reserve system. Efforts to secure threatened species in the wild and to maintain our invaluable biodiversity into the future must involve private land conservation.

1.2 About the BCT

The BCT's mission is to maximise the biodiversity conservation outcomes achieved with the public and private resources entrusted in the BCT to support private land conservation, to deliver a healthy, productive and resilient environment across NSW.

The BCT's purpose, as stated in the *Biodiversity Conservation Act 2016*, is to protect and enhance biodiversity by:

- encouraging landholders to enter into co-operative arrangements for the management and protection of the natural environment that is significant for the conservation of biodiversity
- seeking strategic biodiversity offset outcomes to compensate for the loss of biodiversity due to development and other activities
- providing mechanisms for achieving the conservation of biodiversity
- promoting public knowledge, appreciation and understanding of biodiversity, and the importance of conserving biodiversity.

The NSW Government has committed more than \$350 million over the next five years from 2019–2020 to fund the BCT to deliver its private land conservation programs. The Biodiversity Conservation Investment Strategy 2018 as made by the NSW Minister for the Environment, guides the BCT's investment of these funds in private land conservation in NSW.

The Biodiversity Conservation Investment Strategy 2018 identifies priority areas for investment and priority conservation assets to be considered by the BCT when investing in private land conservation. The Strategy includes environmental, social and economic targets, and the BCT's goal is to deliver progress towards these targets, as outlined in the Biodiversity Conservation Trust Business Plan.

The five and twenty-year targets within the [Biodiversity Conservation Investment Strategy 2018](#) (BCIS) are:

- By 2023, private land conservation agreements will protect examples of 30 NSW Landscapes that are either not represented within, or are inadequately protected in, the protected area system in 2017
- By 2023, diversified incomes streams will improve the financial sustainability of participating landholders relative to similar local businesses
- By 2038, private land conservation agreements will protect examples of 90 NSW Landscapes that are either not represented within, or are inadequately protected in, the protected area system in 2017
- By 2038, diversified income and investment streams will improve the financial sustainability of regional and rural communities

At 30 June 2019, the BCT has entered 136 conservation agreements over more than 29,352 hectares since commencement on 25 August 2017. So far, these new conservation agreements have protected examples of two NSW Landscapes that were not previously represented within the protected area system and 64 NSW Landscapes that are inadequately protected.

2. Conservation Management Program

2.1 Objective

The BCT's CMP is aimed at encouraging private landholders to participate in private land conservation in areas that have been identified by the BCIS as 'priority investment areas' or contain priority 'conservation assets'.

Priority conservation assets are: least protected ecosystems (threatened ecological communities, threatened species, over-cleared vegetation types, Saving our Species sites, wetlands, littoral rainforests, koala habitat, old-growth forests, rainforest, and high conservation value grassland); under-protected NSW Landscapes; core areas; biodiversity corridors, including Travelling Stock Reserves; and climate refugia.

Landholders who participate in the BCT's CMP enter a Conservation Agreement with the BCT under the *Biodiversity Conservation Act 2016*, and receive annual conservation management payments for the term of the agreement, to manage the land in accordance with an agreed conservation management plan.

In this way, the BCT's CMP provides a unique opportunity for participating landholders to secure an additional revenue stream to conserve and manage native vegetation and biodiversity on their land.

2.2 Delivery Mechanisms

The CMP offers four delivery mechanisms for interested landholders:

- **Fixed Price offers:** a fixed price per hectare per annum is offered in priority investment areas, with investment targeted to areas within least protected subregions that contain threatened ecological communities, habitat for threatened species or important wetlands. Landholders can express interest at any time to enter a funded, in-perpetuity Conservation Agreement, these will be assessed and prioritised for site assessments on a periodic basis. Landholders can also apply for essential infrastructure funding to assist with establishing a conservation area.
- **Conservation Tenders:** Conservation Tenders target investment to the protection and management of conservation priorities identified in the BCIS. The BCT opens tenders via a call for landholders in eligible areas to submit an expression of interest. Eligible landholders are invited to submit a confidential bid setting their own price to conserve and manage native vegetation and biodiversity on their land. BCT assesses bids on a value for money basis. Landholders can offer to enter an in-perpetuity or term (minimum 15 years) agreement. Conservation management payments are made for the term of the agreement.
- **Revolving Fund:** The BCT maintains a revolving fund which is used to purchase properties for sale within priority investment areas or that contain priority conservation assets. Properties acquired are on-sold with a pre-commitment to enter an in-perpetuity and funded Conservation Agreement at the BCT's fixed price. The proceeds of sales are reinvested into the revolving fund to enable additional conservation purchases.
- **Co-Investment Partnerships:** The BCT may develop a co-investment partnership delivery mechanism during the life of this Program Implementation Plan.

