



**Office of
Environment
& Heritage**

Linking Landscapes Through Local Action Project

**Grant Program for the Establishment and Funding
of Biobank Sites on Public Land**

Information for applicants

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1 Introduction

The Linking Landscapes through Local Action program is a part of the Green Corridors program, a Government-priority action identified in the NSW 2021 Plan to protect and conserve land, biodiversity and native vegetation. The program is funded through the NSW Environmental Trust.

The linking landscapes program has approximately \$9 million of grant funding available for councils and other public land managers in the Sydney Basin who are willing to manage bushland for conservation purposes. The funding is available over three years, with about \$1.1 million available in 2012–13, \$3 million available in 2013–14 and \$5 million in 2014–15. The program will remain open until all funding is committed.

The grant funding is open to all councils and targeted public land managers in the Sydney Basin. The funds will be used to establish biobanking agreements (a type of permanent conservation covenant) on public land. (See Attachment 1 for information about biobanking agreements.) In instances where it proves to be cost effective, funding may also be used to acquire land which would be managed by a public authority as a biobank site.

Under the program, the Office of Environment and Heritage (OEH) will assist councils and other public land managers in establishing biobank sites on their land. OEH staff will prepare a biobanking survey and the subsequent agreement. Once the agreement is signed, OEH deposits the funds into the biobanking trust fund so the land manager receives an ongoing annual payment to manage the site.

The second round of Expressions of Interest (EOIs) for the program is **now open**. The closing date for the second round is **Friday 29 March 2013**

The second round EOIs will be assessed and shortlisted by OEH in April 2013. Land managers that have been shortlisted in the second round will then be asked to submit a more detailed grant application by 24 May 2013 (see Section 5: Grant funding process).

2 Criteria

The EOIs will be considered based on the following criteria:

- the location of the land in relation to areas identified by a public authority as being of environmental significance or investment priority; for example, in local biodiversity strategies, planning instruments or catchment action plans
- the connectivity value or potential connectivity value of the land
- the biodiversity values present or potential
- threats to the land that may increase the priority of the land for conservation management
- the current level of conservation security, with an increased priority given to land with a low level of security
- the current statutory responsibilities for management of the land
- the cost-effectiveness of the investment, taking into account any co-contribution of funds from the landholder (see Section 6: Co-contribution of funds).

The EOI form identifies the preliminary information by which the criteria will be considered. The cost effectiveness of the investment will be further assessed at a later stage in the grant funding process, as indicated in Section 5: Grant funding process.

3 Eligibility

EOIs may be submitted in relation to any land that is within the Sydney Basin Bioregion (refer to the map in Figure 1) that is either:

- public land¹
or
- private land which, if acquired, would be managed by a public authority as a biobank site (refer to Section 5: Grant funding process, for more information).

An EOI may be submitted by a public authority that owns or manages the land or, in the case of acquisitions, proposes to do so.

a) Public land classified as ‘community land’

If the EOI is for land that has been classified as community land under the *Local Government Act 1993* (LG Act), council must be willing to ensure that the necessary requirements of Part 2, Division 2 of the LG Act are satisfied if they are successful in obtaining grant funding.

Under the LG Act, a biobanking agreement could be considered to be an ‘estate’ for the purpose of s46 and s47. As an estate, a biobanking agreement can only be granted for community land if:

- the relevant plan of management expressly authorises biobanking agreements on the land (s46(1)(b))
- the biobanking agreement is for a purpose consistent with the core objectives for the categorisation of the community land as described in sections 36E to 36N (s46(4)) and
- the requirements of s47 in relation to public exhibition and consideration of submissions have been complied with.

b) Crown land

The NSW Department of Primary Industries is currently considering the policy and legal issues relating to biobanking agreements and crown land. Due to the timeframe required to consider these issues, any dedicated or reserved crown land put forward through the EOI process will be held until the issues are satisfactorily resolved.

