

Development of guidelines for delivery of conservation incentives by regional organisations

**Workshop summary
21st-22nd July 2003
Adelaide South Australia**

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

**Report prepared by Donna Hazell (CRES ANU) and Michael
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Environment Australia – August 2003**

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Acronyms used in workshop report

ACTV	Australian Conservation Trust for Volunteers
ANZECC	Australian and New Zealand Environment and Conservation Council
ARI	Accelerating Regional Implementation
BMA	Bush Management Advisor
DWLBC	Department of Water, Land and Biodiversity Conservation (SA)
EA	Environment Australia (Cwlth)
HA	Heritage Agreement
INRM	Integrated Natural Resource Management
LAP	Local Area Planning
LG	Local Government
MOW	Mobile Offenders Worksite
NAP	National Action Plan for Salinity and Water Quality
NGO	Non Government Organisation
NHT	Natural Heritage Trust
NRM	Natural Resource Management
PIRSA	Primary Industries and Resources South 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 workshops 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 will 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 and is expected to be completed in the latter part of 2003.

Workshop report

This report summarises the key outcomes of a one and a half day workshop entitled “Regional delivery of conservation incentives”. This workshop was the third in the series of state based workshops. The workshop was held in Adelaide South Australia on 21-22 June 2003 and organised and hosted by SA Department of Water, Land and Biodiversity Conservation (DWLBC) with funding from Environment Australia. The workshop was independently facilitated by Michael Williams of Michael Williams & Associates Pty Ltd.

The workshop brought together stakeholders from across South Australia involved in the regional delivery of natural resource management (NRM). Commonwealth, state and local government were represented, as well as peak bodies associated with NRM and community support groups. Many Regional bodies (Soil Boards, Animal and Plant Control Boards, Local Action Plans and NRM regional groups) across SA were represented at the workshop. These organisations will play a major role in the delivery of regional NRM in South Australia. The NRM reform process currently underway within South Australia will determine the organisational structure of regional NRM delivery. It is anticipated that this structure will integrate many of the activities across Regional bodies. **One person attended from the Wildlife Habitat Support Group**

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 one and a half 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 Debbie Smithies, Bushcare Liaison Officer, Department of Water, Land and Biodiversity Conservation, Biodiversity Partnerships, Level 2, 1 Richmond Road, Keswick GPO Box 2834, ADELAIDE SA 5001. Ph: (08) 8124 4973 E-mail: smithies.debbie@saugov.sa.gov.au

Section 1 - Summary of presentations to the workshop

Steve Hatfield Dodds (CSIRO)

Steve Hatfield Dodds provided an overview of the range of incentive mechanisms that may be applied in order to achieve conservation outcomes on private land. He outlined the challenges in achieving conservation on private land as well as the pros and cons of different incentive programs.

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.

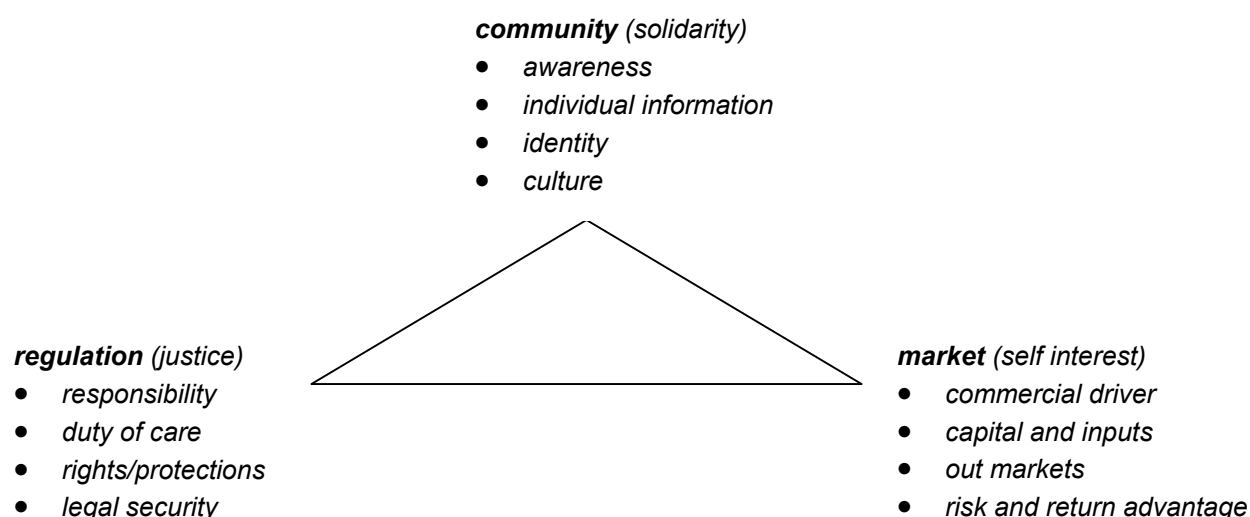


Figure 1. A best practice framework

He 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 to 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.

