Beyond Roads, Rates and Rubbish

Opportunities for local government to conserve native vegetation

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Bushcare

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Land & Water Resources
Research & Development Corporation

Published by
Environment Australia: Biodiversity Group
GPO Box 787
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Disclaimer

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This project was supported by Environment Australia through the Bushcare Program and by LWRRDC. For information relating to the Bushcare Program please contact Environment Australia.

Publication data
Publication data: Binning, C and Young, M (1999), *Beyond Roads, Rates and Rubbish: Opportunities for local government to conserve native vegetation.* National R&D Program on Rehabilitation, Management and Conservation of Remnant Vegetation, Research Report, 1/99, Environment Australia, Canberra.

ISBN 0 642 54004 7

Cover photo courtesy of CSIRO Wildlife & Ecology
Edited and laid out by Green Words & Images, Canberra
Printed by Union Offset, Canberra

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About this project

Incentives for remnant vegetation conservation

This report forms a part of a larger project being undertaken by CSIRO Wildlife and Ecology which is identifying opportunities for the use of incentive-based instruments in the conservation of native remnant vegetation. The project is funded by Environment Australia and the Land and Water Resources Research and Development Corporation.

The report is one of five reports prepared to date which evaluate the role of local government in conserving native vegetation. The other four reports are:

Motivating People: Using management agreements to conserve remnant vegetation. This report addresses the role of financial incentives and legally binding management agreements in promoting the conservation of native vegetation on private land. It develops a conceptual framework for the project by identifying the situations in which different types of financial incentive can most effectively be used to conserve native vegetation.

Opportunity Denied: Review of the legislative ability of local government to conserve native vegetation evaluates impediments to local governments using a range of innovative incentive-based instruments. A number of important legislative barriers to local government playing an effective role in native vegetation management are identified.

Talking to the Taxman About Nature Conservation: Proposals for the introduction of tax incentives for the protection of high conservation value native vegetation. This report reviews the impact of Commonwealth taxes on the conservation of native vegetation. It finds that conservation activities can in certain circumstances be highly taxed and puts forward proposals to address these situations.

Conservation Hindered: The impact of local government rates and State land taxes on the conservation of native vegetation. This report evaluates existing exemptions from these taxes and the impact of different methods of land valuation. State and local taxes are shown to have widely varying impacts on conservation activities.

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Acknowledgments

We would like to thank the large number of people who have assisted in the production of this report. In particular we would like to thank the members of the Steering Committee for this project and the Council for Sustainable Vegetation Management who have supported and provided guidance on the work presented in this report.

There are too many individuals within State agencies and local government who have assisted us in preparing this report to thank individually, over 80 people were interviewed as part of the needs assessment alone. Nevertheless a few individuals cannot go without our thanks. Meredith Laing and Greg Walkerden have strongly supported our work from the Lower Hunter and Central Coast region in New South Wales. All of the State Environment Resource Officers have been extremely useful in providing information, particularly Clare Walsh (Western Australia) and Evan Boardman (Tasmania) who attended the Steering Committee meeting that reviewed the report. Robyn Crowley (south-west Queensland), Chris Peppers (Blackwood catchment, Western Australia) and Martin Driver (Murray catchment) were all instrumental in organising visits to their regions to consult local governments.

Trizia Ojansuu has efficiently and with much appreciated good humour provided support to the project, particularly in editing various drafts of this report. Sarah Ryan, CSIRO Wildlife and Ecology, and Green Words and Images undertook an edit of the document from which it has greatly benefited. Bernadette O'Leary and Carolyn Paris have provided much appreciated ongoing support from within Environment Australia.

And finally to Nicole for her support and patience.

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Mr Peter Deddo	Commonwealth Treasury
Mr Marc Carter	Environment Australia
Mr Brian Whelan	Trust for Nature
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Executive summary

Overview

Local government conserving native vegetation

All local councils in Australia, irrespective of their size or location, can make a significant contribution to the conservation of native vegetation.[1] However, because of the differences in their the size and location, the most effective way in which any individual local council can contribute to vegetation management varies enormously. Some councils are in a position to take the lead through the development of integrated regional natural resource management strategies. Others have little interest and are resisting any significant involvement.

These differences in capacity highlight both the importance and challenges inherent in undertaking an evaluation of the role of local government in managing native vegetation. This document reports on the principal findings of a study that has evaluated the role of local government in managing native vegetation.

It is clear that local governments are a key player in natural resource management, including native vegetation management, because:

- as the level of government that is closest to the community, they are able to translate the policies of Commonwealth and State governments into on-ground projects for the conservation of native vegetation; and
- as managers of public land and land use planners, local governments are responsible for regulating a wide range of activities that may impact on native vegetation.

Whilst strategic policies may be developed by higher levels of government, it is local government that must make detailed decisions that balance ongoing development with the need to protect natural resources. It may be argued that local government is the most significant sphere of government in regulating land use.

On the other hand, it is clear that the role local government can play in managing native vegetation is being neglected by many decision makers, not only at State and national scales, but also at a local scale both within local government and within regional structures, such as catchment management committees.

Fortunately, many local governments are actively involved in managing natural resources, including native vegetation. Because they have diverse perspectives and face diverse circumstances, they have developed different ways of conserving native vegetation. These councils are highly innovative and provide the basis for understanding the potential of local governments in native vegetation management. Most of this potential has yet to he harnessed.

The purpose of this executive summary is to guide the reader to the relevant section of the report, where policy options and detailed actions for each sphere of government to improve native vegetation conservation and management are identified. The report does not have to be read in its entirety, rather, the reader can refer to their particular areas of interest, as identified through this executive summary.

1. As the focus of this report is on the role of local government, it does not directly apply to the majority of the Northern Territory or the Australian Capital Territory. However, may of principles discussed in this report will be relevant to the Territories. References to State governments should be read as State and Territory governments throughout the report.

Strategies for working with local government to conserve and manage native vegetation

Local governments are as diverse as their number: about 750 across Australia. They range from large and complex organisations, such as Brisbane City Council with a population of 820 590, a budget of $1157 million and covering the Brisbane metropolitan area of 1218 square kilometres, to small councils in remote and rural areas, such as Bulloo Shire in south-west Queensland, with a population of 600, a budget of $5 million and covering an area of 73 620 square kilometres.

Because of this diversity, the degree of activity of local governments in managing native vegetation varies. Our analysis reveals that the factors determining the role that local governments play are:

- the processes that are degrading native vegetation in different regions and how these relate to the *core functions and responsibilities* of local government;
- the *capacity* of local government, as determined by population size and the rate base; and
- the *coincidence* between *local, State and national* priorities for the conservation of native vegetation.

Figure 1 summarises the range of circumstances in which local governments may find themselves at different times and the strategies for developing partnerships between local government and other spheres of government for native vegetation management.

The framework presented in Figure 1 is used in the report to identify those policy tools and actions that are most relevant to different categories of local government (see page 34).

In broad terms, it can be expected that urban and coastal councils are likely to have a greater capacity and interest in planning for and implementing programs for the conservation of native vegetation. This is because urban development, a process directly regulated by local government, is the primary threat to conserving native vegetation. Nevertheless, rural councils are increasingly being engaged as it becomes apparent that integrated natural resource management is important for the sustainable development of Australia's rural sector.

Figure 1: Framework for building partnerships with local government

Build capacity →

	Low capacity and responsibilities for vegetation management	High capacity and responsibilities for vegetation management
Coincidence of local, State and nation-wide priorities	• Build capacity by providing information and expertise • Encourage regional/local planning for natural resource management • Fund and resource with technical skills	• Use regional/local structures to develop and implement strategies for natural resource management • Focus on monitoring outcomes and maintaining standards
Conflict between local, State and nation-wide priorities	• Build capacity through education and awareness programs • Manage changes through structural adjustment and incentives	• Develop communication, education and awareness strategies • Maintain minimum standards by formalising regional strategies and applying conflict resolution

↑ Build consensus

Because the situation in which local government finds itself varies, so too must the expectation that can be placed on each local council. *Successful approaches are not dependent on local governments playing a leading role, but in ensuring that they contribute in a way that is commensurate with their capacity and willingness to conserve native vegetation*. Fundamentally, successful approaches to vegetation management are developed when all organisations with an interest in vegetation management work in an active partnership to build consensus in both the management objectives and the actions that can be taken to conserve native vegetation.

It is the development of successful regional partnerships that involve local government that lies at the heart of this report.