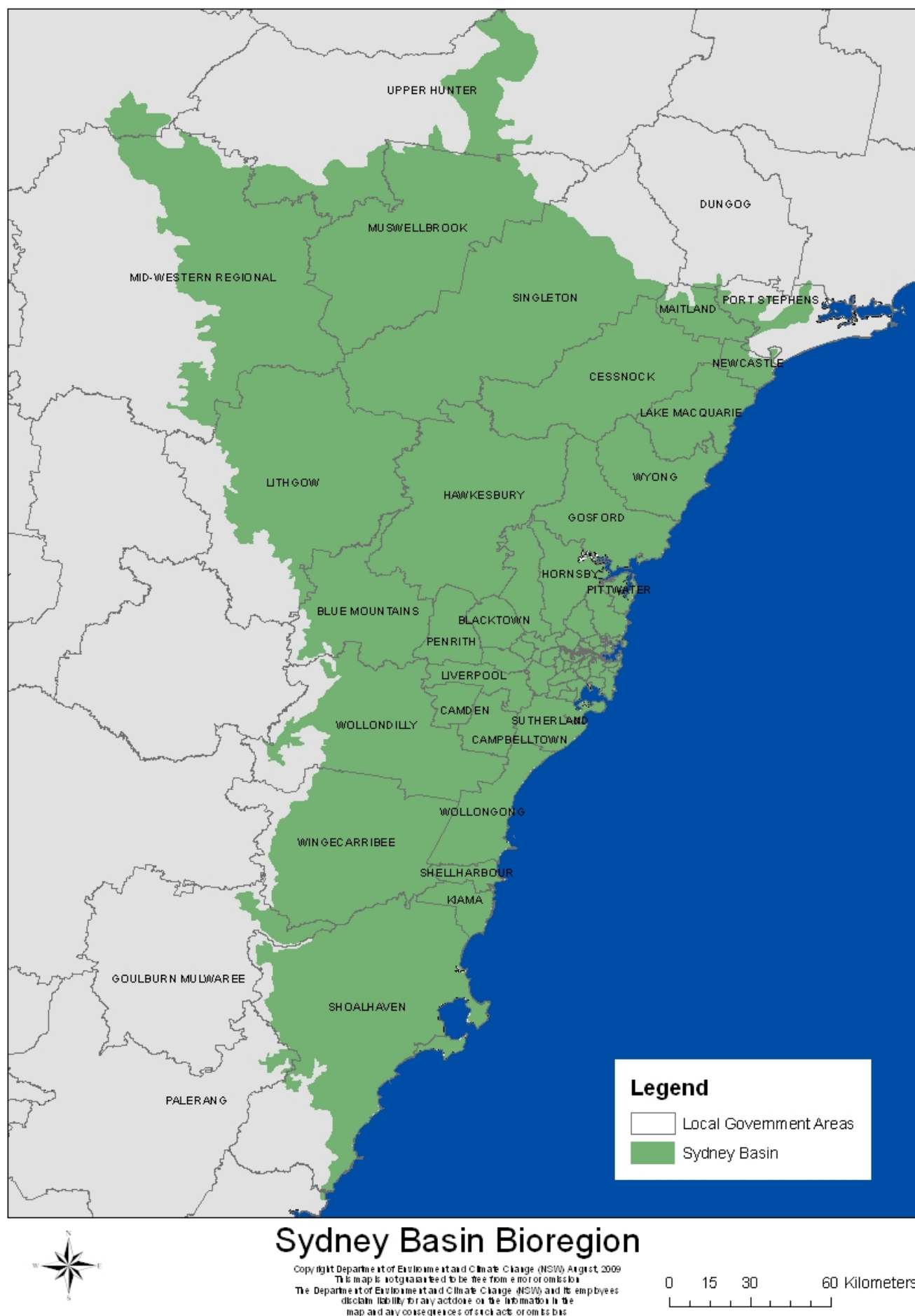
c) Private land and acquisitions

It is recommended that any proposed acquisition be discussed with OEH in the first instance to determine the owner’s interest in selling the land, the market value and the proposed acquisition process. OEH will also need to determine if the sum of funding proposed is feasible and cost effective for the program. The appropriateness of use of funds for this purpose would then be guided by the processes outlined in Section 5: Grant funding process.

Where an application for land purchase is successful, funds will be transferred to the council or authority for it to undertake the acquisition.

¹ ‘Public land’ refers to land owned by any NSW public or local authority constituted by or under an Act, a NSW Government department, a statutory body representing the Crown, or a state-owned corporation. For the purpose of this program, it does not include land reserved, or proposed to be reserved under the *National Parks and Wildlife Act, 1974*.

Figure 1 Sydney Basin Bioregion



4 What is this grant offering?

Successful grant applicants may be entitled to receive some of the following.