2.3 Investment

The BCT will invest approximately \$50 million per annum of NSW Government funding plus \$15 million in a revolving fund, in the CMP. Funding for the CMP may also be raised through the BCT's Public Fund. CMP investment is made by consistently considering value for money investment across all CMP offerings.

3. Conservation Management Program Investment

3.1 Purpose of the Conservation Management Program Implementation Plan

The purpose of this Implementation Plan is to identify future investment in the CMP and the timing of that investment.

This implementation plan outlines the CMP Fixed Price Offer investment over a four-year horizon, with a two-year review to ensure that investment considers progress towards BCIS targets, and progress to building a comprehensive, adequate and representative protected area system.

The CMP Conservation Tenders will be announced on an annual basis.

This implementation plan also outlines how the Revolving Fund will deliver CMP investment priorities.

The CMP's investment priorities are subject to continuous refinement. Considerations include: actual outcomes; investment allocation; progress towards BCIS targets; progress to building a comprehensive, adequate and representative protected area system; offset program outcomes; improvements in conservation asset mapping; and any shifting of conservation or government priorities. To ensure that CMP investment is responsive to changes, the BCT will announce Tenders annually, and review the Fixed Price Offer after the first two years of this Implementation Plan.

4. Complementing Government Conservation Programs

The CMP investment is developed to complement other BCT programs and government conservation programs.

4.1 Building the National Reserve System

Australia's National Reserve System is Australia's network of recognised protected areas. The goal of the National Reserve System is to develop a comprehensive, adequate and representative (CAR) system of protected areas, to secure the long-term protection of Australia's terrestrial biodiversity.

The BCIS was developed to align with national agreements and the targets of Australia's Strategy for the National Reserve System 2009–2030 (the 'NRS Strategy'). The NRS Strategy targets include:

- Building a Comprehensive system of protected areas by protecting examples of at least 80 per cent of all regional ecosystems in each bioregion, with priority given to under-represented IBRA bioregions with less than 10% protected
- Building a Representative system of protected areas by protecting examples of at least 80 per cent of all regional ecosystems in each subregion.

The BCIS targets are concerned with protection of NSW Landscapes that will progress a comprehensive, adequate and representative protected area system. The BCIS also progresses adequacy via the priority investment areas which prioritise NSW Landscapes that have less than 17% of their total area in permanent protection. The BCIS also includes a specific conservation priority to conserve NSW Landscapes that will result in building a comprehensive, adequate and representative protected area system.

The BCT's CMP will focus investment in progressing a comprehensive, adequate and representative protected area system by:

- targeting the CMP Fixed Price Offer to those subregions that have not met the 'representativeness' target (along with additional criteria), and to those subregions that have the highest concentration of BCIS high priority NSW Landscapes
- targeting CMP Conservation Tenders to NSW landscapes that are not represented or are inadequately reserved within the protected area system, or requiring in-perpetuity agreements for Tenders in bioregions that have met comprehensiveness targets or subregions that have met representativeness targets
- focussing the Revolving Fund on areas and assets that are aligned with the CMP Fixed Price Offer and CMP Conservation Tenders
- prioritising sites for inclusion in CMP offerings having regard to progress towards a comprehensive adequate and representative protected area system.

4.2 Complementing the National Parks Reserve System

NSW has the world's second oldest national park, Royal National Park, and since its establishment in 1879, over seven million hectares are now protected and managed within NSW National Parks. This network consists of some 870 parks and covers close to 9% of the state.

The NSW Government is working to build a national parks system which is comprehensive, adequate and representative (CAR). The BCIS highlights the importance of the BCT working closely with the National Parks and Wildlife Service to build a complementary protected area system across public and private land.

The BCT CMP considers complementarity with public protected areas through consideration of the proximity of CMP sites to existing protected areas in selection and assessment of investment. The BCT will consider opportunities to strengthen this complementarity as the NSW National Parks Reserve System priorities are developed.

4.3 Complementing the BCT Biodiversity Offsets Program

The BCT seeks to ensure the CMP complements the Biodiversity Offsets Program, via coordinated program delivery, avoiding areas where an active offset market is operating, and avoiding conservation assets that is the focus of BOP investment.

The BCT will strive for strategic coordination of the CMP and Biodiversity Offsets Program (BOP) activities to achieve enhanced conservation outcomes and efficiencies where possible.

4.4 Complementing Saving our Species

New South Wales has experienced devastating declines and extinctions in a broad suite of native plants and animals since European settlement, with almost one-fifth of mammal species in the state now presumed extinct. Extinctions have also extended to species of plants, birds, fish and reptile. Currently, NSW has nearly 1000 species on the verge of extinction.

The Saving Our Species (SOS) program is the NSW Government's leading threatened species conservation program. The objectives of the Saving Our Species program are to maximise the number of species secure in the wild in NSW in 100 years and to control the key threats to threatened plants and animals. The NSW Government has invested \$100 million over five years, from 2016 to 2021, in the SOS Program.