Key issues for local, State and Commonwealth government decision makers

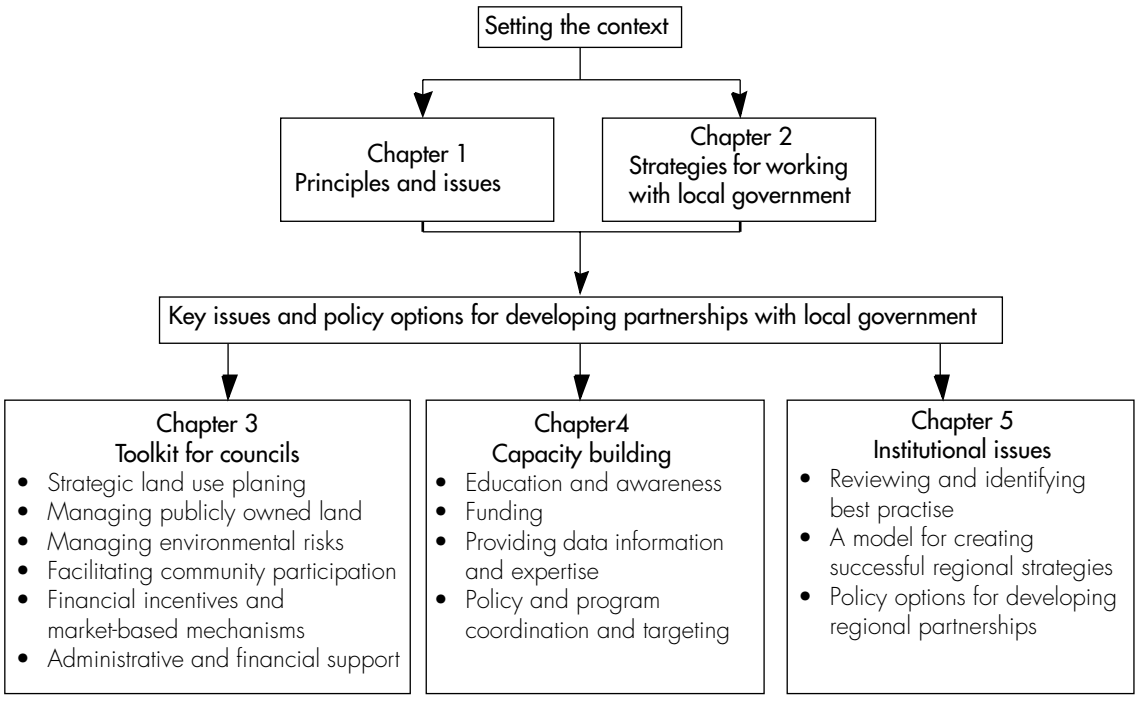
Background and context on both local government and native vegetation conservation are provided in the first two chapters of the report, followed by a discussion of key issues for decision makers in the final three chapters of the report. The structure of the report is summarised in Figure 2.

Prioritising the key issues and policy options summarised in the figure is difficult. Priorities will inevitably vary depending on the category of local government being targeted. For example, greater benefit will be derived by targeting education and awareness programs in low capacity councils. Similarly, urban councils may give greater priority to planning and risk management tools relative to rural councils that may favour community facilitation and incentive programs.

The most important of the overarching policy options is the last of the report, *Policy option 21.* It identifies an urgent need to facilitate and develop integrated regional natural resource management strategies that involve local government in the conservation of native vegetation. Provided institutional arrangements are clear and the full range of relevant policy tools and issues are addressed within a region, local government can work with its own capacities and strengths in a regional partnership with other organisations.

To the maximum extent possible, the policy options identified in this report have been costed. This has proven difficult because the majority of recommendations relate to developing or adapting existing legislation, policies or programs. However, it can be stated with confidence that if the vision of increasing the role of local governments in the

Figure 2: Structure of the report



development and delivery of natural resource management strategies is to be realised, a significant increase in resources will be required.

A minimum commitment of $100 million will need to be found in the next three to five years to adequately engage and build partnerships between local, State and Commonwealth governments and other organisations with an interest in conserving native vegetation at a local scale. This level of funding is modest and translates to $200 000 per local government. The Commonwealth currently provides in excess of $2 billion dollars in grants to local governments. As a result any increase in funding will have to be carefully targeted and complement further resources derived from improved delivery of existing natural resource management programs by all spheres of government. Not all of the funding required will have to be supplied from Commonwealth sources. State, Territory and local governments themselves all have the capacity to raise and to reallocate the monies available to them.

A more accurate estimate of costings would depend on a detailed review of all existing natural resource management programs in each State. This is an urgent and significant task in itself, although beyond the resources of this report.

Each of the policy options summarised here is supported in the body of the report by a range of specific actions for local, State and Commonwealth governments respectively. These actions provide the detail of how each policy option could be successfully implemented. A small number of these actions have been given priority in this summary by highlighting them as *Priority new initiatives*.

It is in this context that the policy options identified in the remainder of this summary should be considered.

Summary of key policy options

Toolkit for councils: Opportunities for local government to contribute to the conservation and management of native vegetation

There are many activities that local governments can undertake to promote the conservation of native vegetation within their existing powers and responsibilities. Opportunities for involvement exist across all tenures and land uses, although the mechanisms and approaches that can be used depend on the circumstances faced.

Perhaps the most important opportunities lie in councils performing their day-to-day functions in a way that does not have an adverse impact on the conservation of native vegetation. Hence, a distinction is drawn between the core functions of councils and those that are discretionary, as set out below.

As highlighted in Figure 1 not all councils perform all of these functions. What is most important is local government access to the full range of tools used by State and Commonwealth governments to conserve native vegetation. They also need to be encouraged to develop innovative solutions to natural resource management problems at the regional level. There is a need for a shift from paternalistic distrust to positive facilitation.

Core functions of local government

Strategic land use planning and development approvals (page 41)

In regions undergoing significant land use change through urban or agricultural development, local government responsibilities for land use planning and development approvals are the most significant way in which they can contribute to the conservation of native vegetation.

Policy option 1

Ensure that conservation values are taken into account in decision-making by integrating conservation data and planning with other strategic and land use planning processes within councils.

Policy option 2

Use targeted by-laws (vegetation protection orders) and dedicated conservation zones to protect land of high conservation value.

Policy option 3

Develop rules for offsetting the impacts of developments, such as a requirement that no net loss to native vegetation cover occurs as a result of development. Developments requiring the clearing of native vegetation would be required to establish an area of at least equivalent size in the local government area.

Managing publicly owned lands (page 46)

In their role as managers of public lands, local governments can make a substantial and direct contribution to conserving native vegetation. By breaking away from their traditional focus of managing public lands exclusively for recreation, there is an opportunity for councils to actively manage these lands for conservation.

Policy option 4

Establish programs that support the conservation of native vegetation on land managed by local government.

Priority new initiative: Provide catalytic funding of $12 million for planning and management of native vegetation by local governments. This funding would provide $200 000 to 60 councils to undertake a comprehensive survey and plan for native vegetation management and initiate an ongoing management and monitoring program. The Commonwealth could do this on a 50:50 basis with State governments on the understanding that local communities would also make a significant cost-sharing contribution.

Policy option 5

The management of public lands within local government areas could be significantly enhanced by establishing programs that coordinate landuse planning and management across all government agencies.

Managing environmental risks (page 52)

Councils are responsible for the management of a wide range of environmental risks, including flood and fire, which may have a direct impact on the management of native vegetation.

Policy option 6

Ensure conservation values are considered and integrated in risk management strategies adopted by local governments.

Discretionary functions of local government

Facilitating community involvement (page 54)

Because local government is the level of government closest to the community, it is in a strong position to support community-based programs for the protection and management of native vegetation.

Policy option 7

By closely involving community groups in the preparation of conservation plans and strategies, local government can more effectively target community-based programs.

Policy option 8

Greater integration between community and local government programs can be achieved by giving facilitators and environmental officers access to council decision-making processes.

Policy option 9

Community-based programs will be more successful if there is continuity in their operation and in the staff involved in their delivery. Local governments could, with funding support from central government, move to provide security and a career path for facilitators and environmental officers by incorporating these functions into a council's core structures.

Financial incentives and market mechanisms (page 59)

Financial incentive and market-based mechanisms are a primary means of supporting land use planning outcomes on private lands through voluntary participation of landholders in conservation activities.

Policy option 10

Local governments should be given the legal authority and policy support to implement financial incentives and market-based policy instruments for the conservation of native vegetation.

