

# Chapter 12

## Funding

12.1 This chapter discusses the adequacy of resourcing of parks and protected areas in Australia and a range of resourcing issues, including the respective roles of the Commonwealth and state and territory governments. The chapter also discusses the funding of World Heritage Areas, and the debate about 'user pays' funding for the conservation estate.

### Funding – terrestrial

#### *Commonwealth*

12.2 Responsibility for most terrestrial park management in Australia rests with the states and self-governing territories. However, the Australian Government manages a number of terrestrial parks including several located in Commonwealth territories (both internal and external). The parks managed by the Commonwealth represent 3 per cent of Australia's terrestrial protected area estate counted in the National Reserve System.

12.3 Terrestrial parks and marine protected areas are managed by the Director of National Parks and the Department under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), apart from the Great Barrier Reef Marine Park which is managed by a separate Commonwealth statutory authority – the Great Barrier Reef Marine Park Authority under the *Great Barrier Reef Marine Park Act 1975*.<sup>1</sup>

12.4 In 2005-06, Commonwealth expenditure on terrestrial parks was \$56.98 million. Further details are provided in Table 12.1.

**Table 12.1: Terrestrial Commonwealth reserves**

Year ending 30 June	2002	2003	2004	2005	2006
Expenditure (\$000s)	52 774	54 650	57 545	58 691	56 980
Revenue (\$000s) (a)	64 383	62 947	53 022	58 525	59 154
Number of staff	278.9	280.5	287.8	263.8(b)	274.5(b)
Number of reserves	7	7	7	7	7
Area protected (ha)	2 131 300	2 131 300	2 131 300	2 131,300	2 132 282(c)

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1 Department of the Environment and Heritage, *Submission 126*, pp 1–6. See also Mr Peter Cochrane, Director of National Parks, *Committee Hansard*, 16 June 2006, p. 65.

**Footnotes**

- a. Includes revenue from all sources including appropriations and externally raised revenue
- b. Does not include staff involved in managing marine areas and therefore not directly comparable with previous years
- c. Area protected in 2006 has been amended to reflect latest data available from the Collaborative Australian Protected Areas Database

Source: Director of National Parks, *Annual Report 2005-06*, p. 17.

12.5 Mr Peter Cochrane, Director of National Parks, stated that funding levels had been maintained over recent years, but there had not been real increases in funding:

Mr Cochrane—We have held our own in terms of funding over recent years.

Senator RONALDSON—What do you mean by that?

Mr Cochrane—It has been stable. There have been slight increases. On occasion when our issues have exceeded our capacity, we have been able to call on the NHT for some additional help.

Senator RONALDSON—Have they been real increases?

Mr Cochrane—They have not been real increases, but our funding has been stable.<sup>2</sup>

Further details of the operating costs of Commonwealth terrestrial reserves are in Appendix 10, Tables 10A and 10B.

**Funding – marine**

12.6 As outlined in chapter 4, management of Australia's marine jurisdiction is shared between the Australian and state and territory governments. The Australian Government manages a number of marine protected areas located within Commonwealth waters. Of Australia's current marine protected area estate, 98 per cent is managed by the Australian Government.<sup>3</sup>

12.7 In 2005-06, Commonwealth expenditure on marine protected areas was \$3.58 million. Further details are provided in Table 12.2.

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2 *Committee Hansard*, 31 March 2006, p. 86.

3 Department of the Environment and Heritage, *Submission 126*, pp 1, 3.

**Table 12.2 Marine Commonwealth reserves**

<b>Year ending 30 June</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Expenditure (\$000s)	2 235	2 126	1 981	2 531	3 582
Revenue (\$000s) (a)	2 235	2 126	1 981	2 531	3 382
Number of staff	17.5	13	12	12.6	15.25
Number of reserves	12	13	13	13	13
Area protected (ha)	20 758 100	27 218 100	27 244 080	27 244 080	27 245 378(b)

**Footnotes**

- a. Includes revenue from all sources including appropriations and externally raised revenue
- b. Area protected in 2006 has been amended to reflect latest data available from the Collaborative Australian Protected Areas Database

Source: Director of National Parks, *Annual Report 2005-06*, p. 17.

Further details of the operating costs of Commonwealth marine reserves are at Appendix 10, Tables 10C and 10D.

12.8 In Western Australia, in 2005-06 expenditure by the WA Department of Environment and Conservation on marine protected areas was \$9.115 million (comprising \$6.82 million on day-to-day reserve management and \$2.29 million on planning and policy). Staffing comprises 47.3 Full-Time Equivalents (FTEs) – comprising 31.3 FTEs on reserve management and 16 FTEs on planning and policy.<sup>4</sup> In South Australia, in 2006-07 the SA Department for Environment and Heritage allocated \$222 000 for management of the Great Australian Bight Marine Park.<sup>5</sup>

***Great Barrier Reef Marine Park***

12.9 The Great Barrier Reef Marine Park is jointly funded by the Commonwealth and the Queensland Governments.

12.10 The total appropriation for the Great Barrier Reef Marine Park Authority in 2005-06 was \$22.716 million. The Commonwealth's appropriation comprised 40 per cent of the total funding, and the Queensland Government's contribution comprised

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4 Advice from WA Department of Environment and Conservation, dated 24 January 2007. Data excludes expenditure by the Department of Fisheries on fisheries management in MPAs and research expenditure in MPAs.

5 Advice from SA DEH, dated 19 December 2006.

13 per cent.<sup>6</sup> Income from other sources in 2005-06 was \$15.761 million. The Australian and Queensland Governments provided matching funding for day-to-day management of the marine park, which is implemented in partnership with the Queensland Parks and Wildlife Service and other agencies. The operating expense of managing the marine park in 2005-06 was \$38.579 million.<sup>7</sup>

### **Funding – states and territories**

12.11 Evidence to the inquiry provided information on the resources allocated by the states and territories to the management of parks and reserves. While there are gaps in the data, and information on certain states and territories is less comprehensive than others, they do provide a snapshot of the different levels of resourcing available across the states and territories.

12.12 Witnesses commented on the difficulty in obtaining data on funding levels:

A lot of people have tried to track down this figure [state funding levels] in preparation for this Senate inquiry. It is something that we would all like to put a clear-cut figure on. Most people have found it extremely difficult to get really clear-cut figures. Part of that is because many parks agencies have amalgamated in recent times. Some of their research capacity, for example, is not in a parks agency; it is in a centralised agency. So the overall picture is quite hard to come by.<sup>8</sup>

I have had the same result. Independently I have tried to secure the actual allocation by state or territory for protected areas. It is possible for some but is not possible for all.<sup>9</sup>

The first time I was able to put together that national paper [on funding levels], it was because I was able to contact individuals inside agencies at all levels and ask a series of questions that were basically a template data set, and I was able to get that back. When we tried to repeat the exercise ...the difficulty was that the agency had changed or it had added new functions or lost functions along the way, and the accounting system had changed....I am not sure how we can get around that, because to compare data sets of course they have to be consistent over time, and if they are adjusted you have to be able to adjust them. So how the Commonwealth could in any way get the states to report in a uniform fashion—you can just imagine the arguments coming back.<sup>10</sup>

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6 Other appropriations included special appropriation/Environment Management Charge (EMC) 19 per cent; related entity (eg, Natural Heritage Trust) 18 per cent; reef HQ 6 per cent; and other 4 per cent. See GBRMPA, *Annual Report 2005-2006*, p. 4.

7 Great Barrier Reef Marine Protection Authority, *Annual Report 2005-2006*, pp 4–5.

8 Ms Penelope Figgis, World Commission on Protected Areas, *Committee Hansard*, 31 March 2006, p. 55.

9 Mr Graeme Worboys, World Commission on Protected Areas, *Committee Hansard*, 31 March 2006, p. 56.

10 Professor Geoffrey Wescott, *Committee Hansard*, 5 June 2006, p. 26.

12.13 Similarly, Mr Peter Cochrane, Director of National Parks, highlighted the difficulty in obtaining a clear picture of funding for protected area management nationally and the attempts by the Commonwealth to make its reporting transparent:

...it is challenging—and I can speak from personal experience, having now gone through six budgets, some significant changes in accounting methodology and a few different rules in how the government allocates funds—and it has actually been quite difficult to develop a consistent story for our own operations, let alone the states'. We are fortunate because our protected area management is very clearly identified. We report individual park budgets in the annual report in the interest of transparency, but a number of state agencies are part of wider portfolios and do not provide disaggregated protected area management figures, so they have to go back to try to extract that information from their own budgetary systems. It is not something that is on the public record. So there are two elements to that: yes, it is hard, and everyone's rules have changed; and they are not disaggregated in most cases.<sup>11</sup>

12.14 In NSW, in 2004-05 the annual recurrent budget was approximately \$210 million. The capital funding was approximately \$35 million.<sup>12</sup> The 2005-06 State Budget allocated \$305 million to manage the state's park system with special targeting for certain projects including \$32 million for capital works to maintain historic heritage and upgrade visitor facilities; \$38.5 million to build new infrastructure; \$18 million for feral animal and weed control; and an additional \$15.6 million over 4 years for park management.<sup>13</sup> Since 1996, NSW has contributed approximately \$125 million to buy land to build the NSW reserve system.<sup>14</sup>

12.15 Regarding staffing, the NSW National Parks and Wildlife Service engaged 185 rangers and 477 field officers/tradespeople in 1997. These numbers had increased to 256 rangers and 570 field officers/ tradespeople in 2005.<sup>15</sup> At the May 2006 Committee hearing the NPWS indicated that it employs 1500 staff – including approximately 150 Indigenous staff (approximately 10 per cent of staff).<sup>16</sup>

12.16 In Western Australia, expenditure on management of the state's parks and reserves has increased from \$40.5 million in 1995-96 to \$105.1 million in 2004-05, an increase of 159 per cent. Capital expenditure for the provision of visitor infrastructure and roads in the state's parks and reserves has increased from \$2.5 million in 1995-96 to \$12.13 million in 2004-05, an increase of 385 per cent.<sup>17</sup>

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11 *Committee Hansard*, 16 June 2006, p. 77.

12 Dr Tony Fleming, *Committee Hansard*, 12 May 2006, p. 5.

13 NSW Government, *Submission 155A*, 'Summary of the State of the Parks 2004 Report', p. 2.

14 NSW Government, *Submission 155*, p. 20.

15 NSW Government, *Submission 155A*, p. 2.

16 Dr Tony Fleming, *Committee Hansard*, 12 May 2006, p. 2.

17 CALM, *Submission 135*, p. 11.

12.17 Mr Keiran McNamara of the WA Department of Environment and Conservation stated that the funding allocation to conservation is generally adequate:

...we are an agency that, prior to the amalgamation with the Department of Environment, was probably heading towards an expenditure of about \$220 million this financial year essentially on our conservation responsibilities. We have got a state government that in recent years has injected significant new money into the 29 new national parks created in the south-west forests. That has given us something like a four-fold increase in our annual capital budget for park facilities, access and roads and so on, it has given us an increase in our annual budget for fire purposes of probably \$7 million or \$8 million per annum, and this year has invested an extra \$8 million directly into biodiversity protection over and above our pre-existing budget with a large emphasis on ferals, weeds and dieback. Do we have as much as we might like? No. Do we get a reasonable share across the government's priorities? Yes, we do.<sup>18</sup>

12.18 The Queensland Government, through the Environmental Protection Agency (EPA), 2004-05 spent an estimated \$142.5 million on the operational management, capital improvement and maintenance of Queensland's protected areas and other reserves (including depreciation costs). Some \$70 million in additional investment for enhanced land management will be spent over the next three years.<sup>19</sup>

12.19 The Queensland Government has made a substantial investment in infrastructure to provide safe recreational access to estate areas, protecting critical habitat and to ensure fire protection. EPA has a diverse inventory of infrastructure including over 20 000 kilometres of road, 134 camping areas and 129 day-use facilities. At June 2005, these built assets were valued at almost \$1.2 billion.

