

# Box Gum Grassy Woodland Project

ENVIRONMENTAL STEWARDSHIP











## Foreword

Thank you for your interest in the Caring for our Country Environmental Stewardship Box Gum Grassy Woodland Project.

Environmental Stewardship assists private land managers to maintain and improve the condition and extent of environmental assets of high public value on, or impacted by activities on, their land. For the purposes of Environmental Stewardship, these environmental assets are limited to matters of National Environmental Significance identified under the *Environment Protection and Biodiversity Conservation Act 1999.* 

The first environmental asset to be targeted under Environmental Stewardship is the critically endangered white box, yellow box and Blakely's red gum grassy woodland and derived native grassland ecological community (known as box gum grassy woodland). Prior to European settlement box gum grassy woodland was extensively distributed on the better quality soils of the wheat-sheep belt from southern Queensland to central Victoria. Today less than 4% of the woodland remains, much of which is highly fragmented and only a small proportion is in good ecological condition.

The box gum grassy woodland ecological community, while critically endangered in its own right, is also home to nineteen native species which are also nationally endangered. These comprise ten plants, four birds, two reptiles, two insects and one mammal. It is therefore important that the remaining stands of box gum grassy woodland are actively managed to build up their ecological condition and extent over time, because by doing so you can also contribute to the ongoing conservation of the species that rely on these woodlands for food and shelter.

The Box Gum Grassy Woodland Project provides eligible land managers with the opportunity to competitively bid for Australian Government assistance. Successful bidders can receive assistance for up to fifteen years to actively manage and conserve box gum grassy woodland on their land. Participation in the Project is entirely voluntary.

This booklet has been prepared to assist you and other land managers to better understand the eligibility criteria for participation, what constitutes box gum grassy woodland, the range of management actions for maintaining or improving its condition and the processes involved from nomination for the Project to completion.

We trust that you will find this booklet useful, and hope that after considering the information provided, you will be motivated to participate in the Project. 129 land managers in New South Wales and Queensland have already signed up to protect box gum grassy woodland on their land. These early participants have established a new, economic, environmental enterprise, one that might be considered a form of conservation farming that will complement their traditional farming enterprise. I encourage you to consider this Project as part of your long-term business plan for your enterprise.

Hart

**Charlie Zammit** Assistant Secretary Biodiversity Conservation Branch



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# 1 Environmental Stewardship Box Gum Grassy Woodland Project

# What is the Box Gum Grassy Woodland Project?

The Box Gum Grassy Woodland Project is funded under the Australian Government's Caring for our Country – Environmental Stewardship.

The objective of Environmental Stewardship is to maintain and improve the condition of environmental assets of high public value on private land, or impacted by activities on private land. The "environmental assets of high public value" are limited to matters of National Environmental Significance (NES) under the *Environment Protection and Biodiversity Conservation Act 1999*.

The box gum grassy woodland ecological community is the first matter of NES to be targeted under Environmental Stewardship.

The Project is delivered through a marketbased process and participating land managers will bid competitively with other participating land managers to have their box gum grassy woodland site funded. **Not all bids submitted through this competitive process will be successful**.

Successful land managers can enter into financial contracts with the Government from 10 to 15 years, depending upon the condition of their woodland. This means you could receive an annual payment to look after and improve the quality and extent of patches of at least 10 hectares of box gum grassy woodland on your land for this period. Participation is entirely voluntary and land managers can withdraw from the Project of their own volition up until contracts are in place.

#### How can I get involved?

- If, after attending a local woodland walk or seminar and/or having read this booklet, you consider that you meet the eligibility criteria (see Chapter 2), have box gum grassy woodland on your property (see Chapter 4) and you are prepared to undertake the management actions necessary to maintain or improve its condition (See Chapter 6), fill out the Request for Site Assessment Form accompanying this booklet and submit it to the address identified on the form by the due date which will be advised.
- 2. A field officer employed by your local Catchment Management Authority will consider the information you provide and will contact you either to arrange a site inspection (see Chapter 8) or to discuss your site in more detail.
- 3. If the field officer determines from the information you provide that your site is likely to have box gum grassy woodland, he/she will attend your property and undertake an assessment of your patch. The field officer will record the environmental significance of your site, the management you are prepared to undertake, the duration of contract, and any covenant (see Chapter 12) that you are prepared to



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offer. This information will be entered into a decision support tool called the "Conservation Value Measure" (see Chapter 7) and a Conservation Value Score will be calculated for your patch/es. This calculation is done back in the office.

- 4. The field officer after calculating the Conservation Value Score for your site will pre-fill a bid template with your personal details and site score and provide it to you for you to insert your bid price (see Chapter 9). It is anticipated that you will have the opportunity to attend a workshop which will provide more information on the bidding and evaluation process.
- 5. Completed bids must be posted prior to the nominated date for closure of applications. Bids will be assessed by an evaluation panel (see Chapter 10) and recommendations made to Ministers. Successful projects are those that receive Ministerial approval.

- 6. Successful bidders will be contracted by the Australian Government to actively manage their box gum grassy woodland to maintain or improve its condition. They will be required to undertake simple annual monitoring of their site and to provide an annual report on their activities (see Chapter 11).
- 7. Ongoing support for successful land managers is being negotiated with the Catchment Management Authorities involved in the Project.
- 8. Payments made to successful land managers under the Box Gum Grassy Woodland Project are subject to income tax (see Chapter 13).



Box Gum (Source: Alexandra Steven)



# 2 Who is eligible to participate in the Box Gum Grassy Woodland Project?

The following criteria must be met in order to be eligible to participate in the Box Gum Grassy Woodland Project:

- a) Box gum grassy woodland or derived native grassland nominated for inclusion in the Project must be:
  - i the correct ecological community ie white box (Eucalyptus albens), yellow box (Eucalyptus melliodora) or Blakely's red gum (Eucalyptus blakelyi) grassy woodland or derived native grassland as defined under the Environment Protection and Biodiversity Conservation Act 1999;
  - ii a unified patch of 10 hectares or greater in area. More than one unified patch may be nominated on a single property but each patch must be 10 hectares or greater in area.
  - iii recognised as States 1,2 or 3 under the box gum grassy woodland State and Transition model (see Chapter 4).
- b) The property on which the box gum grassy woodland is located is within the boundary of the target NRM regions (Lachlan, Murrumbidgee and Central West Catchment Management Authority regions).

- c) The box gum grassy woodland must be **on private land**, either leasehold or freehold.
- d) The box gum grassy woodland patch is not currently receiving financial assistance for native vegetation management from any other program.
- e) The land manager must agree to provide management services that meet the objectives of the Project. Only those management services which are beyond the land manager's regulatory obligations will be paid for under Environmental Stewardship.
- f) The nominated patch/patches must not have any combination of the following weed species in total over more than 10% of the total patch area:
  - African love grass
  - Chilean needle grass
  - Coolatai grass
  - serrated tussock
  - cane needle grass



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# 3 Who can enter into a contract?

The Commonwealth can only enter into a contract with a recognised legal entity such as an individual or a company. It can also enter into a contract with an individual or company acting as a trustee, or individuals who have formed a partnership. If you have established a number of legal entities to manage your affairs, you should consider which of those entities is appropriate for your situation before filling in the Request for Site Assessment Form.

If you do not own the land involved in the Box Gum Grassy Woodland Project you will need to obtain the landowner's written consent for you to participate in the project. Leaseholders will likewise require the authority of the owners of the land.

You should ensure that you provide the correct ABN for the contracting legal entity. If you provide an incorrect ABN, we will be required to withhold payments.

You are encouraged to check your ABN registration details at

#### http://www.abr.business.gov.au/ (4lsl4xaypnbkxq55mzauyg55)/ main.aspx

and/or talk to your financial adviser if unsure.





# Identifying box gum grassy woodland and/or derived native grassland

# Features of box gum grassy woodland

The box gum grassy woodland and derived native grassland ecological community is extensively distributed from Southern Queensland to Central Victoria throughout what is commonly known as the wheat-sheep belt. Box gum grassy woodland is characterised by a species-rich understorey of native tussock grasses, herbs and scattered shrubs, and the dominance, or prior dominance, of white box, yellow box or Blakely's red gum trees.



#### Figure 1: Map of distribution of box gum grassy woodland





The community exists in two forms:

a) with tree cover, i.e. woodland



▲ White box woodland, Yass, NSW (Photo: Graham Hodge)

and,

b) without tree cover, ie derived grassland.



▲ Derived grassland, Winton, NSW (Photo: Graham Hodge)



#### a) Woodland

#### Overstorey

"Overstorey" means the trees which form the canopy, or top layer, of the woodland.

Box gum grassy woodland as it exists in areas **outside the Nandewar Bioregion** (ie in the Murray, Murrumbidgee, Lachlan, Central West and all coastal Catchment Management Authority regions in New South Wales) has white box, yellow box and/or or Blakely's red gum as the dominant eucalypt species. In other words, if you were to count the trees in the woodland there would be as many, or more, of one or more of these species than any other species. These eucalypt species may dominate as individual species, such as the white box woodland depicted on the previous page and below, or they may co-exist, for example as yellow box and Blakely's red gum woodland.

#### Within the Nandewar Bioregion

(see map), western grey box or coastal grey box may also be dominant or co-dominant species.

Other species of native trees may be found within this ecological community including red box (*E. polyanthemos*), apple box (*E. bridgesiana*), western grey box (*E. microcarpa* – South of the Nandewar region), fuzzy box (*E. conica*), white cypress pine (*Callitris glaucophylla*) and kurrajong (*Brachychiton populneus*).



▲ White box grassy woodland (Tamworth – Manilla Road, NSW) (Photo: Graham Hodge)



#### Figure 2: Map of Nandewar Bioregion



As can be seen from the map, the Nandewar Bioregion relates only to land managers in the Namoi and Border Rivers Gwydir Catchment Management Authority regions in New South Wales and the Border Rivers-Maranoa-Balonne and Condamine NRM regions in Queensland.



