Development of guidelines for delivery of conservation incentives by regional organisations

Workshop summary
5th- 6th August 2003
Woodend Victoria

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

Report prepared by Donna Hazell (CRES ANU) and Michael Williams (Michael Williams & Associates Pty Ltd) for Environment Australia – September 2003

Michael Williams & Associates Pty Ltd
ABN 92 002 888 002
5 Toongarah Road
Waverton NSW 2060
Tel: (02) 9460 3164
Fax: (02) 9925 0493
Mob: 0408 104 030
E-mail: mikewill@bigpond.net.au

Table of Contents

Acronyms used in workshop report

BAP	Biodiversity Action Plan
BRS	Bureau of Rural Sciences (Cwlth)
CFA	Country Fire Authority (Vic)
CMA	Catchment Management Authority (Vic)
DPI	Department of Primary Industries (Vic)
DSE	Department of Sustainability and Environment (Vic)
EA	Environment Australia (Cwlth)
EMS	Environmental Management System
LFW	Land for Wildlife
LG	Local Government
MAV	Municipal Association of Victoria
NAP	National Action Plan for Salinity and Water Quality
NGO	Non Government Organisation
NHT	Natural Heritage Trust
NRM	Natural Resource Management
RCIP	Regional Catchment Investment Plans
RCS	Regional Catchment Strategies
TFN	Trust for Nature

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 important mechanism for achieving improved productivity and sustainability outcomes. Regional Organisations are producing Natural Resource Management Plans and Investment Strategies for successful 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 State in regional delivery of NRM. It is expected that a majority of regional organisations 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. These were hosted by State Government 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 and 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 "Conservation Incentives: a Practitioner's Workshop". This workshop was the fourth in the series of state based workshops. The workshop was held in Woodend Victoria on 5-6 August 2003 and organised and hosted by Victorian Department of Sustainability and Environment (DSE) 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 Victoria involved in the regional delivery of natural resource management. Several regional organisations from Tasmania were also present. Commonwealth, state and local government were represented, as well as NGO's associated with NRM. Eight of the ten Catchment Management Authorities across Victoria were represented at the workshop. CMAs play a major role in the regional delivery of NRM in Victoria and will continue to do so within the framework of NHT2 and NAP.

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 Catchment Management Authorities, government departments and non-government organisations;
- To identify the impediments to the delivery of conservation incentives by these organisations and the strategies to address these impediments; and
- To identify the information needs to assist relevant organisations to deliver conservation incentives.

This report encapsulates what participants of the workshop discussed, advised 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 workshop[1];
- 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. These principles incorporate standards, methods and/or strategic directions agreed upon by the participants, as well as impediments and points of contention raised by participants;
- Section 3 discusses emerging issues from the workshop discussions; and
- Section 4 presents key conclusions, agreed actions and important messages raised by participants for further consideration by Commonwealth, State and Catchment Management Authorities.

[1] Copies of all presentations are available from Sheri Macfarlane, Department of Primary Industries. Email: Sheri.Macfarlane@dpi.vic.gov.au
Address: PO Box 500, East Melbourne VIC 3002.

Section 1 - Summary of presentations to the workshop

David Parkes (DSE)
David provided a welcome and introduction to the workshop. He highlighted that incentive programs within Victoria are "mature" and therefore the focus of the workshop should be on how the various incentive programs could be integrated to make them more effective for natural resource management (NRM) outcomes and also how governments and other deliverers of conservation incentives can improve their delivery mechanisms.

Kim Lowe (DSE)
Kim Lowe provided an overview of incentive programs from the perspective of the investor and asked the question: what are investors looking for from incentive programs? He introduced the range of players involved with incentive programs, namely the bank manager (Treasury), the investor (Minister), those involved with program delivery (state-wide and regional) and natural resource managers (landholders). He outlined the drivers at each level with respect to politics, resources, methods and results.

Kim discussed the challenges faced by investors for a given amount of money. These related to understanding assets, actions, priorities and manager options to achieve the desired response to programs and optimising the investment mix through different approaches and components. Kim also discussed the challenge of cost-effective reporting. He emphasised the need to facilitate improved NRM with reduced dependency upon incentives, with progressive replacement by enhanced duty of care and/or market advantage mechanisms.