12.20 In relation to staffing resources, terrestrial and marine managed areas in Queensland are staffed by a resource base of more than 620 permanent ranger staff (both full-and part-time staff) located at 130 locations (in 2002 there were approximately 470 rangers). In some Indigenous communities the EPA employs casual rangers, which is preferred to permanent employment in these communities. There are also approximately 300 additional permanent staff assisting with technical support, administration and management. In addition, temporary and casual staff are employed as needed to support service delivery, usually in project-based work. In 2005-06, an allocation of \$55 million has been made for salary and wages costs. There are a further 100 permanent ranger staff and a number of other support staff who provide conservation services both on and off the estate. A total of 140 extra permanent rangers were recruited over the two years to June 2003.<sup>20</sup>

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18 *Committee Hansard*, 1 September 2006, p. 39.

19 Queensland Government, *Submission 175*, p. 17.

20 Queensland Government, *Submission 175*, p. 17; Mr Feely, EPA, *Committee Hansard*, 21 April 2006, pp 8-9.

12.21 In South Australia, approximately \$70 million was expended on the management of the parks and reserves system in 2005-06. There are approximately 400 staff working on parks and reserves-related matters, of which 96 are rangers. In the 2006-07 State Budget the government announced that the number of ranger positions would be increased by 20 over the next 4 years.<sup>21</sup>

12.22 In the Northern Territory, \$20.6 million was allocated to parks and reserves in 2005-06. The NT Government stated that 'although comprehensive comparisons have not been done, expenditures by the Territory Government on maintaining its parks and reserves... appear broadly comparable with other jurisdictions'.<sup>22</sup>

12.23 In the ACT, the Territory Government allocates approximately \$19 million annually to the management of Namadgi National Park, Tidbinbilla Nature Reserve, the Murrumbidgee River Corridor, Canberra Nature Park and Googong Foreshores Reserve.<sup>23</sup>

### **Comparison between jurisdictions**

12.24 During the inquiry some information was provided that compared operational budgets between states. Comparisons, however, need to be treated cautiously. Mr Peter Cochrane, Director of National Parks noted that:

Making comparisons between effort amongst all those [state] agencies is extraordinarily difficult.

Different agencies and different governments operate their agencies in different ways. Some park agencies, for example, do no off reserve activities, which is the case with us. A number of state agencies do very significant off reserve activities and they do not account for them separately in their budgets.<sup>24</sup>

12.25 GHD Pty Ltd compared agency operational budgets and conservation estate areas for the appropriate conservation management agencies in four states – Queensland, New South Wales, Victoria and Western Australia. These states were selected because their data was readily available. The aim of the study was to assess

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21 Advice from SA Department for Environment and Heritage, 21 December 2006.

22 NT Government, *Submission 16*, p. 3.

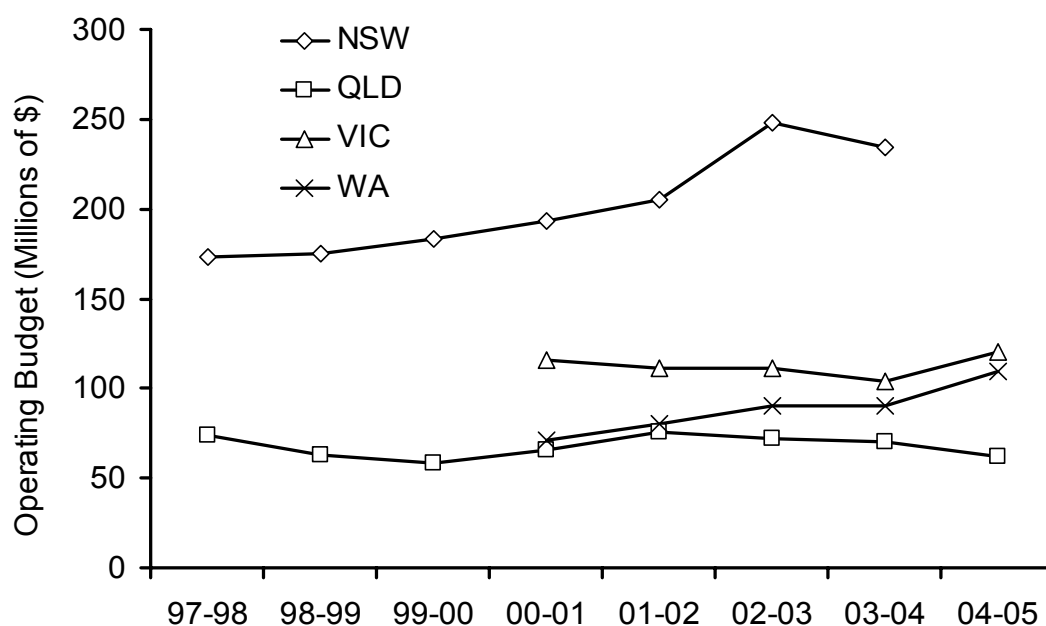
23 ACT Government, *Submission 159*, p. 1.

24 *Committee Hansard*, 31 March 2006, p. 87.

whether expansions in the conservation estate were being matched by funding increases, in real terms, for their ongoing management.<sup>25</sup>

12.26 The size of the protected area estate increased in each state sampled, across the reporting period. In seven years, the NSW estate expanded to a greater extent than the other states – by 30 per cent. The Queensland estate has increased by 9 per cent, Victoria by 4.8 per cent, Western Australia by 3 per cent.

**Figure 12.1 Operating expenditures on staff and services for agencies charged with managing the reserve estate**



12.27 The operating budget, in real terms, for each agency responsible in NSW, Victoria and Western Australia increased during the periods of reserve expansion (Figure 12.1):

- the 30 per cent reserve expansion in NSW was matched by a real increase in operations budget of 35 per cent;

25 Annual expenditure on people and services from the operations section of each department/agency responsible for managing protected areas was sourced from annual reports. The operational budgets include not only land management activities (e.g. weed control, burning, trail management), but also other responsibilities associated with national park management (e.g. research, education, facilitation). For each agency, the budget figures do not include operational expenses commonly associated with environmental protection (e.g. pollution licensing and management), except for the final NSW expenditure figure (which could not be separated). The size of the protected area estate (ha) was also recorded. The data for NSW relate to 1997-98 to 2003-04; Qld from 1997-98 to 2004-05; and Victoria and WA from 2000-01 to 2004-05. See GHD Pty Ltd, *Submission 164*, pp 4-5.

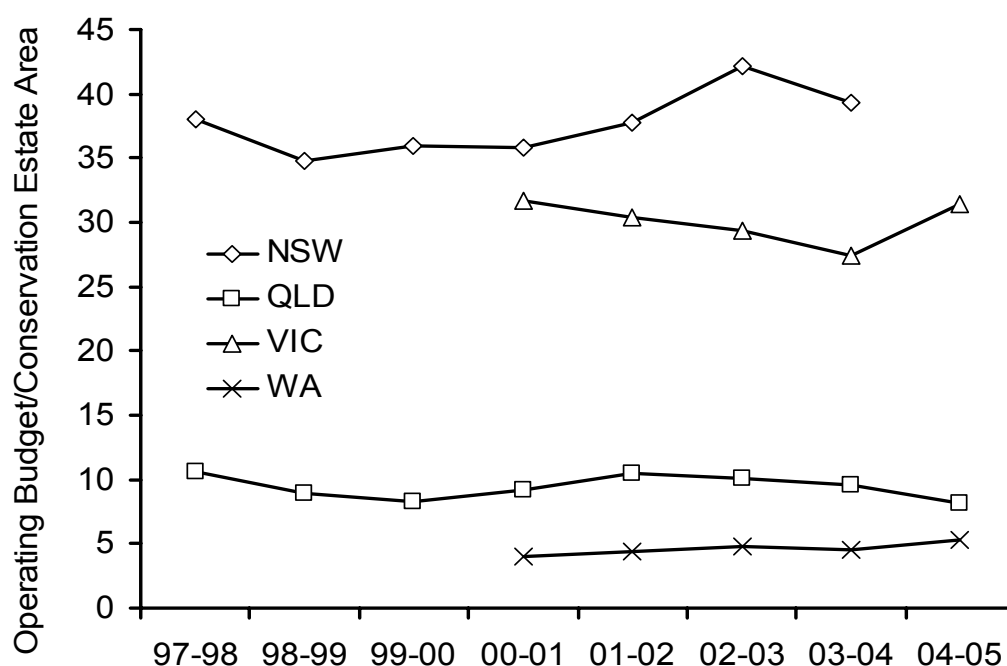


- the smaller reserve expansions in Victoria (of 4.8 per cent) and Western Australia (of 3 per cent) were accommodated by real-term increases of 4 per cent (in the case of Victoria) and 38 per cent (in the case of Western Australia);
- the operational budget in real terms declined by 16 per cent in Queensland, despite a reserve estate expansion of 9 per cent.

12.28 In relation to Queensland, an earlier study by the Local Government Association of Queensland (LGAQ) found that there was a 7 per cent growth in real funding over the period 1993–99 in that state compared with a 28 per cent growth in the protected area estate over the same period.<sup>26</sup>

12.29 The GHD Pty Ltd study also compared the level of resourcing per unit area reserved for each state in the study. Resourcing levels in NSW and Victoria were found to be at least double those in Western Australia and Queensland (Figure 12.2).

**Figure 12.2 Investment in agency operational budgets per unit area (in real terms)**



Source: GHD Pty Ltd, *Submission 164*, p. 8.

12.30 Only in Western Australia has the operational expenditure per unit reserve area increased continuously in real terms. In Queensland the expenditure per unit area has declined in real terms, whilst in NSW there has been a steep recent decline. In

26 Local Government Association of Queensland, *National Parks Inquiry: Final Report*, May 2000, p. 6.

Victoria a recent increase in funding per unit area reinstated investment levels to those apparent in the 2000-2001 reporting year. GHD Pty Ltd commented on the above trends stating that:

Vast differences were recorded in the amount of money each State is investing in its protected area estate on a per unit area basis. However, comparisons between States are difficult, given different operating structures, biophysical conditions, reserve sizes and levels of efficiency. In the absence of any other information, the investment levels from NSW could be considered a national indicator for best practice. The relatively low levels invested by WA can partly be explained by its reserve area size being double that of the other States, and the different biophysical conditions requiring different levels of input compared to those on the eastern seaboard. In contrast, the apparently low levels of investment in QLD are not easily explained, given similar reserve areas and biophysical conditions to the two other eastern States.<sup>27</sup>

12.31 GHD Pty Ltd also added that the recent reduction of financial investment per unit area in NSW 'warrants concern', since the 2003-2004 figure also includes the operating expenditure associated with pollution control, and that state has been responsible for the largest expansion in reserve area over the period considered – 'ongoing monitoring of investment in park estate, once the area captured has stabilised, will allow a better comment regarding the whether the recent additions have been appropriately resourced'.<sup>28</sup>

12.32 The committee notes that funding levels for national parks and reserves varies considerably between the states and territories. The committee is pleased to note that that several states have matched reserve expansion with real increases in their operational budgets. The committee urges all states and territories to devote resources to national parks and reserves that match the management requirements of these areas.

12.33 The committee also notes that there is a need for more comprehensive and accessible data on the funding levels, including staffing levels, devoted to national parks and reserves, and urges all jurisdictions to provide such information on an annual basis.

#### **Recommendation 14**

**12.34 The committee recommends that all states and territories publish comprehensive information in a national consistent form on funding levels for ongoing management of national parks and reserves, including staffing resources, and that this information be published annually in the relevant annual reports.**

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27 *Submission 164*, p. 9.

