

Development of guidelines for delivery of conservation incentives by regional organisations

**Workshop summary
9th-10th July 2003
Brisbane Queensland**

Second in a series of state-based workshops as part of a Commonwealth-State initiative

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Acronyms

ALMS	Australian Landcare Management System
DNRM	Department of Natural Resources and Mines (Qld)
DSE	Department of Sustainability and Environment (Victoria)
EA	Environment Australia (Cwlth)
EMS	Environmental Management System
IPA	Integrated Planning Act 1997 (Qld)
LG	Local Government
LGAQ	Local Government Association of Queensland
LPLMC	Liverpool Plains Land Management Committee
NAPSWQ	National Action Plan for Salinity and Water Quality
NGO	Non Government Organisation
NHT	Natural Heritage Trust
NRM	Natural Resource Management
QPWS	Queensland Parks and Wildlife Service
SIRP	Social and Institutional Research Program (of Land & Water Australia)
SWQ	South West Queensland
WWF	World Wide Fund for Nature (Australia)

Introduction

The Natural Heritage Trust (NHT) and the National Action Plan for Water Quality and Salinity (NAP) recognise conservation incentives, and more broadly natural resource management (NRM) incentives, as an important mechanism for achieving improved productivity and sustainability outcomes. Regional bodies are producing Natural Resource Management Plans and Investment Strategies for delivery of natural resource management at a regional scale. Accredited regional plans and investment strategies are the major vehicle for investment by the Commonwealth and States in regional delivery of NRM. It is expected that a majority of regional bodies across Australia will identify incentives as key activities in their Natural Resource Management Plans and Investment Strategies.

To assist regional organisations develop effective incentive based programs as part of their Regional Plans and Investment Strategies, a series of state-based workshops were held over the latter half of 2003. State Governments in WA, Queensland, SA and Victoria hosted these with funding from Environment Australia.

A synthesis of each of the state-based workshops is being prepared by the workshop facilitators (Michael Williams & Associates Pty Ltd) with input from the host State Government department and Environment Australia. These are to be sent to all workshop participants and invitees. A national overview report to collate the key messages from the state-based workshops is also being prepared by Michael Williams & Associates Pty Ltd for Environment Australia for completion in the latter part of 2003.

Workshop report

This report summarises the key outcomes of a two-day workshop entitled “Regional delivery of conservation incentives in Queensland”. This workshop was the second in the series of state based workshops. Held in Brisbane, Qld on 9-10th July 2003 and organised and hosted by Qld Department of Natural Resources and Mines with funding and support from the Qld Department of Mines, Brisbane City Council and Environment Australia, the workshop was independently facilitated by Michael Williams of Michael Williams & Associates Pty Ltd.

The workshop brought together stakeholders from across Queensland involved in the regional delivery of natural resource management. Commonwealth, state and local government were represented, as well as non-government organisations and peak bodies associated with NRM. Many of the NRM regional bodies were represented at the workshop. These organisations will play a major role in the delivery of regional NRM in Queensland.

The workshop agenda is outlined in Appendix 1. Invitees and those that participated are outlined in Appendix 2.

Workshop objectives

The objectives of the workshop were:

- To share an understanding of conservation incentives - what is available and what has been working well;
- To identify the guiding principles for design and delivery of conservation incentives by regional bodies;
- To identify the impediments to the delivery of conservation incentives by regional bodies and the strategies to address these impediments; and
- To identify the information needs to assist regional bodies to deliver conservation incentives

This report encapsulates what participants in the workshop discussed and concluded in relation to these objectives.

Report structure

This report is presented in four sections:

- Section 1 provides a short summary of the speakers who presented on Day 1 of the two-day workshop¹;
- Section 2 is a synthesis of contributions from the workshop participants. It outlines a framework of guiding principles that may assist in developing a state strategy for delivery of conservation incentives at the regional scale. These principles incorporate standards, methods and/or strategic directions agreed upon by the participants, as well as the major impediments and points of contention raised by participants;
- Section 3 discusses emerging issues from the workshop discussions; and
- Section 4 presents key conclusions and agreed actions raised by participants for further consideration by Commonwealth, State and regional bodies.

¹ Copies of all presentations are available from Jim Binney Director, Catchment Economics, Qld Department of Natural Resources and Mines Ph: (07) 3224 7281; E-mail: jim.binney@nrm.qld.gov.au

Section 1 - Summary of Speakers from the Workshop

Ray Baker (DNRM)

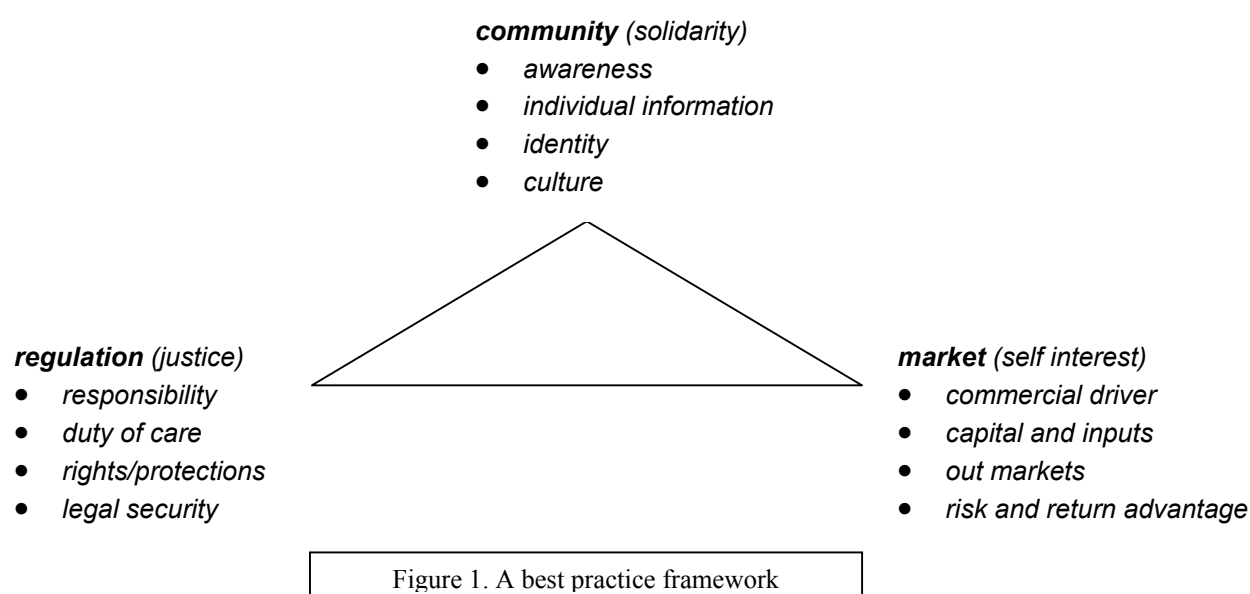
Ray provided background on the purpose and context of the workshop, particularly in relation to the emerging regional arrangements of NRM delivery in Queensland. He described three types of policy tools applied to NRM (regulation, suasion and economic) and discussed the value of economic instruments in particular. Ray outlined the level of operation for various NRM instruments and listed some key questions for successful delivery of incentive programs.