Hadyn Hanna (NRM Secretariat SA)

Hadyn discussed a national framework for incentives and extension to the Natural Heritage Trust. He provided the South Australian context for incentives through a discussion of the NHT2 and NAP bilateral agreements, the regional NRM structure and its role, the South Australian NRM reform process and changes to the planning process. Hadyn considered incentives to equally apply to both NAP and NHT2. South Australia has five NAP regions and eight NHT2 regions. Accredited regional INRM

plans and investment strategies prepared by regional organisations will provide a South Australian framework for incentive delivery. Hadyn discussed the draft SA NRM Bill that will strengthen the regional approach to NRM delivery. If the Bill is passed it will help ensure regional plans meet legislative and NAP/NHT2 requirements, resulting in an integrated planning process in the long term.

James Todd (Victorian DSE)

James Todd provided an overview of the Victorian ‘Bush Tender’ trial, which is a market-like approach to funding native vegetation management services on private land. Private landholders make sealed bids pricing the cost to undertake agreed management activities that will help conserve certain agreed biodiversity values.

Within Victoria a new approach was considered necessary to better align individual actions with complex regional NRM priorities and to achieve better resolution of cost sharing - given the diversity of views on public/private benefit. The use of an auction system was seen as useful from an economic perspective as it revealed what was otherwise ‘hidden information’ (i.e. how much money landholders needed to undertake certain activities).

Bush Tender includes a science-based approach to valuing vegetation remnants (creating a uniform metric (or currency) termed Habitat Hectares) and distributes equal power between the landholder and those administering the program (both a top down and bottom up approach). This provides opportunity for innovation on the part of the landholder. Landholders who wish to submit a bid are involved 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 and the management activities the landholder intends to undertake. The landowner then prices the cost to undertake that 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 (Northern Victoria and Gippsland). Eighteen percent of participants were not members of a Landcare group. James indicated that twenty five percent more biodiversity improvement was gained over that which would have been achieved with a “fixed price” approach.

Darren Willis (DWLBC)

Darren provided a summary of the SA Upper South East Project - a framework for drainage levies and biodiversity trading. The Upper SE Region covers one million hectares consisting of flats and low dunes formed from a receding ancient sea shoreline. It is subject to inundation and supports Ramsar listed wetlands . The region suffers significant effects from dryland salinity.

Funds for the project came from State Government/Commonwealth sources (\$38M) as well as regional landholder contributions (\$11M). Of these funds \$20.5M were for construction purposes while \$28.5M were for environmental programs (public benefit).

There are five sub programs that address environmental issues. The focus of these sub programs is:

- adaptive management and integrated monitoring
- wetland environments
- Coorong environments
- saltland agronomy
- biodiversity conservation

Landholders of the region have shown a preference for salt water drainage from their land but are also interested in conserving biodiversity. Landholders are required to fund a drainage levy but are able to offset the levy with biodiversity conservation activities. Principles of this arrangement are that landholders contribute in kind, rather than cash and that every landholder with a levy obligation should have at least one levy/biodiversity trading option. Trading arrangements are based on market values and real costs.

Landholders enter a management agreement where the default provision is a return to paying the drainage levy. The agreement includes a management schedule and a Biodiversity Values Map for the property. Management may involve a reduction in grazing or removal of grazing from certain areas. The program was seen as providing an incentive for stewardship.

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

http://www.allenconsult.com.au/resources/ACG_Philanthropy_Main_2002.pdf

Doug Young (PIRSA)

Doug provided a summary of a report he prepared with A. Hamilton (both from Rural Solutions, PIRSA) in 2001². He discussed aspects of cost sharing processes used in natural resource management. Cost sharing projects are those where community and landholder funds are matched by program funds. The South Australian model for such projects involves a scoping study, benefit-cost analysis and development of a cost-sharing framework. Hamilton and Young evaluated the effectiveness of cost-sharing approaches and looked for evidence of increased community engagement through cost-sharing. The role of benefit-cost analysis in project development was considered and the match between proposed and actual works was examined. They also sought evidence that on ground works had been effective.

Methods employed for the work included qualitative and quantitative survey of LAP and ARI Pilot Project Officers and a desk-top review of project proposals, final project reports and local action plans. Follow up meetings with LAP groups were also held. Seventeen ARI projects and eight LAP regions were examined.

Hamilton and Young found that benefit-cost analyses were not widely used to support project proposals, prioritise works or determine how costs would be shared. They found considerable variation between proposals and works actually completed with respect to mix and scale of activities. There was anecdotal evidence that on-ground works had been effective in relation to aesthetics, production, biodiversity and erosion. ARI and LAP projects have facilitated changes in attitudes, skills, knowledge and networks for the various stakeholder groups involved in NRM. They recommended that cost-sharing processes be retained in SA for delivery of NRM funding programs but that other approaches being trialed elsewhere (such as Bush Tender) should be closely monitored and evaluated to see if they prove more effective.

