27th April 2025

NATIONAL PARKS ASSOCIATION OF NSW
*protecting nature through community action*

NSW Natural Resources Commission
GPO Box 5341
Sydney, NSW 2001
sent by email to: **nrc@nrc.nsw.gov.au**

Dear NSW Natural Resources Commission

## RESTORING NATURE AND ENHANCING VALUE FOR LANDHOLDERS.

The National Parks Association of NSW (NPA) appreciates the opportunity to contribute to the independent review on options to further protect and restore biodiversity and ecosystem functions in regional landscapes and enhance value and support for landholders.

The National Parks Association of NSW (NPA) was founded in 1957 on the conviction that humanity has a deep need for, and responsibility towards, natural places and all of the biodiversity, ecosystems, waters, landforms and heritage they contain. Our vision is for NSW to have at least a third of its landscapes, waters and seas legally secure and actively managed for conservation purposes. Creating a network of private and public natural areas, connected by habitat corridors, where nature thrives, people coexist with nature, and communities respect, enjoy and nurture the land.

NPA is committed to expanding this network of protected areas in accordance with Comprehensive, Adequate and Representative selection principles, with a particular focus on habitat connectivity, biodiversity conservation, natural ecosystem processes and climate adaptation.

The NPA understands the review is to consider these matters on private rural land, with reference to the Land Management (Native Vegetation) Code, the Local Land Services Regulation 2014 and Schedule 5A of the LLS Act. The Commission will have regard to at least nine other matters. The NSW NPA provides the following comments within the framework of the terms of reference of this review.

### Background

The NPA believes there are four important conceptual underpinnings that help frame our advice to the Commission. They should underpin the NSW Government's approach to further protect and restore biodiversity and ecosystem functions in regional landscapes and enhance value and support for landholders:

1. NSW has actively embraced the Kunming-Montreal Global Biodiversity Framework (GBF) by aligning its actions with the framework's goals. Implementing this framework must use the Comprehensive, Adequate, and Representative (CAR) principles if the State is to conserve a full range of ecosystems, ensure their ecological viability, and capture the diversity within each ecosystem. The NPA undertook a GIS project looking at land tenures across NSW to consider the mix of policy tools that might be used to realize the NSW GBF ambition. One key finding was that the western slopes of the dividing range in NSW should be a high priority for applying private land conservation as a policy tool because i) much of the land is in private ownership; and ii) much of the remaining IBRA regions in that zone are highly modified and/or threatened. The key point being that 'private land conservation' as a policy mechanism is likely to be more effective in realizing the State's conservation goals when strategically applied.

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2. The stakeholders that could be actively involved in providing financial resources in this space can be conceived as being in three different clusters: i) those able to make substantial direct contributions such as corporations, trusts, philanthropic organisations; ii) Government led initiatives such as rate relief, incentive schemes, levies and the impost of admin fees; and iii) market based mechanisms such as revolving funds, environmental credits, and land covenants. This broad clustering facilitates consideration of how the various mechanisms can work together- and how the NSW Government can encourage the various actors can best play their roles: each of three clusters may be better placed to have distinct but also partially overlapping roles.

3. It is apparent that the current delivery of government programs is 'siloed'. The silo approach is epitomised by failures in water management planning across NSW. For example, the constraints program for the Murray Darling Basin has had significant implementation problems. Works are viewed as reducing the productive potential to agricultural land and a risk to farm infrastructure (i.e. class is half empty). Yet there are a range of initiatives by various government agencies, which - if co-ordinated -could provide either an additional revenue stream or pay for the change in land management practices to farmers (i.e. the glass is half full). They include the NSW Biodiversity Trust, NSW Primary Industries' carbon farming initiative, the Saving our Species Program, LLS Natural Capital Advisors, or the Biodiversity credits system. There are also a range of other programs such as the Southern NSW Innovation Hub, Clean Energy Finance Corporation, Australian Renewable Energy Agency which could have their programs 'tweaked' to consider nature conservation as a secondary objective. These 'silos' suggest there are a range of opportunities currently available but are not realizing the synergies possible between programs. The example of constraints shows there are opportunities to i) achieve better use of held environmental water; while ii) creating biodiversity riparian corridors along the much of our inland waterways, and iii) rewarding farmers for their change to sympathetic land use, if programs where integrated.

4. NSW has also moved away from recognizing the interconnectedness of land, water, and vegetation within a catchment, and tends to manage these assets in isolation rather than as a single. Whole catchment management is a holistic approach to managing natural resources, like land, water, and biodiversity, within a specific catchment area. It aims to balance resource use with conservation, considering the interconnectedness of all elements within the catchment. Delivering on the (global biodiversity) framework will also contribute to the climate agenda. We need to reinstate an integrated approach if we are to achieve NSW Government's plan for nature, healthy communities, and ecologically sustainable development.