Steve Hatfield Dodds (CSIRO)

Steve Hatfield Dodds provided an overview of incentive based policies for conservation on private land. He acknowledged that a range of economic instruments exists, but that they are not well used. He outlined the challenges in achieving conservation on private land as well as the positive and negative case for incentive programs.

Steve outlined a range of policy levers designed to change private practices and noted that increased government “muscle flexing” (ie. moving towards the regulation, rather than the persuasion end of the spectrum) does not necessarily increase effectiveness.

Steve described the various types of market and non-market based incentives mechanisms and discussed a “best practice” framework linking regulation, markets and the community. He pointed out that much work still needs to be done to understand the “social space” within which incentives are developed and delivered – the interactions between the community, the market and the regulatory environment. He noted that each of the community, the market and the regulatory environments were characterised by highly contrasting value systems and that the development of incentive mechanisms needed to understand each of these domains. See Figure 1.



Steve outlined a two step process to make incentives more effective and to produce the significant changes in the landscape that are required.

The first step is to establish a “fulcrum” by linking on-ground action and best practice science and ensuring clarification of responsibility (this helps define what is “voluntary”). The next step was to employ a “lever” by providing investment security and flexibility, funding of voluntary action and ensuring outcomes are of public benefit but more importantly are also profitable.

Malcolm Petrie (LGAQ)

Malcolm provided detailed examples and discussion of the use of conservation incentive instruments by local government in Queensland. He presented Australian Bureau of Statistics figures on government spending on environmental management from 2000-2001 that demonstrated NRM is core business for local government. For this period the Commonwealth Government spent \$32 million on NRM, the State government spent \$198 million while Queensland Local Government spent \$1.4 billion. Malcolm argued that local government has a key role in NRM as it is the sphere of government closest to the community and local government planning laws are integral to sustainable NRM. He emphasised the need for regional priorities to be consistent with local government objectives. Through engaging local government, regional priorities are more likely to be incorporated into NRM land use and strategic plans developed by local government.

By way of example, Malcolm presented the toolbox of incentive instruments used by Ipswich City Council. This included a range of information products, namely environmental education products, technical advice, demonstration sites and land management seminars. Ipswich City Council is involved with several partnership programs on private land, including an environmental weed rate rebate scheme, Voluntary Conservation Agreements (with technical advice and a rate rebate) and Land for Wildlife. They also run a Free Plant Program that rewards involvement in programs such as Land for Wildlife and Voluntary Conservation Agreements. The Council is also involved with several on-ground works programs and has a range of planning mechanisms directly relevant to NRM.

Malcolm outlined a range of programs and policy used by Queensland local government in delivering NRM. Land for Wildlife is offered through sixty-two Councils with state wide coordination from QPWS. Other programs included devolved grants and statutory covenants. Malcolm outlined the role of the Qld Integrated Planning Act 1997 (IPA) in achieving sustainable land use. IPA provides the framework in which local governments work to achieve sustainable land use and mitigate adverse development impacts. Malcolm also outlined a range of future incentive programs being considered by local government. He provided some details on the LGAQ Local Government and Sustainable NRM NAPSWQ project which aims to assist Councils in this region with local and regional planning and management of natural resources.

Steve Hatfield Dodds (CSIRO)

Steve presented tax issues associated with conservation on private land. He discussed the rules associated with tax deductible gifts as they relate to land donations and covenants. He considered tax treatment of conservation and primary production as an uneven playing field. For example, landholders that are not primary producers have to have a business to be able to access tax deductions.

In selecting appropriate incentive tools, Steve distinguished between entitlement (eg. rate rebates and tax incentives) and discretionary approaches (eg. devolved grants). These approaches differ in costs, certainty, benefit and risks for government and landholders. Discretionary approaches such as devolved grants allow micro-targeting however, when innovation or new approaches are needed, the eligibility approach appears to work better. Taxes are also better for engaging commercial agents. He presented two case studies for leveraging private investment, the Australian Conservation Foundation-Southcorp Business Leaders Roundtable and the CSIRO/Greening Australia NRM Capital Venture Fund

Steve discussed a range of tax disincentives that should be removed in order to encourage increased philanthropy to benefit the environment. He directed the audience to the report “Building a Stronger Social Coalition” by the Allen Consulting Group which may be accessed through the internet at http://www.allenconsult.com.au/resources/ACG_Philanthropy_Main_2002.pdf.

Kathy Tracy (EA)

Kathy provided some insights into the use of devolved grants schemes illustrating the principles with examples from Tasmania during the period 1998 to 2002. Devolved grants were seen as a way to increase the strategic nature of NHT investment, increase leverage with respect to landholders not engaged in Landcare and also provide sub-regions with autonomy. Kathy outlined the strengths and weaknesses of the scheme. Highlights included the purchase of two properties, good support from regional industry, strategic weed management, good integration with other on-ground projects and considerable landholder uptake (90% on Flinders Island).

Michael Crowe (DSE)

Michael provided an overview of the Victorian trial “Bush Tender” which is a market-based approach to funding native vegetation management services on private land. Private landholders bid for funding to undertake management activities that will conserve certain natural values.

Biodiversity conservation was seen as a policy issue where the ability to target landholders, as well as value for money, was required. The issue of cost-sharing also needed improved resolution. When investment in biodiversity conservation was characterised in economic terms, hidden information can make it difficult for governments to make good deals with landholders to conserve biodiversity. Auctions are mechanisms that reveal this hidden information.