The report recommended that the role of benefit-cost analysis should be better promoted and explained to project officers to increase the use of benefit-cost analysis in developing the cost-sharing component of project proposals. Where feasible, it was also recommended that choice modelling should be used in conjunction with benefit-cost analysis to assist in the valuation of non-market benefits. Additionally, project information management system should be developed prior to the commencement of funding programs to facilitate collection of project information, improving accountability and ease of report writing. Sufficient time and resources should be dedicated to planning, particularly the scoping study, benefit-cost analysis and project proposal.

The report also suggested that consideration should be given to the development of a process for returning unspent funds to a central pool for redistribution to projects in any SA region, rather than being limited for use in the region to which the funds were originally allocated. A formal, on-going program should be implemented to assess whether the on-ground works implemented have been appropriate and effective in delivering the desired natural resource outcomes, and that landholders are maintaining their commitments.

² Copies of this report (entitled: A review of the economic evaluation tools used by community groups to justify economic investments in natural resource management in South Australia Part 3. Natural Resource Management - Development of the cost sharing process in SA) may be obtained from David Olsson (DWLBC). Ph: 08 8463 6917. Email: olsson.david@saugov.sa.gov.au.

Section 2 - Guiding principles for incentive programs developed by workshop participants

This section outlines a framework of guiding principles that may assist in developing a South Australian 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.

Integrate incentives for multiple NRM benefits

It was felt that the triple bottom line should be considered in the delivery of incentive programs, acknowledging economic, social and environmental benefit. An integrated approach that balances conservation and productivity was considered necessary, otherwise financial pressures will impede uptake of incentives. Successful incentive programs will be those that result in productivity gains.

While NRM was seen as a pathway to biodiversity, specific ways in which to integrate for multiple outcomes have to be found, such as linking grassland production with conservation. Integrated programs are not necessarily effectively promoting biodiversity conservation at this point.

“In our region biodiversity is a non-event. We have an integrated program but it is not sold as a biodiversity conservation program”

Promote collaboration, coordination and communication

Greater levels of consultation, clarity and consistency are needed from Commonwealth to State and Regional NRM groups/managers to reduce reworking and duplication of time and effort. Projects require a bottom up collaborative approach instead of the ‘same old’ top down approach of the past, which was non-consultative. Improved communication is required between technical staff and the community particularly with respect to differing priorities.

Cost sharing was identified as a major issue in relationships between community and government. Cost-sharing needs to be fair and equitable with a user and beneficiary pays approach. Acceptance of cost-sharing will require cultural change.

Incentive programs need to be accepted by the funding bodies but also well received by landholders, so that they will be well subscribed. Successful incentive programs will be those that achieve a win-win situation, where the interest in outcomes is transferred to the ground and there are tangible benefits for land owners. A good communication strategy is required with a relationship of trust between partners involved in incentive programs.

It was commented in the past ANZECC provided an NRM communication network within which different States could catch up and find out what was going on elsewhere. It was felt that the current NRM framework does not facilitate such communication.

Develop flexible and tailored approaches

A successful incentive program was seen as one that is flexible, particularly in terms of timeframes, which encourages change through asking what is required. Such programs are adaptive and responsive and provide momentum through constantly lifting the bar.

A range of incentive options is required which then need to be integrated into an effective package. While it is important to focus on priority issues there needs to be strategies to ensure that all landowners can be involved to some degree. Targeting was seen as important, with a transparent process. Incentives need to be matched to issues and then to the community. Project officers need to do matching between incentives and demand or need at a regional level.

Good market research was seen as an important part of developing a successful incentive program. Appropriate consideration needs to be given to spatial and temporal aspects of program uptake, from the farm to the catchment level. Making contact with people who are not necessarily your “early adopters”, such as through hardware or rural supplies businesses or at the Country Women’s Association was seen as worthwhile. Working with “innovators” was seen as a useful approach to improving uptake and encouraging others to get on board.

The issue of how different audiences may be approached was discussed. It was acknowledged that different types of people may need different approaches.

“Cautious people need options, engaged people need support”

Devolved grants were seen as useful for people who are engaged while socially skilled officers can help with interested but cautious people. It was thought that peer pressure might assist in engaging cautious people. Staff are required with the right training to engage different audiences, such as those who are not engaged versus those who are. One-on-one contact and personal experience with NRM co-ordinators/facilitators was emphasised as an important approach, particularly when targeting “non-engaged” people. Contact with people through forums is not as useful as people don’t like to be identified. Approaches also need to recognise that some people don’t like working in groups.

Recognise community values and diversity

Community was seen as an important consideration.

“If you can’t get your community on side you are wasting your time”

For incentives to be successful they need to be locally owned and need to make good business sense. There has to be value for the farmer and the environment. There is little uptake when projects aren’t relevant to landholder’s interests or community group activities. Greater participation is achieved when the activity is fun and engaging. Ensuring profitability is also an important part of targeting land owners and managers, as they need to make money in order to be able to support conservation initiatives.

“It’s hard to be green when you’re in the red”

It was acknowledged that private gain is seen as a problem but landholders will not engage without it.