Frankie Maclennan (DPI-DSE)
Frankie Maclennan discussed the development of organisational capacity to engage stakeholders She described the concept of "engagement" as a generic term for any relationship with the community. Four approaches to engagement have been previously identified (eg. by Peter Howden) that vary in the potential for increasing community capacity. These are (in order of increasing community capacity) to inform, consult, involve and empower the community. Frankie noted that one-way transfer of information is the most common form of community engagement and community empowerment is quite rare. She emphasised the need for those involved with delivery of incentive programs to consider which approaches to community engagement are being used and which ones are not.

In asking what programs work best and for whom Frankie challenged some of the assumptions associated with the delivery of programs. She argued that:

- program deliverers are part of the issue – not just the improvement;
- a systems approach is needed for the biodiversity incentive issue, as opposed to simplification in an effort to improve understanding;
- responsibility needs to be shared more widely across community and government. rather than focussing capacity building on community;
- people are not always easier to advise, educate and communicate within groups;
- landholder diversity is not adequately recognised in approaches to advice and extension. The Land for Wildlife Scheme has recognised these issues but has not enjoyed significant government support;

Frankie advocated a paradigm shift from the logical towards understanding our connection to the land, as shared by indigenous people. She acknowledged that there is a range of mechanisms that are working to some extent but emphasised the need for some experimental approaches. There is a need for flexibility in programs with consideration of knowledge beyond science and the literature. Benefits and costs beyond the dollar need to be acknowledged with exploration of approaches outside of NRM in finding out what works.

Chris Williams (TFN)

Chris Williams provided an overview of covenants in Victoria. Covenants have increased in number from one in 1987 to five hundred registered in 2003. Twenty three thousand hectares are protected under covenants. Covenants are willing donations of real property rights in perpetuity which provide conservation benefits to the wider community beyond that required as "duty of care". TFN has taken an incentives approach to covenants in order to reward landholders for providing public benefit, to target threatened ecosystems and increase covenant uptake amongst the non-traditional market.

Chris provided several examples of projects involving covenants. The Grassy Conservers projects involved Trust for Nature, Mallee and North Central CMAs, and Birchip Cropping Group in identifying priority sites and landholders for one-off 'transitional payments' for covenants/management agreements and improved management. Such management included reduction or removal of stock and pest plant and animal control.

The Goulburn Broken rate rebate project provides opportunity to protect remnants on private land and increase local government involvement in nature conservation. Over $43,000 was provided through the NHT for this project. Moira Shire and City of Greater Shepparton were targeted. Chris noted that adoption of rate rebate schemes is difficult as some Councils were concerned about the loss of rates. Uptake of covenants occurred through promotion in brochures and other media, targeting landholders and approaching Landcare groups. Chris showed several graphs which suggested that covenant uptake had improved with the introduction of rate rebate schemes and allocation of project staff to manage them.

Vanessa Elwell-Gavins (NRM Coordinator, Southern Region, TAS)

Vanessa Elwell-Gavins provided an overview on devolved grants in Tasmania entitled "devolved grants – the good, the bad and the ugly". These devolved grants programs have included grants, management advice and support through planning. There have been 17 devolved grant programs in Tasmania including a range of state and regionally based programs. Some of the major "good" points of devolved grants programs in Tasmania have been that they are administratively easy to apply, from both a landholder and program management perspective, and people can get involved when it suits them. Once systems are in place it is then easier to get the next program started. However, grant cycles in Tasmania have been too short, with inconsistencies between areas of landholder interest and priority areas. While State-wide programs provide equity and a systematic approach they may miss targeting areas with highest needs. They are resource intensive and a somewhat blunt instrument.

Vanessa pointed out that there are several "ugly" aspects of devolved grants in Tasmania. There has been a lack of risk management, with cost effectiveness of outcome dependent on uptake. In addition, conservation activities are not necessarily a priority for farmers. A lack of long-term funding has meant that no follow up has occurred on projects where landholders have contractual, long-term agreements. Vanessa suggested that four-year timeframes would be ideal within the Tasmanian context for effective administration and also on-ground activities. She emphasised the need for devolved grant programs to fit in with climatic and farming cycles.

