

**STANDING COMMITTEE OF ENVIRONMENT AND HERITAGE**  
**INQUIRY INTO PUBLIC GOOD CONSERVATION**

**May 2000**

The following submission is from the Upper Murrumbidgee Catchment Coordinating Committee (UMCCC), a sub-committee of the Murrumbidgee Catchment Management Committee (MCMC). *[Please note, at the time of writing the UMCCC is awaiting an announcement by the Minister re the formation of the new Catchment Management Boards]*

The UMCCC represents those community sectors that live in, and are responsible for natural resource management in the upper Murrumbidgee catchment. The Murrumbidgee catchment is unique in Australia in having a separate territory, the ACT, wholly within its boundaries, and also being the only catchment in Australia with the major population density in the upper catchment. Both of these features bring particular challenges to the management of the natural resources in the catchment.

The UMCCC includes representatives of both NSW and ACT government agencies, rural land managers, local government, conservation groups, utility agencies and Landcare groups.

The UMCCC welcomes the opportunity to prepare a submission for the Parliamentary Committee Inquiry into Public Good Conservation, and comments are based on our experience since the committee was formed in 1992.

Enquiries on the content of the submission, or other matters are welcome. These may be directed to Val Wiseman, Chair of the UMCCC through the Facilitator Jo Perkins.

Jo Perkins

For

Val. Wiseman, Chair UMCCC

**1. Introduction**

The Upper Murrumbidgee Catchment Coordinating Committee (UMCCC) feels that it is important to document the largely anecdotal evidence that its members have on the value of

conservation measures being undertaken in the Upper Murrumbidgee Catchment. In doing so, the UMCCC cannot comment on all the terms of reference provided by the Standing Committee and will focus on some specific areas of conservation that its members are experienced in. It is hoped these comments will be of interest and value to the Standing Committee.

The UMCCC has attempted to ratify the anecdotal evidence by undertaking a survey of land managers in the Upper Murrumbidgee Catchment area, and has summarised the results below as well as attaching a copy of the survey.

The UMCCC submission will focus on the motivations and benefits for private landholders to undertake *voluntary* conservation works with a wider public benefit and on the various funding opportunities available to them. Individual activities lead to a joint public good and private result in most instances.

## **2. Background**

In the ten years of the Decade of Landcare there has been an enormous change in the attitude of landholders to, and involvement in, land rehabilitation and protection. Revegetation, vegetation protection and erosion and salinity abatement activities are proceeding at a rate inconceivable only a decade ago. For many pioneers in the conservation area “public good conservation” has long been an important underlying consideration, but not one to which many attempted to ascribe financial values. The UMCCC feels that “public good conservation” has however, only recently emerged at the broad community level.

Progress in implementing conservation measures over the past decade has been achieved through a combination of programs acting together.

1. Small financial incentives were available through early funding schemes such as One Billion Trees and Save the Bush. These were coupled with
2. education programs arranged through organisations like Greening Australia and individual landcare groups, which gave people confidence to take action and make private investments in conservation measures. The growth of the landcare movement brought
3. community awareness and importantly, peer acceptance of conservation work being done by landholders.

Without these three strands operating simultaneously it is doubtful if the level of activity would have reached current levels. The UMCCC identifies that it will be essential to continue with these three concurrent and mutually complementary approaches. There are many landholders who are not yet active participants, and who will only be involved over a period of time.

The emergence of the public good concept has been further realised as individuals have come together to plan larger scale projects, often on a catchment basis. This cooperative work has identified and highlighted the off-site benefits from well planned projects. The next step in understanding the public good concept has been to attempt to place values on both the private and public benefit of such work. The UMCCC feels the need for this valuation appears to be driven at least in part by the need of funding bodies to justify the contribution of public funds to landholders and to avoid any suggestion of unfair individual benefit.

The provision of public funding to health and education in Australia seems to provide a useful basis for comparison with conservation works. The provision of large amounts of public money to these areas has both private benefit (eg employment) and public good (participation in civil society, increased levels of public health) outcomes. Individuals are required to contribute to the cost of services in numerous ways. The manner in which these private contributions have been determined has changed frequently, been the subject of political campaigns and are often perceived by many as lacking transparency and equity. However, the general principal that a mix of public and private funds must be invested in

these areas is broadly accepted politically and by the community at large. The ratio of public and private benefit has not existed as an issue *per se* at the community level although inequities and inefficiencies abound within both systems.

While the UMCCC would not wish the funding of environmental works to become so complex and convoluted as in the health and education areas, we do suggest that there is broad acceptance of the need for public investment in conservation measures within the community, and that incidental private benefits are an acceptable outcome of this arrangement.

It is worth noting that the recent review of NHT and frequent intense media scrutiny has not revealed any significant level of “roting” of public funding for private gain. A visible, independent monitoring/auditing process should be implemented to ensure that the current good record is maintained and to ensure that public confidence in grants of public money to landholders is maintained.

The development of markets for real products which can encourage private investment in conservation is welcomed, but caution should be exercised in both the rate and direction taken in market development. The introduction of more realistic pricing for water is still being comprehended by the community, while impacts of new markets eg for carbon have yet to be felt. However, such mechanisms do have the benefit of spreading the true cost across those who benefit from the use or exploitation of an environmental component or service. Public awareness and education campaigns are also necessary adjunct for the successful introduction and operation of new markets.