#### Understorey

Box gum grassy woodland mostly **has a grassy ground layer** with few or no shrubs. The grasses are mostly perennial tussocks which are often green throughout summer, especially after rain. There may be many species of grass with species like kangaroo grass, red-leg grass, wallaby grass, weeping grass and spear grass often dominant.





▲ Wallaby grass (Photo: Paul Ryan)



The following photograph of the Winton cemetery near Tamworth shows a good example of white box grassy woodland. Note how the tussocks are widely spaced allowing other smaller herbs and forbs to survive and prosper.



▲ White box woodland, Winton cemetery, NSW (Photo: Paul Ryan)



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▲ Example of a woodland that is not a box gum grassy woodland, Wee Jasper, NSW (Photo: Graham Hodge)

The understorey is important in determining whether woodland is box gum grassy woodland. There is often a change in understorey as one moves higher in the landscape and soils become shallower and rockier. Although there may still be evidence of white box, yellow box or Blakely's red gum in the overstorey, if the understorey is not tussock, but more shrub then it is unlikely to be box gum grassy woodland. The photograph above depicts a woodland that is not box gum grassy woodland.



#### b) Derived Grassland

Derived grassland is remnant grassland that originally would have had a cover of the dominant box gum grassy woodland tree species and a species rich understorey of native grasses, herbs and forbs. In some cases most or all of the trees have been removed, but the intact grass sward still remains. These areas are known as derived grassland and are still valued as habitat. Amongst the grass tussocks many wildflowers may be found providing a very colourful display in spring. Some of the more common wildflowers include lilies, orchids, daisies and native peas.



▲ Pelisser's toadflax (Photo: Graham Hodge)



▲ **Tiger orchid** (Photo: Graham Hodge)



▲ Derived grassland, Mulligan's Flat ACT (Photo: Graham Hodge)



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▲ Chocolate lily (Photo: Graham Hodge)



▲ Native pea (Photo: Graham Hodge)



▲ Yellow rush lily (Photo: Matt White)



▲ Blue bell (Photo: Matt White)



▲ Sticky everlasting daisy (Photo: Matt White)





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▲ Pink tongues (Photo: Paul Ryan)



#### **Characteristics of dominant** eucalypt species

#### a) White box (Eucalyptus albens)

These trees have pale grey/white box-like bark, with broad spear-like, blue-grey leaves and pale yellow wood. This species looks similar to Western grey box except the buds and fruit are larger and often whitewaxy (the leaves of grey box are narrower and olive-green).

- White box has finer bark than grey box, more 'paper-like' in texture.
- White box does not take the mallee form in having multiple trunks.
- White box is also distinct from grey box • in having broad juvenile leaves.





▲ White Box identifying characteristics Fruit (© CPBR)





▲ White Box identifying characteristics Leaf (© CPBR)



▲ White Box form (Photo courtesy of Peter Merritt)





#### b) Yellow box (Eucalyptus melliodora)

These trees have a spreading dense crown of fine grey-green foliage. The bark can vary from fibrous-flaky fawn to coarse dark brown. The bark is deciduous, peeling in late summer to reveal a smooth white underbark. Some trees can retain this smooth-barked character. Yellow box trees can range from 10 metres to 30 metres in height. They grow best on well-drained, acidic soils.



▲ Yellow Box Form (© CPBR)



▲ Yellow Box identifying characteristics Leaf (© CPBR)



▲ Yellow Box identifying characteristics Bud (© CPBR)



▲ Yellow Box Form (© CPBR)





Box Fruit (© CPBR)



#### c) Blakely's red gum (Eucalyptus blakelyi)

Blakely's red gum has mottled smooth bark, which is pale grey, cream and white with patches of yellow, pink, brown or orange. The leaves are dull, green-grey.



▲ Blakely's Red Gum identifying characteristics Form (© CPBR)





▲ Blakely's Red Gum identifying characteristics Bud (© CPBR)



▲ Blakely's Red Gum identifying characteristics Fruit (© CPBR)



▲ Blakely's Red Gum identifying characteristics Bark (© CPBR)





#### d) Western grey box (Eucalyptus microcarpa)

Western grey box trees have grey bark, persistent all over the trunk. Branches are smooth and leaves are dull green, with small buds and flowers.







▲ Western Grey Box identifying characteristics Bark (© CPBR)



▲ Western Grey Box identifying characteristics Bud (© CPBR)





▲ Western Grey Box identifying characteristics Fruit (© CPBR)



#### e) Coastal grey box (Eucalyptus molucanna)

These trees have persistent box bark on the lower half of their trunk and smooth bark elsewhere. Their leaves are glossy green with small buds and flowers.



▲ Coastal Grey Box Form (© CPBR)



▲ Coastal Grey Box characteristics Leaf & Bark (© CPBR)



▲ Coastal Grey Box Form (© CPBR)



▲ Coastal Grey Box characteristics Bud & Fruit (© CPBR)





# Where is box gum woodland mainly found on rural land?

Box gum grassy woodland on private land is now most often found in the "rough" or "unimproved" parts of properties as illustrated by the photographs on this page. Woodland on productive land is more likely to be degraded.





# What is not box gum grassy woodland?

Box gum grassy woodland does not occur in:

**Floodplains** – Low lying areas along major waterways that are subject to periods of flooding and are usually dominated by river red gum trees, reeds and rushes.

**Foothill forests** – These forests and woodlands usually occur on higher slopes, with shallow soils. Shrubs and trees including red stringybark tend to be more common in these areas, with a less well defined native grass layer than box gum grassy woodlands.

#### Weeds to Watch out for

**Perennial grassy weeds** – Some weed species e.g. Chilean needle grass, serrated tussock, Coolatai grass and African lovegrass might be confused with native species and should be controlled wherever found. For information on these and other weed species please contact your appropriate weed authority.



▲ Coolatai grass Photo: Paul Ryan



▲ African love grass Photo: Graham Hodge



# 5 Box gum grassy woodland State and Transition Model

In its natural, pre-European state, the box gum grassy woodland ecological community thrived in soils with low phosphorus and low nitrate levels. The community was most likely lightly grazed by soft footed native marsupials and soil disturbance was low.

The introduction of hard-hooved grazing animals led to greater soil disturbance and higher grazing pressure, which was significantly worsened by the introduction of rabbits and pigs. Sheep and cattle added nutrients to the soil and over time these changes created an environment that was more suited to introduced plant species that gradually displaced the original community.

The introduction of fertiliser to improve pastures changed the nutrient levels in the soil. Associated increases in stocking rates and related grazing pressure further favoured some plant species over others. The subsequent introduction of cultivation and the introduction of exotic pasture species, such as phalaris, further changed the soil conditions and ecosystem in which the box gum grassy woodland community exists.

Over the long time period in which these management changes took place, there was a gradual "transition" of the vegetation from its original native state to an altered "state" that changed the overall condition of the natural ecosystem.

With the aim of restoring the box gum grassy woodland ecological community, the Australian Government wishes to assist farmers to reverse the processes that led to its degradation in the first instance thereby improving its condition and where feasible its extent, over time.

#### What is the box gum grassy woodland State and Transition Model?

The box gum grassy woodland State and Transition Model has been developed by expert ecologists to show how the ecological community changes from one State or condition to another in response to land-use change. The model is used in the Conservation Value Measure (see Chapter 7) and provides a practical scientific framework for deciding on the current State of a patch of Box Gum Grassy Woodland and what management changes are likely to be required to assist that patch to transition to an improved State. The model has five "States" as shown in Figure 3 over the page. Arrows that lead from a less-modified to a more-modified State (e.g. S1-S2) indicate the management inputs or disturbances that may cause a site to 'transition' to another 'state'. The thicker arrows represent the harder transitions. The circular arrows indicate management inputs or disturbances that will maintain a site within a particular State.



The model shows that grazing and nutrients have a significant role in moving the box gum grassy woodland ecological community from State 1 to State 3.

#### Figure 3: Box gum grassy woodland State and Transition Model







#### How does the box gum grassy woodland State and Transition Model affect me?

The Box Gum Grassy Woodland Project will target only those patches of woodland that currently exist as States 1, 2 and 3, as these have the best chance of being restored to a higher State over the fifteen year period for which stewardship payments are available. If you wish to participate in the Project, you will be asked by a field officer to explain the management history and current uses of the patch you wish to conserve eg the fertiliser history of the patch, current stocking rates. This will help the field officer to decide which of the States in the model best describes your patch.

#### Figure 4: Possible transitions between States\*.

FROM: TO:	STATE 1. GRASSY WOODLAND	STATE 2. NATIVE PASTURE	STATE 3. FERTILISED PASTURE	STATE 4. CROPPED AND SOWN	STATE 5. REPLANTED SITES
GRASSY WOODLAND	High	Medium	Medium Low	Very Low	Very Low
NATIVE PASTURE		High	Medium	Very Low	Very Low
FERTILISED PASTURE					
CROPPED AND SOWN					
REPLANTED SITES					

\*The general feasibility of desirable transitions from the States in each column to the State in the corresponding row. Hatched shading represents non desirable transitions; grey shading represents infeasible transitions for the program.



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Likely appearance of State 2 patch (Photo: Ian Davidson)



▲ Degraded State 2 patch (Photo: Reiner Rehwinkel)



▲ Likely appearance of a State 3 patch (Photo: Ian Davidson)



▲ Possible appearance of State 4 patch - pasture has been improved with ryegrass and phalaris (Photo: Graham Hodge)



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# 6 Managing box gum grassy woodland for conservation outcomes

In return for its investment through the Box Gum Grassy Woodland Project, the Australian Government is expecting land managers who are successful bidders under the Project to actively manage their contracted box gum grassy woodland patches to maintain or improve condition and/or increase extent over the contract period.

Active management means undertaking all works required under the contract with the Australian Government, monitoring the contracted areas, observing changes in the condition of the ecological community arising from management and modifying management where necessary and feasible. We encourage land managers to experiment with new approaches to woodland management and restoration, and to consult with professional experts. Your Catchment Management Authority can advise you.

