NSW GOVERNMENT

Biodiversity Conservation Investment Strategy 2018

A strategy to guide investment in private land conservation

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Foreword

The Hon Gabrielle Upton, MP
Minister for the Environment

New South Wales has a beautiful and diverse array of native plants, animals and ecosystems, many of which are found only on privately owned and managed land. This biodiversity provides important linkages in our landscapes, complements our national parks and provides important habitat for our native animals. Despite our natural wealth, New South Wales has experienced major declines in biodiversity over the last 200 years. An increasing number of plants and animals are threatened with extinction and many of our ecosystems and habitat are facing similar declines, particularly in the context of climate change.

In 2016, the NSW Government developed a package of reforms to modernise and transform the way biodiversity is valued and protected in New South Wales. A central component of these reforms is record public investment in private land conservation – $240 million over five years and ongoing funding of $70 million each following year, subject to performance reviews. This investment recognises that, with over 70% of NSW land privately owned or managed, it is critical that we support landholders to protect and manage important conservation assets.

Our vision is to achieve healthy, functioning and connected landscapes across New South Wales, as well as vibrant and connected rural and regional communities.

It is my great pleasure to present the *Biodiversity Conservation Investment Strategy 2018*. This strategy will help guide the newly created Biodiversity Conservation Trust to deliver this unprecedented investment in private land conservation. It identifies the 'where' and 'how' for investment – providing a map of priority investment areas and setting out targets and investment principles to guide the Trust's efforts.

The Trust will report on implementation of the strategy in its annual reports including progress towards the strategy's biodiversity and socio-economic targets.

Gabrielle Upton MP
Minister for the Environmentt

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Executive summary

Conservation efforts on private land play a vital role in protecting biodiversity, improving landscape connectivity and building resilience to climate change. Voluntary efforts by landholders can help to build a protected area system across public and private land which is representative of the ecological diversity that exists in our State.

To encourage and support conservation efforts on private land, the NSW Government has established the Biodiversity Conservation Trust to deliver a comprehensive private land conservation program. This program is underpinned by government investment of $240 million over five years, with $70 million in ongoing annual funding thereafter, subject to performance reviews. This investment will support sustainable farming enterprises and provide opportunities for landholders to diversify their income sources by receiving financial support to protect and manage areas of high environmental value on their properties.

This strategy will guide the Biodiversity Conservation Trust to deliver the government's investment in private land conservation to areas where it will have the greatest conservation benefits. Made under the *Biodiversity Conservation Act 2016*, at bioregional and state scales.

All government investment in private land conservation made by the Trust should be undertaken in accordance with this strategy.

The strategy ranks NSW landscapes into priority investment areas. The higher ranked areas will be the primary focus of government investment in private land conservation.

The strategy also sets out investment principles to address environmental, social and economic issues that should be considered when making decisions about investment in private land conservation.

A set of 5- and 20-year targets has been developed to support strategic investment decisions and to enable progress to be measured. The Biodiversity Conservation Trust will consider and monitor progress against these targets through its business planning and priority-setting processes.

While the strategy sets statewide priorities and investment principles, it does not constrain the Biodiversity Conservation Trust from undertaking a more refined approach to conservation planning and mapping. This will enable new information and changes in the landscape to be considered by the Biodiversity Conservation Trust at a finer scale where appropriate.

To ensure accountability and reaffirm the strategy's priorities, objectives and targets, the Minister for the Environment, supported by the NSW Office of Environment and Heritage, intends to review the strategy after three years, noting that the *Biodiversity Conservation Act 2016* requires a review after five years.

How to use this strategy

Part 1: Strategic context – understanding why we are doing this

This part establishes the purpose, objectives and targets for the strategy and provides an overview of how private land conservation operates in New South Wales. It outlines how the strategy will align with national commitments and how it complements the NSW national parks system.

Part 2: Priority investment areas – understanding where we want to invest

This part identifies and ranks priority investment areas. Higher ranked priority investment areas will be the primary focus of government investment in private land conservation.

This part describes the approach taken to identify these areas, together with the criteria and data sets used.

It includes a map of priority investment areas, as well as a map of all areas protected or managed for conservation on public and private land in New South Wales.

Part 3: Making investment decisions – understanding investment choices

This part provides guidance to support decision making in private land conservation. It sets out five investment principles to guide decision making by the Biodiversity Conservation Trust.

Part 4: Delivering the strategy – understanding who does what

This part describes the roles of key government agencies and stakeholders in delivering the strategy, such as the Minister for the Environment, the Biodiversity Conservation Trust and the Office of Environment and Heritage. It also outlines how the strategy will be reviewed, including when and how new information may be incorporated.

Part 1
The strategic context

1.1 Introduction

This strategy establishes the NSW Government's priorities for investing in private land conservation. Around the world, private land conservation is playing an increasingly important role in promoting ecologically sustainable development and building resilience to climate change (Stolton S, Redford KH & Dudley N 2014). There is growing recognition that private land conservation is particularly well placed to complement publicly protected areas, respond to changing environmental circumstances and threats and provide benefits to landholders and regional communities through diversified income sources and improved ecosystem functions (Bingham H, Fitzsimons JA, Redford, KH, Mitchell BA, Bezaury-Creel J & Cumming TL 2017).

The NSW Government is committed to supporting landholders to protect and manage biodiversity on their land and has established the Biodiversity Conservation Trust to deliver record government investment in private land conservation. The Trust will deliver a total of $240 million over five years to private land conservation, with $70 million in ongoing annual funding thereafter, subject to performance reviews.

Made under the *Biodiversity Conservation Act 2016*, this strategy has been prepared to ensure that this unprecedented government investment is delivered strategically and that it complements other government priorities, investment and commitments, such as the national parks system, the *Saving our Species* program and the upcoming *NSW Koala Strategy*.

1.2 Purpose, objectives and targets

The strategy will guide investment in private land conservation to areas where it will have the greatest conservation benefits. It is designed to help the Biodiversity Conservation Trust and other decision-makers understand and contribute to government priorities for conservation on private land and provide a basis for tracking progress over time.

In addition to optimising biodiversity outcomes, the strategy seeks to generate social and economic benefits for regional communities and build resilience to climate change.

The strategy does not attempt to identify all conservation action that is required in New South Wales. It has been designed to complement other programs operating to support biodiversity conservation.

The strategy's purpose, objectives and targets are set out in Figure 1. Further information about the targets and evaluation framework is set out in Parts 3 and 4 respectively.

What is private land conservation?

In this strategy, private land conservation is defined as:

'Landholders who enter into voluntary agreements to protect and manage their properties (or parts of their properties) for biodiversity conservation outcomes. This may include land that is privately owned and managed as well as Crown Land, which is managed both publicly and privately, such as Travelling Stock Reserves'.

Private land conservation increases the land management options available to landholders and offers potential new income streams.

Improving biodiversity can provide a range of benefits to landholders and the local community. This includes services like pollination, pest control and combatting erosion and salinity. Biodiversity also supports recreation and provides local character.

1.3 Private land conservation in New South Wales

1.3.1 The legal framework

Private land conservation has a long and proud history in New South Wales. The voluntary and dedicated efforts of landholders, farmers, Aboriginal communities, and local community groups have resulted in approximately three million hectares of land managed for conservation under a range of laws, policies and programs. The strategy builds on this foundation and will support more people to participate in private land conservation through voluntary participation.

Under the *Biodiversity Conservation Act 2016*, the NSW Government established a more streamlined and strategic approach to private land conservation. The key features of this approach are:

- the creation of the Biodiversity Conservation Trust to deliver a statewide private land conservation program (see section 1.3.2)

- the consolidation of seven different mechanisms for private land conservation into three types of agreements (see Box 1)
- this strategy, which will guide the government's record investment in private land conservation.

This framework is based on a recognition of the diverse benefits of private land conservation to the environment, landholders and regional communities, including Aboriginal landholders and communities.

New South Wales now has a comprehensive legal, institutional and financial framework to support private land conservation.