There have been some good outcomes through devolved grants in Tasmania. Use of devolved grants has made it easier for landholders to be more involved in NRM management. However, effective devolved grants need a manager and a good steering committee. If only small amounts of funding are forthcoming in the future (as is likely in Tasmania) then efficiencies need to be maximised, particularly in relation to appropriate levels of delivery (State-wide or regional).

Peter Lyon (MAV)

Peter Lyon provided a local government perspective and discussed implementation of rate incentives for biodiversity and land management. He noted that it is easy to criticise Local Government (LG) but that there are many services and assets they have management responsibility for. There are 79 councils within Victoria, which means there are 79 different capacities with considerable differences between metropolitan centres, regional cities and rural councils. One of the drivers of Local Government up take of rate rebate schemes has been a withdrawal of services (particularly on ground support) from other agencies. Landholders are looking more to LG for assistance. In 1994 only one Shire had a rate rebate scheme. This increased to 15-20 Shires by 2002.

Peter outlined the core and discretionary functions of a Shire Council. Use of grants and rebates is a discretionary function that relies on a favourable political balance within Council - which changes over time. There are a range of grant and incentives used by LG, including rate rebates (including differential rates), grants or annual repayments, management agreements, revolving funds, and environmental levies (but only for very specific purposes with strict terms). LG doesn't use as many mechanisms as are available to them.

Some Councils have taken a narrow focus of targeting weeds while others have an integrated model covering a range of issues that landholders can or have to address. There are approximately 15-18 LG run incentive programs in Victoria aimed at biodiversity and sustainable NRM. While some schemes are targeted for specific reasons this may introduce inequity. In one example Peter outlined, lower rates are provided for larger holdings in order to minimise subdivision and encourage broadacre farming. Such a scheme does not, however, reward landholders with small holdings that wish to do the right thing.

Program criteria are an important consideration in development of LG programs. If criteria are set too broadly then it is difficult to know what level of uptake will occur. Programs may be overwhelmed or underwhelmed. NHT brought many Councils into rate rebate schemes however some of these have ceased with the end of NHT 1. While there has been relatively good uptake of rebate programs and many reported successes Peter emphasised that evaluation of these LG programs is needed.

Steve Hatfield Dodds (CSIRO)

Steve Hatfield Dodds provided an overview of taxation issues and incentives in private conservation. He noted that a shift towards incentive approaches with increasing government traction (or muscle) did not necessarily result in increased effectiveness. Steve 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 otherwise they cannot access tax deductions. While there are some technical issues for primary producers wishing to engage in conservation, the real world impacts of these issues appears quite small. Steve provided some background on rate based conservation incentives and argued that rates discourage conservation in some local areas. He outlined some of the emerging approaches to use of rates in incentive schemes. Steve argued that the idea of reducing tax is attractive, even to those who have no interest in the environment.

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 works better. Taxes are also better for engaging commercial agents.

Steve discussed a ‘best practice’ framework linking regulation, market and 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.

Steve 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. He 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 (www.allenconsult.com.au/publications_research.php).

Steve presented a process for making effective incentives easy to achieve. Firstly, identify the real problem then 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. Steve emphasised that tax is an important social signal and incentives are about making public good outcomes profitable.

James Todd (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 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" (ie. how much money landholders need to undertake certain activities). Landholders know the cost of management and can therefore bring this information to the table, if given the opportunity.

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. This provides opportunity for innovation on the part of the landholder. 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 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). James presented data on the compliance outcomes. Across the two trials 70% of participants fully complied with the conditions of the program while a further 23% complied to an acceptable level. Eighteen percent of participants were not members of a Landcare group. James indicated that 25% more biodiversity improvement was gained over that which would have been achieved with a "fixed price" approach. They are now looking at developing a regional roll out model for CMA's to deliver. There is also a multiple benefits trial being developed (with CMA involvement).

