



Enhancing Remnant Vegetation Pilot

Project case study

Cheryl and Michael own a 640 hectare beef cattle property outside Rosedale, in the Burnett-Mary region of Queensland. Their property includes a 60-hectare patch of remnant vegetation that is occasionally grazed. They periodically spot spray the area to keep weeds in check, including cat's claw creeper vine and lantana.

To diversify their income and contribute to the improvement of biodiversity in the Burnett-Mary region, Cheryl and Michael decide they want to participate in the ERV Pilot. To do this, Cheryl and Michael must select at least one remnant management area on their property that they are willing to protect and manage for conservation purposes over the next 10-years. Remnant management areas must consist exclusively of remnant vegetation, except for small features like cleared fence lines and management tracks that do not, in aggregate, constitute more than 5% of the area. If they want to, Cheryl and Michael can also include revegetation areas in their ERV Pilot project. However, revegetation areas must not constitute more than 20% of the total project area (remnant management areas plus any revegetation areas) and must directly adjoin a remnant management area.

Cheryl and Michael decide to include the whole of the 60 hectare patch as their remnant management area. Having made this decision, they need to select at least one eligible management activity aimed at protecting and enhancing the condition of the remnant vegetation for biodiversity: enhanced grazing control; enhanced weed control; enhanced pest control; infill planting; and revegetation. Of these, they opt for enhanced grazing control and enhanced weed control. The rules regarding these management activities are contained in the ERV Management Protocols.

For enhanced grazing control, Cheryl and Michael decide to completely exclude livestock from their remnant management area. The ERV Management Protocols do not require complete exclusion – stock must be excluded from remnant management areas for a minimum of three months each year, during the primary growing season for native plants in the region. However, Cheryl and Michael decide the production benefits they get from grazing the area are limited and that the site is likely to respond better, from a biodiversity perspective, if stock are kept out of the area completely. To help keep stock and feral animals out of the area, Cheryl and Michael propose to install 2.3 kilometres of new fencing. They estimate the cost of fencing materials and installation costs at \$16,000.

For enhanced weed control, Cheryl and Michael see an opportunity to increase their weed control efforts beyond the occasional spraying they currently undertake. They propose a weeding program that aims to largely eliminate cat's claw and lantana from the area, which will bring both biodiversity benefits and reduce the spread of weeds across the rest of their property. The program they devise involves intensive treatments (cutting, pulling and spraying) over the first two years. For the remainder of the 10-year project, maintenance cutting and spraying will be done to prevent the weeds from returning. After consulting their local NRM group and local contractors, they estimate the weed program will cost \$16,000 in each of the

first two years (labour and materials), and \$4,000 per year (in current dollars) in the remaining eight years of the project.

Having planned and costed their project, Cheryl and Michael are able to apply, which they do through the Agriculture Stewardship portal (www.agsteward.com.au). Using the tools on the portal, they map their remnant management area and receive an indicative estimate of the rental component they will receive if they are successful under the Pilot. The indicative estimate of the rental component is \$4,140, or approximately \$69 per hectare. This is an indicative estimate of the rental payment they will receive in the first year of their project. Thereafter, the rental payment will increase by 3.5% each year to account for rising land values.

After mapping the remnant management area, the portal requires Cheryl and Michael to provide their contact details and information on the condition of the remnant management area and their proposed management activities.

- For enhanced grazing control, Cheryl and Michael are required to provide details on the reduction in stock grazing and the cost of the proposed fencing, broken down into the cost of materials (fencing wire, posts/pickets and droppers, strainers and gates) and labour costs (installation).

- For enhanced weed control, Cheryl and Michael need to provide details on the weeds they intend to target (cat's claw creeper and lantana), what proportion of the area the weed control will be undertaken on, how many hours per year will be spent on the weeding activities, and an estimate of the associated cost. The cost estimates for enhanced weed control need to be provided for two time periods (years 1-2, and years 3-10) and on an all-inclusive cost per hour basis (materials plus labour). For Cheryl and Michael's project, they estimate the additional weeding activities in the first two years will involve a total of 640 hours of work and cost \$32,000, or \$50 per hour. In the final eight years of the project, Cheryl and Michael propose to undertake an additional 80 hours of weeding each year, at an all-inclusive cost of \$4,000 per year, or \$50 per hour in current dollars (this amount will be increased to account for inflation when calculating Cheryl and Michael's biodiversity enhancement payment).

In the final stage in the application, Cheryl and Michael are asked whether they want to nominate an alternative initial annual rental payment to increase the competitiveness of their application. They decide they are willing to accept \$63 per hectare, \$6 per hectare lower than the indicative estimate provided on the web portal.

At the end of the application period, all applications, including Cheryl and Michael's, are assessed and a priority assessment list is compiled. If Cheryl and Michael's project is included on the approved priority assessment list, a site assessor will visit their property to inspect the remnant management area and collect information about the type and condition of the vegetation and the suitability of the proposed management activities.

After the site assessment, the data collected, along with information provided by Cheryl and Michael will be entered into a draft management plan that specifies the management activities required over the life of the ERV Pilot if the project is successful. If they want to proceed to the final stage in the assessment, Cheryl and Michael will need to accept or amend the draft management plan and submit it to the Department.

The final management plan and information contained in the application are then used to conduct the final assessment. This involves calculating biodiversity benefit scores and cost estimates for each project, and ranking projects based on their benefit-cost scores. Projects with the highest scores are more likely to be recommended to the Minister for funding.

If Cheryl and Michael are successful, they will enter into an agreement with the Department to protect the remnant management area and undertake the management activities identified in the final management plan. In return, Cheryl and Michael will receive biodiversity enhancement payments each year over the 10-year project term. The rental component of the payments will be paid annually. The management activity component will largely be paid in equal annual instalments. However, proponents may receive a larger initial payment where there are significant establishment cost items. For Cheryl and Michael, if they are successful, their management activity component will be larger in the first two years than the final eight to account for the upfront cost of fencing and the cost of the intensive phase of the enhanced weed control program.