The BCIS acknowledges the importance of private land in threatened species conservation and identifies Saving Our Species (SOS) sites as one of the priority conservation assets to be targeted by BCT investment in private land.

The CMP considers SOS priorities during the assessment of CMP Conservation Tender sites and in the selection of targeted CMP offerings. The BCT will continue to consider further opportunities for maximising the complementarity of the CMP with SOS.

5. BCT Regions

There are seven BCT regions that are generally aligned with Local Government and Local Land Service boundaries:

- North Coast
- Sydney Hunter
- South East
- Northern Inland
- Central West
- Murray Riverina
- Western

A map of the BCT Regions is included in Annexure A.

5.1 BCT Regional Profiles

The BCT will develop Region profiles for each BCT region outlining key information about the region including priority conservation assets as identified in the BCIS. The BCT regional profiles will be updated over time in response to improvements in conservation asset data and any changing conservation or government priorities.

6. CMP Fixed Price Offer

6.1 About the Fixed Price Offer

The CMP Fixed Price Offer is a standing offer, where landholders can express an interest at any time to enter a funded, in-perpetuity Conservation Agreement. BCT assesses applications on a value for money basis in up to two batches each year, where consistent with investment allocation. Successful landholders receive a Fixed Price Offer for agreed conservation management actions (\$ per hectare per year).

The Fixed Price Offer schedule of rates has been developed for each eligible Local Government Area (LGA). The schedule of rates has been informed by land valuation research that identified average market values for grazing land considering fencing, artificial watering points and pasture improvement. The method does not consider values associated with buildings, fixed plant or irrigation licenses.

Three values are identified for each eligible LGA:

- High land capability classes (cropping capable – land capability classes 1,2 and 3),
- Low land capability class value (land capability classes 4, 5 and 6) and,
- Limited land capability class value (land capability classes 7 and 8).

A base value is then applied to the average market values, having regard to a reasonable rate of return, to provide the schedule of rates

The schedule of rates is subject to periodic review having regard to implementation outcomes and other market information. The BCT Board approves the schedule of rates for the CMP Fixed Price Offer. Any updates to the schedule of rates will be made to coincide with the beginning of a new batch period.

6.2 Assessing Good Value for Money Sites

Applications for the CMP Fixed Price Offer are assessed and ranked having regard to best value for money applications. Each application has a unique Biodiversity Value Score (BVS). The BVS is divided by the present value (PV) of the Fixed Price Offer price to provide a single Biodiversity Value Index (BVI):

$$\text{Biodiversity Value Index (BVI)} = \frac{\text{Biodiversity Value Score (BVS)}}{\text{Fixed Price Offer (PV)}}$$

Landholders can also apply for essential conservation infrastructure costs to assist with establishing a conservation area. These costs are in addition to the fixed rate price schedule. Where the request is consistent with the BCT Guidelines, the BVI will be calculated as such:

$$\text{Biodiversity Value Index (BVI)} = \frac{\text{Biodiversity Value Score (BVS)}}{\text{Fixed price offer (PV)} + \text{infrastructure costs}}$$

The types of essential conservation infrastructure that is eligible for the CMP Fixed Priced Offer will be reviewed regularly having regard to program implementation outcomes and budget. Any updates to eligible infrastructure costs will be made to coincide with the beginning of a new 'batch period'.

6.3 Priority Subregions Targeted by Fixed Price Offer

The CMP Fixed Price Offer will focus 2019-20 and 2020-21 investment on progressing a comprehensive, adequate and representative (CAR) protected area system by targeting investment in under-represented IBRA subregions prioritising those subregions that have the highest concentration of BCIS high priority NSW Landscapes (OEH, *Identifying priority investment areas Supplementary information to the Draft Biodiversity Conservation Investment Strategy 2017–2037*, 2017).

Subregions that meet National Reserve System ‘representativeness’ targets during the life of this Implementation Plan will be removed from the Fixed Price Offer to coincide with the next ‘batch period’.

6.4 Priority Assets Targeted by Fixed Price Offer

Within the priority subregions, the CMP Fixed Price Offer will target investment to BCIS Priority Investment Areas 1-3 (‘PIA 1-3’) and important wetlands (RAMSAR and Directory of Important Wetlands).

RAMSAR wetlands and Directory of Important Wetlands are a priority conservation asset identified within the BCIS, and many of these wetlands occur on private lands. These wetlands provide core areas for migratory and breeding wetland birds, support threatened species and communities, provide critical habitat and refuge, and are internationally and nationally recognised as having unique conservation and cultural significance.

The CMP Fixed Price Offer will also target threatened species habitat and threatened ecological communities, which are priority conservation assets within the BCIS. This will be achieved by requiring that sites located within the eligible investment areas also contain threatened species habitat or threatened ecological communities.