Box 1: Private land conservation agreements

Government investment in private land conservation will be delivered to landholders who enter into voluntary private land conservation agreements under the *Biodiversity Conservation Act 2016.* These agreements provide the legal framework to support achievement of biodiversity conservation outcomes including establishing management plans and providing a compliance framework. In many cases, landholders will also be eligible to receive funding support to help manage the conservation values on their land in perpetuity, or for an agreed term.

There are three types of private land conservation agreements under the Act:

1. **Biodiversity stewardship agreements** – permanent agreements that generate biodiversity credits that may be sold to provide a potential upfront financial return and annual payments to cover the cost of management actions.
2. **Conservation agreements** – permanent or time-bound agreements that may be eligible for stewardship payments.
3. **Wildlife refuge agreements** – entry level agreements that can be terminated at any time, or converted into higher forms of agreements.

Existing private land conservation agreements (BioBanking agreements, Conservation Agreements, Nature Conservation Trust agreements and wildlife refuges) that were entered into under previous legislation will remain in place. Landholders with these types of agreements may also be eligible for funding support from time to time.

1.3.2 The Biodiversity Conservation Trust

The Biodiversity Conservation Trust is established under the *Biodiversity Conservation Act 2016* to protect and enhance biodiversity. It is responsible for delivering the government's investment in private land conservation in line with the priorities and principles identified in this strategy.

The Trust administers a statewide private land conservation program focused on supporting landholders who commit to protect and manage high-value biodiversity on their properties under voluntary agreements.

It may use the government's investment to accelerate participation in the program by offering financial support to landholders – especially in the parts of the state prioritised by this strategy. Further information about the private land conservation program is available on the Biodiversity Conservation Trust website (www.bct.nsw.gov.au). Investment for private land conservation will be guided by the priorities set out in this strategy.

The Biodiversity Conservation Trust also plays a key role in the delivery of the NSW Biodiversity Offsets Scheme. It is responsible for sourcing biodiversity offsets on behalf of development proponents when they choose to meet an offset obligation by paying into the Biodiversity Conservation Fund.

This will make it easier for proponents to comply with the Biodiversity Offsets Scheme and will enable a more strategic approach to securing offsets across New South Wales. The offsets secured by the Trust under the Biodiversity Offsets Scheme must meet the requirements of the legislated offset rules, which specify the geographic location and the types of biodiversity to be secured. Further information about the Biodiversity Offsets Scheme is available on the Office of Environment and Heritage website (www.environment.nsw.gov.au/biodiversity/ offsetsscheme.htm).

By managing public funding for private land conservation and private offsetting funds from developers, the Trust is well placed to deliver strategic benefits, such as establishing larger, more viable, and more connected protected areas.

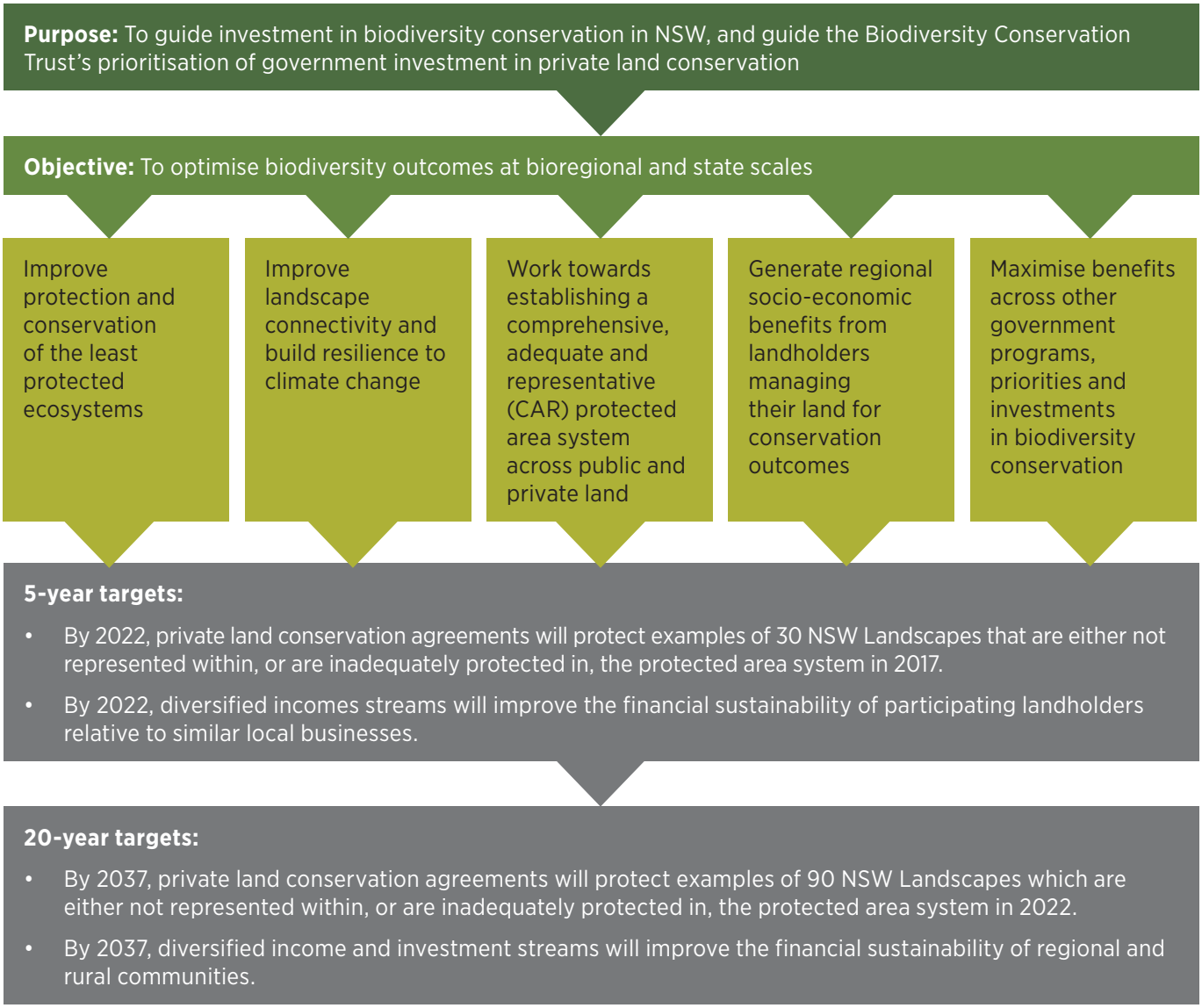


Figure 1 Purpose, objectives and targets

1.4 Existing areas protected or managed for conservation

The International Union for the Conservation of Nature (IUCN) defines a protected area as:

> 'a clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature associated with ecosystem services and cultural values.' (IUCN Definition 2008).

A fundamental principle of national and international conservation programs is the need for a network of protected areas.

In this strategy, the term 'protected area system' is used to describe the network of parks and reserves and protected areas on public, private and indigenous land, all of which meet the IUCN definition of a protected area. In addition, parts of New South Wales are managed for conservation under a variety of non-permanent legal mechanisms (that do not meet the IUCN definition of protected area). Taken together, approximately 12% (10,084,137 hectares) of New South Wales is protected or managed for conservation under NSW or Commonwealth legislation as at 30 June 2017.

The map at Figure 2 illustrates the current extent of areas protected or managed for conservation in New South Wales. This map identifies the location and extent of land that is already protected or managed for conservation. The areas illustrated on the map fall into three broad categories and include both public and private lands as described in Figure 3.

An understanding of what is already represented in the protected areas system is an important starting point for both how we identify gaps in, and measure progress towards implementing, a protected area system. The map at Figure 2 will be maintained by the Office of Environment and Heritage, with the aim of making it available online.