Michael outlined the auction design with respect to the demand and supply side of the market. Landholders who wish to submit a bid are provided with a site visit and develop a draft management plan in conjunction with a project officer. This plan outlines the biodiversity values of the site, the management activities the landholder intends to undertake and the funds the landholder is requesting in order to undertake the management. All bids submitted are compared with respect to the projected biodiversity benefit gained (divided by the funds requested) and the current biodiversity value.

Two trials have been undertaken in Victoria (Northern Victoria and Gippsland). Eighteen percent of participants were not members of any Landcare group. Twenty five percent more biodiversity improvement was gained over that which would have been achieved with a “fixed price” approach. Participants of the Bush Tender trial indicated they appreciated the processes followed by DSE in implementing the trial. Transaction costs were reasonable with a transparent, objective and credible process used. Landholders learnt about values and “place in the market” with respect to biodiversity conservation, while government learnt about market behaviour.

Warwick Moss (WWF)

Warwick outlined why WWF is interested in conservation incentives and why it had teamed up with the Liverpool Plains Land Management Committee (LPLMC - a Committee to undertake an NRM auction trial in the Liverpool Plains area of central-west NSW (see below). WWF employed consultants to explore opportunities with different regions and the LPLMC best met the needs of WWF. They made contact, discussed common ground and issues of concern and then developed a project proposal. Two rounds were undertaken with \$755, 000 committed to contracts for managing vegetation for up to 10 years.

Di Bentley (LPLMC)

Di outlined further detail on the land management tenders system offered by WWF and the Liverpool Plains Land Management Council. She outlined the six major natural resource issues identified in the Liverpool Plains Catchment by the community (dryland salinity, flooding, soil erosion, water quality/quantity, biodiversity and riparian issues). It was found that actions centred on vegetation management could address all of these issues.

Di outlined the methodology they followed in developing and implementing an auction system. The Committee held introductory meetings, provided written materials, held field days, farm visits, followed by bid development. Bids were assessed and ranked in relation to the six major NRM issues with consideration of the value of the range of environmental strategies the farmers might implement on their farm. The delivery and maintenance of outcomes was ensured through management agreements, multiple (rather than single) payments and a minimum term contract.

Di emphasised the importance of sufficient staff, setting criteria for assessment of values before talking to farmers and the need for simple measurements. Teasing out public and private benefit was found to be quite difficult in the assessment of bids. Regular visits were also important with both physical and technical assistance.

Sarah Simpson (Agtrans Research)

Sarah outlined the results from a scoping study on enhancing the effectiveness of incentive programs in regional natural resource management. This project was supported by Land & Water Australia and the Queensland Consortium for Integrated Resource Management. The study included a review of arrangements in the Human Services sector with development of a set of principles and draft frameworks for institutional arrangements to support the delivery of incentives.

These principles were:

- Information availability to land managers
- Community engagement and feedback mechanisms
- Regional/community capacity
- Land manager capacity
- Locally relevant knowledge
- Local trust
- Professionalism
- Coordination between government agencies
- Monitoring and evaluation

She suggested three frameworks for support of regional delivery of incentive programs, based on these principles:

- 1) A framework centred on “local area incentives co-ordinator”, providing one-on-one interaction with landholders, building local capacity and incorporating local knowledge and trust.
- 2) A framework aiming to change community dynamics/perceptions and develop regional identity to facilitate an increase in uptake of incentives.
- 3) A framework to encourage regional ownership and ensure that institutional and support arrangements are regionally specific. Regional organisations would design the support arrangements.

Sarah then outlined the next stage of the research that will involve refinement of the principles and an evaluation of the frameworks with a view to providing outcomes of relevance Australia wide.

Section 2 - Guiding principles for incentive programs developed by participants

This section outlines a framework of guiding principles that may assist in developing a state strategy for delivery of conservation incentives at a variety of scales. The framework is based on the views of the workshop participants, with the principles incorporating standards, methods and/or strategic directions agreed upon by the participants, as well as impediments and points of contention they raised. This synthesis also includes quotes from the participants – these are not attributed and are shown in italics. A diagrammatic representation of this framework is presented in Figure 2.

2.1 Integrate incentives

Integration of biodiversity conservation into broader NRM was considered an important approach by workshop participants. A need to consider grazing, farming and irrigation incentives was considered just as relevant to the workshop as biodiversity. Integration of cultural and biophysical perspectives on the environment was seen as particularly important for indigenous people.

“when I look at an area of land we [indigenous people] want to conserve, I see cultural values - not biodiversity.”

In recognising many agricultural industries are struggling financially, and in the interests of changing farming systems, there was a call to think beyond remnant vegetation and biodiversity to think about farming systems. Participants indicated that integration of biodiversity conservation with other land management issues may not necessarily be the primary driver. An example was provided of a rate rebate scheme with a focus on weeds. While Council also considered biodiversity conservation as a priority, weeds were identified as a major issue through a community survey. This weed management scheme facilitated a positive experience by land owners and managers with Council, was not costly and gave Council an opportunity to introduce other programs, including those with a conservation focus. This “foot in the door” approach was seen as quite useful.

2.2 Promote collaboration, co-ordination and communication

Participants felt that people involved in delivery of incentives were working too independently - collaboration, co-ordination and communication needed to increase dramatically.

“we need to load the same tools into the same box”

True partnerships between regional bodies and government were considered important in bringing the three corners of the Steve Hatfield Dodds NRM triangle together (namely community, market and regulation). Working across regions as well as within was seen as important. Regional boundaries should not be viewed as barriers to working with stakeholders from elsewhere.

Partnerships need to open the door to government negotiation with respect to regulation.

“Government needs to be prepared to negotiate the game”

“Regional groups need to look upwards and state government needs to look downwards”

Development of trust was seen as a real challenge for agencies with the “disassembly of past empires” required. There was seen to be no opportunities to discuss partnerships and co-ordination with other agencies, limiting the ability of regional organisations to prove their capacity. Opportunities for regional bodies to question and engage governments on regulation and market issues were seen as important by participants. Complementarity, as opposed to competition between programs administered by different players is needed. Partnerships, leverage and private industry were seen as major determinants to assist in assessing who will pay for incentives.