28 *Submission 164*, p. 9.

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## Recommendation 15

**12.35 The committee recommends that all states and territories, at a minimum, maintain their budgets for national parks and reserves in real terms to meet expansions in the reserve estate and operational requirements.**

### Adequacy of resourcing levels

12.36 Despite substantial expenditures by the Commonwealth and the states and territories, submissions from a wide variety of groups and organisations raised questions about the adequacy of funding of parks and protected areas in Australia.

12.37 Dr Marc Hockings of the University of Queensland, reflecting much of the evidence, stated that:

There is ample evidence from around the world that funding for effective protected area management is grossly deficient and Australia is no exception to this picture. Both national and international studies...have highlighted this shortfall. Australia has amongst the lowest budgets and staffing levels per hectare in the developed world. Failure to invest now in both the biodiversity conservation aspects of protected area management and the maintenance costs for infrastructure will lead to higher costs in the future.<sup>29</sup>

12.38 CSIRO stated starkly that:

Currently, there are insufficient resources to establish and maintain a network of protected areas that is CAR compliant at the national level. Although the National Representative system of Marine Protected Areas is designed to achieve this in the marine environment, marine protected areas still encompass a biased selection of habitats.<sup>30</sup>

12.39 CSIRO further noted that establishing and managing protected areas is expensive and that it is imperative that ongoing knowledge and management needs are recognised and funded to avoid protected areas becoming 'paper parks' that do not meet conservation objectives and therefore waste money, and to avoid creating havens for feral animals, weeds and sources of fire.<sup>31</sup>

12.40 Conservation groups also expressed concerns at current funding levels. The Conservation Council of WA stated that:

We are unable to think of examples of where the WA or the Australian Government has managed to adequately fund either the acquisition of

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29 *Submission 110*, p. 1.

30 *Submission 41*, p. 7.

31 *Submission 41*, p. 7.

additions to the conservation estate or the management of the current reserve system.<sup>32</sup>

12.41 Similar concerns were expressed by industry associations. The Forest Industries Association of Tasmania (FIAT) noted that in relation to Tasmania:

FIAT are concerned that this substantial increase in land reservation has not been matched by a commitment by Federal and/or State governments to funding appropriate resources to ensure the effective management of the reserved areas.

The absence of the provision of sufficient resources both fiscal and human to enable the provision of effective management regimes that are directed at the protection of the values that gave rise to the original listing will inevitably lead to the diminution and/or destruction of those original values thereby negating the purpose behind the listing.<sup>33</sup>

12.42 Submissions also argued that marine protected areas are inadequately funded. The Australian Marine Conservation Society argued that increased resources need to be directed towards the delivery of the National Representative System of Marine Protected Areas (NRSMPA) to accelerate the time-line for the roll-out of the NRSMPA to ensure that the 2012 target is met; to protect at least 30 to 50 per cent of each marine habitat in fully protected areas (no-take); and to achieve finer scale habitat mapping of Australia's inshore and offshore marine habitats.<sup>34</sup>

12.43 The Tasmanian National Parks Association stated that:

The level of resourcing for Tasmania's marine protected areas is almost non-existent. Despite six reserves there is not one dedicated MPA specialist member in the Tasmanian Parks and Wildlife Service. In addition next to no money has been spent promoting these areas for many years. Hidden beneath the waves these are very much the poor cousins in Tasmania's reserve system.<sup>35</sup>

12.44 The Marine and Coastal Community Network noted that with some exceptions, marine protected areas are well behind terrestrial protected areas in terms of funding resources and staffing.<sup>36</sup>

12.45 Submissions emphasised that there is a 'cost' to inadequate funding. The IUCN argued that it will always cost more to eradicate an invasive species once it has become established, than it does when the species first emerges. Similarly, it is more cost effective to carry out pre-emptive maintenance of park infrastructure, but if

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32 *Submission 143*, p. 2.

33 *Submission 73*, p. 4.

34 *Submission 184*, p. 4.

35 *Submission 78*, pp 3–4.

36 *Submission 193*, p. 3.

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resources are limited then only the most urgent maintenance will be carried out leading to more significant cost in the future.<sup>37</sup>

12.46 While most submissions emphasised inadequacies in funding levels, a number of submissions commented on the increases in resourcing levels in recent years and the ability of agencies to manage large areas of conservation reserve with limited resources.

12.47 The National Parks Association of NSW argued that in NSW the resources allocated to managing the reserve system have grown significantly over the last ten years keeping pace with increases in the size of the reserve system.<sup>38</sup>

12.48 Some submissions argued that in terms of management requirements, environmental, social and economic benefits can be achieved with very minimal resourcing. The Conservation Commission of WA, argued, for example, that the process of establishing an area as a national park provides immediate benefit through the provision of statutory protection, that is, formal legal protection against inappropriate use; frequently a social benefit through the community's perception that a 'good' has been done; an economic benefit driven by visitation; and environmental benefits through the ability to apply existing management systems developed through years of experience and knowledge. The Commission argued that notwithstanding the ability of agencies to manage large areas of conservation reserve with limited resources, better results are always achievable with more resources.<sup>39</sup>

12.49 The Conservation Council of WA noted that even 'under-funded parks' are still 'very worthwhile' – simply protecting an area from exploitation is an important step on the way to ensuring the long-term conservation of that terrestrial or marine ecosystem.<sup>40</sup>

### *Overseas comparisons*

12.50 Comparisons with overseas countries suggest that Australia spends considerably less on the management of its parks than many comparable countries. Professor Geoffrey Wescott of Deakin University estimated that annual expenditure on national parks in 1988 was US\$146 million in Australia, \$297 million in Canada and \$1027 million in the USA. Staffing numbers were 2805 in Australia, 5925 in Canada and 15 147 in the USA. Although the data is somewhat dated, Professor Wescott argued that it is possible to make a rough comparison between the countries as the percentage of land reserved in national parks in each country is similar and visitation rates are not too dissimilar (especially as between Australia and Canada). Professor Wescott concluded that Australia spends less than Canada and far less than

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37 *Submission 137*, p. 30.

38 *Submission 130*, p. 6.

39 *Submission 141*, p. 9.

40 *Submission 143*, p. 3.

the USA on its national parks and reserve system, and employs far fewer staff than both those countries.<sup>41</sup>

12.51 The National Association of Forest Industries (NAFI) came to similar conclusions with regard to funding for protected areas and staffing levels:

In 1999, the World Conservation Union (through their publication *Parks Volume 2 – June*, all in \$US) provided a summary of protected areas, budgets for managing protected areas and staffing levels. At that time, the average budget for managing protected areas was \$1.57 per hectare in developing countries and \$20.58 per hectare in developed countries. It was determined that the budgeted amount for the protection of national parks and reserves in developing countries was less than one third of the amount required to adequately meet their stated conservation objectives.

When comparing Australia to Canada and the United States, the budgeted amounts were \$3.59, \$10.17 and \$23.58 per hectare, respectively. Australia was providing just over double the average funding for developing countries to manage the protected areas. Although the level of funding in Australia may have increased since this report was released (and it is reasonable to expect that the funding in the other two countries would have also risen), it would be difficult to imagine that Australia's funding for protected areas had increased by between 3 and 6-fold in real terms to be between the funding level of these other two countries.

Similarly, the staffing numbers for protected area management in Australia are much lower than in other countries. The global mean staffing levels for protected areas is 27 people per 100,000 hectares, with an average of 26.9 people per 100,000 hectares in developed countries. At the time the IUCN report was released, only 6 people per 100,000 hectares were employed to manage the protected areas in Australia.<sup>42</sup>

### ***Funding levels for a CAR reserve system***

12.52 A number of submissions and reports suggested levels of funding necessary to provide a comprehensive, adequate and representative (CAR) reserve system.

12.53 The Prime Minister's Science, Engineering and Innovation Council (PMSEIC), *Setting Biodiversity Priorities*, suggested that to consolidate the NRS to achieve 80 per cent comprehensiveness (that is, 80 per cent protection of the full range of regional ecosystems within and across each IBRA region within 10 years) would require funding of between \$300-400 million.<sup>43</sup> The IUCN argued that the PMSEIC contention that \$300-400 million would achieve 80 per cent protection of the full range of regional ecosystems is a powerful argument for such a national investment,

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41 *Submission 49*, Attachment 1, p. 6. See also Professor Geoffrey Wescott, *Committee Hansard*, 5 June 2006, p. 16.

42 *Submission 186*, p. 7.

43 PMSEIC, *Setting Biodiversity Priorities*, May 2002, p. 9.

and should be considered against the 2004-05 defence budget of \$16.65 billion.<sup>44</sup> WWF-Australia also noted that the PMSEIC report found that efforts to consolidate Australia's NRS is one of the most cost-effective investments that governments can make to secure the nation's biodiversity.<sup>45</sup>

12.54 WCPA suggested that \$400 million over 5 years should be allocated. This figure is based on \$350 million suggested in the PMSEIC report plus an additional \$50 million to expand the IPA program and to fund the complex task of bringing freshwater systems into the NRS. This would suggest \$80 million per year of Commonwealth funds. The IUCN argued that a 2:1 funding formula with the states and territories should apply.<sup>46</sup>

12.55 The Australian Conservation Foundation argued that governments should commit funding of \$350 million over six years, in line with PMSEIC's recommendation, on a 2:1 cost sharing arrangement between the Commonwealth and the states and territories.<sup>47</sup>

12.56 Since 1996-97 the Commonwealth Government through the National Reserve System (NRS) has provided financial support to buy, establish or maintain land for Australia's National Reserve System. The NRS now includes nearly 8000 protected areas. Among them are national parks, private land, Indigenous Protected Areas and other reserves. In all, the NRS covers 80.8 million hectares, which is approximately 10.5 per cent of the land area of the continent (see chapter 3).

12.57 The NRS is Australia's system of terrestrial protected areas. The objectives of the programme are to:

- establish and manage new ecologically significant areas for addition to Australia's terrestrial NRS;
- provide incentives for Indigenous people to participate in the NRS through voluntary declaration of protected areas on their lands;
- provide incentives for landholders (both private landholders and leaseholders) to strategically enhance the NRS; and
- develop and implement best practice standards for the management of the NRS.

12.58 Funding for the NRS Programme was approved in 1996-97 under the first phase of the Natural Heritage Trust (NHT). NRS Programme funding was extended for a further five years to 2007-08, under the second phase of the NHT.

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44 *Submission 137*, p. 30.

45 WWF-Australia, *Submission 161*, p. 3.

46 *Submission 137*, p. 31. See also Dr Marc Hockings, *Submission 110*, p. 1.

47 *Submission 178*, pp 3, 19.

12.59 Key funding areas targeted by the NRS Programme include:

- land acquisition by State and Territory conservation agencies;
- land acquisition for management by community groups;
- voluntary establishment of protected areas on private land;
- voluntary establishment of Indigenous Protected Areas; and
- development and implementation of best practice protected area management.<sup>48</sup>

12.60 The Australian Government, under the NRS Programme, works with a range of partners: governments, conservation and community groups, traditional owners and private landholders. Ownership and management of land rests with the partners who agree to meet international standards for protecting its significant values for current and future generations.

12.61 The NRS Programme is one of five capital programs under the Natural Heritage Trust (NHT). The other programs are:

- Landcare Program – invests in activities that contribute to reversing land degradation;
- Bushcare Program – invests in activities to conserve and restore habitats for native flora and fauna;
- Rivercare Program – invests in activities that improve water quality and environmental condition of river systems; and
- Coastcare Program – invests in activities to protect coastal catchments and the marine environment.