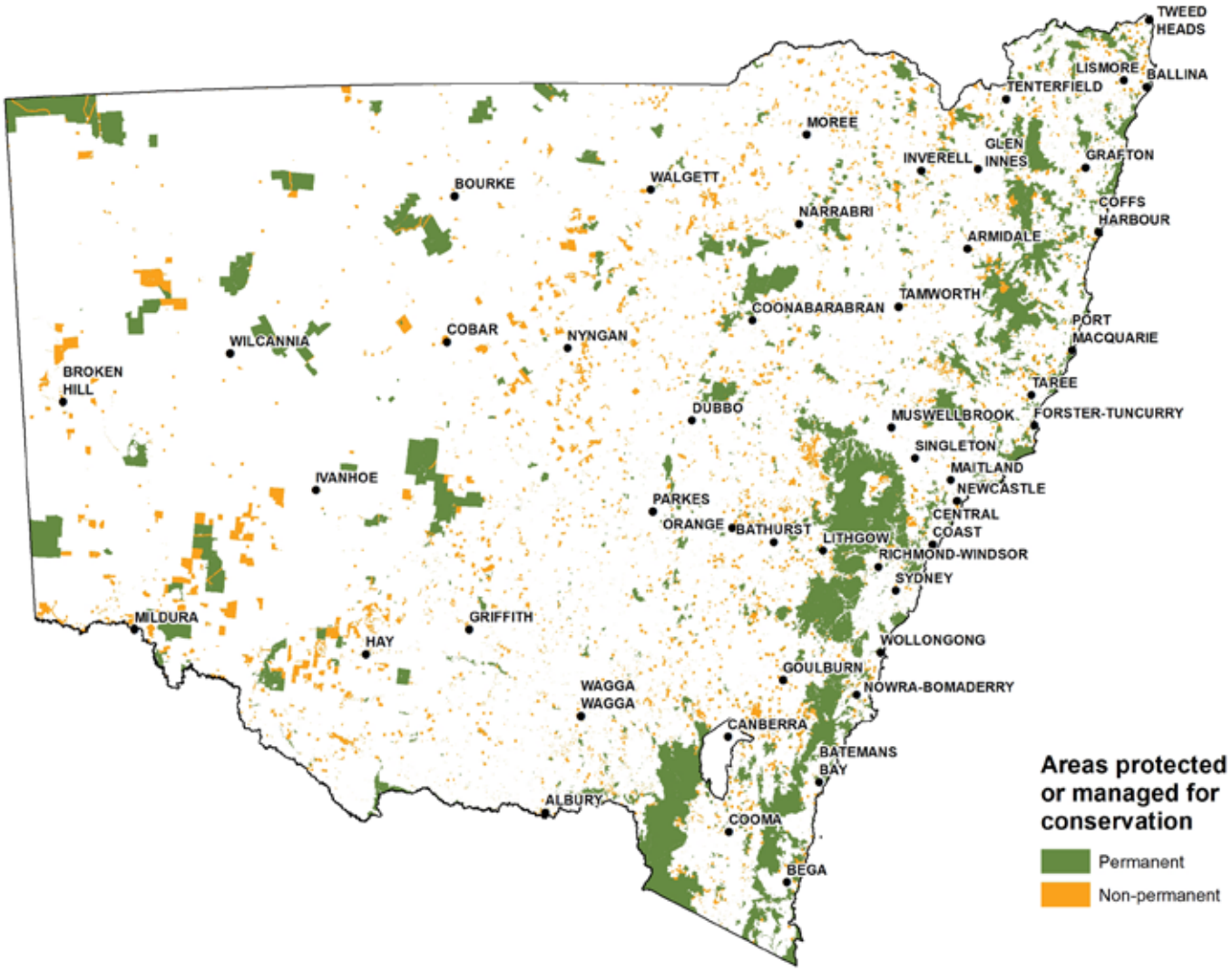


Figure 2 Areas protected or managed for conservation under NSW and Commonwealth legislation (as at 30 June 2017)

Land that meets the International Union for Conservation of Nature definition of 'protected area'

These areas will be used to measure progress towards a Comprehensive, Adequate and Representative (CAR) protected areas system (see box 3) and to identify priorities for investment:

1. **Privately protected areas** – these include all protected areas on private land that meet the International Union for Conservation of Nature's (IUCN) definition.

This includes, but is not limited to, agreements entered into under the previous legal framework and the new *Biodiversity Conservation Act 2016*, including:

- voluntary conservation agreements under the *National Parks and Wildlife Act 1974*
- registered property agreements under the (repealed) *Native Vegetation Conservation Act 1997*
- trust agreements under the (repealed) *Nature Conservation Trust Act 2001*
- Indigenous Protected Areas.

It will also include biodiversity stewardship agreements and permanent conservation agreements under the *Biodiversity Conservation Act 2016***.**

A total of 336,350 hectares, or 0.4% of New South Wales is protected under this category of land.

2. **Public protected areas** – these include all protected areas on public land that meet the IUCN's definition.

This includes national parks, nature reserves, state conservation areas, regional parks, karst conservation areas, some Aboriginal areas and historic sites (all part of the national parks system), and flora reserves (on state forest).

A total of 7,201,518 hectares, or approximately 9% of New South Wales is protected under this category of land.

Land that does not meet the IUCN definition of 'protected area'

These areas cannot be used to measure progress towards CAR and will not be used to identify priorities for investment:

3. **Other conservation areas** – these include all types of land (whether public or private) that are currently under some form of protection but are either not in perpetuity or do not have sufficient legal security to meet the IUCN's definition.

This includes, but is not limited to, termed Conservation and Incentive Property Vegetation Plans under the (repealed) *Native Vegetation Act 2003*, and time-bound conservation agreements and wildlife refuge agreements under the *Biodiversity Conservation Act 2016*.

A total of 2,546,279 hectares, or 3% of New South Wales, is captured under this category of land.

Figure 3 Categories of land that are protected or managed for conservation

1.4.1 Complementing the national parks system

The NSW national parks system is established and guided by the *National Parks and Wildlife Act 1974*. Over seven million hectares of New South Wales are now managed and protected for conservation by the National Parks and Wildlife Service. This network of approximately 870 parks covers close to 9% of the State. Additions to the national parks system consider the CAR principles.

The public reserve establishment program continues to build on the existing network of public land over large areas to form consolidated, resilient and viable ecosystems. This program also reserves land for other purposes, including for example Aboriginal cultural heritage values and recreation, and considers factors such as public access, efficiency of park management and land tenures of adjoining land.

In regions where remnant vegetation is scarce, opportunities for further additions to the national parks system are limited. Private land conservation is critical to the prevention of further biodiversity loss and to improve connectivity in the landscape.

Private land conservation can expand the range of natural values that are protected and provide buffers and corridors to enhance the reserve system. It is important for the Biodiversity Conservation Trust to work closely with the National Parks and Wildlife Service to build and manage a protected area system across public and private land that improves biodiversity as well as socio-economic outcomes. This strategy will work in tandem with the reserve establishment program to establish a CAR protected area system (see Box 3) across public and private land.

Box 2: Bioregions, subregions and regional ecosystems

One way to systematically conserve biodiversity is to group and classify natural variation. This strategy measures progress in implementing a network of protected areas and hence priorities for additional conservation action at a statewide scale using three levels of classification: bioregions, subregions and NSW Landscapes as a surrogate for regional ecosystems.

Bioregions (an abbreviation of 'biogeographic regions') are large regions of relatively similar climate, geology and landforms. Each bioregion supports a suite of native vegetation, plants and animal communities that are distinctive from those in adjoining regions. The Interim Biogeographic Regionalisation (IBRA) framework divides the Australian landmass into 89 bioregions, 18 of these are in mainland New South Wales. The IBRA bioregions were initially derived by compiling information on climate, lithology/geology, landform, vegetation and animals (Commonwealth of Australia, 2012; Thackway R & Cresswell I 1995).

Subregions (or IBRA subregions) are further divisions of bioregions, based on finer differences in geology, vegetation and other biophysical attributes. Subregions are used to provide more detailed information about landscapes and can therefore be used for finer, regional-scale planning. There are 131 subregions in New South Wales.