Priority new initiative: State governments could review existing impediments to local governments implementing the full range of incentives and market-based mechanisms. Appendix B summarises the current legal position in each State in relation to applying a range of policy tools including environment levies.

Policy option 11

Incentive-based instruments may be promoted and used by local governments to complement other conservation initiatives within local government.

Priority new initiative: A $5 million program supporting the introduction of incentive programs is proposed. The program could be transitory, with councils moving to self-fund these programs over a number of years.

Providing financial and administrative support (page 65)

Because local governments are elected and directly accountable to their communities, have a statutory basis, and have highly professional financial administration systems in place, they are ideally placed to manage the collection and expenditure of public funds for regional natural resource management.

Policy option 12

Local governments should be encouraged to provide financial and administrative support to community and catchment groups in order to promote greater synergies in their activities at the local scale.

Capacity building: Addressing the impediments to local government playing an active role in native vegetation management

If more local councils are to use the tools for sustainable natural resource management identified in this report, they must be supported to build their capacity to undertake new activities. Critical issues for State and Commonwealth governments to consider are listed below.

Education and awareness (page 70)

Many local governments focus on their traditional roles and see little role for themselves in natural resource management. The needs assessment undertaken for this study reveals that success is very dependent on individuals taking a leading role to bridge the gap between two interests or organisations that appear to be in conflict. These individuals can be project officers, chief executive officers or councillors.

Policy option 13

Develop a comprehensive education program for local government decision makers highlighting the importance of local government involvement in the management of natural resources, including native vegetation.

Policy option 14

Ensure local governments are actively involved in regional natural resource management structures established under State legislation.

Policy option 15

Employ environmental officers to develop and integrate local government policies and programs for the management of natural resources.

Priority new initiative: Review the presence of environmental officers supporting local government and regional natural resource strategies and provide supplementary funding of $70 000 to $100 000 to low-capacity regions.

Funding local government (page 74)

The majority of local governments are unwilling to put in place new programs to conserve and manage native vegetation in the absence of secure funding to meet ongoing costs of managing these programs. The analysis of funding arrangements for local government justifies this view by revealing a strong fiscal imbalance between the revenue raising capacity of local, State and Commonwealth governments.

Because of the benefits to the broader community associated with the management of native vegetation there is an urgent need to develop long-term cost-sharing arrangements for natural resource management.

Policy option 16

For local governments to contribute to financing the conservation of native vegetation, they will require the capacity to raise and target revenue for environmental programs.

Priority new initiative: State governments to remove impediments to local governments raising environmental levies and developer contributions for natural resource management. Appendix B summarises the current legal position in each State in relation to applying a range of policy tools including environment levies.

Policy option 17

For local government to effectively engage in managing natural resource programs, Commonwealth, State and local governments could be required to provide a more secure funding source for environmental programs within local government.

Priority new initiative: Commonwealth could support 10 to 20 five-year funding partnership agreements of $5 to $10 million per region in priority regions (see Policy option 21).

Provision of data information and expertise (page 86)

In order to be able to sustainably manage native vegetation, local governments require access to scientific and technical information on the distribution of the different types of native vegetation. This means that they need ongoing access to individuals with the expertise to interpret this information and help them to develop management strategies.

Policy option 18

Processes should be put in place to ensure local government has access to the information and expertise required to integrate native vegetation and other natural resource management issues into decision-making.

Policy option 19

Establish a demand-driven program for 50 to 100 councils that provides local governments with resources to develop natural resource data management systems that are compatible with existing planning tools.

Priority new initiative: Establish natural resource management support units within each State at a cost of $6 million to $12 million over three years. Support units could comprise a liaison officer in each State, with the function of facilitating access to expertise in natural resource management planning within State agencies. A range of State government officials would also be available to provide short-term assistance in establishing natural resource management programs in each State.

Poor policy coordination and targeting (page 93)

Improved coordination and targeting of natural resource management programs is required at Commonwealth, State and regional levels to improve the access of local governments and landholders to these programs.

Policy option 20

Improved coordination and targeting of natural resource management programs is required at Commonwealth, State and regional levels to improve the access that local governments and landholders have to these programs.

Institutional issues: Developing successful regional partnerships with local government

The most significant impediments to local governments developing innovative solutions to natural resource management problems are the complex legislative and bureaucratic structures that divide and fragment management responsibilities across a wide range of State agencies.

Institutional arrangements for the delivery of natural resource management are reviewed, benchmarks for best practice institutional arrangements are identified and a model for developing regional strategies through which successful natural resource management partnerships with local government can be developed are proposed. Drawing on the policy options identified throughout the report, an agenda for working with different categories of local government is put forward. The model involves a broad range of policy instruments and organisations in their delivery.

The model proposed presents a range of challenges to policy makers, not least by arguing that increased commitment to building the capacity of regional structures is required. Ultimately this will require the devolution of both resources and decision-making powers to those regions with the capacity to sustainably manage natural resources.

Policy option 21

Facilitate and support the development of accredited regional action plans for natural resource management with close involvement of local governments in 10 to 20 pilot regions across Australia.

Priority new initiative: Fund the development of 10 to 20 pilot regional action plans/strategies *(Policy option 17)*. To take account of regional differences, these pilot programs would be most effectively targeted at a cross-section of councils.

This policy opportunity is very similar in its objectives to the targeted regional investments proposed under the Commonwealth Government's Natural Heritage Trust. The only real distinction lies in creating more formal structures and linking these to statutory processes. This is considered necessary as much of the 'institutional infrastructure' being put in place for natural resource management is informal and, hence, not guaranteed to have a lasting impact.

A number of the regional programs would be aimed at high capacity councils with a view to councils playing the leading role in developing approaches to native vegetation management and to giving councils access to the full range of policy incentives.

Other regional strategies would be targeted through catchment management (or equivalent) structures. Particular emphasis could be given to targeted programs, including:

- Crown land management *(Policy option 4);*
- provision of data information and expertise *(Policy option 19);* and
- education and awareness *(Policy option 13)*.

1. Principles and issues

Why is conserving native vegetation important?

Planning to effectively manage native vegetation

How can local government conserve native vegetation?

What role can local government play?

Why is conserving native vegetation important?

The motivations of individuals and the broader community for conserving remnant native vegetation are complex, reflecting the many functions that native vegetation plays in our society. For example, remnant native vegetation:

- is the home of many species of native plants and animals that are important for the conservation of Australia's biological diversity;
- performs basic ecological processes and services that are required for continued agricultural productivity, such as the prevention of dryland salinity, maintenance of soil structure, provision of clean air and water and the absorption of greenhouse gases[2];
- provides recreation for the community;
- provides products such as native timber for building, firewood and furniture, honey and natural oils; and
- provides aesthetic values together with natural and cultural heritage values.

By way of example, temperate Australian woodlands, made up of open grassy plains with scattered trees, on which Australian agricultural development was based, are under threat from dieback. In the absence of regeneration and revegetation most of the trees left will have died within a 100 years, leaving a largely treeless landscape with limited scope for regeneration. Such an outcome would affect all of the above values.

The benefits of native vegetation conservation are of both an economic and ethical nature. In isolation, few would argue against the objective of conserving native vegetation. However, conflicts arise where the conservation of native vegetation is inconsistent with other objectives. For example, a local government may confront a difficult choice when considering a new development that will bring economic prosperity but will destroy the habitat of a threatened native species.

Tensions of this kind lie at the heart of the concept of sustainable development. Indeed, this has prompted many to comment that sustainable development is a contradiction in terms. However, if sustainable development is to become a reality, it is the processes through which these tensions are resolved that are important. An important challenge is to learn how to address conflicts in natural resource management in more innovative, flexible and efficient ways.

2. The ecosystem services provided by native vegetation can be of significant economic value. For example, dryland salinity caused by the clearing of native vegetation may raise the cost of maintaining local infrastructure, including roads, significantly. Because of the complexity of natural systems these services are often not valued or taken into account in decision making.