“There is so much public gain to be had”

Benefits for landholders are often financial or production based - but not always.

It was considered unfair of government to just take a lead role while the rural community bears the costs. Strong community involvement is needed in catchment planning of incentive schemes to avoid this imbalance. It is important that community priorities are considered. Programs based only upon scientific priorities will not be adopted.

“don't make it scary by taking control away from the landholder.”

Landholder knowledge was seen as valuable and should be utilised in these processes. It was also seen as important to recognise and value people's time more.

The social interface at the sub-regional level was also seen as an important consideration in relation to conservation incentive uptake. People who are on the land for quality of life (eg. hobby farmers) will not necessarily be attracted by financial incentives. It was felt that local government needs to play a greater role in addressing this issue.

It was noted that incentive programs are generally not designed for indigenous people (from a socio-economic perspective) with little consideration given to traditional knowledge. There is a need to create a culturally appropriate metric or currency for the use of incentives in NRM. Auctions, levies and offsets were not considered culturally appropriate for indigenous people and would need adaptation. Indigenous people make decisions and think of time in different ways to farmers and have a very different view of land management. Recognition of these cultural differences in the delivery of incentives requires more human resources, specifically people who can 'relate' to indigenous people and work across ethnic groups.

Property size was acknowledged as another factor that may create disadvantage in accessing incentive programs. Smaller landholders are being squeezed out of certain incentive programs as the economies of scale are greater when programs target large parcels of land. Such biases may be overcome by running multiple programs with smaller landholders specifically targeted through one or more incentive programs.

Participants discussed why certain groups within the community have not engaged in incentive schemes. Landholders with a traditional mindset feel strongly about their property boundaries and it was felt incentives need to be more rewarding if they are to be engaged. Programs need to recognise that there may be barriers to changing land management practices for some groups (such as increased fire risk). Risks or disadvantages associated with the outcomes of participation need to be identified.

The urban community was also discussed. Participants suggested that there is a need to get them involved in NRM, particularly groups such as mountain bike riders, bushwalkers and trail bike riders. It was argued that the role of the general public has not been considered. It was felt that they have as much to gain but aren't sharing the costs.

“They [the wider community] can be all care with no responsibility”

It was noted that the marine environment had not been targeted, possibly because of a lack of expertise. It was considered important that recreational and professional fishermen were considered as a potential target group for incentives.

Develop simple and timely approaches

It was considered important that incentive programs were not tied solely to political timeframes. Programs should reflect more realistic cycles of those who are undertaking the work, recognising social, environmental and production timeframes. In particular, funding cycles need to better match on ground work programs.

“Politicians need to be thinking about on ground cycles”

It was recommended that education of politicians and advisers is what is needed in order to fix timeframe problems.

Shifting goal posts in NRM was seen as a real impediment that was rarely costed out.

“A lot more money could be spent on the ground if the programs, administrative structures and priorities didn't keep changing”

Administrative processes, particularly application forms, need to be kept simple so they do not dissuade landholders from involvement. Overheads need to be minimised in relation to on-ground works. Complexity and length of applications also need to be reduced. This is an issue for many people involved in incentive programs - landowners, NGO's, NRM support staff, community groups and regional NRM bodies.

Programs also need to run on quick response times. It was suggested that programs are rolled out with realistically achievable steps as this provides a greater incentive to continue. Programs require clear identification of issues, approaches, targets and objectives. They need to be easy to get involved with but with a strong contractual basis. Programs need to be realistic from an implementation perspective with clear investment criteria. It was argued that government expectations were considered too severe in the short term. Landscape change was seen by participants as occurring over much longer time frames.

Enhance existing programs

Participants listed those incentive programs in SA of which they were aware (see Table 1). It was noted that successful programs in the past built on trust and that it is important to build on these successes. It was considered important that coordinator positions continue as they were seen as form of incentive. Contact with support people was considered an important part of successful incentive programs.

The comment was made that there are not many NGO incentive programs. NGO's have incentive programs that mostly focus on training rather than financial benefit.

It was acknowledged that incentive programs should be reviewed regularly with options monitored to ensure that outcomes are being achieved. Evaluation of projects was seen as important as proof of project success but should be undertaken by the community at their own pace. Once the on-ground works have been done there doesn't seem to be any follow up. It was suggested that the need for improved monitoring and evaluation should be seen as one of the key outcomes of the workshop.