Developing one-on-one relationships with landholders was seen as invaluable in order to increase co-operation and participation rates however it was acknowledged that there is not enough money to do this everywhere. Priority setting is therefore important to ensure that resources are most effectively applied in the development of these relationships.

Agreements and partnerships between indigenous people and landholders were seen as important in achieving conservation. The need to provide culturally appropriate incentives for further agreements between these parties was emphasised. Finding mutual benefit and respect was seen as central to this. In particular, agreements in relation to access, rights to country and knowledge of country (eg. where certain plants grow) could provide a win/win situation for landholders and traditional owners. For example, off stream watering points for stock could have environmental benefits as well as protecting cultural sites.

Communication and information sharing across regions but also across state wide activities was seen as important. There is a need to look outside regions and also outside Queensland for ideas. Interstate and overseas experiences may also be relevant at the national, state or regional scale. It was commented that experts often want information from the community for nothing and that if the government wants information, such as water quality data, then they should pay for it.

Although there were a number of participants who were farmers and producers representing regional bodies, it was noted that agricultural industries were not specifically represented at the workshop. This was unfortunate as they are considered key players in conservation and NRM issues.

2.3 Design flexible and tailored approaches

Participants stressed that “one size fits all” was not appropriate for NRM incentives. The national EMS incentive program being delivered across Australia via CentreLink (the Commonwealth Department responsible for welfare payments) was considered a classic example of the Commonwealth’s view that “one size fits all”. Programs may have similar objectives across Australia but need to be applied and managed differently, depending upon the context. While a mix of incentives was considered central to achieving successful NRM it was considered likely that this mix would change over time.

The need to consider who programs are designed to target, and the need for different approaches for different audiences was a strong theme from workshop participants. Several workshop participants provided some insights from a landholder (farming) perspective. They considered it important for programs to be tailored and to recognise the impediments that may be specific to certain groups within the community (farmers in this case).

2.4 Recognise community diversity and public benefit

Many representatives from regional groups felt that working with the community and individual landholders was an important first step. This involved asking them what they want and what they believe the important issues are.

“Landholders have a specific culture that you need to understand”

Indigenous communities also need to be recognised as significant land owners and managers. They have an understanding of land which is different from other sectors of the community involved in NRM. The relevance of Steve Hatfield Dodds’ “best practice” framework for indigenous people was questioned. It was suggested that identity and self-reliance may play a more important role for indigenous people in determining where they sit in the “social space” of the triangle.

It was considered important to remember that the indigenous community do not get as much information as people in the cities.

“we [indigenous people] are always catching up as things are always changing”

One participant outlined a plan for indigenous communities that they had developed to complement the NRM plan in their region. This allowed all language groups to be brought together so that a representative could speak on their behalf. Community action takes longer for indigenous people as there are many people that representatives need to speak to so that things may move forward. This needs to be respected.

A strong distinction was made between the rural and urban community with respect to their role in conservation. It was felt that the rural community is treated differently to the urban community and that rural people made many sacrifices to be involved in NRM. For example, rural people involved in NRM have to do a lot of driving (often on their own) which costs money although some times funding support may be found to assist with this (eg. BP has provided support to Landcare groups to assist with travel costs).

Values also differ across the community. The need to think beyond money in delivering incentives was discussed but money was seen as a central issue for landholders.

In the case of indigenous people, however, it was seen to be a lot more to incentives than just money. Diversity across the community was a central theme of the workshop. It was considered important to understand the needs of the people in each region, including their cultural needs.

Distinguishing between the community and individuals was considered important when considering the capacity to focus on landscape outcomes. It was commented that Bush Tender had a commercial and competitive element that emphasised individuals. This limits the capacity to focus on landscape outcomes. This was acknowledged as a weakness of Bush Tender trials so far, but acknowledged that the issue would be addressed in the multi-benefits auction trial now being developed in Victoria.

The public/private benefit mix needs to be reconsidered if incentives programs are to move forward successfully. Public benefits from good land management need to be recognised (ie. services that go beyond duty of care).

2.5 Developing the right mix of incentive tools

It was recognised the needs of individuals can be diverse and that a suite of incentive programs are required in order to cater for this diversity. Survey results from Greening Australia had shown that 350 landholders engaged in a devolved grants scheme would not have got involved if the program had been covenant or legislation based. Use of a rate rebate tool with an associated covenant has to be carefully considered – would a conservation covenant deliver better conservation outcomes than other approaches?

A range of potential mechanisms was identified by workshop participants. Some of these were recognised as “goers” or approaches that had already been successfully applied. These “goers” included devolved grants, auction/tender systems, property management plans and the development of market-driven benefits or advantages. Several, less tangible forms of incentive were recognised as “goers”. This included social opportunities that developed a sense of community. For example, a labour barter approach to undertake NRM activities allows the workload to be shared across friends and neighbours. Education, accredited training and social interaction with learning opportunities were recognised as “goers” Knowledge sharing, mentoring from successful land managers and recognition/affirmation of good management were also considered “goers” as well as demonstrations of profitability.

Other mechanisms were identified as “challenges”. These were approaches that need further “fleshing out”, where more time and effort is required to get them happening as well as further understanding of how such approaches might function. The “challenges” included tax concessions, stewardship fees, non-taxable incentive payments and collective management (commons approach where viability and economies of scale are considered). Other challenging mechanisms included ecosystem trading and tradeable offsets. Mechanisms that could avoid extreme events (eg. drought) placing pressure on the environment were also seen as useful, but within the “challenges” category, as well as rate rebate zones (whereby access to the incentive is limited to particular areas). Interest free loans were mentioned as another form of incentive as well as access to NRM funds through involvement with particular groups.

Accredited property resource management plans were seen as a core approach which many other programs could hinge on, such as tax concessions, stewardship fees, market advantage approaches (eg. EMS or ALMS¹)

See <http://www.synapseconsulting.com.au/alms.htm> for information on ALMS, rate relief and rebate zones.