Allan Curtis (BRS)

Allan Curtis discussed conservation incentives from the perspective of landholder diversity and engagement. He emphasised the need to consider factors which influence landholder adoption. These include ethnicity, awareness, knowledge, financial capacity and occupation amongst other factors. He discussed several empirical landholder surveys which have been undertaken or commenced across Victoria. These studies have aimed to examine the influence of social factors on adoption of programs, assess entry into new enterprise, identify sub-regional differences and model impact of some policy options. Social data collected in these studies is spatially explicit and can be overlain by other spatial datasets, linking environmental degradation issues of a given area to the people living there.

Studies undertaken thus far have looked at a large number of recommended management practices, such as applying lime, managing rabbits, planting trees and managing stock access to waterways. Allen identified some of the key social trends emerging from the data and presented links between social profiles and adoption.

He emphasised that if you want to “sell” NRM as an issue then you need to link it with higher priority issues to attract people, such as improving employment opportunities.

Allan presented a summary of differences at the sub-catchment level for the Wimmera region in relation to social and farming characteristics and adoption of particular practices. Considerable differences were found at a sub-catchment level with respect to Landcare involvement, property size, household income, and hours spent on the property. Allan emphasised that this diversity means that a mix of NRM approaches is required, including incentives and market-based instruments. Community education will also be useful as well as other policy approaches, such as strategic land purchases, separating ownership and management of land, planning controls and labour assistance. Allan emphasised the need to think about the target audience and understand their situation.

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 strategy in Victoria for delivery of conservation incentives at a variety of scales. These principles incorporate standards, methods and/or strategic directions agreed upon by the participants, as well as impediments and points of contention raised by participants. This synthesis of the views of the workshop participants 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 1.

Develop trust and communication
Trust worthiness and fairness was seen as important. However, from a regional perspective it was felt that there is a lack of trust at many levels, between government departments and different levels of government. In the case of landholders there is a need to build trust through being up front. A personalised approach is needed with extension and landholder contact.

"It's about building relationships with landholders"

One on one communication is the best way to find out what is going on. It is what underpins incentive programs - knowing that there is someone on the end of the phone who will be able to help.

A range of potential partners was identified for incentive programs.

- Trust for Nature
- Victorian Water
- Greening Australia
- Land for Wildlife
- Government politicians and agencies
- (Local, State and Federal)
- Landcare
- Field Naturalist groups
- Farmer/productivity groups
- CMA's
- CFA
- Corporate Industry
- Agribusiness
- Research and Development Bodies
- Conservation/Lobby groups
- Service Groups
- Sporting/recreation groups

It was suggested that relationships could be developed through a Memorandum of Understanding for those organisations such as the CFA that have hierarchy and are statutory. Partnerships could be developed at a local level through field days or organised walks. Program deliverers (such as incentive brokers) need to tie in with the social context of their area (such as community groups in the area). Development of a culture of information sharing was seen as important with centralised reporting and external and internal users.

Develop flexible and tailored approaches
While there are rate rebate trials going on in Tasmania it was commented that the nature of covenant agreements is seen as too prescriptive and one sided. In some Tasmanian regions restrictions and requirements of covenants were seen as too difficult even for conservation minded people.

"flexibility is needed – a matching of minds"

It was agreed that programs can be marketed and targeted strategically. In the case of the Bendigo rate rebate scheme, mail outs were strategically sent to landholders on the basis of remnant vegetation mapping that had been done. In the case of devolved grants baseline eligibility can be introduced to target particular priorities. While devolved grants were seen by some as allowing flexibility, others commented that the "issues" approach to devolved grants could be somewhat limiting (eg. offering devolved grants for protection of vegetation but not for woodlots or shelterbelts).

In developing programs you have to know your audience, how to target them and what you are trying to achieve. It is useful to know what else is available through other programs, who is delivering them and how. The Corangamite Directory was provided as a useful example, which includes whole of property management. This directory is on the internet: http://www.ccma.vic.gov.au/Directory/s1.asp?h=-1.

Recognise community values
The objectives and motivators for landholders were seen as critical issues. It was argued that approaches need to be more meaningful for landholders.