Table 1 List of SA incentive programs based on participant's knowledge

Programs	Comments
Local Action Plan Grant Scheme	Funds to undertake activities Can be a tiered approach
Murray Darling Basin grant scheme	Tiered grant scheme
Grasslands Project	Paddock grazing trial and conservation areas. Graded incentive. People get added bonus if they go to a special (prograze) course or if area is placed under covenant
Human Resources	BMA's, NRM regional coordinators and officers
Heritage Agreements	Rate rebate scheme
Western Eyre Pest Control	Links government and non-government through local Animal and Plant Control Boards
Arc on Eyre	Small grants program, single species
Nature Foundation	Revolving grant fund, improving knowledge, building skills capacity
NGO small scale programs and devolved grants schemes	Examples - Bush for Life/Trees for Life
LAP associated fox baiting such as at Katarapko	Community sponsorship scheme for fox eradication
King Island fencing rebate	Scheme for landholders (on-ground works)
Operation Bounceback	Feral animal and weed control within Flinders Ranges area
Rangelands Action Program	Technical support (eg chemical use training) Support for 'hard to get at' feral animals
Catchment Board Grant Scheme	
Local Government	Small grants schemes
National Reserves System	Eg. Purchase of grasslands conservation area (private and public investment)
Greencorp, MOW camp, ATCV	Labour assistance programs
Water Use Efficiency	Property mapping, advice and planning assistance for reduction in water use
Devolved grants for focussed issues	Eg. <ul style="list-style-type: none"> • Mistletoe management through LG (with NHT funds) with spin off effects of revegetation, fencing, protection of remnant vegetation • Mallee sustainable farming project
Freeholding of land conditional on conservation management of a heritage agreement	
Urban Forest Devolved Grant Programs	Three levels

Project auditing with feedback was also seen as a useful approach with short and long term evaluation. It is important that programs can be measured for success against real conservation outcomes to determine effectiveness – surrogates such as length of fencing was seen as “far too basic”. Skills in project monitoring need to go beyond just assessing performance and focus on real conservation outcomes.

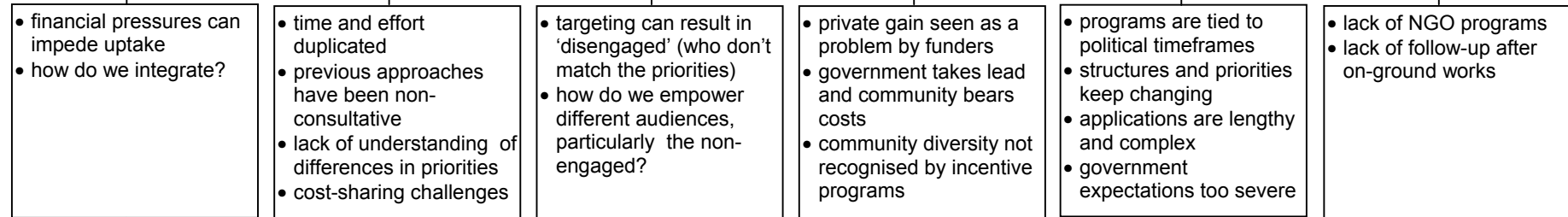
“Don’t measure projects on the basis of amount of fencing”

Non-target values need to be recognised and added to programs, such as involving local schools or industry. New programs should be built around existing structures. They should be pre-emptive, focussing on environmental values before they are degraded.