- **Funding to acquire land which would be managed by a public authority as a biobank site**
- **Establishment of the biobank site with all establishment costs paid by OEH**
- **Payment of the associated total fund deposit for the biobank site by OEH, taking into account any co-contribution of funds by the landowner**

The total fund deposit represents the estimated present value of all the short-term and long-term costs needed to manage the biodiversity elements of the biobank site in perpetuity. This funding is deposited by OEH into the biobanking trust fund, a fund managed by the NSW Environmental Trust with investments through the NSW Treasury Corporation. For further information on the trust fund see:

www.environment.nsw.gov.au/biobanking/trustfund.htm.

(See Attachment 2 for examples of the total fund deposits provided for a range of biobank sites and the corresponding amounts of the annual management payments.)

- **In-perpetuity annual management payments from the Biobanking Trust Fund**

The annual payments provide funding for the landowner to undertake any management actions required to improve biodiversity values. These may include fencing, signage, bush regeneration, weed control, revegetation, vertebrate pest control, fire management and track maintenance. The cost of these actions is based on quotes from commercial contractors and is indexed annually for inflation. The payment also includes funds to manage the project and undertake the monitoring and reporting required by the biobanking agreement.

Funding is provided each year on the basis that the actions required by the biobanking agreement have been completed for the past year. So long as the management actions are undertaken according to the biobanking agreement, the use of the funding is at the landowner's discretion and OEH does not have a role in determining how the funds are used. Specifically, the bushland would be managed in-perpetuity with an external, predictable source of funding which is at the landowner's control to spend. For any organisations able to reduce their management costs, the funding may provide them with an opportunity for long-term savings.

- **Advice from OEH to assist in initially managing the biobank site**

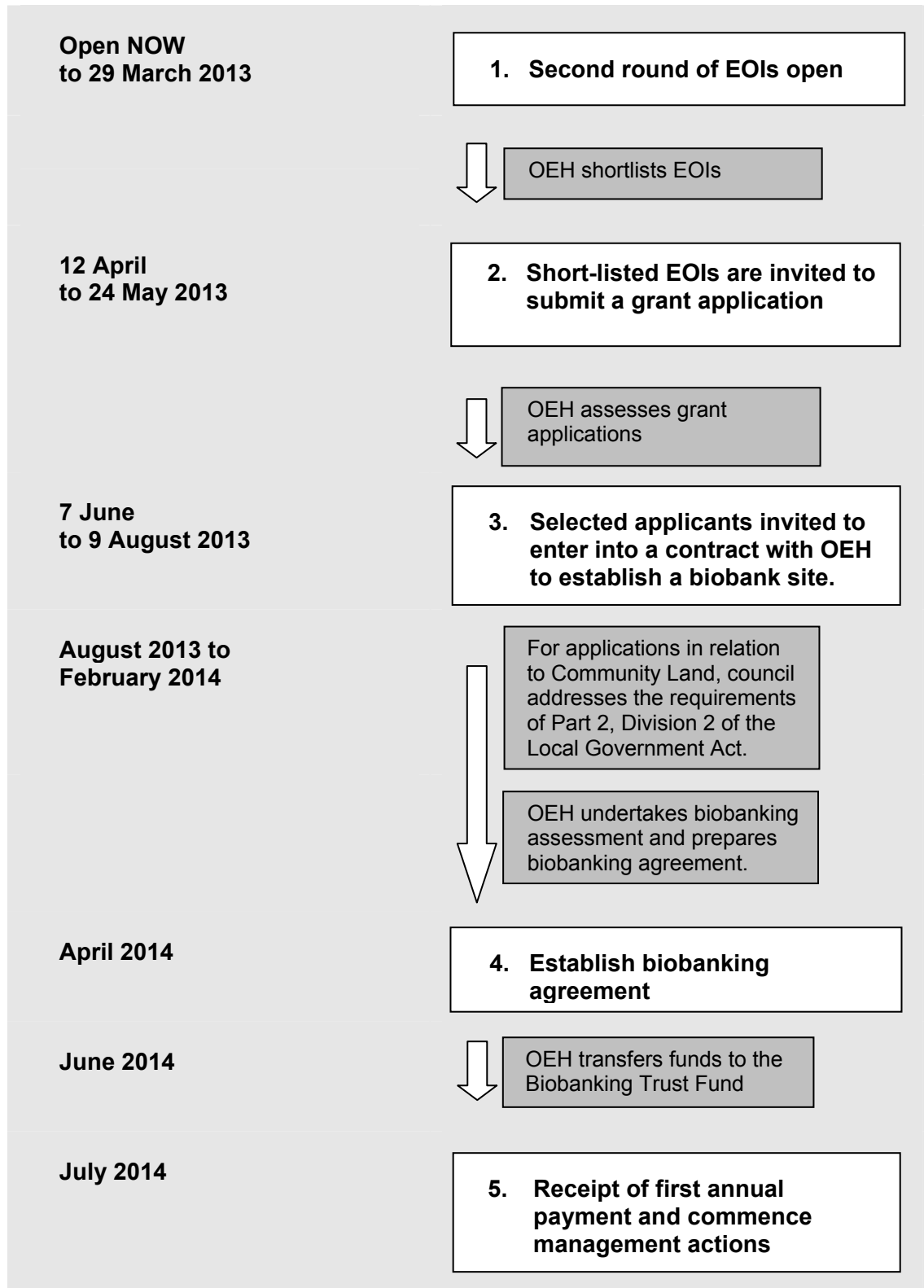
OEH will provide a management implementation guide to help the landowner (and any contracted project manager) understand the actions they need to undertake in the first 36 months following the site's establishment. It will also include quotes from commercial contractors, as a guide to the costs of undertaking management actions at the site.