"There is not enough emphasis on landholders"

Economics was acknowledged as the major paradigm we are working in. If this is what drives landholders then it needs to be considered. Landholders should be offered products that they need with environmental priorities fitted into them. It was also noted that there is a willingness to do right thing if people know they have something special.

It was seen as important to gather detailed social profile information before programs are developed.

"Don't just turn up with bells and whistles"

Collection of social data as presented by Allan Curtis (see Section 1) was seen as the way forward with respect to this.

Evaluation
Several aspects of evaluation were identified. In-house evaluation was seen as important at the project scale.

"Part of running a good project is doing your own evaluation"

Evaluation of past trials and programs (including audiences) is needed in order to identify gaps, develop and trial new incentives that can fill these gaps. At a program level evaluation needs to examine the degree to which long term commitment is achieved with consideration of equity associated with investment. Evaluation also needs to consider participation levels. While objectives and mechanisms may be clear, consideration of the process in the middle is missing.

"There is a bit of a black box approach"

An evaluation culture will address this issue. Robust evaluation of incentives is required at the CMA scale, based upon social principles and historical change. Recording and monitoring of projects across the state is also needed so that investors can be convinced that their contribution is worthwhile. If an existing mix of incentives is working well then the investor needs to know this so they don't change the priorities or programs.

Enhance existing programs

It was acknowledged that some good things had been done in the past and that there was no need to start with a clean slate.

"*Don't discount current programs*"

Rate rebates were seen as a useful mechanism for recognition, irrespective of the dollar amount given. However, the point was made that such a payment, if set too high could lead to the perception of compensation. It was commented that Shires like to start rate rebates schemes by offering the rebate to landholders that already have covenants as this reduces the initial administrative and assessment burden.

It was considered likely that marketing of covenants would be made easier if more landholders had whole farm plans.

" *we are working with landholders without a strong vision for the landscape*"

Some landholders want more of a comprehensive mix of rebates - not just an entry rebate but more of an outcomes rebate. It was noted that most programs don't reward people who buy covenanted land. Servicing 2nd and 3rd generational landholders on covenanted land was seen as an important emerging issue from these programs.

It was argued that Landcare is the traditional market for incentives and that devolved grants threaten the role of Landcare groups to some extent as they focus more on individuals. However, this view was not shared by all participants. Landcare groups have communicated to certain CMA's that they wish help CMA's to target on ground activity but don't want the financial/administrative burden.

The right mix

The need to identify the right mix of incentives was emphasised.

"*Different programs have been going on for some time but the right mix has not been determined*"

Participants outlined a range of incentive approaches (see Table 1). Some participants explored the right mix of incentives through an analysis of NW Tasmania. Consideration was given to how biodiversity values and threats varied in relation to land use in this region. The social profile of the area was examined with appropriate mechanisms then chosen. For example, rate rebates were considered inappropriate, given the low population and low rate base for the area.

Education information Support	**Self regulation**	**Grants and subsidies**	**New markets**	**Regulation**
whole farm	LFW	Grants	EMS	native

plan				vegetation clearing controls
LFW	covenants	fixed rate subsidies	land purchase	weed and pests control
short courses		auctions	tax (works and revenue)	duty of care
labour		rate rebates	Eco Label	
information		tax (through covenants and gifts	Revolving funds	
awards		revolving funds	Tradeable credits	
after sales service		offsets		

Table 1. A range of incentives mechanisms/programs that could be used for delivery of conservation

It was acknowledged that the balance between approaches, such as grants and revolving funds would be dependent upon the particular landscape. Life style" landholders may have money but no time and this needs to be considered in how they are targeted (eg. through labour assistance). After sales service was seen as an important part of developing and selling incentive products.

A strategy was suggested for how to determine the right investment mix by taking into account:
1) Biodiversity assets and threats to biodiversity
2) Incentive programs already in place
3) Land use patterns and changes
4) Brokers already in area
5) Objectives (eg. target a particular area or take broad brush approach)
6) Current level of knowledge
7) Cost benefit analysis (relative return on expenditure for each program)
8) Decision Support System (a matrix to determine which tools are appropriate for a given area)

Sub-regional social profiling (as undertaken by Allan Curtis – see Section 1) was seen as a useful starting point for developing the right mix of incentives for a region. However, at the farm gate there is a need to consider the land use and enterprise mix and the landholders' values and aspirations. These issues will influence which incentives will work at an individual level.

