

The Environmental Stewardship Programme

Approximately 77 per cent of Australia's land area is managed by farmers, graziers, Indigenous communities, and other private land managers. As a result, effectively protecting Australia's environmental resources requires managing environmental assets on private land, and engaging private land managers in this effort.

1. What is the Environmental Stewardship Programme?

The Environmental Stewardship Programme is a new Australian Government initiative that will focus on the **long-term protection, rehabilitation and improvement of targeted environmental assets on private land or impacted by activities conducted on private land**, including freehold and leasehold. The Stewardship Programme will be jointly administered by the Minister for the Environment and Water Resources and the Minister for Agriculture, Fisheries and Forestry.

2. How will the Environmental Stewardship Programme operate?

The Programme will take a **market-based approach** to environmental management. It will offer contracts to landholders who can provide environmental services on a cost-effective basis. These contracts will provide incentives through payments to selected farmers and other private land managers to achieve long-term environmental outcomes on their properties. **Contract lengths may be up to 15 years duration**, to allow for the time required by ecological processes to produce an outcome. For example most regenerating vegetation does not develop resistance to pests and weeds for 10-15 years.

Land managers will be selected for participation in the stewardship programme through auction, tender and other market-based mechanisms.

3. Why is the budget \$50 million over 4 years?

This is a new way to deliver programmes. Never before in Australia, or indeed the world, has a long term environment programme been designed to deliver through competitive market based approaches, or provide the potential for, an income stream for up to 15 years. Starting small will ensure we get it right. This is a significant policy advance and the first 4 years will be an opportunity to operationalise the new thinking.

4. How will the government pay for the ongoing contracts after the first 4 years?

The government has made provision to honour contracts, of up to 15 years, made throughout the first 4 years of the programme. It is not possible to stipulate the exact amount of funding that will be required until competitive bids are assessed and contracts entered into.

5. How much money is each land manager likely to be paid?

Land managers will compete on the environmental importance of their proposal, the services to protect the asset, duration of expected benefits and cost. They will therefore determine their own costs as part of their competitive bid. Those land managers already performing well on environmental actions are likely to be strong contenders for stewardship payments because their costs in meeting a desired quality outcome are likely to be lower. The programme will not pay land managers to meet their regulatory responsibilities.

6. What will the Environmental Stewardship Programme target for investment?

The Environmental Stewardship Programme will target **matters of National Environmental Significance** (<http://www.environment.gov.au/epbc/matters/index.html>), including:

- a. nationally endangered or vulnerable species and ecological communities
Native threatened species and ecological communities with their status in the landscape affected to the extent that their population viability is at risk.
- b. migratory species and wetlands for which Australia has international responsibilities
Migratory species are recognised within international conventions to which Australia is a signatory – Japan-Australia Migratory Bird Agreement (JAMBA), Chinese – Australian Migratory Bird Agreement (CAMBA) and the Convention on the Conservation of Migratory Species of Wild Animals (Bonn convention).

Ramsar wetlands are sites recognised under the Convention on Wetlands of International Importance (Ramsar Convention) as being of international significance in terms of ecology, botany, zoology, limnology or hydrology.

- c. natural values associated with world and national heritage places
World Heritage places are recognised for their ‘outstanding universal value’ and National Heritage places are recognised for their ‘outstanding heritage value to the nation’.

7. Why is it limited to matters of National Environmental Significance?

These matters represent the **most vulnerable and at risk environmental assets** which fall substantially under the Australian Government’s responsibility. They are all listed under the *Environment Protection and Biodiversity Conservation Act 1999*.

8. What will the Environmental Stewardship Programme target first?

The Programme will focus on a relatively small number of priorities in its first two years of operation. The initial environmental asset to be targeted will be the **Box-Gum Grassy Woodland threatened ecological community** (<http://www.environment.gov.au/epbc/publications/box-gum/index.html>) that spans from south east Queensland through New South Wales and down to Victoria. This ecological community can occur as either a woodland or a derived grassland (a grassy woodland from which the trees have been removed). It has a ground layer of native tussock grasses and herbs, and a sparse, scattered shrub layer. White Box (*Eucalyptus albens*), Yellow Box (*E. melliodora*) or Blakely’s Red Gum (*E. bakelyi*) dominate the ecological community where a tree layer still occurs.

9. Why Box Gum Grassy Woodland?

The Box-Gum Grassy Woodland has been identified because of its importance as a critically endangered ecological community which supports a variety of critically endangered, endangered, and vulnerable species, is largely managed by private landholders and covers a broad geographic area.

The Box-Gum Grassy Woodland covers about 405,000ha through the wheat/sheep belt of Queensland, New South Wales and Victoria and may have about 16,000 land managers within its distribution. It occurs as remnants of varying quality on productive agricultural land and has been reduced to less than 5% of its original extent - much of it needs urgent work. These areas are important habitats for a wide range of plants and animals, including at least 19 rare and threatened species including Superb Parrots, Regent Honeyeaters and Squirrel Gliders.

10. How will the Environmental Stewardship Programme be delivered?

The Australian Government will form commercial contracts with appropriate organisations to deliver the Environmental Stewardship Programme. Depending on the environmental assets being targeted the appropriate delivery agent could be a regional body, an industry group, a non-government organisation or a suitably qualified company. In addition detailed **implementation arrangements are being developed** and advice on these arrangements will be progressively communicated to interested stakeholders, including through updates to this webpage.

Initial implementation steps will involve consultation with Joint Steering Committees and regional bodies.

11. What will the Environmental Stewardship Programme pay land managers to do?

The Programme will invest to protect and enhance environmental assets through actions above and beyond their legal responsibility. Land managers have a range of **regulated environmental obligations**. Facilitators employed by on-ground delivery agents will assist land managers to understand their legal requirements and what additional environmental management activities they could undertake.

12. What relationship will the Environmental Stewardship Programme have with other environmental programmes?

The Environmental Stewardship Programme has a specific focus on on-ground protection and management of targeted nationally important environmental assets on private land. It introduces a new tool which enables the Government to enter into long term contracts with private land managers to deliver environmental outcomes. It will achieve complementary linkages with NHT3 and relevant state-based and private sector conservation incentives.

The long term stewardship payments give the Government an additional long-term and highly focused tool to complement NHT3, which will address the full range of NRM issues at the catchment scale.

13. When will the Environmental Stewardship Programme commence?

Following the Budget announcement, implementation arrangements for the Stewardship Programme have commenced with the aim of providing the first payments before the end of the 2007-08 financial year.

The Environmental Stewardship Programme will commence in 2007-2008, with initial investments for Box-Gum Grassy Woodland anticipated to be made in mid 2008. We aim to engage relevant land managers on their interest in the Programme by the end of this year.

14. What is the difference between investment under the Environmental Stewardship Programme and normal grants?

Stewardship will employ market mechanisms that previous trials indicate should deliver better results more cost effectively. It offers the flexibility to provide incentives on a timeframe commensurate with the achievement of actual on ground outcomes – up to 15 years – whereas grants are normally a one-off payment.

15. How will funding received under the Environmental Stewardship Programme be treated for taxation purposes?

Payments to landholders under the Environmental Stewardship Programme will be treated as **income** and will be taxable.

16. How do I find out more about the Environmental Stewardship Programme

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As implementation details for the Programme are developed, they will be posted at www.nrm.gov.au/stewardship .