12.62 The five programs do not represent discrete funding sources. NHT investment is made through regional resource management plans and investment strategies, and the Australian Government Envirofund. Under the Envirofund, community groups can access small grants for small-scale projects aimed at conserving biodiversity and promoting sustainable resource use.<sup>49</sup>

12.63 The NHT was established by the Australian Government in 1996-97 with funding of \$1.7 billion over five years to help restore and conserve Australia's environment and natural resources. In 2001, the Government announced a further 5-

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48 Gilligan, B, *The National Reserve System Programme 2006 Evaluation*, Syneca Consulting Pty Ltd, November 2006, pp 16–17.

49 Australian Government web site, *Natural Heritage Trust*, [www.nht.gov.au](http://www.nht.gov.au), accessed December 2006.



year extension of the NHT, with funding of \$1.0 billion. A second extension of the Trust to 2007-08 was announced in 2004 with additional funding of \$0.3 billion.<sup>50</sup>

### ***Funding under the NRS Programme***

12.64 Table 12.3 shows the expenditure on the NRS Programme from 1997 to June 2006.<sup>51</sup> NRS Programme properties were acquired with NHT funding of \$71 668 133 (Australian Government funding) and leveraged partner funding of \$88 320 289.

**Table 12.3 Expenditure on the NRS Programme from 1997 to June 2006**

#### **National Reserve System Programme Funding: 1997- June 2006**

##### State and Territory Governments

• Australian Government Funds	\$51,502,028
• State/Territory Government Funds	\$57,727,663
• Area (hectares)	5,268,668
• Number of properties	214

##### Conservation NGOs

• Australian Government Funds	\$13,823,445
• Conservation NGO Funds	\$19,700,895
• Area (hectares)	1,556,543
• Number of properties	30

##### Local Government

• Australian Government Funds	\$4,886,471
• Local Government Funds	\$9,743,551
• Area (hectares)	912
• Number of properties	13

##### Community Groups

• Australian Government Funds	\$1,211,698
• Community Groups Funds	\$990,980
• Area (hectares)	10,857
• Number of properties	7

##### Private (including individuals)

• Australian Government Funds	\$244,491
• Private Funds	\$157,200
• Area (hectares)	185
• Number of properties	2

50 Gilligan, B, *The National Reserve System Programme 2006 Evaluation*, Syneca Consulting Pty Ltd, November 2006, p. 12.

51 Australian Government web site, *Natural Heritage Trust*, [www.nht.gov.au](http://www.nht.gov.au), accessed December 2006.

### Indigenous Community Management

Indigenous Protected Areas (IPAs) are located on land held by the traditional Aboriginal owners, who have agreed to manage their country as part of the National Reserve System to protect its significant natural and cultural values.

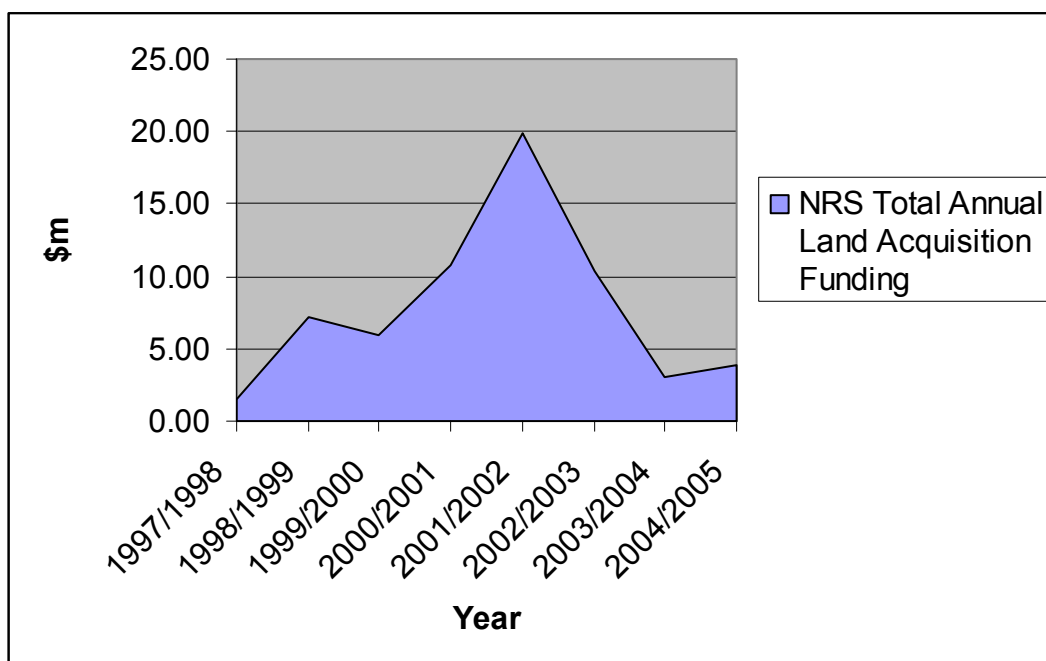
### Indigenous Protected Areas

- Australian Government Funds (NRS and IPA) \$13,684,100
- Area (hectares) 14,089,712
- Number of properties 20

Source: [www.nht.gov.au](http://www.nht.gov.au)

12.65 Table 12.4 and Figure 12.3 provide information on the levels of Australian Government investment for NRS-related land acquisition under the NHT.

**Figure 12.3 Australian Government investment in NRS-related land acquisitions, 1997-2005**



**Table 12.4 Australian Government investment in NRS related land acquisitions, 1997-2005**

	NHT 1			NHT2					TOTAL
	1997/ 1998	1998/ 1999	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total Land Acquisition	1.45	7.24	5.94	10.73	19.89	10.38	2.99	3.87	69.44
Protected Areas on Private Land		0.09	0.04	0.15	0.19	0.09	0.28	0.28	1.44

## Notes

1. Expenditure figures only - not approvals, which change as projects are withdrawn
2. Excludes Administration costs
3. Does not include declared IPA expenditure figures - approximately \$10.5m
4. Land acquisition also includes the purchase and establishment of PPAs - \$17.409m in total, including the \$1.44m listed as a separate item.

Source: WWF-Australia, *Submission 161*, p. 21.

12.66 The information shows that after increases in expenditures under NHT 1, the level of investment for NRS-related land acquisitions has declined considerably under NHT2. In 2003-04 only \$2.99 million was expended, while in 2004-05 only \$3.87 million was expended. In 2005-06, \$6 million was expended.

12.67 WWF-Australia also provides expenditure and other data on the NRS Programme in Table 12.5 below.

**Table 12.5 NRS Programme – expenditure and other data**

	NT	QLD	WA	NSW	SA	VIC	TAS	TOTAL
NRSP purchases 96-06 (\$m)	\$0.40	\$17.30	\$13.90	\$21.70	\$8.30	\$4.80	\$1.70	\$68.14
Partner spending 96-06 (est'd \$m)	\$0.46	\$20.07	\$16.12	\$25.17	\$9.63	\$5.57	\$1.97	\$78.82
NRSP purchases 96-06 ('000s ha)	262.60	729.50	4,419.50	468.70	497.70	38.20	5.80	6 422.00
All prot'd areas added 97-04 ('000s ha)	1 864	1 974	11 472	1 854	4 294	340	425	22 228
NRSP purchased / All added (%)	14%	37%	39%	25%	12%	11%	1%	29%
Cost to C'wlth (\$/ha added)	\$1.52	\$23.71	\$3.15	\$46.30	\$16.68	\$125.65	\$293.10	\$10.61
Est'd cost to Partner (\$/ha added)	\$1.77	\$27.51	\$3.65	\$53.71	\$19.34	\$145.76	\$340.00	\$12.27
Est'd cost to Partner, mgmt (\$/ha/yr)	\$4.40	\$15.67	\$3.08	\$35.17	\$6.80	\$26.02	\$8.90	\$7.34
10 yrs of Partner spending leveraged per \$ of NRSP spent	\$30.11	\$7.77	\$10.95	\$8.76	\$5.24	\$3.23	\$1.46	\$8.07
Priority for expansion of NRS	1	2	3	4	5	6	7	
Cost of NRSP covenants (\$/ha) <sup>1</sup>				\$9; \$206			\$493	\$20.00
Est'd cost of Envirofund (\$/ha)								\$258.00

1. Refers to 2 projects in NSW and 1 project in Tasmania

Source: WWF-Australia, *Submission 161B*, p. 4.

12.68 The data shows that the cost to the Commonwealth of all protected areas purchased from 1996 to 2006 was \$68.14 million, an average of \$10.61 per hectare (/ha). The average cost per hectare of purchases varied widely among the states and territories from a low of \$1.52/ha in the Northern Territory to a high of \$293/ha in Tasmania, reflecting large differences in land values and acquisition emphases.

12.69 The data show that the NRSP stimulated significant additional expenditure on acquisitions by partners of \$1.16 for every Commonwealth dollar – \$78.8 million in total. Every NRSP dollar leveraged an average of \$8 of partner spending including matching funds for acquisition and establishment as well as 10 years of on-going management costs. The NRSP also stimulated significant growth of the private land conservancy movement in Australia, leveraging about \$18 million in private philanthropic and community funds.

## **NRS funding – issues**

### ***Adequacy of NRS funding***

12.70 The level of funding needed to maximise the effectiveness of the NRS Programme was commented upon in submissions.

12.71 WWF-Australia suggested that in 2005/06-2006/07 the NHT2 invest a minimum of \$20 million for NRS related land acquisitions and that the NHT3 include a national investment stream with block funding of between \$20-40 million a year for NRS land acquisitions. WWF-Australia argued that this would enable the 80 per cent comprehensiveness target under the *Directions for the National Reserve System – A National Partnership Approach* to be achieved by 2010-2015.<sup>52</sup>

12.72 The ACF suggested that \$300 million over 6 years, or \$50 million per year of Commonwealth funds on a 2:1 funding formula with the states and territories should be expended on the NRS Programme.<sup>53</sup>

12.73 The IUCN argued that the NRS is seriously under-funded and has already declined from an inadequate funding base and that 'major increases' in funding are required.<sup>54</sup> The IUCN stated that adequate funding is the most fundamental requirement to meet the objectives of state/territory based initiatives and the NRS:

- Australia therefore needs to seriously invest in the completion of the national system of protected areas and its ongoing management.
- Funding and resources are required for planning protected areas, acquisition costs in some cases, research into basic science and deriving

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52 *Submission 161*, pp 23–24.

53 *Submission 178*, pp 3, 19; *Directions for the NRS: A Partnership Approach*, April 2004, p. 3.

54 *Submission 137*, pp 27, 31.

effective management strategies to address threats, on ground management and developing partnerships with non government sectors.

- WCPA repeats and endorses the Commonwealth's own statement in the NRS Directions paper 'it is seven times more cost effective to conserve intact native ecosystems rather than attempting to re-establish them after they have been cleared or significantly degraded'.<sup>55</sup>

12.74 The Gilligan report, on the effectiveness of the NRS Programme, argued that the reduction in NRS Programme funding in recent years has reduced the rate of reservation of strategically significant lands. The report recommended that NRS Programme funding levels should be reviewed. The report argued that additional targeted funding from the Commonwealth will be required if the Directions Statement target of 80 per cent representation of regional ecosystems in the NRS by 2010-2015 is to be met. The report noted that a Commonwealth contribution of between \$20-\$40 million per year will be needed if the target is to be met.

12.75 The report also recommended that NRS Programme acquisitions should be routinely funded by the Commonwealth for at least two-thirds of the total acquisition and establishment costs with flexibility to take advantage of three way projects between a private proponent, a State or Territory Government and the Commonwealth when opportunities arise.<sup>56</sup>

12.76 The committee notes the concerns expressed in evidence that current funding levels are inadequate and also the findings of the Gilligan report that noted that the reduction in NRS Programme funding in recent years has reduced the rate of reservation of strategically significant lands. The committee believes that NRS Programme funding levels should be substantially increased.