NSW (Mitchell) Landscapes (NSW Landscapes) are used to represent regional ecosystems in this strategy. They were derived on the basis of patterns in rainfall, temperature, topography (shape and features of the land), drainage patterns, geology, soil and vegetation. There are 571 NSW Landscapes (Mitchell 2002).

1.5 Contributing to national commitments

Beyond the requirements of the *Biodiversity Conservation Act 2016*, this strategy has been developed to align with national agreements and targets. The strategy has used these targets as tools to help guide the identification of priority investment areas.

Box 3: The CAR Framework

The objective of the scientific framework that underpins the **National Reserve System** is to develop a CAR system of protected areas. CAR refers to:

- **Comprehensiveness** – refers to the aim of including, within protected areas, samples of the full range of regional ecosystems recognisable at an appropriate scale within and across each IBRA bioregion (Natural Resource Management Ministerial Council 2009).
- **Adequacy** – refers to how much of each ecosystem should be sampled to provide for the ecological viability and integrity of populations, species and ecological communities at a bioregional scale. The concept of adequacy incorporates ecological viability and resilience of ecosystems for individual protected areas and for the protected area system as a whole (National Resource Management Ministerial Council 2009).
- **Representativeness** – addresses the criteria of comprehensiveness in more depth. It recognises the importance of sampling the full range of biological variation within each ecosystem by sampling ecosystem across its geographic range. One way of achieving this is to aim to represent each regional ecosystem within each IBRA subregion (National Resource Management Ministerial Council 2009).

1.5.1 National Reserve System

Australia's Strategy for the National Reserve System 2009–2030 guides the development of the National Reserve System. The National Reserve System is Australia's network of reserves, parks and protected areas that permanently protect our natural landscapes and native plants and animals. It is founded on the goal of establishing a comprehensive, adequate and representative (CAR) system of protected areas for Australia (see Box 3). The application of the CAR criteria is intended to progressively extend protection to include examples of all Australia's ecosystems in the protected area system.

To assist with a coordinated approach to expanding the National Reserve System, the national strategy includes the following targets:

- **comprehensiveness** – examples of at least 80% of all regional ecosystems in each bioregion by 2015
- **representativeness** – examples of at least 80% of all regional ecosystems in each subregion by 2025.

Building a CAR system of protected areas is a long-term objective and private land conservation is expected to play an increasingly important role in complementing the national parks system.

It is difficult to outline a simple measure of adequacy because it is based on factors including the size, shape, connectivity and the condition of individual areas of land. It may also include consideration of the condition, environmental values and the management of adjacent land. As such adequacy will be addressed at the site scale under the investment principles.

Part 2
Priority investment areas

2.1 Introduction

This chapter identifies the strategy's priority investment areas, shown in Figure 4. Higher ranked priority investment areas will be the primary focus of government investment in private land conservation. Priority investment areas have been identified and ranked based on conservation value and threats to those values. They are identified based on NSW Landscapes in five orders of priority on a statewide map.

The Biodiversity Conservation Trust may develop finer scape mapping or plans to provide a more detailed indication of their investment priorities.

An outline of how priority investment areas are mapped is provided below. These areas are identified in Figure 4. There may be some sites that will meet the criteria for priority investment areas but will not be identified as part of the mapping for reasons associated with mapping scale. Part 3 sets out investment principles which will guide the Trust in taking account of site-based considerations.

2.2 Statewide map of priority investment areas

A map of priority investment areas has been produced to guide investment in private land conservation with willing landholders (Figure 4). This map identifies the NSW Landscapes that are the highest priority following the application of the prioritisation criteria.

To ensure a consistent approach, the map uses statewide data on the environment and land to identify priority investment areas. However, investment decisions at the site level will also need to consider regional and site scale

conservation values, the condition of potential sites and operational requirements. See Part 3 on the investment principles for further detail.

A significant proportion of the priority investment areas ranked as priority 1 are in the NSW sheep-wheat belt, which stretches across the entire length of the state from the Queensland border to the Victorian border. These areas are agricultural heartland and support most of the cereal-growing areas and much of the irrigated farmlands of New South Wales.

The areas have been extensively cleared for grazing and cropping and there is a relatively low proportion of land in the protected area system. Many of these areas are also underrepresented within the protected area system. Reporting by the Trust is expected to include measures of progress towards subregional representativeness targets.

Priority investment areas ranked as priority 1 are also identified within coast and coastal ranges bioregions and subregions. While subregions in these areas may be better represented in the protected area network, some landscapes on the lower slopes of the coastal ranges, the coastal valleys, floodplains and estuaries, and remnant ecosystems on rich volcanic soils are poorly protected and highly threatened. These represent areas that have been subject to previous clearing or are under pressure from urban or other forms of development.

Further priority 1 priority investment areas are those that fall within the tablelands bioregions and subregions where flat and undulating landscapes have been subjected to clearing.

Part 3 of this strategy sets out investment principles that provide guidance on further considerations for investment, to complement the framework of the priority investment areas. This includes site based considerations, investment processes and complementing other government programs.