## The Terms of Reference(ToR)

The NRC is inviting public submissions to inform their review, Including:

1. What do you consider is the most significant action(s) we can undertake to protect and restore biodiversity and ecosystem function on private lands?
2. How can we further improve soil, water and vegetation management to protect and restore biodiversity while delivering sustainable economic outcomes?
3. What do you consider is the most effective way to further support and enable landholders to deliver sustainable land management and production outcomes?
4. Is there any other information about this topic you would like to share with us?

The following section raises specific items having regard to the ToR and the four principles stated earlier.

## Private land conservation through covenants and revolving funds

- The bulk of conservation finance worldwide predominantly comes from governments and this trend is expected to continue. The Wentworth Group of Concerned Scientists estimates that at least $7 billion per year is required over 30 years to repair Australia's landscapes. There is no simple or single solution to closing this nature finance gap, however it is clear that:

- There is a spectrum of opportunities available at present, but they are siloed because of deployment complexity. A high-level assessment of the potential of how each of these initiatives could come together and help realize private land conservation would bring the existing narrowly focused programs together into a broader ideological framework about an integrated landscape conservation outcome. Instigating a review into state tax and financial incentives to private land conservation, including opportunities to transition harmful subsidies to nature improvements is needed. This could be one core component of the proposed NSW Nature Strategy

- An increase in the uptake of permanent conservation covenants should also be targeted to expand the protected area estate in underrepresented bioregions and ecosystems. Those in the extensively cleared 'sheep-wheat belt' should be a priority.

- There is also a need to sort out the hierarchy of support to conservation covenantors. Selinske et al (2022) surveyed 527 conservation covenantors to investigate the uptake, use, experience, and preference for financial incentives and found:

    - Less than half of covenantors received a financial incentive to enrol, but most applied for some form of incentive after enrolment, predominantly to help with management costs. Covenantors were unaware of funding opportunities and experienced confusing application processes.

    - Land rates rebates were the preferred financial incentive among covenantors, in part due to the perception that covenantors should not have to pay full rates on covenanted land. This might be something the NRC might urge the NSW Government to adopt. The NPA understands BCT permanent covenants include this rate relief. The NRC might consider whether there are any additional circumstances when rate relief is warranted, and if so whether local Councils should be compensated (for example the South Endeavor Trust, Australian Wildlife Conservancy, or Bush Heritage).

  Effectively and efficiently deploying financial incentives across the pre-covenant phase through to the stewardship phase can reduce the financial burdens of PPA management, potentially increasing the effectiveness of conservation efforts. This could be something that the NRC urge all covenanting agencies in NSW to adopt.

- A number of NPA members have been involved in the precursor to the NSW BCT: the Nature Conservation Trust of NSW. These members recalled there is an important social layer to the 'market': with Hartwood Station in Western NSW being difficult to revolve, whereas areas around the border ranges being comparatively easier to have both properties that could revolve and be covenanted. A big part of this picture is that the context: whether applicants for covenants are deterred by an expectation that a covenant could make their property less saleable. So, is there a better way to promote the market in properties with conservation covenants? The travel distances in Victoria compared to those in NSW for people with enough financial backing, might reflect the relative success of Trust for Nature compared to the NSW BCT.

- Hardy et al (2018) looked at revolving funds as a policy tool and found that while conservation value was an important consideration for managers of these funds, there were a range of other factors such as re-sale time that also were important. That is, a key driver of conservation gains from applying a revolving fund is also being able to have a frequent turnover (continuous acquisition and resale). This limits the types of properties purchased using this policy tool. Indeed, properties with high conservation value may occur outside areas with buyer demand but cannot be considered by this tool. Another key driver about property selection using a revolving fund is whether it will deliver a profit or cover the costs to the fund for the imposition of a covenant (i.e. there is the issue of government tax and admin fees). The complexity of these decisions may constrain revolving-fund effectiveness and where a revolving-fund can be effectively applied. Thus, an area that the NRC could investigate and recommend legislative

changes that make revolving funds both more agile and reduce the cost of conversion to the NSW Biodiversity Trust (and others).

## The role of corporate and philanthropic investment

A mix of government, philanthropic and private funding – can be adapted to span a range of project types. Corporate and philanthropic investment can play a critical role that supports private land conservation sector at a landscape scale. An integrated approach- not only within government – but across actors in this space is needed. It can do so by:

- The NSW Government delivering a biodiversity investment strategy to send clear signals and provide guidance outlining national and state priorities for investing in nature. Part of the proposed NSW Nature strategy could outline a biodiversity investment strategy that sends clear signals and provides guidance outlining national and state priorities for investing in nature. This might not only cover corporate and philanthropic investment, but also how Commonwealth's OECM framework can also play a role in supporting the development and implementation of private conservation efforts across the state.