This kind of conservation farming will require new knowledge and skills and for some even a change in mindset as the woodland would no longer be viewed just as a production resource but also as a biodiversity resource to be managed accordingly. The Australian Government will pay land managers, for up to fifteen years, for capital and labour costs and current production income foregone as a result of managing their woodland for biodiversity outcomes, so long as these costs are reasonable and active management is beyond the land manager's normal regulatory responsibilities.

The current condition of the woodland or derived grassland will have a large bearing on the extent of change that is achievable within the contract period and the amount of management that will need to be undertaken. State 3 patches, or patches with State 3 zones, will be offered only fifteen year contracts.

There are a number of required management actions that land managers who sign a contract with the Australian Government will need to undertake on their patch/es to conserve their box gum grassy woodland. These are:

- a) retain all standing trees (dead or alive)
- b) retain all bush rocks
- c) strategic livestock grazing (or no grazing in some situations)
- d) monitoring and managing total grazing pressure
- e) monitoring and managing exotic plants
- f) monitoring and managing regeneration
- g) no fertiliser application
- h) no cultivation



Land managers are encouraged to undertake additional optional management actions from the following list, where these actions will further improve the condition of their patch/es:

- i. retaining or adding fallen timber (please note, this is a required action for land managers seeking to covenant their patch/es). Fallen timber is an important habitat for many animal species and woody debris also provides opportunities for native grasses and forbs to establish.
- ii. controlling the perennial grass biomass to encourage forbs and herbs. These grasses can easily out-compete smaller native plants, so management to reduce cover/biomass can release other species from the soil seed bank.
- iii. nutrient management over and above that obtained by restricting stock access and eliminating fertiliser. Native woodland species have evolved in a low nutrient environment over millions of years. Additional nitrogen and phosphorus favour pasture and weedy species that out compete natives. Scientists are developing ways to reduce the nitrogen levels in the soil to allow native grassland species to return.
- iv. ecological thinning. In some patches, woodland species may have established at high densities and as a result may be preventing other grassy woodland species establishing. Careful thinning of such patches, when followed by regular stock and weed control, can improve the overall condition of these patches.

v. Environmental re-vegetation. In some patches it may be worthwhile considering re-vegetating small areas by active re-planting of native species using tube-stock or direct seeding. The science of vegetation restoration has improved greatly over the past decade, and Australia is among the world leaders. Successfully re-vegetating an area requires careful planning and preparation, a willingness to put effort in over years and a spirit of adventure. Re-creating natural environments can be time consuming and sometimes frustrating, however, the returns are rewarding. We encourage land managers who are curious to start small and to build up over time as progress is made.

Field officers will be able to advise which of the optional management actions will contribute to the conservation of your site.



▲ Fallen timber provides important habitant for native animals such as the echidna (Photo: Graham Hodge)





#### **Required Management Actions**

#### a) Retain standing timber

#### What is the conservation outcome sought?

To provide nesting and feeding sites for birds and tree-dwelling mammals, insects, frogs and reptiles which inhabit box gum grassy woodland, to enhance water infiltration, stabilize soil and assist nutrient cycling.

Both living and dead standing trees are important components of the woodland and should be retained. Standing dead timber is most often comprised of mature trees which provide ideal nesting sites for birds, mammals and reptiles in their well developed hollows.

Mature living eucalypts with hollows also provide nesting and feeding sites for a range of birds, reptiles and mammals.

Research suggests that in south east Australia some 17% of bird species, 42% of mammals and 28% of reptiles including bats, possums, gliders, owls, parrots, antechinus, ducks, rosellas and kingfishers as well as numerous species of snakes, frogs and skinks live in these trees.



▲ Crimson Rosella (Photo: Andrew Tatnell)

#### Things to consider when preparing a bid

If you currently use the standing timber on your box gum grassy woodland site for firewood (commercial or domestic), or for fence posts, you will **no longer** be able to if you enter into a Environmental Stewardship Agreement.

When costing your bid you should consider the costs that these restrictions will impose on your farm business, either in terms of income foregone (commercial firewood sales) or additional costs ( eg buying strainers, buying firewood).





▲ Retain living and dead standing trees (Photo: Graham Hodge)



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#### b) Retain all bush rocks

#### What is the conservation outcome sought?

Rocks and rocky outcrops provide important habitat for native wildlife including reptiles, invertebrates, amphibians, small mammals (even bats), and ground-foraging birds. Rocks also commonly provide excellent habitat for mosses and lichens and a number of smaller native plants, particularly in areas where grazing occurs.



▲ Rocky outcrops provide important habitat (Photo: Adam Muyt)

#### Things to consider when preparing a bid

If you currently have permission to sell bush rock from your box gum grassy woodland site, you will **not** be able to if you enter into an Environmental Stewardship Agreement.

You should therefore consider when costing your bid, the costs that these restrictions will impose on your farm business in terms of income foregone.





▲ Rocks can provide habitat for reptiles (Photo: Natalie Hodge)



▲ Rocky outcrops, tree hollows and fallen logs are important habitat (Photo: Ian Davidson)





#### c) Strategic livestock grazing (or no grazing)

# What are the conservation outcomes sought?

The primary outcomes sought from strategic grazing are:

- a) to reduce the ability of exotic annual plant species within the box gum grassy woodland to set seed, while at the same time facilitating seed set by native perennials
- b) to reduce soil disturbance and compaction caused by hard-hooved domestic livestock
- c) to reduce selective grazing of palatable native perennial plants
- d) to reduce nutrient input through animal excrement
- e) to reduce biomass
- f) to promote regeneration of native plants.

Land managers will be required to adopt grazing management practices that favour the regeneration of native plants and maximise the quality of habitat available.

Excluding grazing has the advantage of allowing native plants to flower and set seed, and it also allows tree regeneration to occur more readily, reduces nutrient inputs from grazing stock, and minimises physical soil disturbances and compaction of soil. Please note, if your patch of box gum grassy woodland is categorised as being State 1 under the box gum grassy woodland State and Transition Model (see Chapter 5) you will not be able to graze the patch.

Strategic grazing involves a commitment to graze at a stocking rate, duration, timing and frequency that enhances the ecological condition of the woodland. For example, short periods of grazing in late summer-autumn, after native plants have flowered and set seed, minimises impacts on these plants and increases the likelihood of spread. Similarly, strategic grazing may be timed to target exotic weed species before they set seed, thereby reducing the threat of competition they may pose to native plants. Strategic grazing may also be used to reduce the density of native grasses (biomass) where necessary to enable smaller herbs and forbs to flourish.

Where strategic grazing is practiced, land managers should ensure stock have the opportunity to pass ingested pasture seeds before being introduced to the woodland patch.



Fencing material can be an important cost to be considered in the context of strategic grazing and managing total grazing pressure. (Photo: Graham Hodge)



#### Things to consider when preparing a bid

In order to manage grazing on your patch you will need a means of controlling access by livestock. This will most likely take the form of a fence.

If there is a watering point within the patch of woodland you are seeking to conserve that currently services a larger paddock, you will need to establish an alternative watering point that will enable stock access from outside of the patch.

The cost of these capital works, as well as the income you may need to forego as a result of changing the grazing regime for your woodland patch (strategic grazing for limited periods, or at reduced stocking rates) should be considered when costing your bid.

In considering fencing costs, you may wish to compare the cost of fencing the patch boundary, which may involve some unusual lines and hence additional materials, with the opportunity cost of fencing off a more conventional "square" boundary around the patch and foregoing the grazing within this area. If the latter option is chosen, by carefully placing the "square" boundary around the woodland or derived grassland patch it may be feasible to encourage natural re-generation on the edge of the patch and increase the overall patch size over time. Please discuss this option with a field officer if you are interested.

### d) Monitoring and managing total grazing pressure

Total grazing pressure is a term describing the overall impact of grazing by all domestic stock, introduced pest animals and native fauna on an area of vegetation.

## What are the conservation outcomes sought?

By requiring land managers to monitor and manage total grazing pressure, the Australian Government seeks to ensure that the vegetation structure and ecological quality of a patch of box gum grassy woodland is not degraded due to this combined pressure.

If not suitably monitored and managed, large mobs of kangaroos can seriously overgraze woodland sites, with similar detrimental effects to those domestic livestock have on native plant species. Hares can have a serious impact on the regeneration of native trees and shrubs, while rabbits negatively impact the woodland through both their grazing and burrowing habits.

In order to manage threats, land managers are required to commit to controlling grazing pressure from introduced pest animals such as rabbits, hares, goats and deer, and by native herbivores such as kangaroos.

**Please note:** any activities to control pest animals should be undertaken humanely and in accordance with State laws.


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▲ Large mobs of kangaroos can seriously damage understorey species (Photo: Graham Hodge)



▲ Fencing to deter kangaroos has been erected at Mulligan's Flat ACT and has been effective in assisting regeneration of native pasture species, particularly Kangaroo Grass, in the paddock on the left of the fence. Kangaroos are not controlled in the paddock on the right. The fence-line comparison is instructive. (Photo: Graham Hodge)



#### Things to consider when preparing a bid

To manage the total grazing pressure on your patch you will need to consider if fencing is required to manage these threats. Rabbit proof netting should be considered where rabbits and hares are a threat, while a 3 plain wire extension to a normal fence, as illustrated above, could be considered where kangaroos are a serious threat.

If you currently have a watering point within the patch of woodland you are seeking to conserve, decommissioning the existing site and establishing an alternative watering point to reduce the opportunity for watering within the patch may help to reduce threats from these pest animals. Your field officer will be able to advise if these actions are necessary or appropriate.

The cost of these capital works and any additional control measures such as baits, traps, may be considered when costing your bid.

### e) Monitoring and managing exotic plants

Exotic plants can be both introduced plant species and/or native plant species growing outside of their normal habitat.

### What are the conservation outcomes sought?

By requiring land managers to control exotic plants, the Australian Government seeks to give the native perennial plant species that originally characterised the box gum grassy woodland a better chance of germination and survival. Your field officer will give you specific advice on managing weeds to improve your patch.