Chemical and agricultural consultants approach landholders and look to match them with products all the time. Can NRM tap into this approach? The use of existing delivery mechanisms was seen as valuable, such as people that already have access to the audience (eg. Catchment Management Officers, Regional Development Bodies, Local Governments, Trust for Nature, Greening Australia or other NGO's).

A "one stop shop" for delivery was suggested, where there is an understanding of environmental assets and available incentives. It could serve as a common briefing and referral point with a common database or system and a common understanding of local priorities (through the Biodiversity Action Plans). Agricultural advisers, social workers and community consultants were all considered relevant to such an approach. The potential to link with local networks outside NRM should be examined including health, education, rural supplies, accountants, and Apex.

Section 3 - Emerging issues from the Workshop

Capacity building

Local government capacity can vary greatly over time. Councillors change, budgets and staff are lost. These things can make it difficult to get rate rebate schemes up and running. A Tasmanian example was raised where a rate rebate scheme had no accompanying material and no staff and thus had no uptake. Many shires in Tasmania have a small rate base. They would need compensation to overcome the disincentive of lost income associated with rate rebates. It was suggested that Councils need to develop partnerships to facilitate rebate schemes. Another approach is to share resources. Several devolved grants have been combined in one shire with one person employed to administer them.

It was considered likely that the fine-grained social information presented by Allan Curtis would provide a challenge for the Regional Catchment Investment Plans (RCIP) and Regional Catchment Strategies (RCS). The community involvement processes undertaken for the RCIPs and RCSs were quite different to Allan's. The small number of skilled people on the ground limits capacity to understand social profiles at a sub-regional scale.

"There is little government extension these days"

The comment was made, however, that Landcare groups will know the social profile of their areas to some extent.

The need to improve delivery of incentive programs across the state prompted development of the concept of an "incentive broker" by workshop participants. This allows one person to approach people and provide information on a range of incentive programs and also matches people with programs. Incentive brokers would need skills in lateral thinking and solution design.

Knowledge needs

Knowledge needs were seen as an important consideration before reaching the farmer's gate. Program delivers (eg. incentive brokers) would require knowledge on the range of incentive programs available in the region. They would also need to understand regional and local priorities and plans, including BAPS and Weed/Pest Action Plans. Information would also be needed at the property scale with respect to biodiversity assets is as well as the threats they face.

Principles	**Trust and communication**	**Flexible and tailored approaches**	**Community values**	**Evaluation**	**Existing programs**	**The right mix and delivery**
Impediments/challenges	• lack of trust at many levels • how do we develop partnerships?	• covenants too prescriptive, restrictive, one-sided • issues based devolved grants can be limiting • more flexibility is needed	• not enough emphasis on landholders	• lack of evaluation • black box approach WRT process • where are the gaps in current approaches? • are investor contributions worthwhile?	• rebate level can influence perceptions • lack of landscape vision impedes marketing of covenants • rebates restricted to entry level	• right mix has not been determined • not all programs suit everyone • how do we target to the farm gate? • how do we best deliver programs?
Strategies	• one on one communication needed • identify potential partners • use MOU and contact through field days to develop relationships • develop culture of information sharing	• market and target strategically • know your audience, how to target them and what your are trying to achieve • be aware of other programs	• develop more meaningful approaches for landholders • fit environmental priorities into landholder products they need • gather detailed social profile data before programs are developed	• evaluate past trials and programs • examine long term commitment, investment equity balance and participation rates of programs • record and monitor projects across state •	• encourage more "whole farm planning" • develop outcome rebates • consider 2nd and 3rd generation covenant holders	• consider biodiversity values, threats and social profile in selecting mix • identify which programs suit which audience • use existing delivery mechanisms • a "one stop shop" with use of non-NRM networks

Emerging Themes

Capacity building

Knowledge needs

Innovation

Continuity

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

Benchmarking is required, using tools such as Ecological Vegetation Community maps. A common metric across programs for measuring biodiversity was seen as a useful tool, such as a biodiversity benefit index. Provision of information about biodiversity values was seen as useful from a Tasmanian perspective for increasing community awareness.