Participants felt that a particular tool should be selected when it delivers the desired outcome better than any other approach. Several issues were deemed important considerations in making an informed choice about the use incentive programs to deliver NHT/NAP objectives. These were: perceptions of stakeholders on the nature of the problem; and prospects for funding for the incentive program and cost effectiveness of the program in relation to benefit. Other considerations were:

- evidence of previous success
- the nature of the problem
- what behaviour or activity was required to create change, and
- capacity to link targets from other programs to achieve multiple benefits.

A three step approach was suggested for developing the right mix of incentive tools:

1. List the range of possible mechanisms. Brainstorm new ideas and applications but also include those that have worked well;
2. List the characteristics (personality types) of clients/land managers; and
3. Look for linkages between styles of incentives and approaches and client characteristics.

This approach was trialed at the workshop, resulting in a matrix (Table 1) that linked clients and land managers to incentives that were felt to match their particular personality types.

Table 1. An approach for developing the right mix of incentive approaches by matching appropriate mechanisms with clients/land managers.

Clients/Land Managers	Appropriate Mechanisms
People who already care about the environment	Reward systems Stewardship payments
People who prefer to work as individuals	Earlier drought relief Tax concessions Right to farm (enterprise security)
People who prefer not to work in groups	Mentoring Enterprise security
People who prefer not to get involved in Government programs	Mentoring Enterprise security
People who are focussed on profit	Stewardship payments Market advantage approaches Demonstrations of profitability
People who want to work in groups	Labour barter Market advantage/alliance Knowledge sharing Commons/viability
People who are leaders	Rewards/recognition/affirmation Social opportunity
People from urban environments	Education Feeling of community Recognition/affirmation

Once this process has been undertaken any impediments to the “best bet” incentive mechanisms need to be identified. It was acknowledged that different programs should not work against each other and that this also needs consideration in developing the right incentives mix.

2.6 Evaluating existing programs and frameworks

One Queensland perspective on devolved grants was that they had been “too scatter gunned” although they had been quite successful in certain instances Concern was expressed that Envirofund did not match up with indigenous perspectives on culture, conservation and environment.

“we have struggled with the Envirofund. Will cultural values alone ever be enough for these applications?”

The need for incentives to be attractive, as opposed to detrimental was discussed. The example was given of an EMS where the expenses and processes are clear but in many cases the benefits to production are not clearly seen.

Regulation was seen as a form of impediment as it does not encourage ongoing improvement, only compliance. IPA has helped at a local government scale but is limited in its ability to achieve NRM objectives. It also doesn't address long term issues. Tax incentives associated with Landcare were only considered attractive for higher income earners. Processes associated with obtaining tax incentives were seen as a disincentive.

Tax approaches were seen as powerful but very cumbersome to deliver. As conservation has public benefit it should be supported through the tax framework but this does require a new approach to tax reform.

There was some concern that the concept of land “gifts” provides the wrong message to landholders. It was argued that the concept of a gift negates responsibility which is contrary to the change in the “stewardship” landholder behaviour that is needed. An alternative view was that the concept of a “gift” is more of a social affirmation or official sanction of the right thing to do. From this perspective taxation benefit associated with land gifts is not a “straight up and down” incentive - it is more about recognition and appreciation.

Participants asked if there had been any interesting learnings from existing incentive programs. There is a program currently running which aims to provide learnings across Australia (The National Market-Based Instruments Pilots Program) information on this program is provided at:
www.napswq.gov.au/downloads/pdf/mbi_guide.pdf.

Di Bentley commented that an evaluation of the Liverpool Plains project would be made available through the WWF Web page. Land & Water Australia was seen as a good place to look for assessments and information on attitudinal change. The Australian National Audit Office was mentioned as a good source for national program evaluations while the National Land and Water Resources Audit (see http://audit.ea.gov.au/ANRA/atlas_home.cfm) was also noted as a good source for national NRM related assessments.

It was noted that participants were not aware of any evaluations or assessments of how well biodiversity outcomes have been achieved from existing incentive programs. Participants were told that an evaluation of the Victorian Bush Tender trial was to be published in late 2003 and that copies could be provided to participants. In the case of auctions they are considered economically efficient but there is no indication yet of the biodiversity effects. A need was identified to investigate and document what incentives are working, which ones were not and why. Some incentive schemes can't work in the current environment – the question needs to be asked what has to be done to fix them or make them work? Evaluation needs to be considered early by building it into program planning.

It was acknowledged that evaluations need to be sensitive to the excessive number of surveys to which indigenous people are subjected. Regional bodies should be able to alleviate such doubling up of such work through the co-ordination of activities. Existing programs may be able to be expanded to other areas, such as the approach taken to land access rights for traditional owners in the Northern Gulf. Incentive programs which exist in other (non NRM) areas such as health and economic development etc need to be investigated as they may prove useful for conservation purposes.

Section 3 - Emerging issues from the workshop

3.1 Building capacity

Information, training and money were seen as central in achieving successful NRM. Government funds were seen as useful for leveraging other support. Local government was identified as a key player in regional delivery of NRM however, the view was expressed that often they don't have adequate staffing or rate base.

“Lack of leadership from the state government has meant that local government is leading the way with conservation programs”

There was some contention with respect to the capacity of local government to undertake NRM. It was argued that local government initiatives are concentrated in the south-east corner of the state (where there are more resources) and that local government resources and capacity are extremely limited in other parts of Queensland. An alternative view suggested that local government will have resources, capacity and skill for NRM if a cultural shift is achieved.

“there is a lot of local government capacity out there that is not being used”

Proof of capacity was seen as a relevant issue by certain participants, leading on to engagement of urban community.

“urbanites are prepared to pay if regions can prove capacity”

Pressure faced by various elements of the community was raised at the workshop as an important impediment to the role and capacity of community to be involved in incentive programs. They face many pressures, such as industry deregulation (eg. dairy industry), increasing demands from the ongoing introduction of new regulation, environmental pressures, such as drought and fluctuating commodity prices. They also have industry codes of practice to which they are required to adhere. Landholders are often involved in accreditation planning, property management planning and regional planning (such as Regional Vegetation Management Plans).

“Landholders feel threatened and suffer from a Government imposed overload”

Land managers have many administrative and community responsibilities which result in a high potential for burnout. In kind contributions from landholders can limit what can be achieved in any year as landholders just don't have the time.

“Time is valuable – for farmers as well as professionals”

Labour support such as Conservation Volunteers Australia, Greencorp and Work for the Dole programs was seen as vital for improving capacity.