Exotic weed control alone may not achieve this outcome, but when coupled with other actions discussed in this chapter, including nutrient management and the re-introduction of native seeds and plants where necessary, recovery over time can be achieved. Current NSW legislation requires that managing certain "noxious" weeds is the responsibility of the landholder. Funding available under the Box Gum Grassy Woodland Project will therefore only assist with weed control over and above current statutory requirements unless the weeds are recognised as Weeds of National Significance (WONS). In this case their management may be fully priced within a land manager's bid.







The following weeds, sometimes found in box gum grassy woodland, are WONS:

#### Blackberry



▲ Blackberry (Photo: Graham Hodge)

#### Chilean Needle Grass



▲ Chilean Needle Grass (Photo: Leanna Moerkerken)

#### Serrated Tussock



▲ Serrated tussock (Photo: Graham Hodge)

Where a box gum grassy woodland site is severely infested with either Chilean needle grass or serrated tussock, or a combination of these and/or other weeds nominated in chapter 2, it is unlikely that it will be able to be effectively restored over a fifteen year period. Accordingly, patches with more than 10% of their total area infested by one or more of these weeds are not eligible to participate in the Box Gum Grassy Woodland Project.

However, for a patch infested with Chilean needle grass and/or serrated tussock up to 10% of the total area, a land manager may price the cost of managing these WONS species in their bid.

A full list of WONS can be found at:

#### www.weeds.gov.au/weeds/lists/ wons.html

It should be noted that in managing the box gum grassy woodland patch for biodiversity outcomes, it is not only WONS or noxious weeds that should be managed. The original box gum grassy woodland understorey comprised only native species, mostly perennials, and achieving a "natural state" is the ultimate objective in restoring the woodland. However, as previously indicated, the current condition of a patch will determine the extent of the restoration that will be possible over the maximum life of a contract.



Land managers should consider the following weed control measures:

- managing any weed 'flush' responses when grazing pressure is removed from a site through stock exclusion
- where possible, managing adjacent weed sources such as adjoining paddocks that may threaten the native vegetation in the patch
- controlling emerging weed infestations before they have the chance to establish, which may involve managing any mitigating factors such as controlling nutrient-rich runoff onto the site
- controlling existing WONS and noxious weeds within the patch.

#### Things to consider when preparing a bid

In managing weeds within the patch, outside of your responsibilities under State or local government regulations, you will need to consider the cost of any chemical measures including application costs, bearing in mind that weed control activity should minimise the potential detrimental impact on existing native species. As mentioned above, weed control on adjoining land may also need to be factored into the costing of a bid to avoid recontamination of the site with weed seeds from adjoining land. The cost of your time is something else you may wish to consider.



▲ St John's Wort (Photo: Adam Muyt)





## f) Monitoring and managing regeneration

#### What is the conservation outcome sought?

Healthy box gum grassy woodland comprises both mature and immature examples of the dominant eucalypt species and hence it is important that management of the patch facilitates natural regeneration.

Young trees provide a number of important ecological functions in box gum grassy woodland including providing structural diversity, cover and shelter for woodland birds and other animals, increasing the available foraging potential and maintenance of the woodland overstorey in the long term.

In woodland under significant grazing pressure, regeneration of trees and shrubs is often sparse or non-existent as they are very susceptible to grazing when young.



▲ Regenerating woodland (Photo: Graham Hodge)

Removal of grazing pressure alone may result in extensive regeneration of trees and shrubs. However, in some patches additional measures such as control of exotic species in the understorey may be required to encourage regeneration.

If a remnant tree exists in isolation within a patch (i.e. paddock tree), particularly in a derived grassland, land managers may consider fencing an area around the tree to encourage natural regeneration. In general an area at least twice the canopy cover (diameter) is considered sufficient to allow local seedling establishment.



 Regenerating Blakely's red gum after grazing controlled (Photo: Karen Lummis)





▲ Regeneration around isolated yellow box once grazing is excluded (Photo: Graham Hodge)

#### Things to consider when preparing a bid

Many of the actions that may be required to enhance natural regeneration have been discussed in the context of other management actions such as strategic grazing, managing total grazing pressure, weed management and hence do not need to be considered separately in this context.

If the current tree density in your woodland patch is less than might be expected in a woodland setting (less than 10%–30% canopy cover), you may wish to factor into your bid the cost of planting tube stock of these species, or seeding with local sources where feasible, in order to enhance your patch. Planting densities should retain a parkland appearance. If in doubt about any of these matters consult organisations such as your local Catchment Management Authority, Greening Australia or the local landcare group.





#### g) No fertiliser application

### What are the conservation outcomes sought?

By banning further fertiliser use in woodlands under contract, the Australian Government seeks to reduce the level of nutrients within the patch. One of the important factors that assist in degrading natural box gum grassy woodland sites is increasing nutrient levels. Higher nutrient levels tend to favour exotic plant species over native species.

In addition domestic stock and native animals grazing in woodland increase nutrient levels through their excrement. Over time the increasing nutrient load in combination with the selective grazing of native perennials and soil disturbance caused by hooves, favours exotic plant species, particularly weedy annuals, over native perennials.

When fertiliser is applied for the purpose of bolstering the growth and feed value of the pasture, the additional nutrients make it even more difficult for Australian native species to compete with exotic species.

For this reason use of fertilisers in woodland patches contracted under the Box Gum Grassy Woodland Project **is not permitted**.

Care should also be taken when using fertiliser on adjoining land to ensure that nutrients do not enter the patch through run-off after heavy rain or by drift, if the fertiliser is being applied by air or mechanical spreader.

### Things to consider when preparing a bid

There should be no significant costs arising from restrictions on fertiliser use that would need to be included in your bid.

#### h) No soil cultivation

### What are the conservation outcomes sought?

The Australian Government wishes to avoid soil disturbance that can degrade the quality of the native ground flora and provide an opportunity for weeds to spread into the box gum grassy woodland.

No soil cultivation is to occur within managed box gum grassy woodland patches.

Where rabbits are a problem within a patch, warren ripping as a control measure should be considered as a last resort and, if practiced, care would always need to be taken to minimise soil disturbance and any detrimental impacts to the ground flora of the patch.

Similarly, the Australian Government would prefer land managers to manage re-growth or shrubby understorey using measures that are least likely to disturb the soil or native ground flora within the patch. Use of heavy machinery is not encouraged.



▲ Increased nutrients encourage exotic plant species (Photo: DEWHA)



### Things to consider when preparing a bid

There should be no significant costs to the land manager arising from restrictions on cultivation that would need to be included in a bid. Management of pests is addressed under previous management actions.

#### **Optional Management Actions**

The following management actions are identified as optional actions because they do not apply consistently to vegetation in different States under the State and Transition Model. They may also involve some additional management complexity. However, where any of the following actions can contribute to an improvement in the condition of a site, you are encouraged to consider them. This situation generally applies to States 2 and 3. If your patch exists as a degraded State 2 or State 3 then you are encouraged to consider all of the following actions in order to improve the condition of your woodland. Your field officer will be able to provide further advice on the actions relevant to your patch.

## i) Retaining (and/or adding) fallen timber

### What are the conservation outcomes sought?

Logs and decaying timber provide important foraging sites and habitat for native animals, ground dwelling species and insects as well as providing sheltered areas for some native plants to grow in. Fallen timber also traps moisture, nutrients and seeds and creates suitable conditions for regeneration.



Retain fallen timber where it falls (Photo: Graham Hodge)



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Land managers are encouraged to leave fallen trees or branches where they fall within their woodland patch. Often if a tree or substantial branch falls to the ground it provides a sheltered habitat enabling seeds to germinate and the process of natural regeneration to occur. The decaying branches contribute to nutrient cycling within the patch and provide a food source for a range of insects which in turn provide a food source for native birds, mammals, frogs and reptiles.

Some re-alignment or placement of fallen timber within the patch is acceptable where access is impeded but care should be taken to minimise soil and native ground flora disturbance in this process.

If your patch currently has a rabbit population, measures to restrict or eliminate them from the patch should be taken as soon as possible after entering a contract, to avoid subsequent fallen timber providing additional protection for these pests.

If you currently gather fallen timber for firewood from the proposed stewardship areas, consider leaving it as habitat within the woodland patch.

If your existing patch is devoid of fallen timber you could talk to your field officer or the NSW Department of Environment, Climate Change and Water about the scope for adding timber, such as old fence posts or railway sleepers, from outside of the patch as a management action. Fallen timber should **not** be taken from other remnants or from pastures surrounding remnants for use in your box gum grassy woodland patch.

If you are considering covenanting your patch of box gum grassy woodland, you should be aware that you will be required to retain all fallen timber on site.



ANU researchers are studying the effects of adding timber to BGGW sites (Photo: Graham Hodge)



#### Things to consider when preparing a bid

All land managers participating in the Box Gum Grassy Woodland Project are encouraged to retain fallen timber in the interests of enhancing the quality of their patch/es. There are no costs associated with retaining timber where it falls. However, where you may incur a cost, eg if you can no longer collect fallen timber as firewood for domestic or commercial purposes, or if you incur a cost in transporting fallen timber or old fence posts from another site to enhance your patch, then you may wish to include these costs in your bid.

#### ii) Controlling the perennial grass biomass to encourage forbs and herbs

### What are the conservation outcomes sought?

Reducing the density of the dominant perennial grass species (the biomass) often enhances the diversity of the native ground flora by promoting the growth and spread of other grasses and herbs. Box gum grassy woodland in good condition has a predominance of native tussock species in the understorey sufficiently spaced to enable native forbs and herbs to generate and prosper.

Biomass may be controlled through smallscale ecological burns, by strategic grazing or by slashing over relatively small areas at an agreed timing and frequency.

Biomass control requires that land managers demonstrate an understanding of the regulatory and ecological implications of the biomass control activity proposed.



▲ Forbs and herbs need space to prosper (Photo: Graham Hodge)





#### Things to consider when preparing a bid

Biomass control is not something that would need to be undertaken every year – only when the perennial grass cover becomes dense enough to restrict the growth of forbs and herbs. For planning purposes a five year return period is suggested.