In some circumstances (particularly with private landholders), an agreed amount is paid to the landowner as an 'opportunity cost' payment. This is for the foregone land-use opportunity and a risk or profit margin for establishing a biobank site. This payment is not available for public land managers through the grant program.

5 Grant funding process

There are five steps for establishing a biobank site under this program.

Figure 2 Steps to establishing a biobank site



Step 1 Submit an EOI

Submit expressions of interest to OEH using the program's EOI form. This is available on OEH's Linking Landscapes through Local Action project web page (www.environment.nsw.gov.au/conservationprograms/linkinglandscapes.htm). Details for submitting an application are provided on the form.

Applications will be considered in three rounds.

- **First Round:** EOIs received by **31 August 2012 (closed)** will be given priority access to funding for 2012/13 and 2013/14.
- **Second Round:** EOIs received by **29 March 2013** will be considered for any remaining funding in 2013/14 and for 2014/15.
- **Third Round:** EOIs received *after* **29 March 2013** will be considered if funding is still available. It would be worthwhile to contact OEH to determine if this is the case prior to submitting an EOI after this date.

Unsuccessful grant applicants unfunded in a previous round will be automatically considered in the next round of funding.

The grant program will remain open until all funding is committed for expenditure. Closure of the program will be notified on the linking landscapes web page.

Step 2 Short-listed EOIs submit a grant application

OEH will assess the EOIs based on a preliminary consideration of the criteria outlined in Section 2: Criteria. The EOIs will be scored against these criteria and the highest scoring EOIs will be shortlisted for further consideration. All applicants will receive acknowledgement of receipt and be advised if they are invited to submit an application or not.

The grant application requires further information to enable the cost effectiveness of establishing the biobank site to be estimated. It requires in-principle support from the Department of Primary Industries if the site is crown land and from any other landowners.

Step 3 Selected applicants enter into a contract

The contract for establishing a biobank site is an agreement between the land manager and OEH that they will proceed to use best endeavours to establish a biobank site on the land.

Establishing a biobank site creates biodiversity credits, each credit being a unit of value that may be traded. As part of the contract, the land manager will be agreeing to transfer all biodiversity credits created on the site to OEH within an agreed timeframe. OEH will agree to purchase all credits for a sum equivalent to the total fund deposit less any co-contribution provided by the landowner.

The commitment by the owner enables OEH to plan its budget for the investment and commit resources to undertaking a biobanking assessment of the site. The biobanking assessment determines the number and type of biodiversity credits that will be generated by the establishment of the biobank site, as well as the required management actions and associated costs.

Step 4 Establishment of a biobank site

OEH staff working on the program will undertake a biobanking assessment and obtain quotes for management actions in order to determine the trust fund deposit. A signed biobanking application is submitted by the landowner, which is then independently reviewed by OEH's biobanking team.

Once the application has been approved, OEH prepares a draft biobanking agreement and returns it to the landowner for review. The agreement will be based on the template provided on the OEH biobanking web page, Information for landowners (see www.environment.nsw.gov.au/biobanking/landowners.htm), with the agreed management actions included.