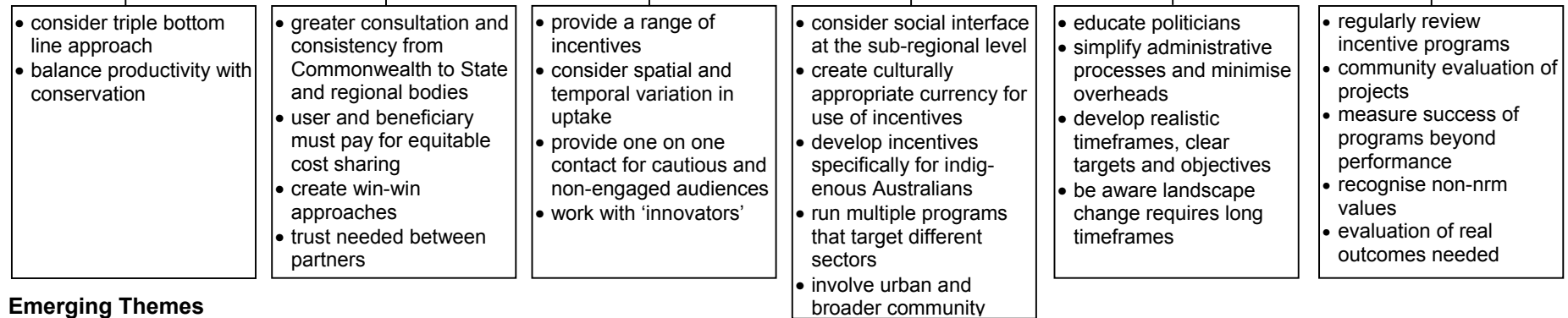
Principles



Impediments/challenges



Strategies



Emerging Themes

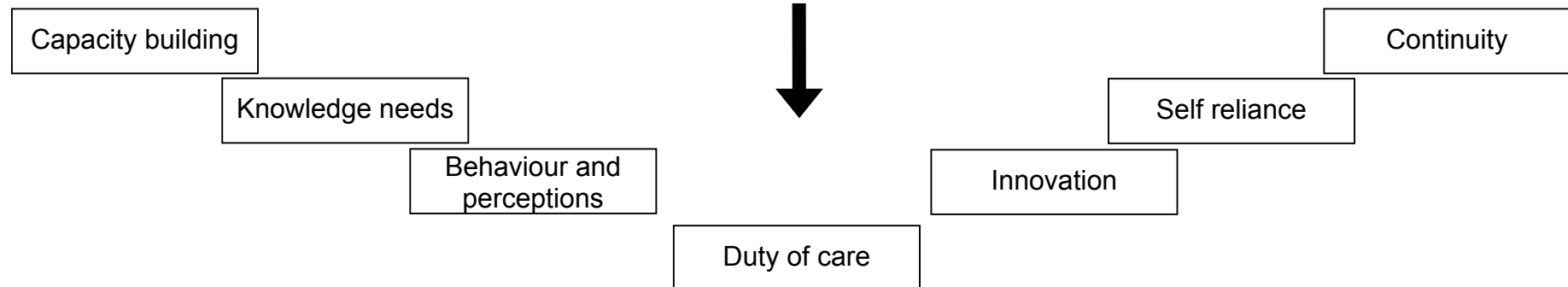


Figure 2. A framework of principles for incentive programs developed from workshop participant contributions

Section 3 - Emerging issues from the Workshop

Building capacity

In some regions financial shortfalls in government funding strongly limit capacity to deliver conservation through incentives.

“If the expectation is that private landholders are going to do this [deliver NRM] then there needs to be more benefits”.

The comment was made that many people have property management plans but have not acted on them as they haven't got the money. Landholders, regional and community groups also lack financial capacity to cope with public liability insurance, resulting in an inability to undertake on-ground work. It was felt that this insurance issue needs to be addressed at a Commonwealth level in negotiation with the States.

The shortage of people inhibits capacity to delivery conservation in some regions with maintenance of motivation seen as a real challenge. In addition, with increasing work hours people have less time available to contribute. Access to a labour force is therefore an important part of maintaining capacity. In addition, it was felt that people will allocate time if there is sufficient flow-on benefit. Another suggestion was that in high priority areas the cost-sharing model could be shifted so that labour is paid for by the incentive program. With so few people on the ground the use of champions and local support through organisations such as BMA's was also seen as important.

Capacity to pick up new ideas, develop new programs is limited by the effort required just to keep up with changing administrative procedures and requirements.

“we are always writing plans”

There are regions that already have incentive programs shaped to fit their region and are reluctant to add to this due to their small resource base of people. While many participants found the new ideas presented (such as Bush Tender) as interesting some saw them as complex approaches that they were not able to adopt currently due to resource constraints and current commitments.

“At this stage of our investment strategy (adopting new approaches) would send people into a flat spin”

It was felt that some regions had a lot to learn before they could deliver incentives through a market based instrument.

“Lets get our investment strategy signed and we'll come back to incentives when we review the strategy”

Capacity for many NRM stakeholders to deal with complex/lengthy application processes is low, due to a lack of knowledge and expertise. Technical and project staff were seen as central in providing advice on projects and incentive programs. It was noted that there are many sources of non-government funding, such as benevolent societies and industry, however regional bodies lack the time and resources to search for them.

It was felt that existing human resources need to be supplemented to improve capacity of local and regional NRM stakeholders.

“We need more on-ground staff and less policy level staff”

Cost shifting was seen as a major issue with State and Federal Government shifting work from Government employees out to the community. It was felt that community does not have the capacity (eg. skill level) to cope with NRM cost-shifting. State and Commonwealth government also need to recognise the loss of rate base through rebate schemes such as Heritage Agreements as rural areas are natural resource rich but financially poor. This is seen to be the opposite in urban areas.

At a regional level more resources are required for target setting and prioritisation. Additional scientific input is needed in order to measure environmental values. A list of qualified experts that could assist regional and community groups with these issues would be most useful. It was recognised, however, that a balance between tools and experts is required. Resource tools required includes data bases, access to data, policies, data licenses and access to research and development. Tools for benchmarking and comparing (rating) sites are also required. Development of appropriate program management systems is needed so that local government and other levels can have a consistent approach to use of incentive packages.

Enhancing knowledge

Regions want to know which programs have worked and which haven't. A useful paper was mentioned that compared the use of various market-based instruments, including auctions³. Participants wanted more detailed information on the Bush Tender approach. They expressed interest in a booklet outlining the range of programs currently running in SA with contact details so people can pick out what programs they wish to know more about.

While it was acknowledged that there is no place you can go to get information on everything it was felt that if information was provided at the regional level then it could be disseminated. Newsletters, support staff and web sites were suggested as useful places for identifying all types of available funding.

Scientific information was considered as playing an important role in informing NRM approaches and programs. Approaches need to be scientifically sound and well informed – not just what looks good. Programs need to be based on sound science with strategies for filling information gaps. The development of successful incentive programs requires improved understanding of the systems within which they are working. Local research is required so that it has local relevance.

It was also felt that the transfer of knowledge from government was an important part of regional NRM delivery.