In terms of costing your bid, you may wish to consider if there are any specific costs associated with the biomass control options identified above. For example, do you have adequate insurance cover if you are using fire as a tool, are there any costs associated with having fire trucks on hand when you burn, are there costs associated with slashing such as fuel or your time?

#### iii) Nutrient management over and above that obtained by restricting stock access and eliminating fertiliser on the patch

### What are the conservation outcomes sought?

As nutrients play such an important part in determining the current condition of box gum grassy woodland, the Australian Government is encouraging land managers to implement steps to reduce nutrient input to the patch/es, over and above those actions they are required to undertake. Nutrient management is particularly important for State 3, or severely degraded State 2 sites, which are already nutrient rich.

In situations where elevated nutrient levels may be favouring exotic plants over the local vegetation, then additional measures to reduce nutrient loads may be appropriate. For example, a stock containment area upslope and adjacent to a woodland patch, may lead to nutrient rich waste washing down into the woodland. In such a situation, moving the containment area or implementing a means of capturing the nutrients before they enter the patch may be considered appropriate. Watering points can also be sources of nutrient enrichment and their re-location may be an appropriate option in some situations.

Where your box gum grassy woodland patch abuts a cropping paddock, care should be taken to avoid unintended drift or run-off of fertiliser or chemicals onto the patch.

Land managers of sites characterised by high nutrient status and an abundance of exotic plant species eg State 3 sites, may wish to consider trialling new scientific approaches to soil nitrogen management. Expert advice will be needed but there is scope to trial **in small areas** within a patch, the application of sugar or sawdust to lock up soil nitrogen while at the same



▲ Boundary between no sugar (left) and sugar (right) treatments (Photo: Ian Lunt)



time spreading Themeda (kangaroo grass) seed over the treated area. This may give the kangaroo grass the chance to germinate. If the kangaroo grass establishes it should be allowed to develop into a dense sward which can then become a seed source allowing natural spread within the patch, or harvested and used to establish similar kangaroo grass patches elsewhere within the box gum grassy woodland site.

If undertaking trials of this nature, it is important that you work with experienced experts and maintain a record of what you do (rates and timing of application, etc) and of your observations of the results so both you and others can learn from your experience. To date these methods have only been implemented as small scale scientific experiments (Suzanne Prober from CSIRO and Ian Lunt from Charles Sturt University have experimented with sugar in the box gum grassy woodland context, while experiments with sawdust have only been undertaken overseas to date). Accordingly, it is again stressed that trialling of such approaches preferably in consultation with researchers or other experts, should occur at small scale to avoid excessive cost while testing potential effectiveness of the technique at particular nutrient rich sites.

### Things to consider when preparing a bid

The costs of undertaking measures such as those described above should be factored into the costing of your bid. Experts can advise on application rates for raw materials such as sugar, sawdust and kangaroo grass seed. Your time and/or that of other persons may also be included.

#### iv) Ecological thinning

### What are the conservation outcomes sought?

Ecological thinning is encouraged in patches of dense young regeneration, in order to increase structural diversity or to allow for the regeneration of understorey species by reducing competition and increasing light penetration to ground level. Natural thinning will most likely occur, but can take decades to reach desired final densities. During this time there can be an increased risk of degradation.

Ecological thinning refers to the strategic, manual removal of a number of tree stems within a patch of vegetation where the tree density may be such that there are few mature trees, numerous young stems and a sparse ground layer.

Ecological thinning should only be undertaken by land managers after consultation with vegetation officers within their Catchment Management Authority thus ensuring they have knowledge of ecological management principles and understand the regulatory and ecological implications of these activities, such as requirements under the NSW Native Vegetation Act 2003.



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▲ Sites like this one near Tharwa NSW require ecological thinning (Photo: Graham Hodge)

There are numerous techniques available for thinning. The technique chosen will depend on the extent of re-growth, the density, the species and the cost. Thinning should aim to approximate natural tree densities of box gum grassy woodland typical for your region. Techniques and tools include brush-cutting, stem injection of herbicide, or slashing. Because eucalypts can re-sprout vigorously after cutting, stumps should be painted immediately with appropriate herbicide to prevent re-sprouting. Land managers should ensure that any ecological thinning undertaken does not lead to soil and ground flora disturbance within their box gum grassy woodland patch/es.



▲ Dense regrowth (Photo: Paul Ryan)

#### Things to consider when preparing a bid

The major cost component of thinning that may need to be priced in a bid is time and the cost of any tools and chemicals that may need to be purchased to undertake the thinning.



#### v) Environmental re-vegetation

#### What is the conservation outcome sought?

Environmental re-vegetation refers to planting of native vegetation into a patch to assist with the restoration of its ecological values and condition.

Planting or direct seeding is encouraged where it is likely to speed up the recovery of the woodland, namely to assist in rehabilitating stock camps, re-introducing locally rare endemic plants, re-introducing trees into large areas of derived grassland or degraded woodland, or to provide competition to established or vigorous weed species. Active re-planting in these circumstances is likely to result in improved condition more quickly and the Australian Government encourages land managers to include such actions in their bid where it is appropriate to their patch. Where patches are likely to be rich in nitrogen, ecological advice on feasibility should be obtained before deciding to proceed.

#### Rehabilitating stock camps

Stock camps in State 3 woodlands are likely to have compacted and nutrient enriched soil, as well as weed species. Stock camps tend to be under trees, so the major components of rehabilitation will be soil treatments to reduce compaction and help retain moisture, nutrient management and weed control. These activities will be followed by introduction of native understorey species such as kangaroo grass.



▲ (Photo: Graham Hodge)







▲ Stock camps may require re-vegetation (Photo: Graham Hodge)

## Reintroduction of locally rare endemic plants

The reintroduction of locally rare endemic plants is different from working with endangered or threatened species. Locally rare species may not be endangered, but as their name suggests, they may be difficult to find, due to a number of factors. Sourcing seed or propagules for these species will also be problematical, but successful re-establishment of otherwise rare species will be worth the effort. To maximise the chances of success, the reintroduction of locally rare endemic species should take place only after weeds and other sources of competition have been eliminated, and where protection from grazing can be ensured.

Land managers wishing to add, source or use threatened plants (vulnerable, endangered and critically endangered) should discuss this with their field officer, as they will need to obtain a scientific licence under section 132C of the NSW National Parks and Wildlife Act 1974 in order to work with such plants. A licence application can be obtained from the NSW Department of the Environment, Climate Change and Water (DECCW) website.

## Reintroduction of canopy trees to derived native grassland

In State 2 **derived native grassland**, the reintroduction of overstorey (canopy trees) can be a very satisfying and relatively straightforward activity. Where ground cover is good and primarily comprised of native species, little ground preparation is



likely to be necessary. Species proportions, configurations and densities should mimic other State 1 and 2 intact box gum grassy woodlands nearby and with a similar set of environmental characteristics such as aspect, slope, and elevation in the landscape. The configuration of tree placement can be creative or random; small clusters of trees that are at least ten metres apart, as well as some more isolated trees, is one possible configuration. In high quality derived grassland with good soil moisture and low compaction, control for competition may be limited to spot spraying at planting sites, mulching and tree guards. If in doubt about spacing, talk to experts like your local Catchment Management Authority, Greening Australia, local landcare group or box gum grassy woodland ecologists in research institutions such as CSIRO, Charles Sturt University or the Australian National University.

## Providing competition to established or vigorous weed species

With the correct timing and species selection, the use of native perennial plants can be one of the tools to combat established or vigorous weed species. This approach can be used in combination with other management actions described above. As a basic management principle,

native perennial plants or seeds may be kept 'on hand' to replace any exotics that are removed or suppressed. This minimises opportunities for reinvasion by exotics. All tube-stock, seed or plant material used should be sourced from local populations where feasible. Whether you use tube-stock or seed, allow adequate time for sourcing seed. Depending on season and quality of seed set, this can be a year or more in advance, not including time to propagate seed if using tube-stock. As with other management activities, when planting or seeding, care should be taken to minimise soil disturbance and prevent weed invasion opportunities. The timing of the planting should be discussed with local experts.

#### **Further Information**

Your local Catchment Management Authority is a potential source of additional advice on woodland management. Other sources include the Box Gum Grassy Woodland Conservation Management Network, Greening Australia and the NSW Department of the Environment, Climate Change and Water. CSIRO and university research publications may also provide useful information. A box gum grassy woodland management handbook is being produced and will also be available to successful land managers under the Box Gum Grassy Woodland Project.

#### Things to consider when preparing a bid

Issues you may need to consider regarding re-vegetation when preparing your bid include timing of plantings and the cost of tube stock/seed, tree guards, ground preparation, stakes, other fencing, contract planters, herbicide and insecticide. Costs may depend on nature of the terrain and whether using direct seeding or tube stock to re-vegetate a site. You should consult organisations such as Greening Australia or Florabank for further advice on these matters.



# 7 Conservation Value Measure

# What is the Conservation Value Measure?

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The Conservation Value Measure (CVM) is a computer based spreadsheet that allows field officers to objectively score box gum grassy woodland on different properties. The CVM was developed using the latest grassy woodland ecological research and has been recently reviewed by expert economists and ecologists.

# What makes up the Conservation Value Score (CVS)?

Each participating property receives a CVS which is calculated by combining individual patch scores for environmental significance, management actions, and security and duration of outcomes.

#### 1. Environmental significance

The environmental significance score measures key ecological characteristics of box gum grassy woodland at the regional scale, landscape scale, and site scale. In this way it considers connectivity through the landscape as well as the condition of the particular box gum grassy woodland site.

The site scale scores compare the vegetation found on a particular site with ecological benchmarks based on the listing of the ecological community as defined under the *Environment Protection and Biodiversity Conservation Act 1999.* The closer your site is to the benchmark the higher your score will be. The vegetation characteristics scored in the Conservation Value Measure include:

- the number of different species found on the site
- number of mature trees
- length of fallen logs
- the cover of native overstorey, mid-storey and understorey plants
- exotic understorey plant cover and any evidence of regenerating overstorey plants.