Planning to effectively manage native vegetation

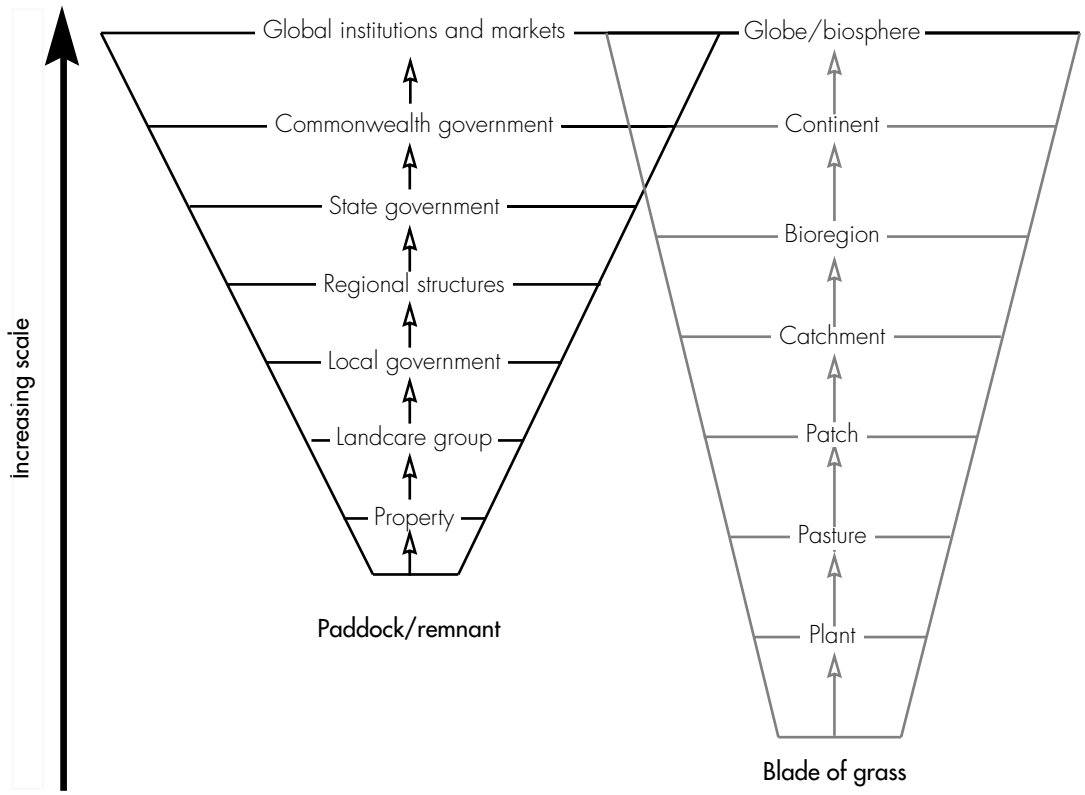
The management of native vegetation is a complex task as the role that a specific area of native vegetation plays in meeting management objectives varies depending on the scale at which management decisions are made. Figure 1.1 highlights the different scales at which native vegetation can be assessed and management planned from both ecological and institutional perspectives.

Conflicts in natural resource management often arise because managers at different scales have differing objectives. For example, a farmer or developer may be seeking to maximise the economic return from their property while a land use planner at local government or State level may be seeking to retain a representative range of the different kinds of native vegetation found within the catchment. Hence it is not possible to plan for the conservation of native vegetation at a single scale because the types of actions required and the individuals and organisations taking them vary.

Planning and involvement at each scale is necessary; to be effective the outcomes of decisions at different scales should be integrated and reinforce each other.

- At a *national and State scale*, decisions are made in relation to the objectives of natural resource management and how these are to be balanced against other social and economic objectives.

Figure 1.1: Different scales of ecological and institutional planning



- Planning at a *regional scale* provides an opportunity to evaluate natural resources within natural boundaries that are relevant to meeting particular management objectives, for example, catchments for water management or a bioregion for biodiversity conservation. Planning and coordination at a regional scale allow management objectives to be reconciled at a scale beyond that of the individual landholding. For example, maintaining the variety of native plants and animals within a region requires careful planning, particularly when native vegetation is fragmented. Corridors that connect remnants are required, in addition to giving priority to the types of habitat that are rare or required to sustain focal species (Lambeck, 1999). Similarly, the control of dryland salinity requires a strong understanding of hydrological processes and where revegetation will yield the greatest benefits (Griener, 1998).

- At the *local scale* it is possible to interpret the objectives of higher scales and reconcile and apply them to local circumstances. At a local scale the immediate concerns of the community may be most effectively voiced. The implications of regional strategies can be determined and adjusted to meet local needs.

- At the *property and paddock scales*, more pragmatic decisions are made about management needs and how these can be dealt with 'on the ground'. At this scale, management guidelines and prescriptions are more likely to be accepted if they are flexible. This is because different landholders have differing aspirations and imperatives for the management of their land management. If flexibility is provided, landholders have the ability to be entrepreneurial and create innovative solutions for the conservation of threatened habitat, the maintenance of the economic viability of the family farm, or both. The critical importance of this scale of management is reinforced by Australia's culture and its legal institutions, which emphasise a landholder's entitlement to autonomously manage their land within a framework of very broad constraints and obligations.

The challenge lies in developing approaches where the actions of managers at each level are complementary and reinforce one another, rather than being in conflict. This requires coordination and the development of cooperative partnerships between all land managers.

Successful planning requires that the interrelationships between different natural resources be explored. For example, in catchments experiencing significant growth in dryland salinity, planning for the management of native vegetation cannot easily be isolated from strategies for the management of water tables. Likewise, in an urban context, planning for the conservation of native vegetation cannot take place in isolation from issues of recreation management and water quality. In short, a holistic approach that integrates new strategies for conservation into existing natural resource management programs is more likely to be successful.

Because planning across scales is complex, a further challenge lies in creating structures through which management decisions can be coordinated and monitored. Coordination is required both within and between each scale of management. In the absence of complete information, natural resource managers are increasingly drawing on frameworks for adaptive management. Adaptive management is underpinned by the principle of managing for uncertain outcomes by clearly articulating management objectives and monitoring outcomes to measure progress and refine management.

Box 1.1 describes how planning processes can be undertaken within an adaptive framework based on the International Standards Organization's 14000 Series: Environmental Management Systems (1996a).

These issues are discussed in greater detail below in relation to defining the role of local government in native vegetation management.

Box 1.1: Elements of a successful approach to managing native vegetation

A successful approach to regional planning will require each of the following elements (see below).

Commitment amongst all interested parties at different scales to the objectives of sustainable natural resource management, including, inter alia, the protection and management of native vegetation.

Planning to achieve the objective of sustainable natural resource management including:

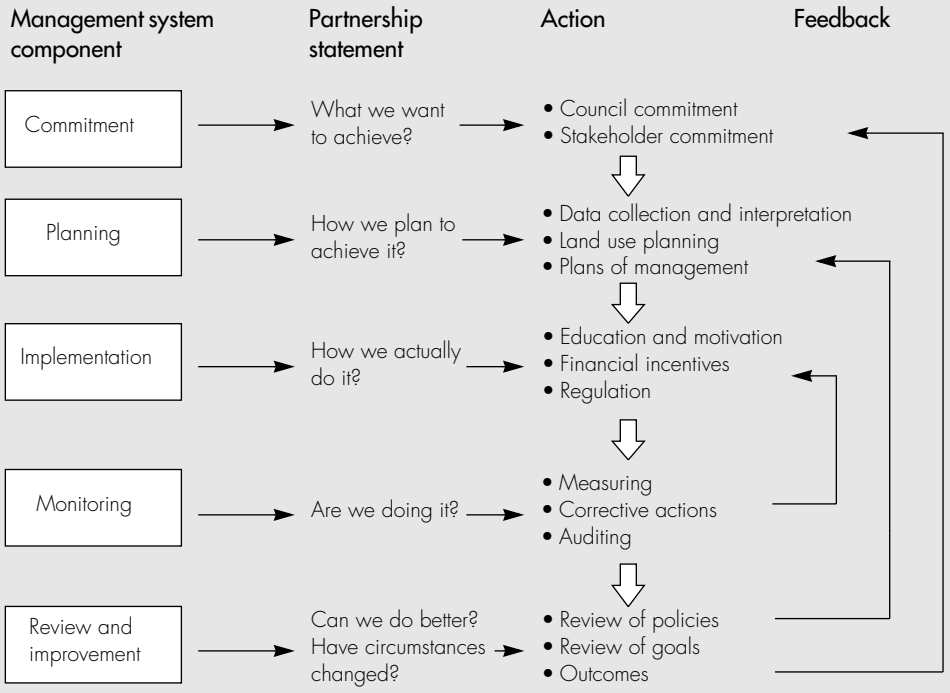
- understanding and prioritising natural resource management issues within a holistic framework, for example, integrating salinity and biodiversity conservation;
- mapping an inventory of the status and distribution of different types of native vegetation and other natural resource issues within a region;
- undertaking strategic land use planning which takes account of the need to conserve a representative range of the different types of native vegetation (ecological communities) found within the region; and
- developing ongoing plans of management for the use of natural resources.