### ***Relative Commonwealth and state and territory contributions to the NRS***

12.77 Submissions commented on the imbalance in funding between the Commonwealth and the states and territories under the NRS Programme.

12.78 The NSW Government stated that it has contributed approximately \$125 million to buy land to build the NSW reserve system, during which time the Commonwealth contributed about \$16.5 million from the NRS for the purchase and reservation of about 50 properties throughout NSW.<sup>57</sup>

12.79 The WA Department of Conservation and Land Management (CALM) noted that between 1996/97 and 2005/06 the State contribution under the NRS Programme of over \$24.1 million was almost double the Commonwealth investment of about

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55 *Submission 137*, pp 27–28.

56 Gilligan, B, *The National Reserve System Programme 2006 Evaluation*, Syneca Consulting Pty Ltd, November 2006, pp 67, 81.

57 *Submission 155*, p. 20.

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\$12.3 million. In addition, the Western Australian Planning Commission has expended in excess of \$173 million on the purchase of lands within the Perth metropolitan area for conservation from 1994 to February 2006.<sup>58</sup>

12.80 The current funding formula for the NRS Programme was criticised by the states and territories and other groups as being inadequate. Funding is provided by the Commonwealth and the states/territories on a \$1 for \$1 basis. Funding under the initial 1997 NHT Partnership Agreement was on a \$2 for \$1 basis, with the Commonwealth providing two-thirds of the funds. The 2:1 funding formula was negotiated in the first phase of the NHT based on recognition of the fact that the State contribution is ongoing, beyond purchase, in terms of funding for management of the purchased lands. In 2001-02 the formula was changed to 1:1 for government agency partners but remained 2:1 for non-government proponents.<sup>59</sup>

12.81 Mr Cochrane, Director of National Parks explained the rationale for the Government's change in policy:

The decision was made because the level of funding to the program was significantly reduced from its first five years. The revised formula was decided on to make those funds go further.<sup>60</sup>

12.82 Submissions argued that the current funding arrangements do not recognise the initial establishment costs of protected areas and the long-term management costs which are borne by the states and territories. The South Australian Government noted that the establishment costs alone can be significant and can achieve important outcomes through priority actions such as fencing, de-commissioning infrastructure, biological surveys and establishment of monitoring plans.<sup>61</sup> The NSW Government noted that:

...the overwhelming majority of the costs incurred in achieving NRS commitments, in terms of land purchase and subsequent ongoing land management, is borne by the states and territories.<sup>62</sup>

12.83 The Northern Territory Government stated that:

The requirement that the Territory Government provide matching funds in order to receive funding from the NRS is unrealistic. Especially in northern Australia, costs of infrastructure development and operational costs of parks and reserves far exceed the initial costs of land acquisition.<sup>63</sup>

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58 *Submission 135*, pp 12–13.

59 Gilligan, B, *The National Reserve System Programme 2006 Evaluation*, Syneca Consulting Pty Ltd, November 2006, p. 68.

60 DEH, *Committee Hansard*, 16 June 2006, p. 6.

61 *Submission 194*, p. 15.

62 *Submission 155*, p.20.

63 *Submission 16*, p. 4.

12.84 The NT Government suggested that a preferable model would be for the NRS to provide 100 per cent of land acquisition costs within agreed programs and for the states and territories to then take responsibility for infrastructure, maintenance and associated on-going management costs.

12.85 WWF-Australia also noted that there are significant establishment and management costs incurred by the states and territories, and that the funding formula needs to revert to a 2:1 formula, or preferably 3:1 formula to assist these jurisdictions to offset these upfront and ongoing costs.<sup>64</sup> The IUCN commented on the important leverage factor when the NRS provided for a 2:1 funding formula:

It should not be underestimated the significance of a State or Territory jurisdiction being able to argue for extra funding from Treasuries when 2:1 funding is on offer.<sup>65</sup>

12.86 Submissions noted that the success of the private conservation sector in recent years owes a great deal to the 2:1 funding available under the NRS. Private land trusts have emphasised that their ability to attract philanthropic funding for land purchases was greatly enhanced by the fact that they could argue that a donation could be leveraged into a much greater sum.<sup>66</sup>

12.87 The Gilligan report noted that the 2001 change to the funding formula applied to acquisitions by state and territory conservation agencies has reduced the effectiveness of the NRS Programme and, if unchanged, has the potential to erode the 'shared approach' highlighted in the Directions statement. The report noted that greater recognition needs to be given to the magnitude of the on-going management costs borne by the partner jurisdictions when properties are purchased for the NRS.<sup>67</sup>

12.88 The Committee notes the concerns raised in relation to the current formula applied under the NRS Programme. Evidence indicates that the current funding arrangements may not sufficiently recognise the initial establishment costs of protected areas and the long-term management costs which are borne by the states and territories. The committee believes that the Commonwealth should review the funding formula to take greater account the on-going management costs incurred by the states and territories.

### ***Method of funding***

12.89 The NRS Program since its inception has assessed projects on a case-by-case basis, that is, each individual acquisition is assessed for funding support based on

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64 *Submission 161*, p. 19.

65 *Submission 137*, p. 28. See also National Parks Australia Council, *Submission 191*, pp 3–4.

66 Australian Wildlife Conservancy, *Submission 220*, p. 5. See also WCPA, *Submission 137*, p. 28.

67 Gilligan, B, *The National Reserve System Programme 2006 Evaluation*, Syneca Consulting Pty Ltd, November 2006, pp 68–69.



meeting relevant criteria, for example, location in a high priority IBRA region. CALM argued that this approach hinders jurisdictions from acting on opportunities that are presented in the marketplace and suggested that a more strategic approach to the NRS Programme should be applied where jurisdictions can apply for funds on a broadscale basis for conservation land acquisition based on the level of their own investment. This would ensure opportunities in the marketplace are not lost.<sup>68</sup>

12.90 Submissions also commented on the short term nature of funding arrangements. The Australian Ranger Federation argued that most funding is provided with a short-term window (2-3 years) but most conservation management activities, such as habitat management or threatened species recovery management, occur over a longer term (10-20 year) window – 'it is sometimes easy enough to attract initial funding to start a project but after several years this funding dries up before long term conservation outcomes are achieved'.<sup>69</sup>

### ***NRM funding vs NRS funding and program linkages***

12.91 Submissions commented on the funding 'imbalance' between NHT programmes and the need for improved linkages between the NRS Programme and other NHT programs.

12.92 Since 1996 approximately 95 per cent of NHT funding has been directed into natural resource management, comprising Landcare, Bushcare, Coastcare and regional NRM programmes, leaving approximately 5 per cent for building the National Reserve System.

12.93 The IUCN argued that there should be more analysis of the cost effectiveness of the respective programs to justify the high allocation of funds to NRM and diminishing funds to NRS.<sup>70</sup>

12.94 The Wildlife Preservation Society of Queensland stated that:

It has been noted on many occasions that it is far more cost effective to conserve intact native ecosystems than to attempt to rehabilitate significantly degraded vegetation. Yet significant funding is allocated to Landcare, Bushcare and other rehabilitation programmes at the expense of NRS. Under the NHT about only 5% of available funds have been directed to the NRS in the last 7 to 8 years.<sup>71</sup>

12.95 The Society argued that a significant percentage of NHT funds should be redirected to the NRS programme so that at least \$40 million per annum over the next

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68 *Submission 135*, pp 13–14.

69 *Submission 57*, p. 2.

70 *Submission 137*, p. 26.

71 *Submission 113*, p. 5. See also Tamborine Mountain Natural History Association, *Submission 52*, p. 2.

6 years is available to be matched in part by the states and territories. Allocation of these funds should be on a triennial basis to allow for greater planning certainty.<sup>72</sup>

12.96 Submissions also suggested that improved linkages should be put in place between the NRS Programme and other NHT programs. The Wildlife Preservation Society of Queensland stated that the partnership arrangements with other NHT programmes are often lacking:

WPSQ appreciates that it was the intention of the Government that the National Reserve System programme would work in partnership with other funding programmes under the NHT to assist in delivering the aims of NRS. This is simply not occurring.<sup>73</sup>

12.97 The Wilderness Society also noted the inability to integrate biodiversity needs into NRM planning:

While the level of public investment in Natural Resource Management (NRM) dwarfs the public investment in Protected Areas, NRM bodies seem to have little expertise in and capacity to integrate biodiversity needs into NRM planning. Unless NRM frameworks make a far more serious attempt to integrate biodiversity conservation objectives into their planning frameworks and their level of expertise and capacity is very significantly increased, NRM bodies will continue to seriously under-perform on, or undermine, biodiversity needs.<sup>74</sup>

12.98 Humane Society International (HSI) also noted that biodiversity conservation is poorly integrated into NRM planning:

The [National Land and Water Resources Audit] NLWRA *Terrestrial Biodiversity Assessment* found that effective integration had occurred in only 1.5% of 384 biodiversity sub-regions. Such low levels of effective integration into natural resource management planning cannot sustain Australia's immense biodiversity nor underpin the protection of essential ecosystem services.<sup>75</sup>

12.99 The World Commission on Protected Areas (WCPA) also noted that:

...there is a need for better integration [of] bioregional issues across adjoining NRM region strategies. Most NRM bodies cover at least several bioregional boundaries. This is being done to some extent in WA through cross-regional projects, or from strategic reserve projects at state wide or theme level eg the 'Marine Futures' NHT project which involves State waters in 5 of the 6 WA NRM regions.<sup>76</sup>

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72 *Submission 113*, p. 6.

73 *Submission 113*, p. 5.

74 *Submission 131*, pp 10–11.

75 *Submission 172*, p. 4.

76 *Submission 137*, p. 26.

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12.100 The Gilligan report also found that there is scope for further strengthening and enhancement of the level of integration and linkage between the NRS Programme and other NHT programmes. The report also argued that there is room for further integration of NRS Programmes with NHT regional activities.<sup>77</sup>

12.101 Australia has an outstanding terrestrial reserve system and is a world leader in developing marine protected areas. All jurisdictions can be proud of their efforts in progressing the conservation estate, and the committee is pleased to see a significant degree of cooperation in the development of a Comprehensive Adequate Representative reserve system. It notes that a partnership between the Commonwealth and the States has developed in regards to funding new acquisitions for the conservation estate. The committee believes it may be time, in light of developments so far, and the Gilligan report on the NRS programme, to boost the Commonwealth's contributions to the NRS program in the context of its overall expenditure through the NHT.

### **Recommendation 16**

**12.102 The committee recommends that the Commonwealth review the funding formula under the NRS Programme to take greater account of the on-going management costs borne by the states and territories.**

### **Recommendation 17**

**12.103 The committee recommends that in the upcoming NHT3 funding round the Commonwealth significantly increase the funding allocation directed to the NRS Programme.**

### **Funding of World Heritage Areas**

12.104 Under the World Heritage Convention, the Commonwealth Government has entered into certain obligations on behalf of Australia to ensure protection of inscribed world heritage areas (WHAs). Parties to the World Heritage Convention contribute the necessary financial and intellectual resources to protect World Heritage sites with the Commonwealth and the states sharing the financial commitment to care for these areas appropriately.

12.105 Commonwealth funds allocated to state-managed WHAs in 2004-05 and 2005-06 are provided in Table 12.6 below.

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77 Gilligan, B, *The National Reserve System Programme 2006 Evaluation*, Syneca Consulting Pty Ltd, November 2006, p 71.