#### 2. Management actions

Field officers will discuss with the land manager what management actions are required and desirable to improve or maintain the site. Certain management actions are requirements for participation in the Box Gum Grassy Woodland Project, while others are optional (see Chapter 6). If your site is degraded you can expect to be required to undertake more management in order to improve its condition than you would if your site were in better condition.

The field officer will discuss the mix of required and optional management actions identified in Chapter 6 with the land manager. The CVM assigns a score based on the management actions that are agreed. In assigning a score, the CVM takes into account the current condition of a patch.





▲ Field officers training to lay out plots and record environmental attributes of a patch (Photo: Paul Ryan)

#### 3. Security and Duration of Investment

The Conservation Value Measure also assigns a score based on the length of the contract proposed by the land manager. Under the current round of the Box Gum Grassy Woodland Project, contracts of between ten and fifteen years are being offered to land managers with patches recognised as being either State 1 or State 2 under the State and Transition Model. Land managers with a State 3 patch, or with a State 3 zone within a patch, will only be offered a fifteen year contract. The longer the contract, the higher the score allocated by the Conservation Value Measure to duration of management.

The Australian Government is committed to the long term protection of box gum grassy woodland, so land managers who are willing to place a covenant over the site will receive a substantial weighting for security in the Conservation Value Measure.

#### **Conservation Value Index**

When the Conservation Value Score for a site is divided by the land manager's bid price a value is calculated known as the Conservation Value Index (CVI). Every participating bid will have its own Conservation Value Index. In the evaluation process, all bids are ranked according to their individual CVI from highest to lowest in a value for money continuum.

### Do I see the scores for the individual elements on my site?

No, you will not see the scores for the individual components of the Conservation Value Score. However, once you have confirmed with the field officer the management actions you are prepared to undertake, you will be provided with the overall Conservation Value Score for the site as part of the bid application package. The Conservation Value Index can only be calculated after you have submitted a bid price.



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# 8 Site assessment

If you wish to participate in the Box Gum Grassy Woodland Project, and your patch meets the criteria, the nominated patch will need to be assessed.

You are required to complete the Request for Site Assessment Form accompanying this booklet to initiate a site assessment.

The Delivery Agent has been asked to undertake a maximum of 150 site assessments across the three Catchment Management Authority regions in the current funding round. If more than this number of requests for site assessments is received, a means of prioritising sites for assessment will be devised. Further information will be provided in newsletters and on the Environmental Stewardship website at

#### > www.nrm.gov.au/stewardship/index.html

# What happens during a site assessment?

If your site is considered likely to meet the criteria for participation in the Box Gum Grassy Woodland Project after a desktop assessment, a field officer will arrange to come out to your property to talk to you about your site and the management actions you agree to implement as part of your participation in the Box Gum Grassy Woodland Project. They will undertake the following tasks when they arrive at your property:

- talk to you about the objectives of Environmental Stewardship and answer any questions you may have;
- confirm on the ground that your site is eligible for participation in the Project;
- map the location of the woodland you wish to nominate using Global Positioning System readings;
- assess the environmental characteristics of the site. This will involve the field officer independently looking at site attributes such as understorey, mature trees and presence of weeds. It will also involve looking at the landscape context of the site; and
- the field officer will discuss what actions are required, and what actions you may be prepared to undertake, to improve the environmental condition of the site. The field officer will also talk to you about the length of contract you may like to enter into and whether you would like to offer longer term security over the site in the form of a conservation covenant (see Chapter 12).



# What happens after the site assessment?

Upon returning to the office the field officer will enter the data obtained during the site assessment into the Conservation Value Measure and calculate the Conservation Value Score for your site. The field officer will also prepare a management plan for the site based on discussions with you about what actions you agree to undertake.

This will be returned to you along with a bid application pre-filled with your name, property information and the Conservation Value Score for your site. You will be required to confirm, within a specified timeframe, that the management actions and any covenanting arrangements described are what you are prepared to undertake under the Project. The field officer will be able to discuss any issues you might have or make alterations to the management plan. Where alterations are required, the revised information will be re-entered into the Conservation Value Measure, and a revised score for your site calculated. A final bid application package will then be provided to you to enable you to finalise your bid.

In the interests of getting a bid in by the bid application closing date, land managers are encouraged to seek information on various costs they may wish to include in their bid as early in the process as possible.



▲ A map showing boundaries of BGGW patches will be prepared as part of your management plan



9 Developing a bid

In order to bid in the Box Gum Grassy Woodland Project you will need to complete a bid application form that will be provided by the field officer, after site assessments have been completed and a management plan agreed.

As previously discussed, there are both active and passive management activities that land managers are required and/or may opt to undertake to restore their box gum grassy woodland. The Australian Government does not expect to incur substantial costs for passive management that retains the status quo such as retaining standing timber, bush rock or fallen timber. However, it is prepared to cover the cost of profits foregone by a business as a result of adopting these practices, where the total bid price provides value for money.

On the other hand, active management such as fencing to control total grazing pressure, weed control, re-planting of native vegetation, re-location of watering points, feral animal control are measures that are more expensive and the Australian Government is prepared to consider realistic payment for these activities, including any opportunity costs associated with strategic grazing management, where such payments provide value for money in terms of environmental outcomes.

In addition, any costs that you incur in developing a bid through travel, solicitors or financial advisers fees, or the cost of public liability insurance required under the contract, or in undertaking monitoring (eg a camera) or covenanting, may be included in your bid. The possibility of running workshops to assist you to better understand the bidding process is being considered. Further advice will be provided in newsletters if, and when, these can be organised. Please note, these workshops will not provide advice on pricing of specific management actions. You will need to cost your own bid and are advised to consult your financial advisors and service providers in doing so.

In previous rounds land managers wanted to know if there was a standard price for them to charge for conserving box gum grassy woodland on their property. The fact is that there is no standard price. Each land manager manages a site with particular characteristics. Some land managers will do work themselves at their own expense, others will wish to contract the work. Some sites will be more degraded than others.

It is important that you cost your bid accurately, taking into account the full costs of restoring the box gum grassy woodland on your land over the life of the project. In doing so it is important that you build in potential changes to the Consumer Price Index which will impact on these costs.

Each round of bidding that is conducted establishes its own market and successful bids will cover a range of prices. You need to be aware that the determining factor in ranking bids, is the amount of conservation benefit that can be purchased (represented by the CVS) for each dollar sought.



#### **Bid Preparation**

Only applications posted prior to the nominated closing date for applications can be accepted into the final evaluation. Every effort should be made to complete and post the bid application form in time for it to reach the tender box before the closing date.

#### Step 1: The entity making the bid should be the same entity that signed the Request for Site Assessment

You should start your bid preparation by checking to ensure the bid form has been correctly pre-filled with the same details as the Request for Site Assessment, and if not advise the field officer of required amendments. The entity that completes the initial Request for Site Assessment and subsequent bid application form will also be the entity contracted, if their bid is successful.

#### Step 2 Pricing a bid

Please note that it will be entirely up to you to determine and submit the price that you require to undertake the agreed management actions. Neither the field officers nor the Delivery Agent will be aware of what constitutes a successful bid and will therefore be unable to provide advice on this.

An adverse result for the Australian Government would be if you, in order to obtain a competitive advantage over other participating land managers in the bidding process, under-priced your bid, and then could not meet your contractual obligations. In developing a bid it will be important to consider the various costs that may be incurred throughout the life of the contract taking into account the matters identified in Chapter 6 which are summarised below. You should think about:

- labour costs, including your own
- material costs. For example fencing materials, herbicides, pest and weed control, re-vegetation and replanting, costs associated with equipment required to undertake on-ground management activities
- the costs of seeking specialist advice relating to: contractors, weed and pest advisors, personal financial advisors, solicitors, accountants or agricultural product suppliers
- costs associated with stock exclusion, such as alternate water sources or establishing alternative stock shelter, for example a strip of trees or manmade structure
- loss of income arising from restrictions on the use of the box gum grassy woodland or derived grassland for production or other income generating purposes, eg reduced carrying capacity or cost of firewood, etc
- consider financial issues that may arise over the timeframe of the agreement. For example, inflation over the period of the contract. This is very important because the value of a dollar will decline with inflation and hence more will be required to purchase the same items in future years
- any costs associated with establishing a covenant on the site if one is proposed





- time and costs associated with the monitoring and reporting requirements and the labour and equipment that might be required eg a digital camera
- cost of public liability insurance required under the contract.

**Please note:** The Australian Government expects that for each year that a contract is sought, there will be a corresponding request for annual funding. So, if a fifteen year contract is sought, there will be fifteen annual instalments requested in the bid. A fifteen year proposed contract with only ten years of funding is not acceptable.

#### Land manager benefits

Land managers may also consider the benefits to be gained from participation in the Box Gum Grassy Woodland Project. These may include:

- improved biodiversity, soil health, and water quality on the property
- improved habitat for wildlife native birds, animals and flowers
- improved stock and land management
- increased aesthetic values of the property
- personal enjoyment and satisfaction from having made a positive impact on the local natural environment
- helping to better link private land conservation efforts across the catchment to help address important conservation issues.

#### Establishing the final price

After considering the costs of implementing all agreed management actions over the length of the contract, you may consider the extent to which you are prepared to absorb a proportion of the costs yourself for the private benefits you might receive.

It is important that you are realistic in pricing your bid, because in order to achieve a successful outcome, you must be able to meet your management obligations with the price you bid. In particular, this means costing the time required.

Once the bid application has been completed and the document signed and submitted there will be no further opportunities to renegotiate the agreed management actions or the price before the bid is assessed. However you are able to withdraw at any time before a contract is signed. Once a contract is in place and management actions have commenced, there will be some flexibility for both parties to review and adjust actions, within the available budget, in light of progress and other issues.

**Please note:** It is most important that you check your bid thoroughly before submitting it to ensure that:

- a) you have included all the costs that you expect to incur over the life of the contract and that you are comfortable with the pricing of these items
- b) your arithmetic is correct and the annual costs add up to equal the total cost
- c) The number of annual payments sought is consistent with the duration of your contract ie if a fifteen year contract is sought, there should be fifteen annual entries on the bid form.