More fine-grained information on the social profile of program adopters is needed to improve covenant development, as well as better use of existing social research. It was noted, however, sub-regional variability in biodiversity was just as relevant as sub-regional variability in social profiles. You can have a regional plan but it still comes down to site management in the end.

Innovation
The CSIRO Markets for Ecosystem Services pilot was mentioned. This pilot is looking at tradeable development rights in the Goulburn/Broken with the CMA, CSIRO and the Shire. It is in the early stages of development and aims to tap into developer private investment for environmental gain (see: http://www.ecosystemservicesproject.org/index.htm).

The Bendigo rate rebate scheme was provided as an example how to get a "foot in the door" and introduce people to other programs available. While the financial assistance from Council was somewhat minimal through this scheme, involvement provided access to assistance from CMA programs.

It was suggested that agri-industry support could open up new markets as they have good connections with landholders. There is also potential to market to land buyers who will pay a premium for what previous owners have put conservation effort into. The idea of an urban body corporate was suggested where there are people living close to the bush that would like to use it but don't need to own it. The value of leveraging change without financial incentives was also discussed, such as offering flora surveys.

Continuity
Stability (as it relates to NAP and NHT processes) is an important foundation for many issues regarding incentive programs.

"Programs are here one day and gone the next"

Long term extension staff were considered valuable in having a well established understanding of what approaches will suit particular landholders. It was emphasised that funding for project staff needs to be more than year to year. It was commented that while devolved grants are useful they are very extension dependent (ie. reliant upon staff). Program reliability is important for landholders in knowing that a program is not going to run out.

" This stop start-funding is no good"

Longer funding horizons are needed for program planning and implementation.

Section 4 - Workshop conclusions and suggested actions

Workshop conclusions

Participants requested an information guide on taxation incentives for NRM.

Key workshop issues

Overall the key workshop issues identified by workshop participants were:

- greater emphasis on evaluation is required;
- the social profile of target audiences needs to be considered in developing the incentive mix and in the delivery of program options at the individual adopter level;
- incentive brokers would increase effectiveness of incentive program delivery;
- there is a need to look outside NRM networks in developing delivery mechanisms;
- stability and continuity in funding is an important foundation for incentive approaches;
- integration of actions/outcomes eg multiple outcome-type programs;
- more cost-effective use of funds eg auctions;
- commonly agreed preferences by investor eg landscape preferencing; and
- future trends – incentives in the overall context of changing environmental management on private land, including duty of care, market mechanisms etc

– Appendix 1 – Agenda

Conservation Incentives: A Practitioner's Workshop

Agenda		
DAY 1		
10:00 – 10:30am	**Arrive/Morning tea**	
10:30 – 10:40	Welcome and introductions	Mike Williams - Facilitator
10:40 – 11:10	Investor 'challenge' – what investors are looking for from incentive programs.	Kim Lowe – DSE BNR Representative, NAP Working Group
	Current incentive mechanisms	
11:10 – 11:40	Advice and information for landholders	Frankie Maclennan – DPI/DSE Statewide Project Coordinator, Community Engagement Unit
11:40 – 12:10pm	Covenants – process and outcomes	Chris Williams – Conservation Manager Trust for Nature
12:10 – 12:40	Summary discussion	
12:40 – 1:30	**LUNCH**	
1:30 – 2:00	Devolved grants programs	Vanessa Elwell-Gavins – Tasmania, Southern Region NRM Coordinator
2:00 – 2:30	Local Government perspective	Peter Lyon – Municipal Association of Victoria, Senior Policy Advisor Environment
2:30 – 3:00	Taxation approaches	Steve Hatfield Dodds – CSIRO Economist
3:00 – 3:30	Summary discussion	
3:30 – 4:00	**Afternoon tea**	
4:00 – 4:30	Market-like instruments	James Todd – DSE Parks, Flora and Fauna
4:30 – 5:00	Landholder diversity/engagement	Allan Curtis – Bureau of Rural Sciences, Program Leader Social Sciences
5.00 – 5:30	**Summary discussion**	
7:00pm	**DINNER**	
DAY 2		
8:30 – 9:00 am	Recap of Day 1 and directions for Day 2	Mike Williams - Facilitator
9:00 – 10:00	**Workshop session**: Small group discussions on themes and issues raised.	
10:00 – 10:30	**Morning tea**	
10:30 – 12:30	- Reporting back from small group discussions. - General group discussion.	
12.30 – 12:45	Summary and close of workshop	
12:45 – 1:30	**LUNCH**	