Implementation of programs that put planning into action across all tenures which:

- establish priorities for the use of scarce public funding;
- provide information and education on the need for sustainable resource management;
- secure sustainable management of public lands;
- provide incentives to promote voluntary conservation activities on private land; and
- where necessary, regulate land use through planning mechanisms.

Monitoring the outcomes of the regional strategy.

Review and improvement by establishing performance indicators and regularly reviewing progress and identifying ways in which actions for biodiversity conservation can be improved.



Adapted from Davey et al. 1997

How can local government conserve native vegetation?

Local government a key player

As the level of government that is closest to the community, local government is in a unique position to promote the conservation of native vegetation. Mitchell and Brown (1991) and Young et al. (1996) suggest the following roles for local governments in environmental management:

- they can effectively implement and administer national and State government policies in a way that takes account of regional circumstances;
- they can represent their local community in the formulation of policy by higher levels of government; and
- they can effectively integrate national/State objectives and regional considerations in approving development proposals.

The needs assessment undertaken for this study (see Appendix A) supported these findings, particularly emphasising that local councils have a very strong belief in their capacity to deliver government programs 'on the ground' at a local level. Councils also demonstrated a strong understanding of the role of higher levels of government in developing strategic approaches to addressing natural resource management problems on a Statewide or national basis.

In relation to the role of local government, Bates (1995) comments:

> Because so many of the problems and solutions…have their roots in local activities, the participation and co-operation of local authorities will be a determining factor in fulfilling their objectives. Local authorities construct, operate and maintain economic, social and environmental infrastructure, oversee planning processes, establish local environmental policies and regulations, and assist in implementing national and subnational environmental policies. As the level of governance closest to the people, they play a vital role in educating, mobilising and responding to the public to promote sustainable development.

The merit of a stronger role for local government in environmental management, including native vegetation management, is now well recognised both at an international level through the development of Local Agenda 21 (ICLEI, 1996) and at a national level through numerous policy statements including the Inter-Governmental Agreement on the Environment (Brown, 1994).

Tools available to local government

In order to understand the mechanisms available to local government to promote the conservation of native vegetation it is necessary to understand the powers and functions of local government. An overview of these powers and functions is provided below. A comprehensive review of the legislative powers of local government to regulate land use and provide incentives for the management of native vegetation is set out in *Opportunity Denied* (Cripps et al., 1999).

Powers of local government

Local governments are the third tier of government in Australia after the Commonwealth government and State governments. Interestingly, local governments are not recognised in the Australian Constitution. As a result, local governments are given their powers directly by the State government and, hence, they ultimately remain at the discretion of State legislation (Duncan, 1995; Mitchell and Brown, 1991). Perhaps the best recent example of the dependence of local government on State government is the recent restructuring and amalgamation of Victorian local governments directed by the State government.

Local governments have traditionally been given very restricted powers by States, essentially focused on maintaining local infrastructure. Local Government Acts have generally been structured in a way that means that a specific power has to be given to local government prior to the council undertaking new activities. If responsibility for an activity is not expressly given to local government within the provisions of the relevant Act, each council is effectively precluded from taking the action (Duncan, 1995). Indeed, the traditional role of local government is well summarised by the expression, 'Roads, Rates and Rubbish', which is still widely used today to describe the core functions of local government.

In more recent times, most States have moved to amend local government legislation to provide local governments with more general powers (Duncan, 1995). Queensland is an extreme case where councils have been given powers as broad as the State, although State legislation still overrides local government laws and actions.

As a result of this broadening of powers, there are a wide range of functions that local government could play in managing native vegetation. In understanding what roles local government might play, a distinction can be drawn between the way in which 'core functions' of local government affect the management of native vegetation and the capacity for local governments to use other mechanisms which are 'discretionary functions' of local government.

The core functions of local government

Irrespective of a council's attitude towards environmental management, there are a range of important functions that local government must undertake which have a direct impact on native vegetation. These are the 'core business' of local government as they must be undertaken irrespective of whether or not local governments take native vegetation management into account. They include the following roles of local government.

Planning land use – Local governments are responsible for the development and implementation of detailed land use plans that regulate development within their boundaries by defining zones within which different land uses are permitted. Land use planning processes are the central mechanism through which urban and industrial development is regulated.

Granting development approvals – Development approvals are a central activity of local governments. A development application is required when new works on land are proposed, such as the erection of a building. Whilst projects of Statewide or national significance can trigger environment impact assessment processes, it cannot be emphasised strongly enough that councils are directly responsible for a huge volume of smaller scale development approvals. It is councils that are the predominant land use decision makers in Australia, particularly in urban settings.

Managing Crown lands – Local governments own and manage significant areas of Crown land that may be of high conservation value.

Managing environmental risks – Councils are responsible for the management of environmental risks, including flooding and fire, which may have a direct impact on native vegetation.

Enormous potential lies in encouraging councils to consider the conservation values of native vegetation when undertaking these functions. Indeed, where the main threats to native vegetation are related to these functions, for example in rapidly developing urban areas, local government may be in a position to lead the development of approaches to conservation.

The discretionary functions of local government

There is a wide range of other functions which local governments could undertake in managing native vegetation, although there is no requirement for them to do so. The discretionary functions are set out below.

Facilitating community involvement – Councils can support the work of community-based groups, such as landcare groups, to undertake on-ground works for native vegetation management.

Managing grant and incentive programs – Councils can introduce grant and other incentive programs,

such as rate rebates, to promote vegetation conservation on private lands.

Providing financial and administrative support – As councils have professional administrators, they are in a strong position to provide this form of support to regional groups. They act as revenue collector and administrator of public funds.

Together these core and discretionary functions represent the toolkit available to local governments to conserve native vegetation. The distinction is important, as the core functions represent those functions that local governments must perform, irrespective of their attitudes to environmental management. Hence it is critical that local governments perform these functions in a way that will not adversely impact on the achievement of conservation objectives. Whilst of equal importance, the discretionary functions are additional tools which local governments can draw on if they are committed to native vegetation management.

The central purpose of this report is to evaluate the most effective ways in which local governments can fulfil the vision of being a key player in environmental management outlined at the start of this section. To do so they will need to draw on and have access to the full range of tools and policy instruments outlined above. In the past, councils have only been given access to a relatively narrow range of planning tools for environmental management by State governments. However, a wider range of innovative approaches to environmental management, including the use of financial incentives, are beginning to be used by local government.

Chapter 3 discusses in detail the opportunities for local governments to use the tools introduced here.

What role can local government play?

Local governments are not the only level of government or organisation with an interest in this issue. Indeed, a number of the local government practitioners consulted in preparing this report have questioned whether local government can play a significant role.

Figure 1.2 illustrates the hierarchy of institutions that have an interest in natural resource management and the roles they may play at different scales.

Local government could potentially have a role in three of the parts shown in Figure 1.2:

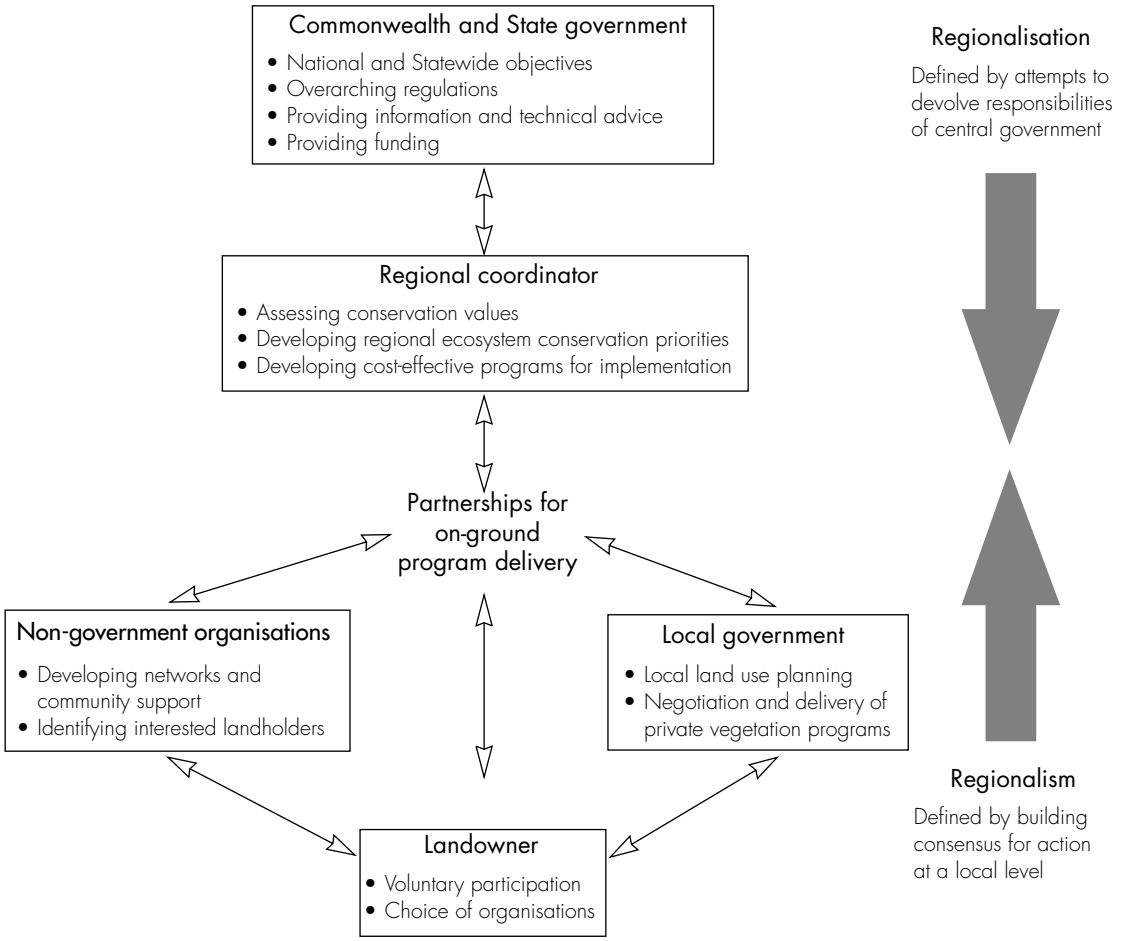
- as a landholder (of public land);
- as a regulator of land use and deliverer of community-based programs; and
- potentially, as a coordinator of regional natural resource management.

A wide range of other organisations and individuals have an interest in the outcomes of strategies for vegetation management, including the Commonwealth government and State governments, catchment committees, landcare groups, voluntary regional organisations of councils, non-government organisations such as Greening Australia, and farming and industry groups.

The challenge is to develop structures which allow these organisations and individuals to undertake complementary and coordinated actions across the local, regional and national scales introduced in Figure 1.1.

Binning and Young (1997a) highlight the critical role of *regional coordination* in providing the linkage between *commitments* to native vegetation conservation made at the national and State level

Figure 1.2: Institutional approaches to natural resource management



and *planning* for and *implementation* of strategies for on-ground works at a local level. It is difficult, however, to develop clear divisions of responsibility as each tier of government has an active interest in the performance of the management regime as a whole.

Young et al. (1996) have argued that these tensions can be resolved through the principle of subsidiarity, that is, devolution of management responsibility to the individual or lowest institutional level able to take effective action. Further, they recommend that no level of government be able to reduce standards for management set by another level.

Campbell (1996) distinguishes between different scales of policy development and the role of regional planning by distinguishing between the concepts of regionalism and regionalisation:

> …there is a convergence [of policy development] from two directions, meeting at the regional level. The bottom-up phenomenon is *regionalism,* and the top-down move to a regional focus for program delivery is *regionalisation*. This is not an academic distinction, as the imperatives driving them are distinct and different. Regionalism is about autonomy and identity at a regional level, and about 'scaling up' to better engage with particular environmental and social issues, driven from below. Regionalisation is about central governments achieving efficiencies and effectiveness by concentrating program delivery at the regional scale, usually while retaining financial control and hence program direction. It is not uncommon for the two forces to be at cross purposes, with regional community leaders having very different aspirations for particular programs from those held by policy makers in Canberra or State capitals.

This is a very important observation as the tensions between regionalism and regionalisation are clearly apparent in the attitudes of local government to regional organisations, with a significant number of local government practitioners interviewed during the process of developing this report noting that regional processes imposed by higher levels of government from the 'top down' are less likely to be successful than processes driven from the 'bottom up' at a local level.

The solution put forward in this report rests on developing partnerships between all the interested parties and drawing on the strengths and responsibilities of each organisation.

It is not possible to prescribe any particular role or set of responsibilities for local government. These will vary depending on the circumstances being confronted in different regions and the roles that various organisations are currently playing. The argument against generalisation and in favour of developing regional approaches are strong because:

- the nature of the natural resource management issues, and hence the objectives of native vegetation conservation, vary considerably between regions;
- it is at the regional scale that sectoral policies developed by higher levels of government, such as specific policies for native vegetation, salinity, water quality, agricultural production and economic development, can be brought together, conflicts identified and solutions developed;
- the resources, jurisdiction, political willingness and culture of local government vary both within and between States; and
- the roles played by other organisations, their capacity and level of support with the community varies.

For these reasons, we find that all local governments can make a significant contribution in the context of their regional situation. However, the types of programs and policies used by councils and the appropriateness and scale of involvement will vary between regions.

In the next chapter we discuss the current status functions of local government and relate these to the processes that threaten native vegetation. From this comparison it is possible to categorise different local councils and then identify a range of strategies for how to work with local governments in the conservation of native vegetation.

2. Strategies for working with local government

Current state of local government

Understanding the diversity of local government

Factors that influence the effectiveness of local government

Strategies for building successful partnerships with local government

Current state of local government

Despite the excellent performance of a number of leading councils, it is unclear to what extent local governments across Australia are including environmental management as a core component of their day-to-day functions.

For example, a recent overview of local government failed to mention environmental management when summarising the range of local government services and functions which included health, recreation, engineering, community services, planning and development approvals, and administration (National Office of Local Government, 1996). This reveals that environmental management is not the only emerging area of interest to councils. Thus councils with scarce resources must assess priorities to decide where to use limited resources.

There is, however, evidence of increasing engagement of local government. A recent survey of all local governments in Australia conducted by the Australian Local Government Association (1997b) revealed that, of the 310 councils that responded to the survey:

- 77% had a general land use/environment plan;
- 37% had a separate environment and/or conservation policy program, strategy or plan;
- 39% had plans and strategies that deal with biodiversity management; and
- 26% are currently undertaking projects related to biodiversity conservation.

These figures are likely to overstate the existence of plans, programs and projects related to environmental management as less than half of Australia's local governments responded to the survey. It is likely that those councils with staff dedicated to environmental management would have been more likely to return the survey.

An alternative view is put forward by Osborn (1998) who argues that local governments are significant environmental managers, spending in the range of 6.5–33% of their revenue on environmental management, which amounts to more than $2 billion across Australia annually. Approximately 80% of these expenditures relate to water provision, sewage treatment and stormwater management. It is estimated that less than 3% of local government environment-related expenditures are used directly on managing biodiversity (Heycox et al., 1997). For a more complete discussion of local government environment-related expenditures, refer to the discussion of funding opportunities in Chapter 4.

The results of these studies and other reports of local government initiatives (see, for example, Environs Australia, 1997) demonstrate that a significant and growing number of local governments are initiating innovative programs related to environmental management. Examples that we have become aware of in the course of this project are highlighted in boxes throughout this report.

The involvement and performance of local councils in managing native vegetation varies enormously. In reporting on the performance of local government in landcare-related activities, Thorman (1996) highlights many innovative programs and cases of best practice. However, Thorman also acknowledges that performance has been patchy, with many councils taking little or no action despite widespread land degradation problems. These comments indicate that due to the difference in councils, there are great risks associated with making generalisations about the performance of local government.

Understanding the diversity of local government

Local governments are as diverse as their number – approximately 780 across Australia in 1996. The exact number of councils reported in different publications varies. This is because the number of councils is falling at quite a dramatic rate due to amalgamations. In 1994 there were 876 local councils, approximately 100 more than in 1996.

The willingness and capacity of local councils to undertake vegetation management activities vary enormously. This is well evidenced by the extreme cases of:

- Brisbane City Council, with a population of 820 590, including 332 000 rateable properties and a budget of $1157 million, covering an area of 1218 square kilometres (IPR, 1997); and
- Bulloo Shire in south-west Queensland, with a population of 600, including 385 rateable properties and a budget of $5 million, covering an area of 73 620 square kilometres (IPR, 1997).