Criterion 1: High environmental value

Criterion 2: Connectivity and resilience to climate change

Criterion 3: Comprehensive, adequate and representative

Criterion 4: Threats and pressures

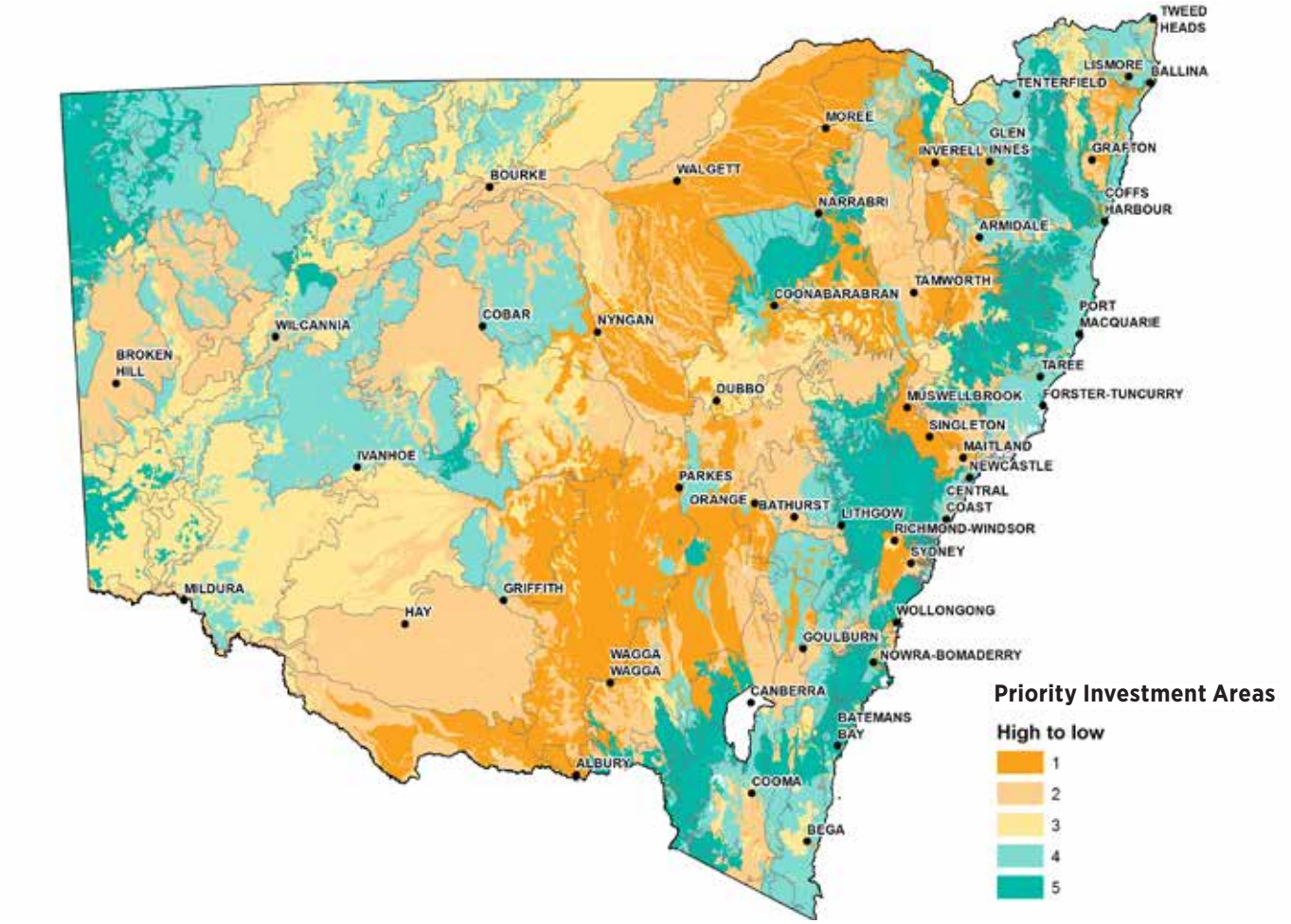


Figure 4 Map of priority investment areas

2.3 Criteria and data for the identification of priority investment areas

The following criteria were used to guide the identification of priority investment areas. These criteria have been developed by taking into account the strategy's objectives, requirements of the *Biodiversity Conservation Act 2016* and national commitments and targets.

These criteria meet the requirement of the *Biodiversity Conservation Act 2016* to develop 'principles' to guide identification of priority investment areas. The term 'criteria' has been used to avoid confusion with the Investment Principles in Part 3.

The criteria for identifying priority investment areas are described below, alone with the corresponding statewide data sets that have been used to generate a map of priority investment areas.

Criterion 1: Areas of high environmental value should be prioritised

This criterion ensures that priority investment areas focus on areas of high environmental value, including core areas of remnant vegetation and good samples of the least protected ecosystems.

Areas of high environmental value include areas that contain a high proportion of:

- threatened ecological communities, listed under NSW or Commonwealth legislation
- over-cleared vegetation types, defined as being a vegetation type that has been cleared to an extent 70% or greater from its pre-European extent, and listed on the NSW Vegetation Types Database (www.environment.nsw.gov.au/biobanking/ vegtypedatabase.htm)
- threatened species and habitats for threatened species
- important wetlands, shown on the Directory of Important Wetlands in Australia, including Ramsar wetlands identified by the Convention on Wetlands of International Importance (Ramsar Convention 1971)
- littoral rainforests identified under State Environmental Planning Policy 26 – Littoral Rainforests, and coastal wetlands identified under State Environmental Planning Policy 14 – Coastal Wetlands (note that several rainforest communities are also listed within threatened ecological communities)
- core koala habitat identified under State Environmental Planning Policies.

This criterion also ensures that areas already recognised as being of high environmental value through other laws and regulations, such as environmental planning instruments and land management code exclusion zones, are prioritised for investment.

Data set: 'High environmental land' with the highest priority given to NSW Landscapes with the highest proportion of such values.

Criterion 2: Areas that improve ecological connectivity and resilience to climate change should be prioritised

This criterion prioritises areas that form corridors connecting core areas of remnant vegetation. It ensures that priority investment areas include those that improve ecological connectivity, which is essential to supporting our native plants and animals and building resilience to climate change.

Building connectivity is particularly important in over-cleared landscapes where ecosystems may be under significant pressure due to a history of clearing and fragmentation.

Priority is given to over-cleared landscapes that have the best opportunities to protect remaining core areas of remnant vegetation or to establish viable corridors.

Improving connectivity will help in building the resilience of the protected area system under climate change. As the climate changes, many species and entire ecosystems are adapting by following suitable habitat conditions into new areas. This includes moving southward or to a higher altitude to stay within thermal limits, or to move to higher-rainfall environments to escape drought.

Habitat connectivity strongly complements and reinforces the criterion of 'adequacy' within the context of building a CAR protected area system. It provides access to habitat for mobile species generally, and it allows species to migrate in response to climate change without the need for human assistance.

Data set: 'Extent of native vegetation' with the highest priority given to NSW Landscapes that are 70%-90% cleared.

Criterion 3: Areas that contribute most towards achieving a comprehensive, adequate and representative (CAR) protected area system should be prioritised

This criterion ensures that priority investment areas include the least protected ecosystems and areas that will contribute to building a CAR protected area system.

The concept of 'adequacy' is recognised as being more difficult to measure and translate into targets because 'adequacy' is concerned with both how much of each ecosystem should be protected to provide ecological viability at a bioregional scale, and what the shape and configuration of those protected areas should be. This can vary significantly over a landscape and over time and can be difficult to quantify and measure. It is often best determined on a case by case basis when the surrounding landscape can be taken into account and as such will also be accounted for at a site scale.

For the purposes of this strategy, Aichi target 11 (under the *Convention on Biodiversity Diversity Strategy Plan for Biodiversity 2011-2020* which has been endorsed by the Australian Government) is used as a surrogate for the concept of 'adequacy'. It is used as a tool to prioritise NSW Landscapes in conjunction with the other three prioritisation criteria.

Data set: 'Proportion of NSW Landscapes permanently protected in the protected area system' with the highest priority given to NSW Landscapes that furthest from achieving 17% protection (in line with Aichi target 11) with this data set used as a surrogate for 'adequacy'.

Criterion 4: Areas where high environmental value assets are under the greatest pressure should be prioritised

This criterion prioritise areas in New South Wales where conservation assets are likely to be subject to significant pressure from agricultural clearing or incremental loss and may, therefore, benefit most immediately from protection and investment.

A variety of pressures exist across the landscape. Areas where conservation assets are most likely to be cleared or modified for agriculture are prioritised. Private land conservation is voluntary and landholders in a priority investment area are not required to change the way they manage their land. Instead, this criterion provides landholders in these areas with options: to determine whether to proceed with agricultural development, biodiversity stewardship or a combination of both.

Areas under pressure from clearing for urban and other forms of development will not be prioritised through this process as these areas are expected to have a biodiversity offset market operating. Indeed,

private land conservation should generally avoid areas where an active offsets market is in place so as not to impact the efficient operation of these markets and inadvertently increase prices through competition.

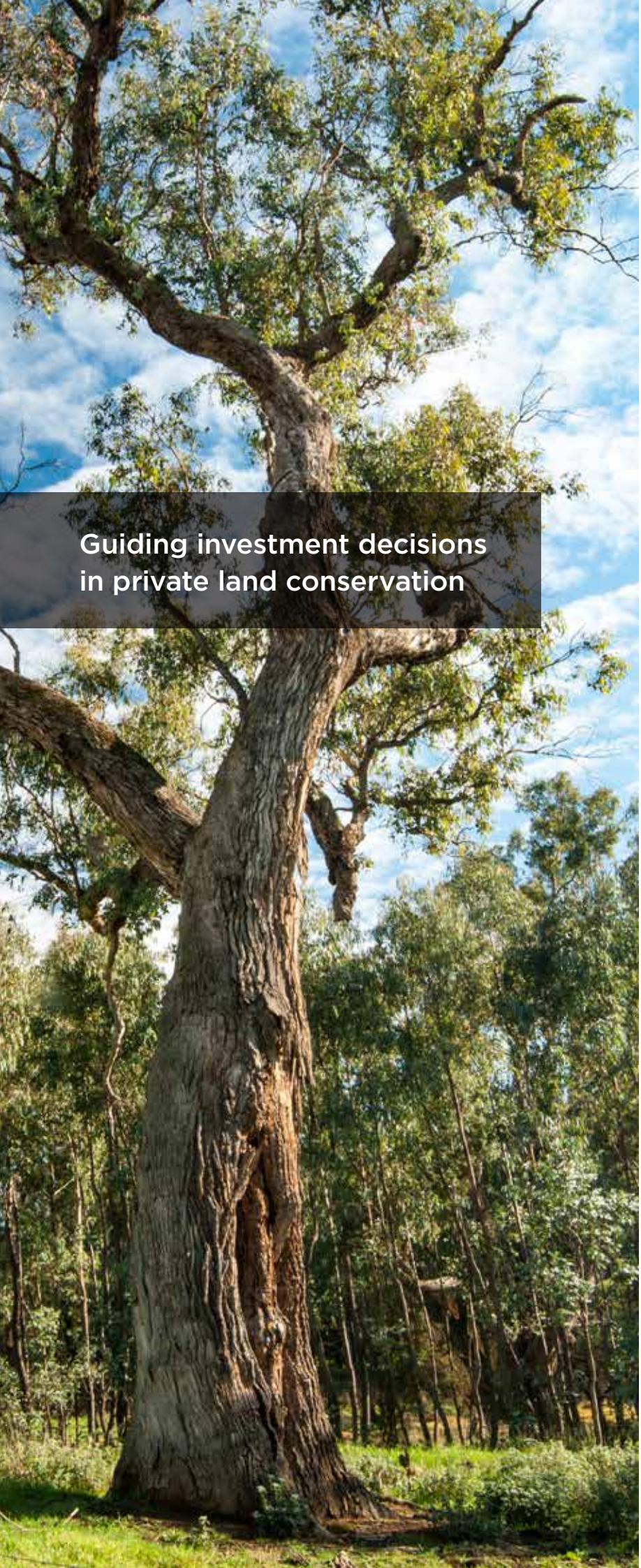
Data set: 'Statewide land and soil capability data' with the highest priority given to land and soil capability class 1, 2 and 3.

