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| Corporate Plan Reference: | <i>Theme 1: The Noosa Environment: Our environment is protected, enhanced and valued by the community</i> |
| Endorsed by Council | 20 September 2018 |
| Guideline Owner and Department: | Director Environment and Sustainable Development |

GUIDELINE PURPOSE

The purpose of this guideline is to provide a framework for the implementation of a Revolving Fund to support Council's Environment Levy land acquisition program.

GUIDELINE BACKGROUND

The Environment Levy raises funds for the purpose of conserving and enhancing biodiversity in the Noosa Shire. One of the Environment Levy programs is: 'the acquisition of environmentally significance land'. Since 1996 a total of 33 environmentally significant parcels have been purchased either with the levy or in partnership with State or Federal governments. These parcels are managed by Council or have been gifted to the State to contribute to the protected area network.

The Environment Levy Policy already provides the head of power for the excision and sale of acquired land. Under the Environment Levy Policy Funding Principles Part 1:

- e) Initiatives able to be undertaken after the land is acquired with Levy funds include but are not limited to:
- (i) The excision and sale of portions of acquired land that are deemed unsuitable for the purpose of the Levy and the considered future use will not adversely impact upon the identified values of the balance area.
 - (ii) On-selling an acquired site to a purchaser who undertakes a statutory covenant (or other statutory mechanism) that is registered on the land title (in accordance with the Land Title Act 1994) and expressly protects and manages the conservation values of the property.

This guideline provides a framework for the implementation of a revolving fund consistent with the Environment Levy Policy. The fund would enable environmentally significant parcels of land to be purchased, rehabilitated as necessary, protected through a Nature Refuge Agreement under the *Qld Nature Conservation Act 1992* and then on-sold. Alternatively, Council may retain the Nature Refuge and on-sell the balance low or lower biodiversity value parcel to recoup capital. A revolving fund therefore enables greater leveraging of Environment Levy funds for further acquisition and conservation protection of private land.

A revolving fund has a similar outcome to the Voluntary Conservation Agreement (VCA) Program, i.e. ultimately having private landholders with Nature Refuges over their property. Through the VCA program, the private landholder manages the risk of buying and selling their land. Through a revolving fund Council manages the risk of buying and selling the land.

There are three revolving fund mechanisms:

- On-selling with statutory protection (also known as a revolving fund)
- Boundary re-alignment
- Park subdivision

POLICY GUIDELINE

Land suitable for a revolving fund is identified through the methodology outlined in the Conservation Land Guideline (CLP)

The Conservation Land Guideline identifies the types of land parcels suitable for acquisition.

The following types of land parcels are not suitable for a revolving fund:

- Land parcels identified in the Guideline and located next to the Noosa River, Lake Weyba or on Noosa North Shore are considered a priority for acquisition because of future potential threats (future development or clearing of trees for views). These parcels are recommended for the highest level of protection as public land either as Council Nature Refuge or transfer to National Park.
- Land that is 100% vegetated is not suitable for a revolving fund because for re-sale purposes the land would need a cleared house site.

The following types of land parcels are suitable for a revolving fund as identified in the Guideline:

- Have high biodiversity value
- Consolidate or connect Core Protected Areas consisting of National Park, Nature Refuge and/or Bushland Reserve
- Have a suitable house site area for re-sale purposes
- Meet State Government criteria for Nature Refuge gazettal

Parcels of land proposed for a revolving fund are to be assessed on a case by case basis by the Environment Levy Working Group and recommendations made to Council.

Costs to restore land can sourced from the Environment Levy, offsets or grants

Ecological restoration of land can be funded by:

- The Environment Levy
- Environment offsets
- Carbon offsets
- Federal and State grants

Land with infrastructure can be purchased

Most large land parcels suitable for acquisition also have dwellings, sheds or other infrastructure. There is a provision in the Environment Levy Policy to allow for the purchase of land including building structures. Depending on the condition of the infrastructure, it may be re-conditioned or removed and any costs funded from the Environment Levy.

Establishment costs to be funded by the Environment Levy

As per the Environment Levy Policy establishment costs including ecological restoration and Nature Refuge Agreement processing can be funded by the Levy.

The Revolving Fund Program must meet financial accountability standards

It is not always possible to anticipate the property market. Secondly, placing a Nature Refuge over land may be seen as an encumbrance and impact on a properties valuation. A business case will be required to demonstrate that each revolving fund property transaction will not run at a loss taking into account stamp duty, legal costs, sales costs, infrastructure charges and holding costs such as property maintenance.

Revolving fund land is to be gazetted as Nature Refuge

The only tenure that is currently suitable for a Local Government Revolving Fund is a freehold Nature Refuge under the *Nature Conservation Act 1992*. Land under consideration for a revolving fund will need to meet Department of Environment and Science criteria for Nature Refuge status.

Negotiations and purchase of land can be undertaken on Council's behalf

The purchase, statutory protection and on-selling of a property can be undertaken in partnership with a third party such as a trust. The third party arrangement would be set out in a contractual agreement that states:

- Intentions of the parties.
- Roles and responsibilities
- Cost and risk sharing arrangement
- Accountability

Council may engage with a third party as required to implement a revolving fund transaction.

Boundary re-alignment

If two adjoining parcels come under Council ownership, a boundary realignment can be undertaken, an appropriate area be gazetted as Nature Refuge, and the balance parcel on-sold to recoup capital costs.

Subdivision

Under the new SEQ Regional Plan a land parcel can be subdivided for park purposes, a Nature Refuge gazetted and the balance parcel sold to recoup capital costs. This approach would require a planning application and may be subject to infrastructure charges.

ROLES AND RESPONSIBILITIES

Environment Levy Working Group: Assessment of potential revolving fund land parcels and recommendations to Council

Council's Financial Services to undertake/review a cost benefit analysis for each land purchase and proposed revolving fund transaction.

RELEVANT LEGISLATION

Queensland Local Government Act 2009
Queensland Nature Conservation Act 1992

Version control:

| Version | Reason/ Trigger | Change (Y/N) | Endorsed/ Reviewed by | Date |
|---------|-----------------|--------------|-----------------------|------------|
| 1.0 | Create new | | Council | 20/09/2018 |
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