Brisbane City Council has a comprehensive vegetation management strategy which includes the use of vegetation protection orders, management agreements, acquisition, rate rebates and an environment levy. The maintenance of biodiversity and green space within the city are key strategic objectives of the council, which is a leader in environmental management within Australia.

On the other hand, Bulloo Shire has very little capacity to promote sustainable vegetation management and does not see a direct role for local government in vegetation management, particularly on privately managed leasehold and freehold land.

There are a number of important contrasts between the two local governments, including scale/size, the nature of the land use and intensity of development. Further, whilst these councils are in the same State, there are strong differences in approach between the legislative frameworks in place in each State which need to be considered.

To facilitate an analysis of local government, an Australian Classification of Local Governments has been developed by the National Office of Local Government (1996).

Table 2.1: Categories and number of local government areas in Australia

	Description	Number
Urban	*An LGA with a population of > 20 000*	
Capital city and metropolitan developed	Part of an urban centre > 1 000 000 or population density > 600 per km^2	102
Urban fringe	A developing LGA on the margin of a developed or regional centre	57
Urban regional town/city	Part of an urban centre	117
Rural	*An LGA with a population of < 20 000*	
Rural significant growth	Average annual population growth > 3%	34
Rural agricultural	Agricultural – population density < 30 persons per km^2	336
Rural remote	Remote – < 90% population is urban	135

Box 2.1: Summary of key issues facing different categories of local government

Urban – Capital city, metropolitan developed and urban regional town/city

Capital cities and major regional centres are heavily populated urban areas which may have a range of small isolated patches and corridors of native vegetation. These remnants are often of high conservation value as they represent the last islands of ecosystems that may not occur outside the city boundary. Many of our most vulnerable ecological communities lie on the coastal zone where development pressures are highest (Commonwealth, 1996b; Mary Maher and Associates and Ecograph, 1997).

Local governments within urban centres tend to be well resourced and have a strong focus on town planning. Moreover, in many cases, their residents have a strong interest in maintaining amenity, recreation and aesthetic values of 'green space' within the city. As the main regulator of land use in urban environments, councils have a significant impact on vegetation management through land use planning.

Rural significant growth

Rural areas experiencing significant growth are confronting many of the same issues as urban fringe councils. However, development is likely to be less intensive. Pressure for subdivision is less and, traditionally, planning control over these areas has been left to the marketplace. Larger subdivisions and lifestyle landowners are likely to have a significant impact on the management of native vegetation in these areas, particularly if subdivision is not undertaken in a manner that takes account of native vegetation values.

Urban fringe

These are local government areas that are on the edge of urban development and are typically experiencing high levels of population growth and housing development. These councils have the fastest growing populations and hence are amongst the areas with the most acute pressure on native vegetation. Because they lie predominantly within the coastal zone, they are highly significant from a biodiversity conservation perspective. Hamilton and Cocks (1996) note: 'The major growth areas of Queensland, New South Wales and Western Australia contain more than a quarter of the States' threatened mammals, and more than 65% of the reptiles.'

Rural agricultural

Agricultural regions are more sparsely populated and face very different management issues in relation to the retention of native vegetation. Land clearance for pasture improvement, broadacre cropping and also for more intensive agricultural uses such as cotton, sugar cane and vineyards is a significant driver of loss of native vegetation. Further processes of land degradation, including salinisation and nitrification, are causing a gradual decline of many areas of native vegetation. Local government has traditionally had little direct involvement in the management of these issues. Roadside management and management of other public lands are critical issues for local governments to address in maintaining native vegetation within these regions.

Rural remote

Remote regions in Australia's rangelands are experiencing significant land clearance and degradation from overgrazing. Because of the small populations, local governments in these regions have very little capacity to regulate land use. Many of these regions are also experiencing falling populations, which is placing essential social infrastructure such as schools, health services and banks at risk of closure. Typically, the community is more interested in minimising expenditure and sticking to their core functions.

Local councils in these regions have little desire to address vegetation management issues as other issues are of much higher priority to their communities. Nevertheless, councils in these regions are well placed to have a significant role in the management of roadsides and other public land and to do so in a cost-effective manner.

Factors that influence the effectiveness of local government

The differences in the size and nature of local government and the issues they are confronting powerfully illustrate that generalisations about the performance of local government in vegetation or environmental management can be made only at great risk.

In order to make recommendations on how local governments can most effectively work to conserve native vegetation, it is necessary to identify the factors that drive local government to become involved in vegetation management and then evaluate how these apply to different types of councils. These factors are:

- The capacity of councils as defined by:
  - the relationship between the processes that are degrading native vegetation in different regions and the core functions and responsibilities of local government;
  - the resources available to local government, as determined by population size and the rate base; and
- the coincidence between local, State and national objectives for the conservation of native vegetation.

Each of these issues is addressed below.

The capacity of councils

Relationship between the processes that threaten native vegetation and the functions of local government

A central proposition put forward in this report is that local governments can be relied upon to conserve remnant vegetation only if they perceive this as a core function or responsibility. Thus an understanding of the role that local government can play in vegetation management requires an understanding of the processes that threaten native vegetation and their relationship to the functions of local government.

The threatening processes that are most directly causing the loss of Australia's native vegetation are well documented (see, for example, Commonwealth of Australia, 1996b; Glaznig, 1995; Young et al., 1996; OECD, 1996). Table 2.2 illustrates the key linkages between the pressures on native vegetation and the functions of local government introduced in Chapter 1.

A clear division can be seen between urban councils that have a direct responsibility to manage urban development and rural councils that have traditionally had limited powers and been reluctant to regulate land use on private land. Hence the clearing of native vegetation is directly managed by local councils in urban areas whereas in rural areas native vegetation and other natural resources have been managed by State government agencies. Geographically, this creates a strong contrast between councils located on the coastal zones on eastern and south-west Australia, where population pressures are strongest, and the inland agricultural and pastoral regions of Australia.

Resources of local government

The second factor that influences the capacity of local governments to conserve native vegetation is resources. The capacity of local councils is largely determined by their population and rate base.

Because of their population and rate base, larger councils are able to employ specialised staff and have more discretionary funding to devote to conservation programs. In particular, councils with large urban populations are often able to cross-subsidise the management of native vegetation. In general terms, larger councils are located in urban areas, providing further evidence that urban and peri-urban councils can be expected to be playing a more active role than smaller rural councils.

Table 2.2: Relating the different categories of councils to threatening processes and core functions

Category of council	Key threatening processes	Related core functions of local government
Urban (Population > 20 000)		
Urban capital cities and regional centres	• Urban and industrial development in new areas • Introduced species	• Land use planning and development approvals • Management of Crown lands
Fringe	• Urban and industrial development in new areas • Introduced species • Fire	• Land use planning and development approvals • Management of Crown lands • Management of environmental risks
Rural (Population < 20 000)		
Significant growth	• Urban and industrial development in new areas • Agricultural development	• Limited land use planning and development approval processes • Management of Crown lands
Agricultural	• Agricultural development • Land degradation	• Little or no planning issues • Management of Crown lands
Remote	• Land degradation	• Management of Crown lands

The small size of many rural councils limits their capacity to engage in a wider range of issues such as vegetation management. These councils are often hard pressed to undertake their basic functions, such as road maintenance. For example, all of the councils interviewed in south-west Queensland as part of the needs assessment for this study expressed the view that they do not have any resources to devote to vegetation and that this should be the responsibility of State agencies. As a result, in these rural regions State agencies have tended to create new institutional structures including catchment committees to address natural resource management issues rather than rely on local governments. However, as will be discussed later, the activities of these organisations must still be integrated with the activities of local councils. This raises a critical policy issue of what role smaller and more remote rural councils can be expected to play in native vegetation management.

Coincidence of local, State and national interests

The second factor that influences the actions local government involvement is their willingness to participate in the native vegetation management. The willingness of councils to address vegetation issues is of course related to the capacity of councils, as discussed above. However, another important consideration is the extent to which policy objectives for the conservation of native vegetation are shared at local, State and national scales.

As representatives of their community, local governments will only become involved in the management of native vegetation if they perceive it to be in their community's interest. Two broad situations in which local and national interests are likely to coincide include:

- where the management of native vegetation is seen as integral to addressing significant land degradation which is adversely affecting agricultural production, for example, areas experiencing increasing dryland salinity; and

- where the values of the local community strongly favour the conservation of native vegetation, particularly in some urban and coastal regions.