Participants felt that if money was a major limiting factor for regions then they should be upfront to the government in their regional investment strategy. Investment strategies should not be restricted on the basis of money shortage - environmental levies may be needed.

3.2 Enhancing knowledge and education

Workshop participants were concerned about their lack of knowledge to develop and or select the appropriate incentive tools for their region.

“we haven’t got the skills in deciding which tool to use and when to apply it”

Regional decisions on the right incentives and the right mix require professional support from government at all levels. A lack of knowledge on the range of tax incentives available was also identified. Workshop participants felt it would be useful to have a summary of tax issues associated with NRM, in the form of a user friendly booklet and on a web site (see <http://www.ea.gov.au/tax/index.html>).

It was felt that regional groups need to know about some of the generic pros and cons of incentives. A booklet covering the steps involved in developing an incentive package was seen as useful, outlining what the range is and what to use in what context. There is a need to keep in mind the fundamental question – what are we trying to achieve?

There was recognition that landholders need to understand the regional NRM structure. In one part of SE Queensland a trailer is being developed and fitted out as a travelling showcase to raise awareness. Education of urban dwellers (i.e. going beyond land managers) was also seen as important. The urban community need to know how they benefit from ecosystem services and why they should help pay for these services.

Understanding the rationale and the rigour of the science behind programs such as Bush Tender was seen as important. However, it was recognised that if scientific knowledge did not cover the entire area of interest that for equity reasons it was best left out.

3.3 Developing and strengthening partnerships

Partnerships were considered a critical success factor in integrating community values, market and regulation approaches in the delivery of incentives. They were also viewed as an important part of developing financial autonomy and overcoming differences between traditional land owners and other land managers. Considerable frustration was expressed with regard to the difficulty in establishing “real” partnerships. Real partnerships were seen as those that didn’t give with one hand and take with the other.

3.4 Supporting and nurturing regional ownership

A strong sense of regional autonomy was expressed by many of the workshop participants. It was felt that each region needed to take up the challenge of identifying useful incentive programs and disincentives. The workshop was seen as an opportunity for regional representatives to gather ideas to take back and consider in their own regional context. It was acknowledged that each region will have different complexities of ownership that will influence the effectiveness of programs.

Several workshop participants were reluctant to discuss the detail of how regional planning was going to work. It was felt that these details should be examined within each region, not at a state-based workshop.

From an indigenous perspective this was also seen as the way forward – going back to their region to consult and inform and then work things out.

3.5 Changing behaviour and perception

Changing people's behaviour (in a substantial way) was seen as central to the success of conservation incentives. People's perceptions about environment need to be considered at a regional scale as issues are different in each regional context. The question needs to be asked – why do people behave the way they do now?

People's perceptions of an environmental problem and the reasons behind their behaviour are often not considered in the delivery of incentive programs. For example, EMS payments are currently delivered through CentreLink. This associates the program with welfare and handouts. Those who are opposed to accepting handouts are therefore deterred from getting involved in the program.

Many people on the land focus on compensation for forgoing a right. A cultural shift is required in order to change this way of thinking.

“there is a mentality of compensation for a right foregone as opposed to incentive for an asset worth having”

There is a need to identify the best way to achieve behavioural change. One suggestion was a shift in thinking from primary producers to stewards.

“If we are serious about landscape change then stewardship is the way to think.”

A stewardship program was considered likely to go further than payments for on-ground works.

3.6 Encouraging innovation

The current situation was seen as somewhat limited with only grants, loans and subsidies in most cases being used to shift behaviour into a more profitable framework.

“If regional planning isn't about going beyond grants then it won't work”

There are many other approaches available, such as levies, taxes, return on sale, increased productivity, indirect development through planning schemes and benefits. In making these changes the main sources of information for landholders need to be considered (eg. neighbours, advisers and their education). Participants considered it important to consider things that operate beyond government with a push for shaping their own destinies. Before developing new approaches there is a need to assess if there has been failure in the current approach of devolved grants

A need to think beyond money as an incentive was recognised. Money was seen as a short term approach. Longer term approaches through planning tools and statutory mechanisms need to be considered. The programs run by Ipswich Council show that there are many other incentives that may be valued. A mix of incentives together with capacity building and on-ground works was seen as a good combination for trying to achieve NRM objectives – not just waving a dollar around.

Banks were seen as potentially important players in NRM, as well as tax advisors including accountants). A socio-economic report from the Burdekin has shown that tax advisors are the third most important source of information for landholders in making land and water management decisions. The first and second being relatives and schools.

Although some risk may be involved it was considered important that regional NRM plans and investment strategies provide room to move with respect to trialing new innovative incentive programs. Pilots were seen as useful for testing incentive programs, particularly when applying an existing mechanism in a new geographic area, applying innovative ideas and for comparison of mechanisms for effectiveness.

Several important elements of a pilot were identified. A pilot should be well thought out and planned. Evaluation was seen as critical with an assessment of who adopted the pilot and what the outcomes were with respect to critical success factors and costs/benefits. Participants also felt that cross linkages with other areas and perverse or unintended impacts should also be identified from a pilot. It was felt that pilots were best undertaken at a state level to ensure that learnings were transferred across regions, but also that institutional frameworks were consistent.

“we don't want every regional body to reinvent the wheel”

It was suggested that Land & Water Australia's Social and Institutional Research Program might be used to trial new approaches. In developing new approaches there was also a call to look beyond NRM mechanisms.

Auctions were considered useful as they were seen to be speaking the language of landholders and offered a rigorous, relatively quick and simple approach from a landholder's perspective. It was thought that the Bush Tender approach would complement existing programs although it was considered more likely to be useful for targeting large remnant areas across a region, rather than at catchment scales (where devolved grants were thought to be more useful). Participants felt that auctions provide opportunity to find extra value and give value to land which has been taken out of production. Good opportunities were seen in using auctions for environments such as wetlands in the Gulf but perceptions of landholders will first need to be explored to see what they think of being paid. It was suggested that a tender system could be applied to other issues, such as ground water or plant and animal species composition.