6.5 BCT Regions Where Fixed Price Offer Will Be Offered

The CMP Fixed Price Offer will be offered within the Northern Inland, Central West, Murray Riverina BCT Regions, and within the Western BCT Region from March 2020. These regions are a significant way from reaching a comprehensive adequate and representative protected area system and contain substantial areas of priority NSW Landscapes. These regions are also less likely in initial years of this Implementation Plan to include an active biodiversity offset market compared with the coastal BCT regions.

In the first two years of this Implementation Plan, the CMP Fixed Price Offer will not be offered within the BCT Region of North Coast, or within the Sydney Hunter or South East Regions from March 2020. These regions contain conservation assets that are most likely to be subject of BCT Biodiversity Offsets Program investment. These regions are also further progressed towards a comprehensive, adequate and representative protected areas system, compared to other BCT regions.

Targeting the CMP investment in this way, ensures that the BCT programs are complementary and enables the BCT to maximise the impact of available investment.

6.6 Eligible Fixed Price Offer Areas

A map of eligible areas will be updated and available on the BCT website for each batch, to ensure eligible areas reflect best available information about progress towards a representative protected area system.

6.7 Timing of Fixed Price Offer Batching

Expressions of interest for the CMP Fixed Price Offer will be batched up to twice per annum, subject to investment allocation. Batching will occur at the beginning of August and the beginning of March to enable site assessments to be conducted during Spring and Autumn.

The BCT may batch once per annum to respond to available budget allocation and/or landholder update. Where this occurs, the batch will occur in either August or March.

Any updates to the Fixed Price Offer, such as the schedule of rates or eligible areas, will coincide with the closing of a batch and apply to the next batch of expressions of interest.

7. CMP Conservation Tenders

7.1 About Conservation Tenders

Conservation Tenders are opened each year via a call for landholders in eligible areas to submit an expression of interest. Eligible landholders are invited to submit a confidential bid, setting out the annual payments they would like to receive to carry out an agreed conservation management plan under a Conservation Agreement. Landholders choose the term of the agreement, which can be either in-perpetuity or (in areas below comprehensiveness and/or representativeness targets) for a fixed term (a minimum of 15 years).

The BCT will offer up to three CMP Conservation Tenders per financial year, subject to program outcomes and available investment. Conservation Tenders will be announced on an annual basis.

The Conservation Tenders will target the priority conservation assets identified within the BCIS that are subject to significant pressure or threat.

7.2 Assessing Good Value for Money Sites

Conservation Tender bids are assessed and ranked having regard to best value for money bids. Each application has a unique Biodiversity Value Score (BVS). The BVS is divided by the bid price to provide a single Biodiversity Value Index (BVI):

$$\text{Biodiversity Value Index (BVI)} = \frac{\text{Biodiversity Value Score (BVS)}}{\text{Bid Price}}$$

Successful landholders are offered annual payments in accordance with the landholder's bid for the term of the agreement.

7.3 Conservation Assets Targeted by CMP Conservation Tenders

The Conservation Tenders will target NSW landscapes that are not represented or are inadequately reserved within the protected area system, or priority conservation assets are subject to significant pressure or threat. Priority conservation assets identified within the BCIS include:

- least protected ecosystems:
 - threatened ecological communities
 - threatened species, or endangered populations
 - over-cleared vegetation types
 - *Saving our Species* priority sites
 - Important wetlands
 - littoral rainforests
 - koala habitats
 - old-growth forests or rainforest, and
 - high conservation value grassland

- under-protected NSW Landscapes
- core areas
- biodiversity corridors, including Travelling Stock Reserves, and
- climate refugia

Where CMP tenders are offered in bioregions that have met comprehensiveness targets or subregions that have met representativeness targets, the tenders will only offer in-perpetuity conservation agreements.

7.4 Timing of Conservation Tenders

Tenders will be announced on an annual basis. Expressions of Interest for CMP Tenders will generally be opened to enable site assessments to be conducted during Spring and Autumn.

8. Revolving Fund

The Revolving Fund is used as an opportunistic delivery mechanism to purchase properties for sale within priority investment areas or that contain priority conservation assets. Properties acquired are on-sold to willing purchasers with a pre-commitment to enter an in-perpetuity and funded Conservation Agreement at the BCT's fixed price.

The BCT will focus the Revolving Fund to source properties that are aligned to the investment areas and conservation assets targeted by the CMP Fixed Price Offer and CMP Conservation Tenders.

The BCT will use the Revolving Fund to 'buy to sell' with a focus on properties where real estate attributes intersect with ecological values. A focus on properties that have high prospects of a timely resale will minimise holding costs and maximise opportunities to be secured by future Revolving Fund purchases.

The BCT will identify suitable properties throughout the year.

Annexure A – Map of BCT Regions