2.4 Areas of outstanding biodiversity value

The *Biodiversity Conservation Act 2016* gives the Minister for the Environment the power to declare areas of outstanding biodiversity value (AOBVs). Areas of outstanding biodiversity value are special areas that contain irreplaceable biodiversity values that are important to the whole of New South Wales, Australia or globally. Detailed scientific criteria to identify AOBVs are set by the Biodiversity Conservation Regulation 2017.

Areas of declared critical habitat under the *Threatened Species Conservation Act 1995*, (including Little Penguin and Wollemi Pine declared areas), have become the first AOBVs in New South Wales with the commencement of the *Biodiversity Conservation Act 2016*. The NSW Office of Environment and Heritage is developing a process for identification of additional AOBVs.

Areas of outstanding biodiversity value are an 'automatic priority' under this strategy. To prioritise conservation of AOBVs, the *Biodiversity Conservation Act 2016* requires the Minister for the Environment (or delegate) to direct the Biodiversity Conservation Trust to take reasonable steps to enter into a private land conservation agreement with any landholder whose land is within an AOBV.



Part 3
Making investment decisions

3.1 Introduction

This chapter provides guidance about the environmental, social and economic issues that should be considered at a site level to guide investment in private land conservation.

A set of five investment principles is outlined which, when applied together and with a focus on higher ranked priority investment areas, will contribute to the strategy meeting its objectives.

A set of 5-year and 20-year targets has been developed to support strategic investment decisions and to enable progress to be measured.

During its start-up phase, the Biodiversity Conservation Trust needs time to build trust with rural and regional communities, and for its programs and activities to mature. In recognition of this, the strategy provides the Trust with flexibility to adapt its programs as it gains an understanding of the private land conservation market, including landholder motivations, and the preferences and willingness of landholders to participate in private land conservation.

To achieve the strategy's objectives, the Trust is expected to align its activities in investing the Government's private land conservation funding with the priorities in this strategy, focusing on the higher ranked priority investment areas and following the investment principles. This will assist the Trust to achieve strategic and cost-effective environmental, economic and social outcomes.

Government investment can also be made available in lower ranked priority investment areas where this is supported by the investment principles.

This strategy recognises the potential of indigenous knowledge and practice to support effective biodiversity management. Where possible, the Trust should seek to draw on Aboriginal traditional ecological knowledge to inform investment decisions.

3.2 Investment principles

Investment of NSW Government funding in private land conservation by the Biodiversity Conservation Trust should be made in accordance with the following principles, with a focus on land within higher ranked priority investment areas.

The Trust should use the investment principles to assist in designing their investment approaches and selecting between potential investment sites. A site which is consistent with more of the investment principles should be prioritised over one that is not, within the same ranked priority investment area. High consistency with the investment principles can also be used to justify directing funding within a lower ranked priority investment area.

Principle 1: Investment in private land conservation should seek to maximise conservation benefits

Investment in private land conservation should protect good samples of the least protected ecosystems, improve landscape connectivity and contribute to a CAR protected area system. Investment in private land conservation should conserve areas of particular importance for biodiversity and ecosystem services. Investment should also target areas that will improve connectivity across landscapes and subregions.

To maximise conservation benefits, investment in private land conservation should target the following conservation assets, where they are subject to the most significant pressure or threat:

- good examples of **the least protected ecosystems**:
  - **threatened ecological communities**, listed under either NSW or Commonwealth legislation
  - **threatened species, or endangered populations**, and their habitats, listed under either NSW or Commonwealth legislation
  - **over-cleared vegetation types**, defined as being a vegetation type that has been cleared to an extent 70% or greater from its pre-European extent, and listed on the NSW Vegetation Types Database
  - ***Saving our Species*** priority sites
  - **important wetlands**, shown on the Directory of Important Wetlands, including Ramsar wetlands identified by the Convention on Wetlands of International Importance (Ramsar Convention 1971)
  - **littoral rainforests**, identified under State Environmental Planning Policy 26 – Littoral Rainforests (note that several rainforest communities are also listed within threatened ecological communities)
  - **coastal wetlands** identified under State Environmental Planning Policy 14 – Coastal Wetlands
  - **koala habitats** identified under State Environmental Planning Policies or the upcoming *NSW Koala Strategy*
  - **old-growth forests or rainforest** as identified by the Chief Executive of Office of Environment and Heritage for the purposes of the Native Vegetation Regulatory Map
  - **high conservation value grassland**, identified through the Interim Grasslands and other Groundcover Assessment Method or other suitable site verification methods, for example in the Cooma-Monaro region

- **NSW Landscapes** where greater conservation will contribute to building a CAR protected area system:
  - NSW Landscapes that are not represented in the protected area system across public or private land
  - NSW Landscapes that are inadequately protected by the protected area system (across public or private land)
- **core areas** being large areas of remnant native vegetation, whose management will contribute the greatest benefit to the conservation of biodiversity within a bioregion
- **biodiversity corridors** being linear areas that link core areas and play a crucial role in maintaining connections between animal and plant populations that would otherwise be at greater risk of local extinction, including Travelling Stock Reserves
- **climate refugia** being areas that are relatively buffered from contemporary climate change, where over time biodiversity can retreat to, persist in, and can potentially expand from, as the climate changes.

Investment should strive to maintain, build and strengthen landscape function by targeting such areas, and by considering the principles of 'adequacy' including the size, shape, connectivity and the condition of sites, and, considering the environmental values and the management of adjacent land. Investment decisions should also balance the need to restore modified land and preserve more intact land.

The Biodiversity Conservation Trust may develop more detailed mapping or plans to support application of this principle. This might include IBRA sub-regional profiles identifying the conservation assets that should be prioritised in each subregion. While this type of analysis can provide an indication of potential investment priorities, local engagement and planning remains important. The ecological value of a site should always be verified before investment decisions are made.

Principle 2: Investment in private land conservation should seek to promote long-term outcomes – both for landholders and the environment

Permanent private land conservation agreements should generally be prioritised over time-bound conservation agreements.

This will help to meet Targets 1 and 2 in this strategy as well as progress towards CAR targets under the National Reserve System. It will also provide enduring benefits to landholders. Funding levels attached to agreements should be in proportion to the duration of the protection secured – permanent agreements should attract higher payments than time-bound agreements.