It was recognised that while the Bush Tender and the Liverpool Plains project were based on similar, auction approaches there was considerable difference in the amount of time invested in landholders in the development of a bid. “Warming up the audience” through field days and discussion forums was not done with the Victorian Bush Tender. While 18% of participants in Bush Tender had not been involved in Landcare previously, 50% of the participants in the Liverpool Plains project had not previously been involved in Landcare.

3.7 Supporting self reliance

Financial autonomy was seen as important. A shift away from reliance upon government funding was considered desirable. The development of partnerships was seen as a useful approach for achieving this.

The need to look outwards from regions was also considered important. Examples from other regions, states and countries were seen as useful in moving incentive approaches forward. However, it was acknowledged that regional organisations' capacity was significant with sound knowledge and intellectual capacity. Regional organisations have many strengths, such as their landscape view, capacity to advertise other schemes and act as a lobby group. They are also more approachable than government.

3.8 Ensuring continuity of resources

Continuity of resources was seen as critical for the success of incentive programs. Considerable frustration was expressed regarding the current lack of continuity.

“The community is turned on, turned off, turned on...”

“We have struggled to divorce ourselves from the stop start form of funding”

The workshop acknowledged a mismatch between the long term goals of conservation and the short term frameworks, mechanisms and funding horizons they have had to work within. The time and energy expended on maintaining funding to NRM support positions was considered a waste – it could be spent getting on with the job.

“the need for funding continuity is always discussed at every forum. This is frustrating – why aren't these things being fixed?”

Leveraging private investment was seen by participants as important in overcoming the discontinuous nature of government funding.

3.9 Removing disincentives

It was considered important to look across socio/economic and NRM frameworks for disincentives as they may come from unexpected areas. For example, in SW Queensland there are incentives encouraging people to leave the land that are contradictory to education incentives in place for their family, which encourage them to stay on the land. Drought relief programs are also a form of perverse incentive. It was suggested that farmers should to be paid earlier (or rewarded) to avoid land degradation and environmental problems.

Commonwealth, State and Territory Governments have committed themselves, through the Natural Heritage Trust, to reverse the long-term decline in the quality and extent of Australia's native vegetation cover by June 2001. The National Framework for the Management and Monitoring of Australia's Native Vegetation, an initiative of the former Australian and New Zealand Environment and Conservation Council (ANZECC), provides a vehicle through which to implement this goal in a unified and consistent manner, against an agreed framework of best practice management and monitoring measures.

Primary Industries, Natural Resources, Environment and Water Ministers from across Australia met jointly for the first time in Canberra on 31 August 2001 to consider the way forward on Australia's pressing natural resource management issues. One of the first actions taken by the new Natural Resource Management Ministerial Council (NRMMC) was to adopt the National Framework for the Management and Monitoring of Australia's Native Vegetation.

The framework provides guidance on the best-practice design and delivery of conservation incentives. Copies of the report are available at <http://ea.gov.au/land/publications/nvf/index.html>

Section 4 – Workshop conclusions and actions

Workshop outcomes

Overall the key workshop outcomes identified by workshop participants were:

- Approaches to biodiversity conservation need to recognise diversity across community - in their values, priorities and perspectives on environment. Biodiversity conservation may be approached via issues identified as a higher priority to the community such as weed management.
- Choosing the right tools and right mix of tools is a major challenge. Simply knowing what range of mechanisms is available and what they might be useful for is an important first step. This has not yet been achieved.
- “One size fits all” approaches applied across the nation are limited in value. Programs may have similar objectives across Australia but need to be applied and managed differently, depending upon the context.
- A change in behaviour and culture by governments and some landowners is needed for improved biodiversity conservation outcomes. Stewardship is an important way to achieve this.
- The current lack of continuity in government funding is having a negative impact on biodiversity conservation outcomes. Continuity of resources is critical for the success of incentive programs. Self reliance is also important to encourage.

Workshop actions

The workshop broadly suggested a number of actions. These were:

- That an evaluation be undertaken of incentives across Australia and that participants be informed of the outcome.
- That perverse incentives be documented together with a framework for addressing them. Regional input into this framework was seen as desirable.
- That a user-friendly tax information package for NRM and incentives be developed and distributed.
- That all the available incentive tools, and the context that they are best used in, be documented and distributed.
- That professional support is made available to regional organisations when making decisions about appropriate incentives.

