

Be Paid to Spell Your Country: Pasture Recovery Expressions of Interest

Background

South West NRM is inviting expressions of interest from landholders in the South West region for spelling all or parts of their properties during the next 12 months or more.

An amount of money has been reserved to pay a small number of landholders to improve the condition of their properties by partial destocking and control of goats, pigs and kangaroos. Landholders would retain full ownership of and equity in the property.

The proposal means that landholders would be paid by South West NRM to improve their grass cover rather than being paid by the market for producing beef and sheep products. The effect of the proposal is that the landholder would be paid a regular fee for the grazing rights without having to manage any sheep or cattle themselves. South West NRM would not however graze any stock. South West NRM is proposing this arrangement as a cost-effective method of easing the pressure on native pastures and improving the health of the landscape.

Conditions

Persons expressing interest should name their property. The area proposed can be as small or as large as desired and need not include the whole of the property. A preference is expressed for properties with a river frontage or floodplain or with special vegetation features, or adjoining a stock route that can provide connectivity with other properties and river frontages.

If negotiations proceed to a result, the landholder would grant to South West NRM a sub-lease for a period of a minimum of one year up to a maximum of five years, as negotiated. The sub-lease would give South West NRM *exclusive rights to graze stock* (which it would not exercise). The landholder as proprietor would still enjoy free physical access as South West NRM would *not have exclusive physical access* to the property. South West NRM would have only a non-exclusive right to inspect the property at any time to assess its condition and to confirm that no domestic stock are present.

Depending on its term, the lease may be registered at the Office of Titles in the normal way and could be protected by a caveat but would otherwise have no implications for ownership of the property. South West NRM has no rights to compulsorily acquire property, no funds for that purpose, and the scheme is not intended to be lead to purchase.

Process

Expressions of interest are to be submitted to South West NRM Ltd. There is no strict deadline, but interested graziers are invited to respond as soon as possible. All expressions of interest received before 5pm. on Saturday **27th October** will be considered.

Landholders can express interest through the tender box tender@southwestnrm.org.au, or by fax 4654.7284, or by letter delivered to the company's office at 66 Galatea St Charleville 4470. The expression of interest should name the

property, the landholder and contact details. There is no need to define the boundaries of the area to be spelled or to indicate a price at this stage. Landholders who wish to discuss the matter before expressing interest should ring the Programs Manager, Gary Butler, on 4654.7382 during office hours.

All properties mentioned in the expressions of interest will be discussed with the landholder. Landholders whose properties seem within the scope of the scheme will then be invited to submit a competitive tender indicating:

1. The precise area to be spelled.
2. Length of the proposed lease.
3. Timing of lease payments (e.g. monthly).
4. Privacy and anonymity considerations.
5. The fee required.

Tender documents with detailed terms will be supplied to those invited to bid. All properties submitting a tender will then be evaluated by a Technical Assessment Panel consisting of at least two qualified staff of South West NRM. The ranked results of that evaluation may be passed to a Community Assessment Panel consisting of three or four community members of the company. The recommendations of the panel(s) will be passed to the Board for approval.

The following selection criteria will apply:

1. Value for money.
2. Features of the property e.g. water frontage, wetlands, threatened ecosystems, cultural heritage sites.
3. Current condition of the property and likely speed at which grasses will regenerate.
4. Condition of boundary fences around the area to be spelled.
5. The ease with which the land can be kept free of feral pigs and goats and kangaroos or the thoroughness of the control program proposed by the landholder.

Landholders should consider the following factors when compiling their bids:

1. The *net* cost or *net* profit forgone in not running sheep or cattle.
2. The opportunity for the landholder to defer capital expenditure.
3. The capital gain that the landholder will enjoy because of the relative improvement in condition of the property that is likely to be achieved during the lifetime of the deal.
4. Centrelink eligibility and taxation. Many landholders will be able to let parts of their properties to South West NRM while still drawing full drought assistance. Landholders should consider obtaining accounting advice.
5. The requirement to eradicate feral goats and pigs as far as possible, not to simply harvest them.

The lowest or any offer not necessarily accepted.

Geoff Edwards
Chief Executive Officer
2 October 2007