“Government departments should share information – at no cost”

³ Hailu and Schilizzi (2003). Investigating the performance of market based instruments for resource conservation: the contribution of agent based modelling. 47th Annual Conference of the Australian Agriculture and Resource Economics Society. Fremantle WA 12-14 Feb 2003.

Knowledge sharing was seen as a two way process as it was considered likely that government will use regional NRM plans just as much as the community. Local knowledge was recognised as valuable as not all of the important NRM skills are academic.

Improving understanding of duty of care

An improved understanding of duty of care was seen as important by participants. Duty of care was seen as the baseline from which incentives are developed. Duty of care was also considered closely linked to cost-sharing.

Changing behaviour and perceptions

Participants felt that there needed to be a shift in how we view and value natural resources. Managing the environment was considered to be all about cultural change, recognising that incremental change is important.

It was acknowledged that there are psychological disincentives or barriers to the uptake of heritage agreements relating to a perceived loss in land value.

“They [landholders] believe their land will be worth nothing under a heritage agreement”

Researchers from the University of South Australia have examined the effect of Heritage Agreements and presence of remnant vegetation on land prices. The effect of these issues on land price varied between regions. In some cases productivity determined land value while Heritage Agreements and remnant vegetation had no affect on land price. In some regions remnant vegetation improved the land value (regardless of covenants in place) while in other regions land value was reduced when covenants were in place (regardless of presence of remnant vegetation). Further information on this work may be obtained from:

<http://www.nht.gov.au/nht1/programs/bushcare/rd/market.html>

There is a also concern that assets will be “locked up” in order to preserve them.

“If landholders reveal what values they have got then there will be a regulatory framework put in place around it”

However, it was acknowledged that environmental values still exist because of what landholders have done so far. This needs to be acknowledged.

Encouraging innovation

Incentive approaches that are not being used in SA were identified. These were

- Market based programs for biodiversity (although one is starting soon in the Murray Mallee)
- Tender and auction systems
- Property management planning/links with business
- Offsets for clearance and greenhouse gases

Levy schemes and approaches such as the Bush Tender were seen as positive from a farmers perspective as they were being engaged in the decision making process. It was acknowledged that the most important part of the Bush Tender example was the inbuilt

valuation and assessment of environmental assets. Such an approach could be incorporated in a rate rebate scheme run by LG without any need for an associated tendering system. Currently under heritage agreement rules, rates are removed but the assessment for this rate rebate is economically based, not ecologically. There is resistance to such a shift however, as it raises the question of who pays.

Approaches taken by mining companies in buying land were discussed, where the productivity value of the land is considered and the farmer is paid out. Such an approach was not considered valid in the case of conservation as mining companies are able to wear the costs of farming as the resource to be mined is worth far more than farming as a land use. This principle cannot be applied in the case of biodiversity unless biodiversity benefits can be secured that make more money than agricultural production.

Incentives should not be limited to financial support for on-ground works. Many other motivational aspects can be included, such as training. Non-monetary value adding was recognised as important, such as information sharing and follow up visits to landholders. Stewardship was seen as a way forward for future generations as this requires an improved understanding of the duty of care principle. It was suggested that property management plans could be used to access reduced interest rate loans from banks.

Ensuring continuity of resources

Long term timeframes were seen as important for successful NRM incentives with assured long term support, both financial and technical.

“What we need is guaranteed rolling funds/schemes – commitment from government to this would be the best incentive we could get”

“Landholders commit to long term timeframes but programs change every two years”

Rolling five-year programs for human resourcing were suggested with bi-partisan Commonwealth and state support and commitment for NRM funding. It was also suggested that a financial institution such as a bank may be used as a repository with funds that could be topped up. It was considered that a three month overlap in contracts would solve a lot of the problems in provision of support staff, as this would facilitate training for new staff. Mentoring for a full program cycle was seen as a more effective way to provide human resource support.

Long term staff are seen as playing an important role in approaching people who are not engaged. Such staff are in short supply. Staff changeover was a direct result of stop start funding and the staff's need for continuous employment.

“NRM staff don't hang around. These people are not in a position to make long term commitments if the project funds just stop and start all the time”

Concerns were expressed regarding what happens when management or conservation agreements expire. It was suggested that links between monitoring and continued payments of incentives was a useful approach.

Self reliance

Maximising community resources and reducing reliance on government funding was seen as desirable. However, it was commented that approaches such as Bush Tender will not work without government funding. One suggestion was that government funding is required during the current transition period until the 'duty of care' bar is sufficiently raised. However, all participants did not share this view. It was also argued that actual increases in duty of care are extremely rare and only occur with large industry players.

Successful incentives were seen as those that provide a foot in the door, opening up new education pathways and developing tools that empower the community to carry on. It was felt that too often programs are developed elsewhere and that regional groups would like more involvement in the planning process of programs. Successful incentive programs build long term community capacity.