**Table 12.6 Commonwealth funds allocated to state-managed WHAs in 2004-05 and 2005-06.**

State	Property	Contract Amount 2004-05 \$	Contract Amount 2005-06 \$
QLD	Fraser Island	253 757	137 000
QLD	Riversleigh	195 600	193 805
QLD	Wet Tropics of Queensland	2 913 500	2 700 000
QLD	CERRA - Qld	130 500	140 250
NSW	Greater Blue Mountains	131 872	168 100
NSW	Lord Howe Island	160 997	168 000
NSW	CERRA - NSW	130 500	144 250
NSW	Willandra Lakes	271 000	306 520
SA	AFMS - Naracoorte	100 000	105 000
WA	Shark Bay	208 200	256 380
WA	Purnululu	228 200	303 350
TAS	Tasmanian Wilderness	3 513 000	3 453 905
TAS	Macquarie Island	-	60 000
	<b>TOTAL</b>	<b>8 237 126</b>	<b>8 136 560</b>
	TOTAL- Queensland	3 493 357	3 171 055
	TOTAL - NSW	694 369	786 870
	TOTAL - SA	100 000	105 000
	TOTAL - WA	436 400	559 730
	TOTAL - Tasmania	3 513 000	3 513 905
	<b>TOTAL</b>	<b>8 237 126</b>	<b>8 136 560</b>

Source: DEH, *Submission 126A*, p. 4.

12.106 Submissions noted the decline in Commonwealth funding for WHAs in recent years. The Queensland Government noted the 'significant decrease' in Commonwealth contributions to Queensland's WHA, especially with Round Two of the NHT2 agreement in 2002-03.

12.107 Table 12.7 below illustrates the levels of Commonwealth and State funding contributed to the management of Queensland World Heritage Areas over the past five years:

**Table 12.7 Queensland World Heritage Areas Expenditure, 2001-02 to 2005-06**

WHA	Year	State Contribution \$ M	C'wealth Funds Received \$ M	Total State & C'wealth \$ M	% Contribution - State	% Contribution - C'wealth
Fraser Island	2001-02	6.8	0.7	7.5	91%	9%
	2002-03	6.2	0.0	6.2	100%	0%
	2003-04	6.6	0.0	6.7	99%	1%
	2004-05	8.6	0.1	8.7	99%	1%
	2005-06	9.1	0.1	9.2	99%	1%
CERRA	2001-02	2.7	0.2	2.9	93%	7%
	2002-03	3.0	0.0	3.0	100%	0%
	2003-04	3.5	0.0	3.5	100%	0%
	2004-05	3.7	0.1	3.8	97%	3%
	2005-06	4.8	0.1	4.9	98%	2%
Wet Tropics	2001-02	9.2	3.4	12.7	73%	27%
	2002-03	10.0	2.7	12.7	79%	21%
	2003-04	9.9	2.8	12.6	78%	22%
	2004-05	10.5	2.9	13.4	78%	22%
	2005-06	12.6	2.7	15.3	82%	18%
AFMS - Riversleigh	2001-02	0.1	0.2	0.3	30%	70%
	2002-03	0.1	0.0	0.1	100%	0%
	2003-04	0.1	0.1	0.2	54%	46%
	2004-05	0.1	0.2	0.3	39%	61%
	2005-06	0.1	0.2	0.3	38%	62%
Total	2001-02	18.8	4.6	23.4	81%	19%
	2002-03	19.3	2.7	22.0	88%	12%
	2003-04	20.1	2.9	23.0	87%	13%
	2004-05	23.0	3.4	26.3	87%	13%
	2005-06	26.6	3.1	29.7	90%	10%

All State expenditure is estimated actual, except 2005-06 listed as budget allocation  
Commonwealth Funds are actual received in that financial year

Source: Queensland Government, *Submission 175*, p. 30.

12.108 WCPA noted that the Commonwealth component of funding for the four WHAs, wholly or partly in Queensland, has fallen from \$7 066 000 in 1997-98 to \$3 366 600 in 2004-05.<sup>78</sup>

12.109 The Queensland Government also noted that the Commonwealth has made substantial capital investments to infrastructure over the past ten years within Queensland WHAs but with no provision for long-term funding for maintenance or replacement of this infrastructure.

12.110 The Queensland Tourism Industry Council argued that reductions in funding for WHAs are placing 'severe constraints' on high profile Queensland sites,

78 *Submission 137*, p. 27.

particularly the Wet Tropics, Fraser Island and CERRA areas. The Wet Tropics and Fraser Island are facing serious infrastructure and management issues which the Council argued are 'potentially threatening' the obligations under the Commonwealth's World Heritage agreements. Commonwealth funding for Fraser Island has been severely reduced and does 'no longer provide for sound management' in an environment that is experiencing very high visitor demand.<sup>79</sup>

12.111 The NSW Government stated that it receives 'very little' Commonwealth funding for NSW WHAs.

The commencement of the Natural Heritage Trust (NHT) in 1997-98 initially saw some improvement in the level of Commonwealth funding for WHAs...However, current world heritage management funding levels provided by the Commonwealth now remain disappointingly low.<sup>80</sup>

12.112 The NSW Government added that:

The level of Commonwealth funding for WHA management fluctuates over time. There is little certainty from year to year nor any guarantee of continued funding for projects staged over a number of years. The Commonwealth's methodology for determination of funding for WHAs is unclear and does not appear to be based upon priorities that are identified by the state management agencies.<sup>81</sup>

12.113 The NSW Government cited a number of reasons for the reduction in funding since the commencement of NHT2:

- the World Heritage Management and Upkeep Program was subsumed into the Bushcare Program, which did not place a priority on funding the management of WHAs;
- the bulk of the NHT funds are now distributed through the regional Natural Resource Management (NRM) Boards. However the NRM Boards generally place priority for these funds on repairing the natural resources that are most under threat and not on WHA management; and
- there was no clear directive from the Commonwealth to the NRM Boards that they had a responsibility to assist in the funding of WHAs.<sup>82</sup>

12.114 The Wet Tropics Management Authority argued that the responsibilities of the Australian, state and territory governments in the management and resourcing of WHAs areas need to be more clearly defined. The Authority argued that the EPHC review of WHA management should aim to achieve a greater level of certainty and consistency in management and funding regimes for WHAs throughout Australia.

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79 *Submission 106*, pp 2–3.

80 *Submission 155*, p. 25.

81 *Submission 155*, p. 25.

82 *Submission 155*, pp 25–26.

Such arrangements must recognise that not all WHAs are similar in terms of management needs and resourcing must be commensurate with the level of management effort required to meet Australia's obligations under the World Heritage convention.

12.115 The Authority argued that the resourcing arrangements for World Heritage Areas should comprise two components:

- base level funding commensurate with the lands' tenure and/or protected area category, noting for some properties this may be a combination of tenures and base line funding may be the responsibility of state agencies, local government authorities or private landholders; and
- a World Heritage funding allocation, recognising the international significance of these assets and the need for the highest standard of protection and management. Such an allocation should be shared between the Australian and state (or territory) governments. It should be based on agreed levels of responsibility for meeting obligations under the World Heritage convention and consider benefits accrued from such properties.<sup>83</sup>

12.116 Dr Marc Hockings of the University of Queensland also argued that the shift to a regional focus for delivery of NHT programs has led to a dominant focus on local and parochial issues in the formulation of programs at the regional level. Dr Hockings noted that in his experience it has proved difficult to get the regional NRM bodies to give attention and priority to national conservation objectives, especially in relation to protected areas.<sup>84</sup>

### *Conclusion*

12.117 The committee notes the decline in Commonwealth funding for WHAs in recent years. The committee considers that, given the importance of these areas to Australians and in an international context, the Commonwealth should aim to increase funding to these important iconic areas.

### **Recommendation 18**

**12.118 The committee recommends that the Commonwealth consider substantially increased funding for World Heritage Areas.**

### **Delineation of funding roles between governments**

12.119 Some submissions argued that there should be a re-defining of the funding roles of the Commonwealth vis-a-vis the states and territories.

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83 Wet Tropics Management Authority, *Submission 156*, pp 1–2. See also Professor Peter Valentine, *Committee Hansard*, 30 June 2006, pp 6–7.

84 *Submission 110*, p. 2.

12.120 Professor Geoffrey Wescott suggested a new funding model to address the inadequate resourcing of parks and protected areas. He argued that the Commonwealth should enter an agreement with the state and territory governments to fund the parks that form part of a 'National Park' system (that is, a new national ecological reserve system or 'super' national parks system) at a level to adequately meet their primary objective of nature conservation. This level of funding should be benchmarked at the Canadian or similar level.

12.121 Under the proposal state and territory governments would continue to directly manage these parks. The state and territory governments would in turn agree to transfer the funding currently provided for these 'national parks' to other protected areas in their jurisdictions (to avoid cost shifting).

12.122 Professor Wescott elaborated on his proposal in evidence to the committee, arguing that the overall resourcing of the parks system would be improved:

In essence, my proposal is to take the largest, most significant contributors to a CAR system of national parks and fund them at a Commonwealth level but maintain state management. The reason I argue for maintaining state management is that that is where the expertise lies. The temptation in having such a system would be for the states simply to pass the cost across to the Commonwealth and reduce their budgets, so I think there is a second-tier approach there, and that is, if the Commonwealth is funding, not unlike the national road system, a super national parks system then the states as part of the agreement would transfer the money they had spent on, say, the Grampians National Park in Victoria to the state system in Victoria. You would consequently get an overall improvement in resourcing of the parks system.<sup>85</sup>

12.123 On the issue of funding under the proposed arrangements, Professor Wescott argued that all governments would need to agree to increase the operational funding annually across all parks by at least CPI plus one per cent (to increase real funding over time).<sup>86</sup>

12.124 Some witnesses commented generally on the relative responsibilities of the Commonwealth and the states. Ms Penelope Figgis, Vice Chair for Australia of the WCPA argued that national governments should play a central role in the management of protected areas – 'I do not believe that the Commonwealth...should walk away from national responsibilities but I do believe that, whatever your management structure is, it needs to have local input'.<sup>87</sup>

12.125 Mr Graeme Worboys, Vice Chair of the WCPA, argued that one of the great strengths of the current system is that is that each of the states and territories and the

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85 *Committee Hansard*, 5 June 2006, pp 16–17.

86 *Submission 49*, p. 3.

87 *Committee Hansard*, 31 March 2006, p. 60.



Commonwealth 'can look at each other in a comparative sense, work and develop and, in a competitive type of way, improve'. However, a weakness of that system is the lack of a strategic vision at a national level.<sup>88</sup>

## User pays

12.126 There was considerable discussion during the inquiry of the extent to which park users should contribute to the funding of the conservation estate. There are two main approaches to charging park users – visitor fees for users in general; and charges targeted at commercial operators for whom national parks are effectively an asset underpinning their businesses.

12.127 Protected area management agencies are funded predominantly from government appropriations. They also raise funds from visitor fees, tour operator licences and photographic licences – but these sources make up a relatively small proportion of their total budgets, commonly less than 5 per cent.<sup>89</sup>

12.128 A number of submissions supported the concept of user-pays to address the issue of underfunding of national parks and reserves:

...a significant proportion of the resources required for the protection of our resources needs to come through User Pays Systems (UPS). Although there are already established UPS throughout Australia, I believe that these should be expanded to become a National Policy. This will not only provide significant revenue for restoration and protection projects, but also provide the National Parks, Reserves and Marine Areas with a uniform level of expectation for users.<sup>90</sup>

12.129 Other submissions argued that such charges go against the principle of equal access for all park users and may impose a significant financial burden on many park users.