### **3. UMCCC survey results.**

The UMCCC distributed a survey through its established communication networks (urban, rural and peri-urban), with a good response. The following is a summary of the main points:

**[a] Works undertaken include:** Retaining natural vegetation, revegetation, planting windbreaks, fencing degraded areas and revegetation, exclusion of stock from sensitive areas, soil erosion measures, earthworks, fencing to allow natural regeneration of vegetation, exclusion of stock from creeks, fencing out saline areas.

**[b] Motivation to do such works:** “wanted to do something for the environment”, “to lift long term production”, “to lift asset value”, “concern for vegetation health”, “funding was available to help”, “part of new lease conditions”, “part of a bigger Landcare Group project”, “initially a financial investment but now seeing other benefits: voluntary”, “interest in revegetation – wanted to see what was possible”, “aesthetic appeal”, “desire to manage land to best advantage for the total environment”, “maintain production”, “improve biodiversity”.

**[c] All** but one survey respondent had done the works voluntarily, and about half, independently from an organised Landcare Group activity.

#### **[d] Results of doing the works**

**(i) financial for landholder:** “none initially”, “not in short term”, “some reduced stock loss”, “higher land value due to aesthetic appeal”, “increased asset value” “none yet only loss in grazing land but farm value will increase in time”.

**(ii) intangible benefits to landholder:** “satisfaction”, “sense of accomplishment”, “doing something for the environment”, “demonstrated it could be done independently”, “providing a balanced landscape”, “approval of various government departments”, “learning new techniques”, “satisfaction you have contributed”.

**(iii) public benefits as perceived by landholder:** “improved water quality downstream”, “less erosion”, “more birds and other wildlife”, “visual amenity”, “public awareness”, “reduced salinity recharge”, “provide a lead to others to do the same”, “none in short term, will provide habitat eventually” “education”.

## **[e] Cost of the works**

Cost for works varied from as little as \$500 to as much as \$600 000. What is more important is the proportion of the project cost that was met by the landholder. In some cases this was the full 100% and in these cases no external funding was accessed. In cases where external funding was utilised the average proportion of costs met by the landholder was still being estimated at between 60% - 80%. (See section 5)

## **[f] Funding**

In the large majority of the surveys, the ability to access some form of funding meant the conservation works were getting done sooner than would have been possible for the landholder without it. This implies most landholders would probably do such works at some point, but access to external funds certainly brings conservation works up the priority list. All landholders surveyed would consider doing more conservation works in time, although getting funding is not their motivation and would not be a precursor to doing the works.

The survey respondents were less responsive with their views of current funding arrangements, although there were comments relating to the increased complexity of forms, and the time lag between application and realisation of funds. The UMCCC would suggest these feelings and frustration's are far more common and widespread than the surveys indicate.

The opportunity to use more management agreements was highlighted as was the big opportunity for compensation to be paid to landholders who set aside land for conservation purposes. The UMCCC also acknowledges that there are fewer opportunities for landholders to access funds if not in an established Landcare group/network. Opportunities for these landholders - and there are many, are currently limited.

Recently in the Upper Murrumbidgee Catchment, there has been an opportunity for landholders to access funding through devolved grant programs. These funds and programs are managed by Greening Australia and at present there are up to 10 schemes operating in the Upper Murrumbidgee Catchment. These programs have been a huge local success. The key to the success of these programs has been recognised by agency staff and landholders alike as being due to:- fast access to program dedicated technical advisory staff, on-ground site inspections with appropriate expertise, fast approval of simple funding applications (in most cases verbal approval can be given at the site inspection), only small amounts of funding involved – often for a specified purpose ie fencing and being open to non landcare group members. The UMCCC supports these funding programs strongly and cannot stress how important they are in building local momentum for on going and coordinated resource management.

## **4. How to measure public good and who should pay?**

As the UMCCC survey indicates there is (sometimes intangible) public good in nearly all conservation works, but valuing/measuring it is very complicated. In most cases valuation requires lateral thinking and economic skills beyond that available to many landholders and landcare groups and there are many areas of public good where valuation in any meaningful way is almost impossible (eg retention of biodiversity, landscape appeal). Attempts to put a monetary value on such parameters are likely to be met with a sceptical community reaction and are at present not dealt with in any more than a very rudimentary way on funding application forms. The UMCCC suggest that attempts to attribute public and private benefits should only be attempted in areas where clear methodology and transparent processes are available.

The UMCCC questions whether the exercise of valuing public benefits is going to have worthwhile result or does it simply keep accountants and economists occupied. Maybe a better approach is to run ongoing public awareness and education programs about the need for conservation measures. Such an approach would investigate in far more depth the issue of

responsibility of conservation and environmental works being spread across governments and landholders as well as currently being shared by urban and rural people. It would encompass issues of participation in civil society and the development of social capital - which immediately suggests a manner of valuing benefits in non-monetary terms. The UMCCC considers that perhaps *the key is to shift the debate from cost sharing to responsibility sharing*. Cost sharing can be done via a universal levy eg a percentage of the GST or a specific levy directed to conservation measures.

## **5. Conclusion**

The experience of the UMCCC, partially verified through our survey, suggests that most conservation works have a public benefit component. Benefits may be spread over long and variable time frames. Some of the public benefit can have a monetary value attributed to it. For other public outcomes the benefits are recognisable but intangible, while others are not easily recognisable but may have significant benefit over time.

The effort to determine monetary values for benefits may be resource intensive and could lack credibility and transparency at the community (landholder, or voter) level. A better approach may be to accept the limitations of an economic rationalist approach and accept instead the need to invest in education and public awareness. Such an approach would have multiple outcomes and build a community wide acceptance of shared responsibility for natural resource management.