# 10 The bid evaluation process

The bidding process is a competitive tender, so your bid will be compared to the bids of other land managers wanting to participate in the Project. There is a strict process that is followed in evaluating bids as follows:

- **Step 1:** After the bid application closing date is passed, the tender box containing all submitted bids is opened.
- **Step 2:** Each submitted bid is given a code to ensure that the ensuing evaluation process is conducted with complete anonymity. This code is the only identifier for a bid until after Ministers have made their approvals.
- **Step 3:** Bids are checked to ensure the bid forms have been correctly completed and then information from each bid is entered into a database. Where errors are identified you will be contacted and required to sign off on any amendments required.
- Step 4: Data pertaining to each individual bid is then entered into an "evaluation spreadsheet" which is ultimately used by the evaluation panel in making its recommendations. The spreadsheet records a range of information against each bid including the code number, CVS, total bid price, CVI (CVS ÷total bid price), inverse CVI (bid price+CVS), area (by State as per State and Transition Model), length of contract, covenant (yes or no), bid price per ha, bid price per hectare per year, unimproved capital value of the land and cumulative CVS.
- **Step 5:** The data in the spreadsheet is then sorted by the CVI column from highest to lowest. The CVI represents the amount of environmental outcome to be purchased per dollar sought.

Property id	CVS	Bid price		CVI (CVS/\$)	\$/CVS	Cumulative CVS
	554	\$	10,500	0.052762	18.95	554
	375	\$	7,500	0.05	20.00	929
	827	\$	18,823	0.043936	22.76	1,756
	279	\$	7,100	0.039296	25.45	2,035
	96	\$	3,000	0.032	31.25	2,131
	275	\$	9,000	0.030556	32.73	2,406
	1129	\$	40,032	0.028202	35.46	3,535

#### Figure 5: Example of how bids are ranked according to CVI from highest to lowest





**Step 6:** Using the data as depicted in the two shaded columns, a marginal cost curve is derived which becomes a very important element in the evaluation of the bids. The \$/CVS when graphed against the cumulative CVS gives an indication of the dollars that must be spent in order to purchase an additional unit of conservation outcome or environmental service. In the graph below, it can be seen that there is a point on the graph after 50,000 on the bottom axis where the amount that has to be spent in order to purchase an extra unit of environmental service jumps significantly.

**Step 7:** At evaluation panel meetings an independent probity adviser is present. The evaluation spreadsheet and the marginal cost curve forms the basis for the assessment of bids.

**Step 8:** After undertaking its own check of the data, the evaluation panel begins by looking at the marginal cost curve and the point at which the curve increases its gradient significantly. If there are no other budgetary constraints that influence what bids can be funded, the above point may become the cut-off point and bids ranked lower than the bid corresponding to the cut-off (higher on the graph) may not be recommended.



#### Fig 6: Example of a Marginal Cost Curve



- **Step 9:** The Panel then goes through the remaining bids looking for anomalous bids where for example the \$/hectare price compared to other bids might be excessive, or the cost of the bid is very large in comparison to the unimproved value of the land.
- **Step 10:** The Evaluation Panel agrees on a recommended list of bids and prepares advice to Ministers which includes information on the process and a summary of the bids in terms of hectares to be purchased, average bid price, and other summary information.
- **Step 11**: Before the advice goes to Ministers it is considered by Departmental Executives who can ask further questions about the process and outcomes.
- **Step 12:** Ministers receive the agreed list of recommended bids, still encoded, and make the final decision on which bids are funded.



▲ Ranunculus lappaceus (Photo: Environmental Stewardship)

#### Successful bids

If successful, you will be offered a contract with the Australian Government. You will receive a copy of the contract template at the time of the site assessment for your information. The contract will require you to carry out the agreed management actions and submit annual reports in order to receive yearly payments for the life of the contact. It is intended that payments to you would be made in March/April each year, but this may vary.

#### Unsuccessful bids

The bid round is a competitive tender process – so not all applications will be successful. If unsuccessful it is likely that the quality of the site as it relates to the bid price was not as competitive as others in the bid round. It certainly does not mean that a site does not have conservation value.

Unsuccessful land managers may reapply in any subsequent bid rounds. However, it should be noted that no decisions have been taken at this time as to whether there will be subsequent rounds for box gum grassy woodland in your region, so **if you are contemplating participation in the Project you are advised to participate in the current round**.

Alternatively, if unsuccessful, you may wish to discuss with the Delivery Agents if there are alternative funding options to assist with the conservation of the site.



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# 11 Monitoring and evaluation

A key part of the Box Gum Grassy Woodland Project is monitoring and evaluation to assess whether funded projects are maintaining and/or improving the quality and extent of box gum grassy woodland, in addition to other desired outcomes as described in the Environmental Stewardship Strategic Framework.

#### Land manager monitoring and evaluation

If you have a contract under the Box Gum Grassy Woodland Project, you will be required to complete simple annual monitoring and evaluation reports. These reports are not difficult or complicated and involve the following:

- Taking a photograph at approximately the same date and time each year (Spring) from a nominated point within each zone of your box gum grassy woodland patch/es to record any changes to the vegetation. A field officer will assist you to identify this point if your bid is successful. Unobtrusive markers will be placed within the patch to assist you to return to the same site for monitoring each year
- On the same day as the photo is taken, you will take approximately 50 steps between two nominated points on each plot and record after each step whether a rod held in your hand and placed on the ground in a vertical movement, hits a native or exotic plant. Initially you have the option of ticking a box labeled 'don't know' but hopefully over the length of the contract your knowledge of the plants within the patch will improve. You will have the opportunity to learn more about native and exotic species over the course of your contract
- Observing the patch/es to identify if there is evidence of grazing by kangaroos/rabbits, and identify if any eucalypt regeneration is evident.

You will record information in a template provided and submit it as part of annual reporting arrangements. As part of these reporting arrangements, you will also be required to complete a simple acquittal of funds received.

A field officer will assist with the set up of monitoring sites, including the site markers, and go over the reporting process, once a contract is in place. A monitoring information kit will be given to you to assist you with the monitoring and evaluation reporting requirements. You will also be provided with a booklet to assist with plant identification.





#### Other monitoring activities

To gain a scientific understanding of the Project's achievements, the Australian Government will periodically undertake detailed ecological surveys across a sample of properties. It will also be a condition of your contract to grant site access for this work, if selected as one of the sample properties. These surveys have no cost implications for you.

You will be contacted well in advance and appropriate arrangements will be made to ensure any visits happen at a convenient time for you. All information gathered during these surveys and assessments will be made available to you. You may also be asked from time to time to participate in social surveys to give your opinions and thoughts about the conservation activities you have been undertaking, as well as provide feedback about your involvement in the Project. These surveys will, over time, provide additional information on how participating land managers are engaging in Environmental Stewardship.





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## 12 Covenanting your box gum grassy woodland patch

You are invited to consider entering into an in-perpetuity conservation covenant to protect box gum grassy woodland patches for which you receive payment. Please note that only land owners can enter into a conservation covenant.

#### What are conservation covenants?

Conservation covenants are voluntary agreements negotiated between a land owner and the relevant authority to protect and manage land of high conservation value for conservation outcomes. Conservation covenants are recorded on the title of the land and they usually restrict, for the duration of the covenant, particular actions or types of land use that would degrade the conservation value of the land. As covenants are recorded on title, they remain in effect even if the land is sold.

The Australian Government would like to ensure that its investment through the Box Gum Grassy Woodland Project, and the conservation benefits arising from it, are protected. Accordingly, the Australian Government encourages you to consider perpetual covenants over your box gum grassy woodland patch. Because perpetual covenants are highly valued by the Australian Government, if you offer a perpetual covenant you will receive significant additional weighting to your score when the Conservation Value Score for your site is being calculated.

Why should a land owner consider making a perpetual covenant commitment on their woodland?

By entering into a perpetual covenant you are ensuring that future generations will be able to benefit from the protection of the biodiversity and the continuation of essential ecosystem services, which are important for landscape productivity, even if you leave the property.

If you enter into a covenant you may also gain access to ongoing support and a network of other land managers using covenants for conservation and land management.

You may also wish to contact your local council, as many local governments offer rate concessions and other incentives to covenant holders.



▲ Pink Stars (Photo: Matt White)



# Who are the covenanting authorities?

There are two organizations in New South Wales that offer in-perpetuity covenants.

#### a) New South Wales Department of the Environment, Climate Change and Water

The NSW Department of the Environment, Climate Change and Water runs the Conservation Agreements Program. If you wish to covenant your site through the Department you should contact the Program to discuss the procedures for putting a covenant in place.

You can contact the Conservation Agreements Program, Department of the Environment, Climate Change and Water on **02 9585 6040**.

By entering into a perpetual conservation covenant through the Conservation Agreements Program you may also be eligible for income tax deductions and concessional capital gains tax treatment. It is important that you contact your financial adviser, or the Australian Taxation Office, to find out how a covenant may affect your personal tax status.

## b) Nature Conservation Trust of New South Wales

If you wish to discuss an in-perpetuity covenant with the Nature Conservation Trust you can contact the Trust on **02 6365 7543**.

# By when does a covenant need to be in place?

You have two years from the time a funding agreement with the Australian Government for the Box Gum Grassy Woodland Project is signed to have a covenant in place.



▲ State 1 grassy box woodland (Photo: R Rehwinkel)



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### 13 Taxation of payments under the **Box Gum Grassy Woodland Project**

There are tax implications for landowners who receive Box Gum Grassy Woodland Project payments.

It is a good idea to seek independent financial advice before submitting a bid under the Project. It is also sensible to discuss whether to enter into a conservation covenant with other family members. Every landowner's situation is different and they need to make sure it is the right thing for them.

#### Are payments subject to income tax?

All Box Gum Grassy Woodland Project payments are subject to income tax.

#### Are there any special income tax concessions available for conservation covenants?

Yes. Some programs are approved conservation covenant programs under the Income Tax Assessment Act 1997. This means that if landowners enter into a perpetual conservation covenant and do not receive any money, property or other material benefit, they may be allowed a special income tax deduction.