I am concerned that there appears to be a trend of increasing the access charges for these facilities, so that they are not really national resources available equally to all Australians. Specifically the entry fees to the Kosciuszko National Park are increasing faster than the CPI. Annual passes are increasing from \$145 at present to \$190 next year, and day passes will increase (during the June-October period) from \$22 per day to \$27 per day in 2007. Not only are the entry fees very large, but they are discriminatory.<sup>91</sup>

Newly introduced entry fees [for Kosciuszko National Park] discriminate against those whose vehicles are not registered in New South Wales. This is a new form of discrimination based on residence. In the past, everyone

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88 *Committee Hansard*, 31 March 2006, pp 60–61.

89 International Centre for Ecotourism Research, *Submission 11A*, p. 16.

90 Mr Shane Murrihy, *Submission 10*, p. 1.

91 Dr David Denham, *Submission 61*, p. 1.

paid the same...National parks should be open to all. Entry charges should be modest and above all there should not be discrimination based on residence.<sup>92</sup>

### *Visitor fees*

12.130 After government budget appropriations, the main secondary source of revenues for protected area agencies is from entrance, camping and activity fees. Maximum vehicle entrance fees for most national fees are around \$10–15 per day, with a range from zero to over \$30. Annual fees are proportionately much lower, mostly around \$50–80 with a range from zero to around \$200. Annual permits have financial advantages for parks agencies as well as visitors, since they greatly reduce administrative costs.

12.131 Most Australian parks charge entrance and camping fees for all visitors, whether travelling individually or on commercial tours. Fees are calculated per person, per vehicle, per campsite, or some combination of these. Camping fees are structured differently in each jurisdiction. Some parks charge per site, some per vehicle, some per person and most by a combination of these approaches. A single visitor could pay anything from zero to \$18 for an overnight campsite in different states. A family of two adults and two children would typically pay from \$15 to \$25, through up to \$40 in some cases. From the parks agency perspective, collecting camping fees will only generate net revenue where visitor numbers are high enough to cover the costs of staff to collect fees, or the costs of installing, maintaining and policing self-registration systems.<sup>93</sup>

12.132 The states and territories have adopted varying approaches to charging entry fees to parks. Broadly, the Northern Territory and Queensland do not charge individual members of the public for entry to national parks, except for federally managed or co-managed parks in the NT and parks under the *Recreation Areas Management Act 1988* in Queensland. Agencies in other states and territories commonly charge daily vehicle entrance fees at specific parks. They also offer season passes for all or most parks. Fees are generally higher in heavily used parks, such as those in alpine areas or near cities. A variety of weekly, bi-weekly, monthly and 2-monthly passes are offered for particular parks. Most park agencies also charge entrance fees for individuals on buses or bicycles.<sup>94</sup>

12.133 In NSW, some of the larger national parks charge park use fees, while others do not.<sup>95</sup> Victoria has a system of annual park passes, multi-day park passes and daily

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92 Mr Ernst Willheim, *Submission 17*, p. 1.

93 International Centre for Ecotourism Research, *Submission 11A*, pp 16–17.

94 R Buckley *et. al.*, eds., *Nature-Based Tourism, Environment and Land Management*, CABI Publishing, 2003, pp 54–55.

95 Dr Tony Fleming, *Committee Hansard*, 12 May 2006, p. 6.

entry charges for a number of national parks.<sup>96</sup> South Australia also charges park entry fees. In Tasmania park passes must be purchased for entry to national parks, but fees do not apply to other reserves.<sup>97</sup>

12.134 The Queensland Government has a policy position of generally not charging entry fees to estate areas, 'as it is believed that these public areas should be freely accessible to the general public'.<sup>98</sup> Admission fees are charged in some areas where a service is provided to day visitors, however these fees contribute less than 4 per cent of the total user revenue received each year. Charges are also levied for overnight camping and vehicle service permits for access to areas managed under the Recreation Areas Management Act such as Fraser, Moreton and Bribie Islands.<sup>99</sup>

12.135 The Hon Desley Boyle, Queensland Minister for the Environment, indicated that user pays, particularly in relation interstate and overseas tourists could be considered:

This [user pays] is of some interest to the community and to the tourism industry. Particularly in areas with high visitation, where there is, therefore, a need for more resources in terms of numbers of rangers and more work to ensure that the infrastructure there can support the visitor load without harm to the environment, more money is needed. Maybe the tourists, certainly from other parts of Australia but even more certainly from overseas, should contribute to that cost so that we can do a better job.<sup>100</sup>

**Table 12.8 Queensland Government – User Pays Revenue Received**

Revenue Category	2001-02 \$M	2002-03 \$M	2003-04 \$M	2004-05 \$M	2005-06 \$M
Camping and visitor fees	2.4	5.8	6.1	6.3	5.6
Commercial Activities	1.2	3.0	3.0	3.4	2.9
Other	2.5	2.0	2.2	2.0	1.9
<b>Total</b>	<b>6.2</b>	<b>10.8</b>	<b>11.3</b>	<b>11.6</b>	<b>10.4</b>

- All estimates are actual revenue received to 2004-05 and budget estimates for 2005-06

Source: Queensland Government, *Submission 175*, p. 18.

96 Parks Victoria web site, Welcome to Parkweb, [www.parkweb.vic.gov.au](http://www.parkweb.vic.gov.au), accessed December 2006.

97 Parks and Wildlife Station Tasmania web site, Welcome, [www.parks.tas.gov.au](http://www.parks.tas.gov.au), accessed December 2006.

98 Queensland Government, *Submission 175*, p.17.

99 *Submission 175*, p. 17; Mr Alan Feely, EPA, *Committee Hansard*, 21 April 2006, p. 21.

100 *Committee Hansard*, 21 April 2006, p. 3.

12.136 Table 12.8 shows that the user-pays revenue base in Queensland was almost \$12 million in 2004-05 from camping, commercial activities and other charges.<sup>101</sup>

12.137 The Wet Tropics Management Authority argued that a user pays system for the WTQWHA should be investigated in order to supplement funding for research and on-ground management to fulfil community needs, visitor expectations and address the growing impact of threatening processes.<sup>102</sup> Professor Peter Valentine, Director of the Authority, indicated that while there may be difficulties in implementing such a system there is strong consumer willingness to pay:

...there are a number of issues that would need to be addressed. The short answer is that I do not have a solution. One of the reasons for that is that there are a whole lot of jurisdictional challenges in overcoming how it might apply. For example, many of the destinations in which visitors to the World Heritage area end up are in national parks, which are properly managed by the Queensland Parks and Wildlife Service. There is a small component of getting visitor fees through the commercial activity permit scheme that Queensland Parks and Wildlife Service run, but that is very small and it only applies to commercial use; it does not apply to normal visitors.

In Queensland, we have had this long tradition of not charging people to enter national parks. Personally, I think that is against the spirit of ecologically sustainable development. One of the principles of that is that we need to make sure that people pay for environmental resources in order to get best and most effective use of them. But that is a political issue. In Queensland it has been very difficult for the government to contemplate introducing visitor entry charges in national parks because of that long history...When surveys are being done, we mostly find that visitors' preparedness and willingness to pay is very high. There is a huge consumer surplus between what people have to pay to enjoy our natural areas and what they are willing to pay, because they have this commitment to protect the environment. Sometimes I think our governments struggle to catch up with what the community's real views are about this.<sup>103</sup>

12.138 The NSW Government indicated that while some parks in the state charge fees it is not standard across the state:

The government has made it pretty clear that, while some parks charge park use fees, there is no expectation that that will be extended to cover all national parks in New South Wales. There are some parks—particularly parks which have high visitor use and therefore high demands on

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101 See also Mr Alan Feely, QPWS, *Committee Hansard*, 21 April 2006, p. 21.

102 *Submission 156*, p. 5.

103 *Committee Hansard*, 30 June 2006, p. 7. See also Professor Peter Valentine, WTMA, *Committee Hansard*, 30 June 2006, pp 12–14.

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infrastructure—where park use fees are charged, but there are no plans to extend that to all parks in New South Wales.<sup>104</sup>

12.139 South Australia raises approximately \$8 million annually from park users, although the South Australian Government indicated that there is limited scope for relying on park fees to substantially fund park outlays. Mr Allan Holmes, Chief Executive, SA Department for Environment and Heritage stated that:

Again, South Australia, with 1.5 or 1.6 million people, has a small population base and there is not a lot of opportunity to derive income from visitors. We pull somewhere around \$8 million per year out of park users. We charge park entry; we recover costs for vehicle use. I do not think there is a great deal of opportunity there.<sup>105</sup>

The Commonwealth raises 80 per cent of all operating costs for Uluru-Kata Tjuta National Park out of entry fees.<sup>106</sup>

12.140 Some submissions argued that park management should expand the use of user pays systems. The International Centre for Ecotourism Research argued that it was 'eminently feasible' for most park services to increase entrance, camping and activity fees 'quite substantially', so as to gain a greater proportion of total tourism expenditure associated with visiting national parks. The Centre argued however that such an approach has a range of implications. It may affect the ability of certain socio-economic groups to visit national parks. It may reduce the number of visitors to national parks, and hence their associated regional tourism expenditure. It may lead to competition between national parks and tourism destinations in other areas such as state forests or private land. It may also increase administrative costs for parks agencies. Additionally, there is no particular reason why funds raised from visitors would necessarily be allocated to improving visitor infrastructure. Currently, such revenues may not be even be retained by the parks service itself, let alone at the specific park where the revenues are raised.<sup>107</sup>

12.141 Some witnesses suggested the adoption of a state-based or national user pays approach based on a sticker system:

....there are probably a number of ways of doing it. But it brings to mind the Canadian system where you purchase a sticker once a year, and it would be better to get 80 per cent of the people going into the parks than none at all. The sticker is on the windshield and the ranger sees whether it is a current or valid sticker. That seems to work quite well in Canada.<sup>108</sup>

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104 Dr Tony Fleming, *Committee Hansard*, 12 May 2006, p. 6.

105 *Committee Hansard*, 6 June 2006, p. 56.

106 Director of National Parks, *Annual Report 2005-06*, p. 18.

107 Professor Ralf Buckley, *Submission 11A*, p. 35.

108 Mr John Courtney, Alliance for Sustainable Tourism, *Committee Hansard*, 30 June 2006, p. 38.

12.142 Problems associated with user pays were discussed in evidence. There may be difficulties in implementing fees for park entry in some situations especially where there are multiple entry points to a park. Some of the difficulties were commented upon in evidence:

There are various elements within a user-pays fee, and there are various models you can use to apply that fee.

When you talk about the Daintree and the levy on the ferry over the Daintree, the road from the other side of the Daintree ferry goes all the way up to Cooktown, up to the top of the cape. What areas are they using? Are they using specific parts of the Daintree or are they continuing to go through? That is a fairly open-ended charge. People still use the ferry, but you do not know what they are going to do, whereas when people are going to a specific area like Mossman Gorge, you know they are only going into Mossman Gorge. That would be a fairly simple one of perhaps a per-head charge. We have to be careful if we apply it per head. Is it on consumption? In other words, there are a lot of variables that would go into user-pays. I guess that is one of the reasons it has not been applied widely.<sup>109</sup>

12.143 Some witnesses questioned whether imposing fees would be viable in all instances, especially with the administrative costs involved, particularly in smaller parks:

...the debate typically has focused on a destination user-pays base in the sense that people often go for a holiday to one area for a relatively short piece of time and so that can be one fee—certainly, that is in most states in Australia. The debate about Queensland has been that it is only the really prime sites that user-pays would be feasible and viable in, in a financial sense.<sup>110</sup>

12.144 Some witnesses noted that there is the potential for the state contribution to national parks to decline if a user charge contribution is introduced.<sup>111</sup>

12.145 The committee believes that the capacity of user pays initiatives to generate significant overall revenues in the resourcing of parks is probably limited. However, avenues for greater use of user pays should be further explored by state and territory governments and parks management, particularly to help address the management needs created by high visitor numbers.