Appendix 2 – List of invitees and participants

	NAME	POSITION	EMAIL/CONTACT
1	Vanessa Elwell-Gavins	Southern Region NRM Coordinator Tas.	nrmsouth@nht.tas.gov.au
2	David McCormack	Northwest Committee Coordinator Tas.	dmccormack@cradlecoast.net.au
3	Howard Colvin	Northern Regional Committee Tas.	nrmnorth@bigpond.net.au
4	Frankie Maclennan	DPI/DSE Community Engagement Unit, Statewide Project Coordinator	Frankie.maclennan@dpi.vic.gov.au
5	Chris Williams	Trust for Nature (Victoria), Conservation Manager	chrisw@tfn.org.au
6	Peter Lyon	Muncipal Association of Victoria Senior Policy Advisor, Environment	plyon@mav.asn.au
7	Jim Robinson	Greening Australia Victoria – State Revegetation Officer	jrobinson@gavic.org.au
8	Allan Curtis	Bureau of Rural Sciences, Program Leader Social Sciences	allan.curtis@brs.gov.au
9	Joanne Webber	DSE – Catchment and Water, Landcare Program Officer	Joanne.webber@dse.vic.gov.au
10	Kim Lowe	DSE – Biodiversity and Natural Resources Representative, NAP Working Group	kim.lowe@dse.vic.gov.au
11	Nicola Lansdell	DPI – Strategic Policy, Economics Branch	Nicolla.lansdell@dpi.vic.gov.au
12	Nicole James	DSE – Catchment and Water, Project Officer Regional Planning & Investment	Nicole.james@dse.vic.gov.au
13	Tuesday Phelan	Wimmera Catchment Management Authority	robertsond@wca.vic.gov.au
14	Geoff Park	North Central Catchment Management Authority	Geoff_park@nccma.vic.gov.au
15	Kate Bell	Goulburn-Broken Catchment Management Authority	Kateh@gbcma.vic.gov.au
16	Tony Overman	Corangamite Catchment Management Authority	Tony.overman@ccma.vic.gov.au
17	Jody Chinner	Glenelg-Hopkins Catchment Management Authority	j.chinner@ghcma.vic.gov.au
18	Lachlan Polkinghorne	Private consultant	l.polkinghorne@bigpond.com
19	Penny Richards	Port Phillip and Westernport Catchment Management Authority	Penny.richards@dpi.vic.gov.au
20	Terri Rodaughan	West Gippsland Catchment Management Authority	Terrir@wgcma.vic.gov.au
21	James Todd	DSE – Biodiversity and Natural Resources, Senior Project Officer	James.todd@dse.vic.gov.au
22	Michael Crowe	DSE – Biodiversity and Natural Resources Senior Policy Officer	Michael.crowe@dse.vic.gov.au
23	David Parkes	DSE – Biodiversity and Natural Resources, Project Leader - Biodiversity Monitoring & Reporting	David.parkes@dse.vic.gov.au
24	Sheri Macfarlane	DPI – (Biodiversity and Natural Resources)	Sheri.macfarlane@dpi.vic.gov.au
25	Steve Hatfield Dodds	CSIRO Economist	steve.hatfielddodds@csiro.au
26	Kathy Tracy	Environment Australia	Kathy.Tracy@ea.gov.au
27	Tim Thelander	Environment Australia	
28	Mike Williams	Facilitator	Mikewill@bigpond.net.au
29	Donna Hazel	ANU – Post-Doctorate	dhazell@cres20.anu.edu.au