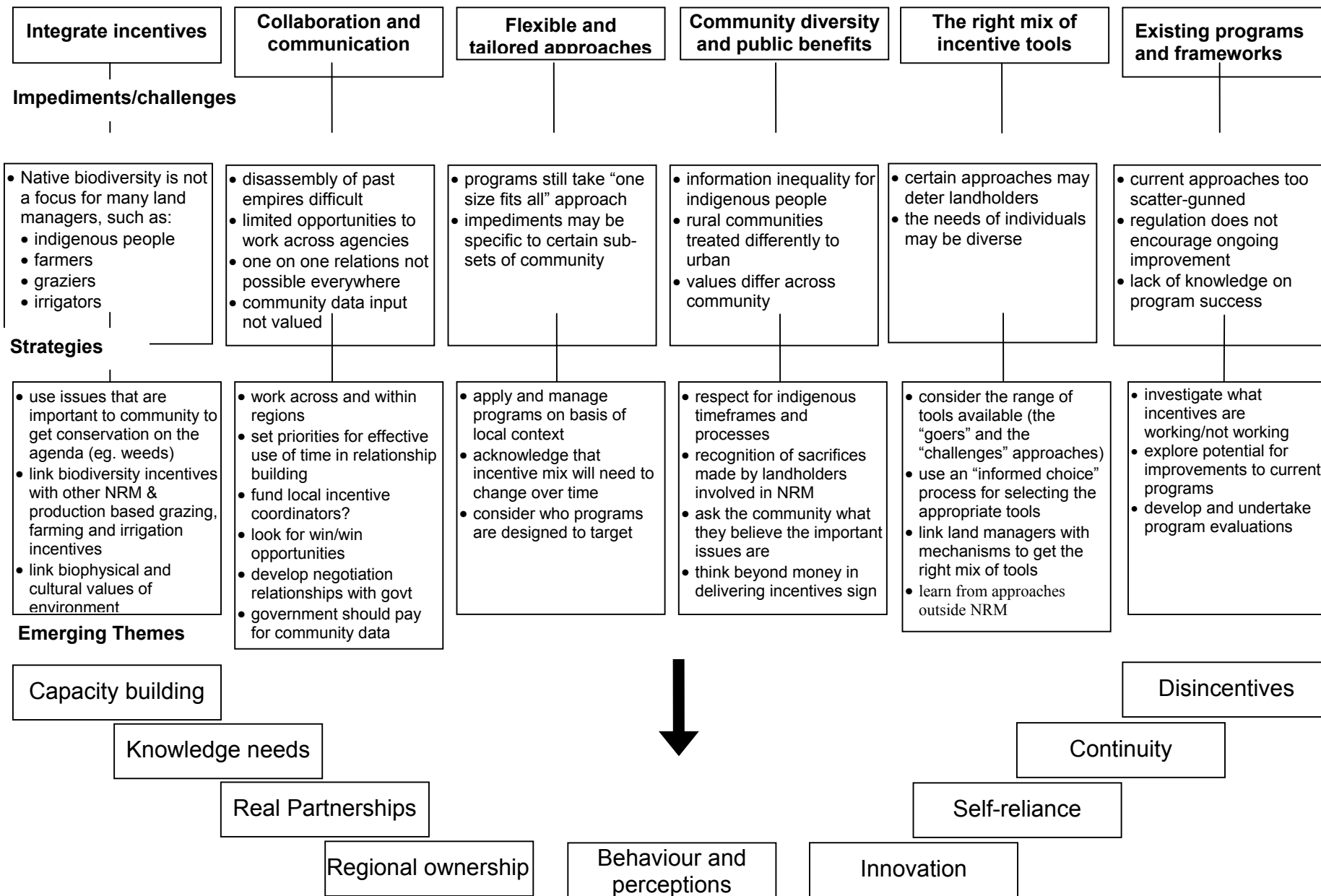


Figure 2. A framework of principles for incentive programs developed from workshop participant contributions

Appendix 1 – Agenda

Queensland – 9- 10 July 2003. PROGRAM OUTLINE		
Day One		
Time	Session	Speaker
9:00-9:15	Introduction, welcome and thanks.	Gerry Gentle. Executive Director. Qld Dept Natural Resources & Mines.
9:15-9:30	Housekeeping. Purpose of workshop.	Mike Williams. Independent facilitator. Ray Baker
9:30-10:15	A broad overview of potential incentives and their application to date.	Ray Baker.
10:15-11:00	A rationale for the Commonwealth's interest in the use of incentives to improve natural resource management at a regional scale.	Steve Hatfield Dodds.
11:00-11:15	Morning Tea	
11:15-12:00	The use of incentive instruments by local governments in Queensland.	Malcolm Petrie.
12:00-12:45	The role of taxation in providing incentives and disincentives for improved natural resource management. The emerging role of market approaches.	Steve Hatfield Dodds.
12:45-13:45	Lunch	
13:45-14:00	Quick facilitated discussion of issues from the morning session that need addressing on day two.	Mike Williams. Independent facilitator.
14:00-14:45	The use of devolved grants as an incentive to improve natural resource management. The Tasmanian experience.	Kathy Tracy.
14:45-15:30	The Victorian BushTender trials - auctions for biodiversity.	Michael Crowe.
15:30-15:45	Afternoon tea	
15:45-16:30	Land Management Tenders. The use of an incentive by an NGO.	Warwick Moss.
16:30-17:15	Arrangements to enhance the effective use of incentive instruments.	Peter Chudleigh / Sarah Simpson.
17:15-17:30	Quick facilitated discussion of issues from the afternoon session that need addressing on day two.	Mike Williams. Independent facilitator.
Day Two		
9:00-9:30	Recap of day one and finalise plan for day two.	Mike Williams. Independent facilitator.
9:30-10:30	Facilitated group discussion on key issues identified on day one.	
10:30-10:45	Morning tea	
10:45-12:30	Facilitated group discussion on key issues identified on day one.	
12:30-13:30	Lunch	
13:30-15:00	Facilitated group discussion on key issue identified on day one.	
15:00-15:15	Workshop summary and close.	
15:15-15:30	Afternoon tea	
15:30-17:00	Workshop participants are invited to stay back and discuss a way forward for a Queensland based incentives project being funded under the NAP.	Jim Binney.

Appendix 2 – List of participants

Organisation	Representative
Michael Williams and Associates (facilitator)	Mike Williams
The Australian National University (scribe)	Donna Hazell
Ipswich City Council	Geoff Faulkner
Fitzroy Basin Association	Mike Bent Suzie Christensen
Rainforest CRC	Nigel Weston
Mackay City Council	Councillor Margaret Lane
Crows Nest Shire Council	Rick Galbraith
Brisbane City Council	Graham Phegan Russell Luhrs Kath Stephans
Nth Gulf Resource M'ment Group	Adele Vagg
Burdekin Dry Tropics Board	Romy Greiner Russell Kelly Steve McDermott
Condamine Alliance	Charlie Zammit
Agtrans Research	Peter Chudleigh Sarah Simpson
Great Barrier Reef Marine Park Authority	James Innes
Department of the Environment and Heritage	Kathy Tracy
Environmental Protection Agency	Jon Womersley Rachael Hanna
SEQ Western Catchment Group	Peter Mackay
Burnett Mary NRM	Stephen Barry Margaret Thompson
Commonwealth Regional NRM Team	Geoff Dyne Adam Jagla
Department of Natural Resources and Mines	Ray Baker Emma Comerford Estelle Hill Geraldine Gentle
Natural Resources Management SEQ Inc	Esma Armstrong
South West NRM	Michelle Callaghan
Mackay Whitsunday NRM	Chris Aylward
Department of Sustainability and Environment (Victoria)	Michael Crowe
CSIRO	Steve Hatfield Dodds
Liverpool Plains Management	Di Bentley
WWF	Warwick Moss Paul Donatiu
Local Government Association Qld	Malcolm Petrie
Northern Territory Government	Christine Long Dave Lawson
QMDC	Geoff Penton James McKee
Desert Channels Qld	Lesley Marshall
Greening Australia Queensland	Craig McGregor
Nth. Gulf Resource Management Group	Ron Archer
Indigenous Savanna Group Northern Gulf	Joseph Rainbow
University of Queensland	Jacky Williams