

Tuesday 5 July Session TU2 – Catchments/Regional (with NGO)

Steve Gatti – Presenter

Kathy Tracy – Facilitator.

The purpose of this workshop session was to allow participants to discuss the real world issues associated with incentive programs at the catchment or regional level. The workshop provided a forum to share experiences in the design and implementation of various types of conservation incentives, covering both successes and impediments.

The following key messages relating to design and implementation of incentives at the catchment and regional level were identified by the group :

- Where possible the incentives employed should be outcomes based.
- Need an assessment of the resources required to achieve the outcomes we want.
- The development and management of conservation incentives at the regional or catchment level can be resource (financial and human resources) intensive.
- Community can be a successful driver of incentive programs.
- To be successful an appropriate incentive should be used. Landholders need to gain something out of the transaction. In recognition of the public service provided by the landholder compensation should be provided.
- Where a metric is required, it will need to be developed at the regional level.
- Evaluating outcomes is essential. Funds should be apportioned according to outcomes.
- There should be integration of outcomes at the landscape level, need a strategic landscape vision
- Catchment management, multi-property planning etc essential.
- Long term support and continuity required for success of incentive program. Security of the fund such as long-term stewardship.
- Funding needs to be inline with ecological timeframes. Annual funding not appropriate.
- Coordinated approach. Need a lead body.
- Working in clusters and nodes will allow for cost sharing and knowledge sharing opportunities.

Steven Gatti took the lead of the session and opened with an account of his own recent experiences. Steven works for the Onkaparinga Catchment Water Management Board in SA. Some key points:

- They have been developing an incentive program over the last 5 years. that the process had at times been quite frustrating.
- Needed a better way to ‘dish out’ the resources
- They were lucky in that they had the ability to raise levies that provided the financial resources required for the program.
- However, they needed more Human resources than was initially expected to develop appropriate incentive and implement.
- Quality control became an issue

- Decision making was back in the landholders hands, but there was a trade-off with Quality Control of policy options.

From the participants.

- There is a need for Guiding principles.
- Remember that you are trying to direct behaviour, dealing with human's that need to be respected.
- Can use acknowledgements and praise/rewards.
- Issues with the funding cycles.
- Typically funding only guaranteed for 1 year
- Funding not as much a problem where you can raise your own levies, or integrate various incentive scheme's.
- Also need a focus on outcomes. What are they . Not always a requirement under some programmes.
- Knowledge level will sometimes be a problem for development and implementation.
- Timing of funding is hampering outcomes
- Incentives can be input based rather than outcomes based, but need to be sure how inputs tie with outcomes
- There is a need for landscape plans and action plans
- There is a need to develop a metric that allows for quantification of outcomes
- Difficult to specify metric.
- Metric may need to be developed at the regional level.
- Principles maybe transferable, but not the details(nuts and bolts)
- May be beneficial to identify dual outcomes, outcomes for sustainable farming not just conservation. This is likely to have positive effect on participation.
- Outcomes difficult to measure as changes over a long period.
- There is often a miss-match with timeframes for measurement of outcomes and funding cycles
- Decisions need to be made as to the level of 'incentive' needed to get the job done.
- Can use the community as a driver
- Not any projects the corporate sector will invest in. They need a 20% return per annum to offset for the risks.
- Victorian department recognizes that incentives will only work when there is a win/win. There needs to be something in it for the landowner. If it is a purely public benefit then the department pays the cost. Under this arrangement, they can't keep up with people wanting to participate.

Thursday 7 July Panel Discussion.

Michael Lester
David Borthwick
Neil Byron
Jora Young
Greg Bourne
Michael Buxton.

After the main presentation sessions, participants were given an opportunity to ask questions of the panel.

First question to Greg Bourne regarding the paradigm shift

Second question. With eco services occurring in Rural Australia where the rate base is small, what is the best way to raise funds to pay for the eco services that benefit both rural and urban areas. There needs to be a transfer from urban area's. What is the best way forward.

Neil Byron responded that he didn't think a single user should pay. There needs to be a mechanism that allows for all those valuing the services to pay for them.

David Buckingham indicated that The NHT was a modest way of getting funds into rural areas. However, it is a relatively small amount of money to leverage local behaviour. He also acknowledged that there is not enough tax payer funds to pay for all eco services across Australia, so instead governments will need to assess what are the best investments to be made.

Third questions. All the talk about pros of incentives, but need to recognize there is a need for regulation in the mix.

Michael Buxton commented that traditionally there was a reliance on regulation. Looked to the case where in Victoria they had stuck with regulation, however, in SA they went down the property rights approach and purchased directly. This cost a lot.

Neil Byron. Commented that he is not against regulation. That in fact you need good regulation underpinning any market based instrument. He also cautioned, saying that were regulation is prescriptive there is possibility of adverse outcomes. Much of the environmental problems of today are a direct result of past government regulations.

Question four. How do you deal with the implications of adverse economic circumstances having implications for landholders who recognise opportunities but do not have the means to take them up.

David Borthwick. Governments will not be in a position to pay farmers right across Australia for provision of all eco services. This will not be the answer.

Internationally regulation always in the mix. Sometimes this has been bad legislation sometimes there has been enforcement problems.

It is important that limited resources get to areas that are mission critical or of high priority. This will not mean funding will be available right across the whole country but rather priorities will need to be identified. Resources will be distributed according to decisions made Government reflecting the preferences of Industry and the community.

Question. Is there any comment from the panel on demand side management for controlling city size, particularly population control?

Michael Buxton. Population control is not an option being considered. Will not be seen as the answer.

David Borthwick. See concentrated urban development as the way to go. This is more likely to occur if it is pushed in terms of the economic benefits.

Question. Any views from the panel on the removal of land from production as an option.

David Borthwick. Structural adjustment is an issue.

Commented that the Environmental fund has drought focus this year in recognition of reality, to help people who are drought stricken reserve what they have on their land already.

Government decisions of the past have caused problems with blocks too small, development of marginal land, regulation that encouraged the clearing of land and over exploitation of resources etc. So there are huge adjustment issues to tackle. Although it has to be managed. There may be unforeseen repercussions of people moving off the land, for example see them moving to the coast and causing stress there.

Doesn't believe that there are any hard and fast rules that can be applied, it is really a political decision made by our representatives, reflecting our collective pressures on them.