### ***Tourism, commercial activities and park funding***

12.146 Tour operators contribute to protected area management in terms of funding (permit and per head fees) and in-kind (conducting or paying for research, monitoring

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109 Mr Steve Olle, Alliance for Sustainable Tourism, *Committee Hansard*, 30 June 2006, p. 47.

110 Mr Russell Boswell, Alliance for Sustainable Tourism, *Committee Hansard*, 30 June 2006, p. 38.

111 Mr Steve Olle, Alliance for Sustainable Tourism, *Committee Hansard*, 30 June 2006, p. 48.

sites, building and maintaining visitor infrastructure and in some cases undertaking hands-on conservation activities). These contributions are not only important additions to government funding, in many instances tourism-generated funding for protected areas forms a large part of their budget.<sup>112</sup>

12.147 Except in the ACT, commercial tour operators have to be licensed, and licence fees include an application fee, an annual fee, and per capita fees for clients. Application fees are typically up to \$300 and annual fees are generally around \$150 to \$250 but significantly larger fees (over \$2000) apply in some cases. Per capita fees are generally as for independent visitors, but up to \$2.50 higher in some case and discounted in others.<sup>113</sup>

12.148 The Association of Marine Park Tourism Operators (AMPTO) noted, for instance, that the marine tourism industry provides more than 25 per cent of the Great Barrier Reef Marine Park Authority (GBRMPA's) funding:

A...study by Tourism Queensland shows the marine tourism industry pays \$187.5 million in income tax, \$8 million in EMC and \$19.9 million in company tax. A total of \$215.4 million to the Commonwealth and it pays out \$30 million for the GBRMPA. A net gain of \$185.4 million for the Commonwealth!<sup>114</sup>

12.149 Mr Gareth Boyte of Voyages Hotels and Resorts, Uluru, indicated that the company provides substantial infrastructure spending on the resort:

We own the airport...It is costing us \$22 million. We reinvest a lot of money into infrastructure...We are replacing things that are 20 years old. We are talking millions. We spend millions each year. It is a balancing act between repairs and maintenance on existing infrastructure and introducing new and more efficient and more environmentally friendly infrastructure, or, as is the case at the airport, making sure that we can handle the expected volume of people that are coming here over the coming years.<sup>115</sup>

12.150 Representatives from the commercial tourism sector generally recognised the need to make a financial contribution to the funding of parks and reserves. Mr Col McKenzie of AMPTO argued that the tourist sector and other users should contribute to the upkeep of reserve areas:

We believe that everybody who uses the reef should pay for the privilege and contribute something towards it, not just simply the tourism operators. Virginia Chadwick's figures on free independent travel into the reef estimate about two million free independent travellers. There are about two million people paying EMC. We are currently contributing about \$8 million

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112 Ecotourism Australia, *Submission 81*, p. 3.

113 International Centre for Ecotourism Research, *Submission 11A*, p. 17; See also R. Buckley, *Nature-Based Tourism*, pp 54–55.

114 *Submission 197*, p. 2.

115 *Committee Hansard*, 28 June 2006, p. 15.

a year via the EMC. If the free independent travellers were paying the same kind of thing, it would double that amount. It would go a long way to solving the problems that GBRMPA has with not being able to pay for its programs.<sup>116</sup>

12.151 The Far North Queensland Tour Operators Association argued that the tourism industry is willing to make an appropriate financial contribution to address the issue of under-funding in protected areas. The Association expressed concern however that the financial contribution should not be borne solely by the operator but by all users of the service.<sup>117</sup>

12.152 Mr John Courtney, of the Alliance for Sustainable Tourism in indicating the Alliance's support for user pays, argued that:

We as an industry very much support the concept of user-pays. Currently, the industry does pay, but we believe that all users of national parks across the state should pay.

In actual fact, at the end of the day it all comes down to the lack of money. ...But, increasingly, I am stunned at the deterioration of the general infrastructure within national parks. It all comes down to the fact that Parks does not have the money to maintain what they have, and yet we are acquiring more land.<sup>118</sup>

12.153 Evidence indicated the need for an 'equitable' system where all users contribute and funds are used in managing reserves:

I do not think the industry would really mind where the money comes from as long as the money is used for the specific purpose of Mossman Gorge, for example—if it is used to upgrade that facility, to make it manageable and to keep it in its current state, where the money comes from is really not that much of an issue.<sup>119</sup>

12.154 AMPTO describes as unsatisfactory the situation in Queensland where the GBRMPA's budget was not increased despite the introduction of an Environment Management Charge (EMC):

EMC started as a vehicle by which industry could provide funding to the CRC Reef as industry's contribution. The EMC was voluntarily accepted by industry at a cost of \$1.00 per tourist with \$0.75 going to the CRC Reef and \$0.25 going to the GBRMPA. When it was introduced, it was promised by the commonwealth government that it would never ever be increased.

The EMC has now been increased to \$4.50 and increases again next April to \$5.00. When it was increased from \$1.00 to \$4.00 the government

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116 *Committee Hansard*, 30 June 2006, p. 58.

117 *Submission* 115, p. 2.

118 *Committee Hansard*, 30 June 2006, pp 35–36.

119 Mr Steve Olle, Alliance for Sustainable Tourism, *Committee Hansard*, 30 June 2006, p. 47.



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promised that the extra money collected would be added to the GBRMPA's budget so that it could deliver more services and programs. Despite the promise, the increased charge did not result in a net increase to the GBRMPA's budget.<sup>120</sup>

12.155 Some witnesses noted that there needs to be greater opportunities for commercial activities within parks.

12.156 Professor Peter Valentine, Director of the Wet Tropics Management Authority, informed the committee of the successful operation of commercial ventures in US parks. The US park service operates a concession system. Although much of the infrastructure is owned by the government it is nonetheless franchised out to commercial operators in many cases to operate according to strict guidelines.

It is argued by some that this is quite a nice way to achieve an outcome that is directed by the park service but operated by non-park employees. I think in addition to the 400 permanent plus 400 seasonal staff, you have got a whole raft of other people who are providing services within the national park, particularly for accommodation, meals—those sorts of facilities—and some guiding as well.<sup>121</sup>

12.157 Professor Valentine noted that the income available to the US park service is substantial. He noted however that:

It is important to acknowledge that in the US system, those incomes come into the park and are properly allocated to managing the costs of all that. I think that one of the challenges in Queensland is that income earned by the Queensland Parks and Wildlife Service goes straight to Treasury. There is not the same opportunity to reinvest that directly in the parks that earn it. It is just a different system, so you have to rely on Treasury agreeing to extra grants down the track.<sup>122</sup>

12.158 Mr Gareth Boyte also argued that there is a place for commercial ventures in reserves:

Commercial operations within the park, if they can be done without too big an impact. There is a place for them everywhere. User pays is always a good one! But how much how much the user is willing to pay is also a commercial decision by itself. When you look at the overview, government—Territory and Commonwealth—is an obvious source of funds, but industry has to contribute its share to managing the park. Again, it comes back to everyone having a clear, strategic plan to work together. If you have that and everyone is still getting the benefit from it, I do not see a problem with industry or even the community or parks not wanting to

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120 *Submission 197*, p. 2. Visitors to the region are required to pay an EMC which is collected by AMPTO members on behalf of the Commonwealth. In 2004-05 this amounted to \$8 million.

121 *Committee Hansard*, 30 June 2006, p. 10.

122 *Committee Hansard*, 30 June 2006, p. 10.

ensure that the attraction is in any way diminished because we do not have enough money to do it, as long as it is achieved with a planned approach.<sup>123</sup>

12.159 However, some evidence expressed a contrary view. Professor Ralf Buckley, Director of the International Centre for Ecotourism Research, argued that there are significant problems associated with major private tourism development in public protected areas. He pointed out that private businesses are profit-driven and if profits are to be made from park visitors, they should be directed to parks agencies.

12.160 Professor Buckley also noted that once commercial property development interests have a foothold in a public park they can place considerable pressure on park management agencies essentially demanding the 'right' to monopolise visitor services, charge fees and add further developments in order to continue making a profit. This can lead to either public subsidy of private interests or to the imposition of expensive and/or inequitable requirements or restrictions on individual visitors to the park concerned. Once a development is established it is often difficult for the parks agency to remove it, and politically difficult even to insist on original leases or contract conditions, if the private investor later finds them unpalatable.<sup>124</sup> Professor Buckley added that:

...when large-scale property developers are talking about partnership with parks, what they mean is, 'Give us some free land of high value with publicly funded infrastructure, a guaranteed publicly funded marketing scheme, a guaranteed stream of clients, and let us build a hotel there where we can charge what we like and keep the money.' When the conservation sector is talking about a partnership, what they mean is: 'There is lots of land outside parks that is of high conservation value and could easily be used for tourism, so why don't we have schemes to encourage conservation on private land and why don't we encourage tourism in other areas outside national parks, such as forests, private land et cetera?'<sup>125</sup>

12.161 Commercial activity in national parks and reserves is limited at present. For example, in Queensland, Mr Alan Feely, Executive Director of the EPA noted that:

There is no mining in national parks, very clearly, except from an extractive industry point of view. Commercial opportunities are really defined by infrastructure at the moment. We have a policy of no private infrastructure on parkland. So, for example, Eurong resort is adjacent to national park but it is not on national park. Obviously we have commercial tour operators. Fraser is probably one of the iconic examples of a commercial tour operator operating on the estate all the time. That is part of having a good, well-used, well-managed, still-protected park estate; they are not just solely there for

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123 *Committee Hansard*, 28 June 2006, p. 14.

124 *Submission 11A*, pp 1–2.

125 *Committee Hansard*, 21 April 2006, p. 71.

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biodiversity. They are the tourism backbone of Queensland and the country, and so they should be.<sup>126</sup>

12.162 Some witnesses pointed to the attitude of some park management as inhibiting the development of commercial opportunities. Mr Russell Boswell, Director of the Alliance for Sustainable Tourism, noted that:

I guess the traditional approach of protected area managers has been that they feel that they need to manage tourism rather than work in partnership with it. That has in some ways limited the outcomes of us being able to get private, commercial and partnership funding to do things within national parks to benefit land management strategies. It seems, certainly in Queensland, that over time the actions of the industry with those kinds of conservation and accreditation initiatives that we have fostered has earned us a degree of respect and, while there will always be the odd cowboy, the industry is probably even more concerned about getting rid of those people than even the protected area managers.<sup>127</sup>

12.163 Some witnesses raised doubts as to the capacity of commercial enterprises in parks to generate sufficient revenue to form a significant revenue base. Mr Allan Holmes, Chief Executive, SA Department for Environment and Heritage stated that in the case of South Australia:

I believe that commercial enterprise and sponsorship is problematic. I am not sure there is great opportunity there, so that is not where we are looking.<sup>128</sup>

12.164 Other submissions raised concerns about the risk of commercial activities in parks compromising the objectives of national parks:

A serious threat to the objectives and management of national parks etc. is the trend to make these areas pay for themselves. Thus there is pressure to allow commercial activities in parks to make them more self-sufficient. This has the potential to compromise the objectives of national parks etc.<sup>129</sup>

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126 *Committee Hansard*, 21 April 2006, p. 21.

127 *Committee Hansard*, 30 June 2006, p. 43.

128 *Committee Hansard*, 6 June 2006, p. 56.

129 Ms Julie Sheppard, *Submission 62*, p. 1.

12.165 The committee believes that further opportunities for commercial developments within parks and reserves should not be encouraged by state and territory governments and parks management. The committee considers that such developments may compromise the primary objectives of national parks and reserves.

A handwritten signature in black ink, consisting of a stylized initial 'A' followed by the name 'Eggleston' written in a cursive script.

**Senator Alan Eggleston**  
**Chair**