Where investment is made in time-bound private land conservation agreements the Biodiversity Conservation Trust should demonstrate that the site strongly contributes to the strategy's objectives and is consistent with the other investment principles.

The Biodiversity Conservation Trust may consider prioritising landholders who are willing to enter into permanent agreements in lower ranked Priority Investment Areas, over time-bound agreements in higher ranked priority investment areas. This would be appropriate where sites are consistent with other investment principles, for example, priority sites under *Saving our Species* or koala habitat identified under the upcoming *NSW Koala Strategy.*

Principle 3: Investment in private land conservation should complement other government and non-government programs

This principle acknowledges that numerous important programs and policies are in place that contribute to the broad objective of improving biodiversity conservation outcomes in New South Wales. These include, but are not limited to, the national parks system, environmental planning instruments, local government biodiversity conservation initiatives, *Saving our Species*, the upcoming *NSW Koala Strategy*, Environmental Trust grants, environmental watering programs, programs for planning and managing Travelling Stock Reserves, NSW Landcare and Catchment Action (delivered by Local Land Services).

The Biodiversity Conservation Trust should seek to work cooperatively with other conservation programs to encourage collaboration, minimise competition and maximise benefits across programs.

Specific guidance is provided below for interactions with programs established under the Biodiversity Conservation Act.

Saving our Species

The *Saving our Species* program prioritises investment in threatened species conservation and has identified priority sites for threatened species and threatened ecological communities. The program has a legislative basis as the biodiversity conservation program for threatened species and threatened ecological communities under the *Biodiversity Conservation Act 2016*.

Under this strategy, private land conservation funds may be invested for the purposes of implementing permanent private land conservation agreements even when landholders have received funding for the site under the *Saving our Species* program. This will allow for biodiversity gains to be secured in the long term. Private land conservation funds should be used to support actions that had not already received funding or to support actions continuing beyond the *Saving our Species* funding period.

In many cases, the *Saving our Species* priority sites are within the higher ranked priority investment areas. Investment in these sites can be given higher priority over other sites as they will contribute to achieving the objectives of both the Strategy and the *Saving our Species* program. Private land conservation investment can also be used to secure a *Saving Our Species* priority sites in a lower ranked priority investment area if the site is also consistent with other investment principles.

The targets in this strategy complement the work of the National Parks and Wildlife Service in building a CAR national park system in NSW.

NSW Biodiversity Offsets Scheme

Investment in private land conservation should generally not be prioritised in areas where an offsets market is operating to avoid interfering with the efficient operation of these markets. Despite this, there may be cases where there are strategic benefits to using private land conservation funds on neighbouring lands, to complement sites secured through the NSW Biodiversity Offsets Scheme. These opportunities could be pursued where they achieve improved conservation outcomes, for example where larger areas can be protected or corridors can be established.

Principle 4: Investment in private land conservation should support sustainable farming enterprises, promote regional economic benefits and avoid land use conflicts

This principle acknowledges that investment in private land conservation aims to facilitate and support sustainable agricultural practices that have mutual benefits for landholders and the environment. Investment should enable landholders to manage parts of their properties for conservation outcomes and draw an income to support this use of land.

Protecting part of a property and improving its condition may deliver benefits to the remainder of the property, for example, through improved water table management, better in-stream water quality, shade and shelter benefits and provision of pollination and other ecosystem services.

Investment decisions should also consider the potential for broader regional economic benefits. This includes both the additional income source from management payments under the private land conservation agreements and the potential outsourcing to local businesses of services such as site management. This will contribute to meeting Targets 3 and 4 in this strategy that are focused on the socio-economic benefits of investment in private land conservation.

Investment in private land conservation should seek to avoid land use conflict, and where possible avoid, areas that are likely to be development sites for mineral and energy resource industries in the near future. Ongoing consultation across government and with key stakeholders will help achieve balanced land use outcomes by avoiding investment in highly prospective mineral and energy resource areas, as well as supporting co-existence, where appropriate.

Principle 5: Investment in private land conservation should be cost-effective, transparent, efficient and make the best use of available mechanisms to deliver investment

This principle supports expenditure under the private land conservation program achieving the best conservation outcomes as well as socio-economic returns on investment. Where possible, the Biodiversity Conservation Trust should seek to use competitive processes that will test the market for landholder interest in private land conservation. This may take the form of reverse auctions, competitive grants programs or expressions of interest.

Where sufficient market data is available, direct approaches may be the most efficient way of securing agreements. Methods for calculating payments should be transparent and subject to public scrutiny, where this will not undermine competitive processes.

Efficiency also needs to underpin the administration of the program. This includes the efficient operation of the Biodiversity Conservation Trust Board and the Trust's staff in delivering the private land conservation program, providing support to landholders and monitoring and auditing agreements.

3.3 Local scale planning and decision making

The delivery of this strategy's objectives will require local conservation planning and action by the Biodiversity Conservation Trust, in partnership with local organisations, Aboriginal landholders and the broader local community. Planning and engagement at a local scale will help the Biodiversity Conservation Trust to translate the Strategy into local priorities and actions, focusing first on the higher ranked priority investment areas.

Engaging local, expert and Aboriginal knowledge should be central to the development and delivery of this local conservation planning. The process should consider relevant mapping and conservation planning that has been undertaken by other agencies, such as the Office of Environment and Heritage, the Department of Planning and Environment (e.g. Regional Plans), Local Land Services (e.g. Local Strategic Plans), Local Government (e.g. Local Environment Plans) and others.

To support engagement with Aboriginal communities the Trust should consider any new products, tools or maps that may be developed as of result of the reforms to managing and conserving Aboriginal cultural heritage in New South Wales.

Figure 5 summarises how the priorities and principles established in the strategy will inform planning and decision making at subregional and local (or property) scales.

State: Biodiversity Conservation Investment Strategy

- Statewide priorities based on statewide data and mapping
- Investment principles
- Types of conservation assets to be targeted (e.g. threatened ecological communities, threatened species habitat etc.)
- First review of strategy expected to be in 3 years

Subregion: Profiles

- Specific conservation assets to be targeted (e.g. box gum woodland, alluvial plains grassland, *Saving our Species* priority sites etc.)
- Regional scale mapping of conservation assets
- Updated at any time to incorporate new data

Local/property: Conservation planning and mapping

- Local scale mapping and site assessments to validate conservation assets
- Consider priorities in Local Land Services Strategic Plans, Department of Planning and Environment Regional Plans, Local Government Areas etc.
- Ongoing function for Biodiversity Conservation Trust

Figure 5 Delivering the strategy at different scales

3.4 Targets

A set of short- and long-term targets has been developed to help measure progress in meeting the strategy's environmental and socio-economic objectives. The Biodiversity Conservation Trust must consider these targets through its business planning and priority-setting processes. It must report on how it has considered the strategy, including these targets, in its annual reports to Parliament (see section 4.2).

Target 1: 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.

Target 2: By 2038, private land conservation agreements will protect examples of 90 NSW Landscapes which are either not represented within, or are inadequately protected in, the protected area system in 2023.

Targets 1 and 2 will contribute to building a CAR protected area system across public and private land. The voluntary efforts of landholders who agree to permanently protect properties (or parts of properties) under private land conservation agreements will play a key role in this task.

Targets 1 and 2 are the primary targets of the strategy. Achieving these targets will ensure a larger proportion of NSW ecosystems are protected in perpetuity, resulting in an uplift in CAR over the next 20 years. The development of a CAR protected area system will ensure that the diverse regional ecosystems across New South Wales are represented in the protected area system and that they are resilient to impacts from climate change and other threats.

Achieving these targets will also help New South Wales meet national 'representativeness' and 'comprehensiveness' targets.

Protecting an 'example' of a NSW Landscape in the context of the targets means that part of the NSW Landscape (no minimum size) is protected under a permanent legal mechanism. The National Parks and Wildlife Service uses the term 'sampled' in this context.