- The government might look to also 'count' 'private land conservation' where a landholder is only committing to providing a specific ecosystem service. Thus, maintaining the mixed use of the land, while realizing one key nature conservation outcome as 'the bottom line'. Existing examples include maintaining plains wanderer habitat in sheep grazing country, Koala Corridors through grazing land, and OzFish's relationship with BCF. But this concept could be broadened to include a range of other specific ecosystem services: providing water on private land to maintain the condition of ephemeral wetlands (i.e. seek public-private perpetual partnerships for applying held environmental water). Such 'commitments to practice' might include ensuring a healthy corridor that link significant ecosystems, or maintaining native grasslands and other underrepresented ecosystems. This is a role where corporations could invest money to gain and promote their 'social licence'. Such links will become increasingly important is a climate change future.

## Improving Existing Government Practices

- The current Biodiversity offset scheme needs a re-think. The integrity and effectiveness of the NSW Biodiversity offsetting system has been thoroughly debunked by the NSW Auditor General, yet it remains one of the key 'protections' for biodiversity. The re-think should look towards having:

    - stronger State and Local Government planning to achieve nature positive outcomes, in particular, promoting landscape connectivity and ecosystem resilience.

    - a clear outline of the limits to what can be offset - certain populations, ecosystems and places are fundamentally irreplaceable and should not be allowed to be negatively impacted, as no offset is possible. Offsets often fall short of their stated goal: to achieve at least no net loss of affected biodiversity. The Accounting for Nature framework has been gaining traction over recent years. This framework seeks to build biophysical accounts using a common unit of measure (an Econd) that describes the condition of any environmental asset (native vegetation, soil, rivers, fauna, estuaries, etc.), at any scaleb- this tool might be worth further investigation as a more rigorous approach to offsetting in NSW.

    - While requirements for offsets as part of EP&A Act development consents include biodiversity value consideration and are to be 'like-for-like', set-asides under the LLS Act do not require 'like-for-like' so land of high ecological value can be cleared while setting aside only a small area of land of relatively low ecological and economic value, such as a rocky hill.

    Greater attention should be spent on nature-based solutions via regulation and incentives, rather than flawed market-based mechanisms, which would also help stabilise the climate.

It is also important for the NSW Government to consider how to 'retain' what it has. While both 'retaining' nature and 'rehabilitating' are valuable tools in the toolkit for improving environmental health, it is the 'retention' tool for natural areas that offers a more cost effective approach, and leads to stable and resilient ecosystems. Since the introduction of new land clearing codes in 2017, NSW has experienced an increase in vegetation clearing, with annual clearing rates up 47%. Between 2017 and 2020, over 500,000 hectares of land clearing were approved, and more than 224,700 hectares of woody vegetation were cleared. The NSW State of the Environment 2021 report found that woody vegetation clearing increased to an annual average of 35,000 hectares between 2017 and 2019, up from 13,000 hectares between 2009 and 2015. There are a range of actions the NSW Government can do to address this issue including:

- Aspects of the LLS Act and associated Code have enabled most of this clearing in NSW. Changes are needed including:
  - greatly reduce what is allowed without approval;
  - retain trees that have hollows are retained;
  - require multi-factor environmental assessment of each clearing proposal by people with suitable skills and payment by the proponent for the assessment and approval process;
  - reduce allowable fence widths particularly in the central and western zones;
  - removing the 'equity' provision which is no longer warranted;
  - limiting the invasive native species provisions
  - removing the 'farm plan' provision which pretends that recently planted trees have biodiversity benefits sufficient to offset destroying remnant vegetation
  - Ongoing enforcement efforts will also be needed.

- In September 2021 a new *Rural Boundary Clearing Code* came into force in NSW. The Rural Boundary Clearing Code allows landowners to clear certain vegetation on their property within 25 metres of their property boundary. This code has facilitated clearing of vegetation without the need for robust environmental assessment or approval and without a clear framework for monitoring and oversight, in some cases overriding existing environmental protections. This needs to be repealed

- The Government has been slow providing landholders with the best available science. The staged release of the draft Native Vegetation Regulatory map commenced in October 2022 and only became complete in June 2024. It provides a vital visual representation of the categories of land defined and outlined in the LLS Act and LLS Regulation. However, the mapping is based on 2017 vegetation patterns - and yet government has reported that over 500,000ha of land has been cleared since then.

NPA can be contacted through Chief Executive Officer [redacted]

Yours sincerely

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Gary Dunnett

**Chief Executive Officer**
**National Parks Association of NSW**

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*Key References*

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