Section 4 - Workshop conclusions and actions

Workshop actions

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

- A calendar of SA incentive programs and their application deadlines be developed and disseminated;
- A publication outlining all the existing conservation and NRM incentive programs running in SA with contact details; and
- A list of experts available in SA to assist with capacity building and knowledge needs be developed and distributed.

Key workshop outcomes

Overall the key workshop outcomes identified by workshop participants were:

- Capacity to develop new incentive programs is restricted by limited time, money and people resources
- Community is at full capacity just keeping up with the ‘shifting goal posts’ of NRM administrative and policy frameworks.
- Community does not have the capacity to cope with the level of cost-shifting from Government that is occurring in NRM.
- Long term staff play a crucial role in improving uptake of incentives particularly amongst previously non-engaged audiences.
- Lack of continuity in funding for support staff was identified as a major disincentive for community
- Funding providers need to accept that profitability and private gain is essential for improving uptake of incentives
- Community diversity needs to be considered in developing and delivering incentives
- Programs need to reflect the timeframes of those who are working on the ground
- Program review and project evaluation has not received adequate attention and need to be focused on real outcomes.

Appendix 1 – Agenda

Day One

Time	Session	Speaker
9.00 - 9.15	Introduction and Welcome	<i>Hadyn Hanna, General Manager NRM Secretariat</i>
9.15 - 9.30	Purpose of workshop	<i>Mike Williams Independent Facilitator</i>
9.30 - 10.05	Incentive Based Policies for private conservation	<i>Steve Hatfield Dodds CSIRO, Canberra</i>
10.05 - 10.45	The National Framework for Incentives and extension to the Natural Heritage Trust	<i>Hadyn Hanna</i>
10.45 - 11.00	Quick facilitated discussion of the morning session	
11.00 - 11.30	Morning Tea	
11.30 - 12.05	The Victorian Bushtender Scheme. Why and how it works.	<i>James Todd, Project Manager, Bush Tender Trial, Dept. of Sustainability & Environment, Vic.</i>
12.05 - 12.40	The Upper South East Project	Darren Willis, Environment Manager, Upper SE Project, DWLBC
12.40 - 13.00	Quick facilitated discussion of issues from morning session that need addressing in the afternoon.	<i>Mike Williams, Independent Facilitator.</i>
1300 - 1400	Lunch	

Day One - Continued

Time	Session	Speaker
1400 - 1600	Facilitated discussion - Taking the Conservation Incentives Agenda forward through regional planning and implementation - what are the issues?	Mike Williams, Independent Facilitator
16.00 - 16.20	Afternoon Tea	
16.20 - 16.55	The role of taxation in providing incentives and disincentives for improved natural resource management.	<i>Steve Hatfield Dodds, CSIRO, Canberra</i>
16.55 - 17.30	Aspects of the development of cost sharing processes used by community groups in South Australia for on ground works	<i>Doug Young, Corporate Strategy and Policy Branch, PIRSA</i>

Dinner 6.45pm Holiday Inn, South Tce, Adelaide

Day 2

9.00 - 9.30	Recap of day one and finalise plan for day two	<i>Mike Williams, Independent Facilitator</i>
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 - 12.45	Workshop Summary and Close	<i>Mike Williams, Independent Facilitator</i>
12.45 - 13.45	Lunch	

Appendix 2 – List of participants

NAME	ORGANISATION
Helen Richards	Kangaroo Island NRM Regional Coordinator
Ned Luscombe	Chair INRM Group EP
Rowena Brown	Aboriginal Lands NRM Regional Coordinator
Luke Geelen	BMA - MLR
Mary-Anne Healy	DEH – Threatened Species Program
John Smyth	NYAD NRM Group
Hadyn Hanna	Manager - NRM Secretariat
Michael Wilson	Kangaroo Island NRM Group
Cliff Hignet	Wildlife & Habitat Support Group (HA's)
Jim Hill	MDB Regional NRM Coordinator
Tim Reynolds	DWLBC
Bill Hadrill	BMA – Kangaroo Island
Wendi Avery	NYAD - NRM Regional Coordinator
Jean Turner	BMA - NYAD
Kylie Moritz	BMA - MDB
Patrick O'Connor	NRM Secretariat
Neil Collins	DWLBC
Craig Macauley	DEH
Barry Lincoln	LAP Officer
Ann Letcher	EP – NRM Regional Coordinator
Vicki Linton	DEH – Heritage Management
Judy Pfeiffer	Project Officer - Murray Mallee Local Action
Len Rule	Rangelands Community Action - Project Officer
Andrew White	Rangelands NRM Committee

Grant Flannaghan	Project Officer - Kangaroo Island NRM Group
John Scarvelis	DWLBC
Andy Sharp	Regional Ecologist, DEH
Presenters	
Darren Willis	DWLBC
Mike Williams	Facilitator
Steve Hatfield Dodds	CSIRO - Canberra
Doug Young	PIRSA
James Todd	DSE - Vic
Organisers	
Debbie Smithies	DWLBC
Gill Peacey	DWLBC
Donna Hazel	Scribe
Kathy Tracy	EA

