

**PROPOSAL FOR ‘VEGETATION LEASES’
IN AREAS IDENTIFIED AS PUBLIC GOOD CONSERVATION
SITES ON PRIVATE LAND**

Where vegetation is present on privately owned land, and this vegetation is prohibited from development due to any State legislation, then a ‘Vegetation Lease’ arrangement will be entered into between the NSW Government and the individual landholder.

This lease will be calculated on the following basis:-

| | |
|---|-------|
| The total area of the property | ***** |
| Less Developed Area | ***** |
| Area undeveloped | ***** |
| Area of vegetation identified for lease | ***** |

A land value will be calculated using the market value for the developed area, and multiplied by the area identified for lease.

A lease rate will be applied to this amount of 7% (current market rate) and the landowner will be paid this amount annually, for the term of the lease. The value of the developed land will be reassessed at four-yearly intervals, and the lease rates recalculated.

This will be a commercial lease of the vegetation by the State.

The landowner retains the right to graze all areas at their discretion.

An actual example of how this could work can be seen by using a property at Tottenham to illustrate the outcomes:-

| | |
|------------------------------------|-----------|
| Total area | 1, 255ha |
| Improved area | 735ha |
| Unimproved area | 520ha |
| Area identified for lease | 520ha |
| Value of this lease area @\$740/ha | \$384,800 |

Lease rate of 7%

\$ 26,936 per annum

So using this example a case can be made for annual payments of \$26,936 plus GST if applicable.

The lease commencement date will be 1/1/1998, being the commencement date of the Native Vegetation Conservation Act 1997.

If both parties agree that the lease may no longer be required, then the landowner is bound to retain only an area representing 15% of the total property area, with this being maintained under conservation management conditions.

Where the community is not prepared to enter into these lease agreements, then the landowner will not be bound to comply with limits to development greater than the 15% contribution.

The justification for entering into these lease arrangements is valid and will ensure that adequate vegetation is retained to meet community expectations whilst still providing the landowners with an income stream that had been denied them due to the impost of legislation.

The benefit to the State and community are twofold – the State has a financial and legal arrangement over the retained vegetation thus protecting it from any unwanted development, and the community is satisfied that adequate vegetation is being reserved for environmental benefits.

The pressure to develop land would be minimal, as any undeveloped land would now have the capacity to generate income for the landowner.

Savings could be made immediately due to Compliance and other support staff being redundant, and a new era of cooperation could be entered into between Government agencies and landowners.

As the vegetation retained effectively is managed by the State, any carbon offset benefits will become an asset of the State.

This proposal has been prepared by the NSW Regional Community Survival Group