Only permanent private land conservation agreements (being Biodiversity Stewardship Agreements and permanent Conservation Agreements) can contribute to the achievement of targets 1 and 2. Progress towards these targets will be measured based on new agreements entered into under the Biodiversity Conservation Act.

The targets in this strategy complement the work of the National Parks and Wildlife Service in building a national park CAR system in New South Wales.

Target 3: By 2023, diversified incomes streams will improve the financial sustainability of participating landholders relative to similar local businesses.

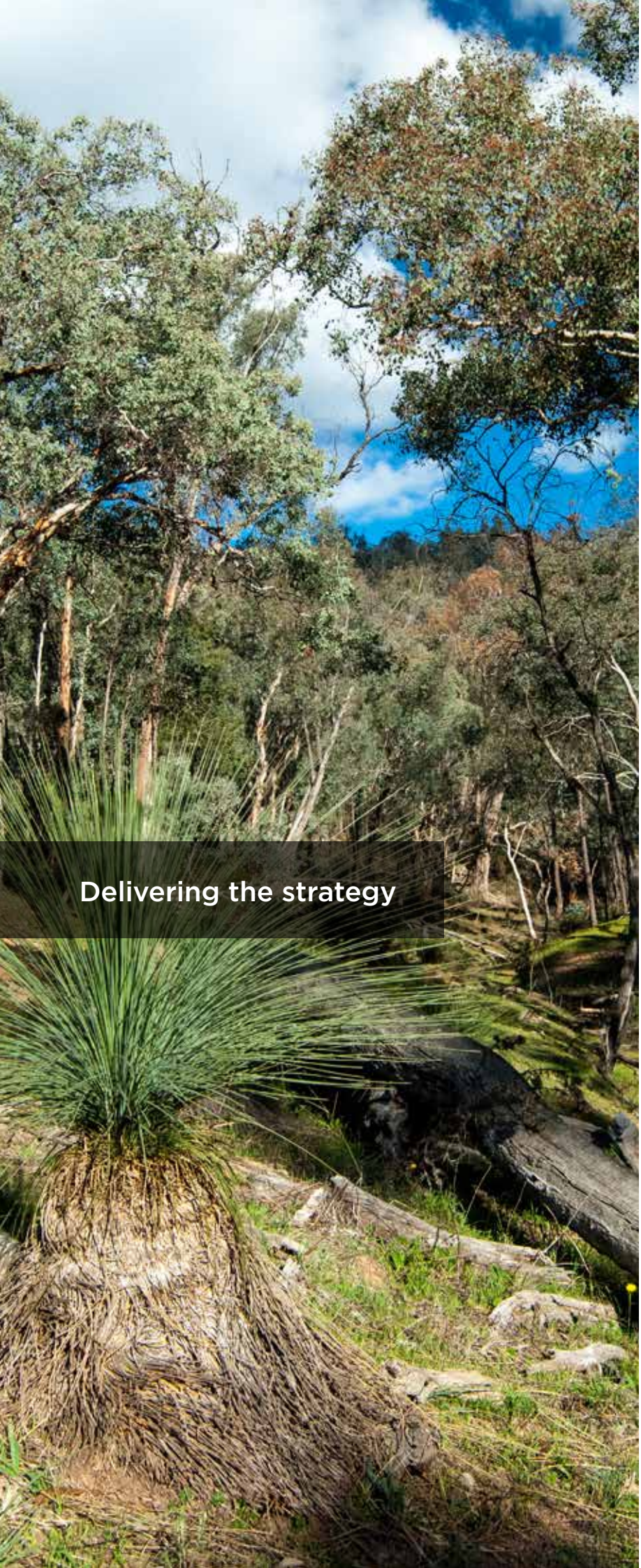
Target 4: By 2038, diversified income and investment streams will improve the financial sustainability of regional and rural communities.

Government investment in private land conservation represents a potential new income stream for landholders. Payments to landholders under the private land conservation program may supplement landholders' current incomes, or they may (wholly or partially) replace previous income streams.

It is expected that payment amounts will be set at the time of entering into a private land conservation agreement, which means that ongoing payments will be independent of market and climate volatility. This will help buffer the effects of such volatility on other income streams (especially agricultural markets) and reduce the uncertainty that is inherent in medium- and long-term business planning.

In the longer term, it is expected that payments to landholders will be re-invested in local communities, for example, through the need for contract labour to help with conservation management or through increased spending by landholders in response to higher income levels. In this way, private land conservation investment is expected to help contribute to more prosperous and sustainable regional and rural economies across New South Wales.

Progress against this target will be measured through a consultative research approach that tracks the financial and economic implications of investment in private land conservation.



Part 4 Delivering the strategy

4.1 Introduction

This chapter summarises the roles and functions of key agencies and stakeholders that are responsible for delivering the strategy. To achieve the strategy's objectives, partnerships within and between the Biodiversity Conservation Trust, government, landholders – including Aboriginal landholders – and the broader community will be needed. This chapter also describes the link between the strategy and business planning, review and evaluation.

4.2 Roles and responsibilities

4.2.1 Role of the Minister for the Environment

The *Biodiversity Conservation Act 2016* sets out the Minister for the Environment's responsibilities with respect to this strategy and the Biodiversity Conservation Trust.

The Minister:

- must make the strategy as soon as practicable after the commencement of the Act
- must review the strategy after five years and may amend it at any time
- may direct the Biodiversity Conservation Trust and those directions must be published (except in certain circumstances set out in the Act)
- may approve the Biodiversity Conservation Trust Business Plans.

4.2.2 Role of the Biodiversity Conservation Trust

The Biodiversity Conservation Trust is established under the *Biodiversity Conservation Act 2016* as a not-for-profit statutory body managed by a board appointed by the Minister for the Environment. It is required to (among other things):

- encourage landholders to enter into co-operative arrangements for the management and protection of the natural environment that is significant for the conservation of biodiversity
- provide mechanisms for achieving the conservation of biodiversity
- conduct its activities in accordance with a business plan, published every four years
- prepare annual reports on its activities under the Annual Reports (*Statutory Bodies Act 1984*).

The Trust may also choose to consider designing, and reporting against, its operations an IBRA subregion level due to the relevance to other conservation targets, particularly in relation to the achievement of 'representativeness' and 'comprehensiveness' within a CAR protected area system.

While this strategy sets targets and long-term priorities for private land conservation, the Biodiversity Conservation Trust will be responsive to changes in the landscape when designing programs and setting annual priorities. This may include adjusting annual priorities to respond to projected (or actual) rates of clearing in some parts of the State or supporting landholders to adapt to the impacts of climate change.

4.2.3 Role of the Office of Environment and Heritage

The Office of Environment and Heritage supports the Minister to prepare, publish and review this strategy, and supports the Minister for the Environment in the overall administration of the *Biodiversity Conservation Act 2016* and associated regulations. It also provides advice to the Minister about the Biodiversity Conservation Trust Business Plans and Annual Reports.

4.2.4 Role of other agencies and organisations

Other organisations that have existing networks with landholders and communities, particularly in the priority investment areas, have a role in helping and partnering with the Biodiversity Conservation Trust. Local knowledge will help the Biodiversity Conservation Trust deliver the investment in partnership with local communities.

4.3 Review and evaluation

The *Biodiversity Conservation Act 2016* requires the strategy to be reviewed after five years.

It is anticipated that the strategy will be reviewed after three years – given that important new information is expected to be collected once the private land conservation program commences. This could include data about landholders' willingness to participate in the program, clearing rates under a new land management framework, the cost of stewardship payments and offset market activity.

In addition, an independent evaluation of the private land conservation program is a key component of ensuring the efficacy of the strategy and the delivery of outcomes from private land conservation. This evaluation should examine biodiversity outcomes as well as administrative performance. This evaluation will be undertaken in line with the NSW Government Evaluation Framework. Findings from this evaluation will inform future program design and delivery.

The outcomes of a program evaluation, together with any new data and information (including from complementary programs) that becomes available, will support the review and update of this strategy and the delivery of more targeted investment in private land conservation.

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