Not everyone is eligible for this concession. It is recommended that landowners talk to the Australian Tax Office (ATO) and/or seek financial advice to see if they meet the eligibility criteria.

Further information about this concession is in the ATO fact sheet on conservation covenant concessions, or phone the ATO on:

#### ▶ 13 2866

ATO website on conservation covenant concessions:

#### www.ato.gov.au/content/19507.htm

#### Are there capital gains tax implications?

Yes. If land owners enter into a conservation covenant, there are capital gains tax implications, whether or not they receive any money, property or other material benefit on entering the covenant.

#### Do the capital gains tax concessions also apply?

Yes. If a landowner makes a capital gain under the conservation covenant, the general capital gains tax discount also applies unless the covenant is entered into by a company that owns the land. If the land owner meets certain other criteria, the capital gain may be further reduced by other capital gains tax concessions including the:

- small business 15 year exemption
- small business 50% active asset reduction
- small business roll-over
- small business retirement exemption.



For more information about capital gains tax please talk to the ATO or see their publications Guide to capital gains tax and Guide to capital gains tax concessions for small business.

KEY CONTACTS				
AREA OF INTEREST	CONTACT			
CONSERVATION COVENANTS – INCOME TAX DEDUCTIONS AND CGT CONCESSIONS	AUSTRALIAN TAXATION OFFICE PHONE: 132 866 EMAIL: npc-nationaloffice@ato.gov.au WEB: www.ato.gov.au (type 'Conservation Covenants' or 'small business concessions', as appropriate, into the search engine)			
CONSERVATION COVENANTS – TAX INCENTIVES	DEPARTMENT OF THE ENVIRONMENT, WATER, HERITAGE AND THE ARTS EMAIL: ciu@environment.gov.au WEB: www.environment.gov.au/biodiversity/incentives/index.html			
VALUATION OF PROPERTY	AUSTRALIAN VALUATION OFFICE, PHILANTHROPY PROGRAM PHONE: (02) 6229 3420 or (08) 8198 1900 WEB: www.avo.gov.au			



▲ White box grassy woodland (Photo: Paul Ryan)



# 14 Stewardship payments and Centrelink

Land managers who successfully take part in the Australian Government's Box Gum Grassy Woodland Project will receive financial assistance. The payment will be paid annually for the length of the contract, which can be up to 15 years.

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#### Will the Box Gum Grassy Woodland Project payment affect your Centrelink payments?

Centrelink will treat the payments as income. This means that it may affect any Centrelink assistance you are currently receiving. This includes Drought Assistance. It is important you let Centrelink know if you start receiving this annual payment. This is to make sure you are paid the correct amount.

For more information please contact Centrelink's Farm Assistance Line on:

#### 

or visit the website at:

#### **\ www.centrelink.gov.au**

# Are there tax implications such as concessions or deductions?

Yes. Participating landowners may be eligible for capital gains tax concessions and income tax deductions. For more information regarding the tax treatment of these payments you can:

- Refer to Chapter 13 of this booklet on Taxation of Payments under the Box Gum Grassy Woodland Project;
- Phone the ATO on:

#### **\** 132 866;

• Visit the website at:

#### **www.ato.gov.au;** and/or

• Consult your accountant.

#### How can I find out more about the Box Gum Grassy Woodland Project?

Elsewhere in this booklet you will find essential information about the Project and about Caring for our Country – Environmental Stewardship.

For further information about Caring for our Country:

• Visit the Australian Government website at:

#### **www.nrm.gov.au/stewardship**, or

• Phone the Caring for our Country hotline:

#### **1800 552 008**

#### Disclaimer

The information contained in the publication is intended only as a guide. The information is accurate as at September 2009, but may change.



# 15 Frequently asked questions and answers

#### What if I am not sure if I have box gum grassy woodland on my property?

Chapter 4 will help you to decide if you have box gum grassy woodland on your property. If you are still unsure please submit a Request for Site Assessment form and a field officer will contact you to discuss.

#### What if I am not sure whether I want to be involved in the Box Gum Grassy Woodland Project?

Involvement in the Project is voluntary and submitting a Request for Site Assessment form is not binding. There are no penalties for deciding not to go ahead. At any time prior to deciding to sign a contract you can decide not to continue.

# Are there any rules relating to applications on leasehold land?

Lessees are entitled to participate in the Project provided the following conditions are met:

- the conditions of the lease do not prevent any of the proposed activities or actions to conserve an area of box gum grassy woodland on the land.
- you have been given the authority to enter into a contract with the Australian Government.

What will I need to do if, after signing a contract, my circumstances change and I wish to sell my land?

The contract does not prevent you from selling your land. But the contract requires that you inform the Australian Government about any changes in land ownership that may occur within the contract period. This allows the Australian Government the opportunity to discuss the option of the potential buyers taking over the contract.

#### Can I submit a bid to manage a site under this Project if I already receive assistance to manage a site?

If you are currently receiving funding support from any source for conserving box gum grassy woodland on your nominated patch then you cannot bid through this Project for the same patch. If you have a covenant on a box gum grassy woodland site that requires you to undertake certain management activities for which you receive no remuneration, you are able to participate in the Project, provided other eligibility criteria are met.





# When should I start consulting financial advisers and others about my bid?

If you think that you are likely to proceed with a bid you should start seeking advice early. This could help you with costing the management activities you want to carry out for inclusion in your bid price. Fencing contractors and suppliers of herbicides may be able to assist with costing some of the physical activities you might undertake. If, in order to manage an area of woodland, you will incur some loss of income due to altering or stopping a current land use, you may include this cost in your bid price. For assistance in assessing these costs you may wish to talk to your accountant/financial adviser.

You should also check with your financial adviser or the Australian Tax Office (ATO) regarding the possible taxation implications of your proposed bid and may wish to contact Centrelink about any impacts on your Centrelink entitlements.

Please see chapter 13 on Taxation, and chapter 14 on Stewardship payments and Centrelink. You may also wish to consult a legal adviser regarding your obligations under the contract you will need to sign with the Australian Government.

#### Can I submit more than one bid?

You can submit one bid for each property you own, so land owners who have more than one property can submit one bid for each, if eligible.

# What happens if a natural event affects the woodland I am contracted to manage?

The Australian Government recognises that from time to time significant natural events, such as floods, droughts, bushfires and storms, severely impact on natural resources. For this Project, these impacts are seen as beyond the land manager's control.

# What happens if I cannot meet my obligations in the contract in the agreed time frames?

If you cannot meet your obligations within agreed timeframes, you need to let us know as soon as possible. The Australian Government will then consider the circumstances and discuss an appropriate way forward. These may include revising management actions, an extension of timelines or termination of the contract.

#### Will I be audited?

A random sample of Project contracts will be audited each year. If you are subject to audit you will be contacted well in advance and appropriate arrangements will be made to ensure any visits happen at a mutually convenient time for you and the auditor.

# Is the income received through the Project subject to income tax?

Yes. Payments received under the Project are subject to income tax. See chapter 13 for further information.



#### Will this income affect my eligibility for drought assistance or any other Government assistance?

Possibly. If you have any concerns about these matters, we suggest you talk to your financial adviser or to Centrelink. See Chapter 14 for a broad understanding of these matters.

#### How long do I need to sign up? Can I change my mind about the length of the contract?

Whilst contracts will be for a minimum of 10 years, and no longer than 15 years, the Australian Government has a clear preference for long term contracts. The length of the contract that you offer is reflected in the score for your site and hence should not be changed after you have confirmed a draft management plan that will be sent to you following your site assessment.

# What will be my reporting requirements?

You will be required to submit an annual report on your progress implementing the agreed actions, as outlined in the contract. The reporting requirements will be simple, and should be considered in your bid. Please see Chapter 11 for further information.

#### Will the Australian Government or researchers at various times require access to my property?

The Australian Government and service providers employed by the government will need access to your property from time to time for the length of your contract. Before entering your property, the Australian Government, or an authorised representative, will:

- contact you and arrange a suitable time
- not enter your land without you or your representative present
- respect and comply with your reasonable safety and security procedures.

It is anticipated that there will be periodic monitoring for a sample of sites, but all access visits to your property will always need to occur with your permission.

#### If endangered species or noxious weeds are found on my property will that affect how I am allowed to farm my property?

Noxious weeds are your responsibility under existing state and federal laws. The cost of managing other weeds which may compromise the value of the box gum grassy woodland can be included in your bid as can the management of weeds listed as Weeds of National Significance (see Chapter 6).






If endangered species are present, the Australian Government is more likely to provide incentives to protect the woodland. Any discussions about management options will be only for the area nominated by the land manager, and may affect how this area is farmed. No inspection will be made of other areas of the property. You will be provided with a handbook that will provide up to date information on how to implement the management actions required to reduce external threats to your woodland.

#### Has the Australian Government run this sort of project before?

Yes. The Australian Government has run previous rounds of the Environmental Stewardship Box Gum Grassy Woodland Project in the Lachlan, Murrumbidgee, Central West, Namoi and Border Rivers Gwydir Catchment Management Authority regions in New South Wales and in the Condamine, Border Rivers-Maranoa-Balonne and South East NRM regions in Queensland. The Australian Government has also run similar projects such as 'BushBids' in South Australia and the 'Forest Conservation Fund' in Tasmania. These projects were also market based initiatives. Some State governments have also run stewardship projects.

More information on the Australian Government's market based projects can be found at:

#### > www.marketbasedinstruments.gov.au

## What happens after the contract ends? Can I sign-up again?

Contracts under the Box Gum Grassy Woodland Project can be for up to 15 years. At this stage, it is not possible to say what the Australian Government may offer beyond the end of individual contracts.

# What are the implications for participation in future carbon credit schemes?

If you sign an agreement under the Box Gum Grassy Woodland Project you will, subject to the criteria surrounding carbon credits, be able to use the site to participate in any future carbon credit scheme.

## If I miss out this time can I apply another time?

Yes, **if** another tender round is offered. But, **if you are interested in participating then you are encouraged to do so through this current round.**