Step 5 Receipt of first annual payment

It is expected that the successful applicants for the first round of EOIs will receive the first annual payment in **July 2013**. The second round successful applicants will receive the payment in **July 2014**.

Before receiving the payment, the owner is responsible for passively managing the biobank site. This includes retaining native vegetation, fallen timber and bushrocks. The agreed active management actions, such as weed control, will only commence when OEH makes the first payment into the biobanking trust fund.

OEH supports the owner in establishing the biobank site by providing a management implementation guide to assist in understanding the actions required. OEH also provides the quotes obtained for commercial contractors to undertake the actions.

OEH staff are available to provide advice on managing contractors for up to three years following establishment of the biobank site. After this initial three-year period, owners will continue to receive advice through OEH's biobanking support centre.

6 Co-contribution of funds

As part of the EOI, land managers will be invited to co-contribute funds in order to make their bid more competitive for funding.

The level of co-contribution that an organisation makes will be given a weighting during the assessment process. Higher co-contributions will be given a higher priority for funding. Therefore organisations should look at current management costs and consider making the maximum co-contribution possible to increase their competitiveness in bidding for the funds.

Applicants are not required to co-contribute funds; it is recognised that many organisations will have limited resources to make a co-contribution.

For more information

Contact the Linking Landscapes Program Officer in the Biodiversity Survey and Assessment Section.

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Biodiversity Survey and Assessment
Level 6, 43 Bridge Street
Hurstville, NSW 2220

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Attachment 1

Summary points on Biobanking Agreements

- A Biobanking Agreement is an agreement established under Part 7A of the *Threatened Species Conservation Act, 1995*. The agreement is entered into by a landowner and the Minister administering the TSC Act. The agreement is registered on the title of the land and is binding on successive owners of the land.
- A Biobanking Agreement may apply to all or part of a lot, as agreed to by the landowner and the Minister.
- A Biobanking Agreement restricts certain actions or uses on the portion of the land that is subject to the agreement. Activities such as grazing, removing vegetation, collecting firewood or developing the land are restricted by a Biobanking Agreement.
- A Biobanking Agreement requires the landowner to undertake certain management actions that are specified in the agreement. These actions may comprise, for example, weed management, rubbish removal, fencing, feral animal control, fire management and possibly revegetating certain areas. OEH monitors the site to ensure these actions are undertaken.
- The landowner is paid each year from funds deposited in the biobanking trust fund to undertake the prescribed management actions. When the Biobanking Agreement is established, OEH invests funds in the biobanking trust fund to provide ongoing, annual funding to the landowner for managing the land. This annual payment is made after a satisfactory annual report for the preceding year's management actions has been received and reviewed by OEH.
- In summary, the landowner obtains an income source to manage the bushland on the property. A project manager and contractors can be engaged to undertake this work. Alternatively, landowners can manage the land themselves, if they are suitably skilled, and retain the annual payment for their own use. The landowner has an ongoing responsibility to ensure the actions are undertaken and must pass on these responsibilities to the next owner should the land be sold.
- The *Guide to establishing a biobank site* provides additional information on Biobanking Agreements and is available at:
www.environment.nsw.gov.au/biobanking/landowners.htm.
- The legal basis for Biobanking Agreements is provided by the following legislation:
 - Part 7A of the *Threatened Species Conservation Act, 1995*.
www.legislation.nsw.gov.au/maintop/view/inforce/act+101+1995+cd+0+N
 - *Threatened Species Conservation (Biodiversity Banking) Regulation, 2008*
www.legislation.nsw.gov.au/maintop/view/inforce/subordleg+291+2008+cd+0+N

Attachment 2

Example total fund deposits and management payments for existing biobank sites

Location	Area (ha)	General vegetation condition	Total fund deposit	Total fund deposit/ha	Average annual payment Years 1–5	Average annual payment Years 6–10	Average annual payment Years 11 on
Douglas Park	80	Good	\$555,543	\$6,944	\$27,800	\$13,800	\$14,000
Appin	60	Moderate	\$1,029,467	\$17,157	\$68,600	\$36,400	\$27,600
Cobbitty (1)	26	Highly degraded	\$1,589,592	\$61,138	\$95,813	\$88,323	\$48,398
Cobbitty (2)	24	Highly degraded	\$1,450,954	\$60,456	\$125,000	\$46,500	\$32,200

Notes: 1. The above amounts are excluding GST.
2. The amount of the annual payments is indexed annually for inflation.