Likewise, situations can be envisaged where local aspirations will vary from those held at a national scale, for example in regions where there is scope for the establishment of highly profitable agricultural industries, such as wineries, sugar cane, rice and cotton growing, that may involve the clearing of native vegetation. In an urban context, a council may seek to undertake new developments in environmentally sensitive areas.

Capacity and coincidence of interests – towards a conceptual model

In summary, the analysis shows that we can expect a continuum between those councils we would expect to be highly involved in native vegetation management and those with little or no involvement. Whilst there are subtle differences between each category, the strongest distinction that can be drawn is between urban councils at one extreme and rural/remote councils at the other. This distinction is so strong because it is population growth and hence land use planning and development approval processes that drive local government involvement. Rural councils do not face the imperative to respond to change and, as a result, are intrinsically less likely to innovate.

A key conclusion that can be drawn from this analysis is that it is not appropriate to place the same expectation on all councils to manage native vegetation. Most significantly, it is urban councils that have direct responsibility for regulating the processes that are threatening biodiversity. Conversely, rural councils do not have any direct responsibilities relating to the regulation of agricultural activities.

In the final section of this paper these concepts will be applied to determine how different councils can be most effectively engaged in vegetation management.

Strategies for building successful partnerships with local government

Up to this point the discussion in this chapter has focused on developing a conceptual framework through which differences in the role that local governments are playing can be explained. Importantly it has been demonstrated that the functions that local government play vary, and as a result the tasks that different councils are best placed to undertake will also vary between regions.

Policy approaches are required that encourage local governments to play an active role that is consistent with their capacity and willingness to contribute. It is also important to recognise when local governments are unwilling to contribute and find alternative strategies to address this. Figure 2.1 puts forward a framework for developing partnerships with local government. It contrasts the concepts developed in the previous section, that is the capacity and responsibilities of local government and the willingness of councils to play an active role. It is clearly desirable to help councils move to the top right corner over time.

At this point it is important to recall that local governments do not act in isolation. Indeed, natural resource management is only an emerging role. Successful strategies do not appear to depend on local government taking a leading role. What is critical is that each organisation within a region contributes to the maximum of its ability, drawing on its strengths and recognising the role it and other organisations can play.

Fundamentally successful approaches to vegetation management will be developed when local governments are actively engaged in partnership with other organisations. Guidelines for developing operational partnerships for each of the categories of local government in the figure are outlined below.

The tools, policies and programs most relevant to each category of local government are identified and page references given. In this way a conceptual framework is provided through which it can be seen how successful partnerships can be developed with all local governments in Australia, albeit with differing priorities, roles and responsibilities.

Figure 2.1: Framework for developing partnerships

Build capacity

	Low capacity and responsibilities for vegetation management	High capacity and responsibilities for vegetation management
Coincidence of local, State and nation-wide priorities	A • Build capacity by providing information and expertise • Encourage regional/local planning for natural resource management • Fund and resource with technical skills	B • Use regional/local structures to develop and implement strategies for natural resource management • Focus on monitoring outcomes and maintaining standards
Conflict between local, State and nation-wide priorities	C • Build capacity through education and awareness programs • Manage changes through structural adjustment and incentives	D • Develop communication, education and awareness strategies • Maintain minimum standards by formalising regional strategies and applying conflict resolution

Build consensus

A *Low capacity councils with coinciding interests in natural resource management*

Strategies

In these regions, the most effective strategy may be to engage other regional groups, such as catchment committees, which have stronger links to State government. With State support, these groups will generally have greater capacity and expertise to undertake effective regional planning. These groups would then be responsible for engaging local governments in their role as service providers and land managers.

Where are councils of this type?

Councils with a low capacity to manage native vegetation tend to be located in rural regions where there is neither a large population base nor development pressures. These councils are unlikely to be actively involved in vegetation management because they lack the resources required to take action outside their key areas of responsibility. However, many of these regions have strong support for improved vegetation management, primarily motivated towards the management of land degradation processes such as dryland salinity.

The Murray catchment in New South Wales and the Blackwood Basin in Western Australia are examples of regions of this kind.

Priority issues

Key priority issues for maximising the role of local governments in this category are outlined below in order of importance.

Capacity building (Chapter 4). Councils in this category are often not engaged in the natural resource management issues because other organisations are perceived to play this role. Key issues include:

- education and awareness (page 70);
- access to data, information and expertise (page 86); and
- appropriate funding mechanisms (page 74).

Toolkit for councils (Chapter 3). Local governments in this category could be encouraged to contribute to the management of native vegetation by supporting other land management agencies and organisations. Of particular relevance are:

- management of publicly owned land (page 46);
- facilitating community participation (page 54); and
- providing financial and administrative support (page 65).

Institutional issues (Chapter 5). Local governments within this category should be encouraged to become actively involved in supporting the development and implementation of locally driven regional strategies, through regional structures such as catchment committees.

B *High capacity councils with coinciding interests for natural resource management*

Strategies

In these regions the preferred strategy would be to give local councils autonomy to coordinate the development of accredited regional plans through networks such as voluntary regional organisations of councils.

Where are councils of this type?

Councils with a high capacity to manage native vegetation tend to be located in population centres in the coastal zone. Conflicts between local and national interests tend to be minimised because there is a strong diversity of interests within the community, which are then reflected in the composition of councils, who in turn have responsibility for the management of urban development, the key threat to the management of natural resources including native vegetation.

South-east Queensland and the Hunter/Central Coast region of New South Wales are examples of regions of this kind.

Priority issues

Key priority issues for maximising the role of local governments in this category are outlined below in order of importance.

Institutional issues (Chapter 5). Local governments within this category could be given the capacity to lead in the coordination and development of regional action plans. Key issues include:

- devolution of decision-making through the accreditation of regional action plans/strategies (page 112); and
- streamlining the decision-making processes within the region by developing a memorandum of understanding between State agencies on statutory processes (page 112).

Toolkit for councils (Chapter 3). Local governments in this category could be encouraged to broaden the range of policy options and tools they use to conserve native vegetation. Of particular relevance are:

- strategic land use planning and development approvals (page 41);
- management of public lands (page 46); and
- financial incentives and market-based mechanisms (page 59).

Capacity building (Chapter 4). Because councils in this category are generally engaged in natural resource management, these issues have lower priority. Nevertheless the following will remain priorities for action:

- access to data, information and expertise (page 86); and
- appropriate funding mechanisms (page 74).

C *Low capacity councils with conflicting interests*

Strategies

In these regions, the first step for central governments is to build local capacity and assist structural adjustment.

Where are councils of this type?

Regions fitting this category will tend to be located in rural and remote regions facing strong land use change from grazing to other more intensive land uses. Councils in these regions are unlikely to perceive that they have a responsibility for vegetation management. Other regional organisations are likely to have a strong landholder focus. Some are quite antagonistic to the notion of being asked to make a contribution to the conservation of native vegetation.

South-west Queensland and other remote rangeland areas are examples of this type of region.

Priority issues

Key priority issues for maximising the role of local governments in this category are outlined below in order of importance.

Capacity building (Chapter 4). Councils in these regions need to be engaged in natural resource management. Key issues include:

- education and awareness (page 70); and
- access to data, information and expertise (page 86).

*Toolkit for councils (Chapter 3)***.** Local governments in this category have few resources or little motivation to directly engage in vegetation management. Programs targeted at issues of direct relevance to their day-to-day operations are likely to be most relevant:

- management of public lands (page 46); and
- management of environmental risks (page 52).

*Institutional issues (Chapter 5)***.** Local governments within this category can be expected to play only a minor role in natural resource management planning. Strategies for capacity building and integration with programs within State agencies are required.

D *High capacity councils with conflicting interests*

Strategies

In these regions, stronger involvement of the Commonwealth and State governments will be required to reconcile differences in objectives for the management of natural resources. However, attempts should be made to maintain active council and community involvement in any processes developed.

Local councils in regions with conflicting national and local interests may not be in a position to reconcile these differences, which occur when high profile developments are proposed on sites of high conservation value.

Where are councils of this type?

The clearing of glider habitat within the coastal zone of Queensland for sugar cane development may be an example of a case where there are conflicting local and national interests.

Priority issues

Key priority issues for maximising the role of local governments in this category are outlined below in order of importance.

Institutional issues (Chapter 5). Regional planning processes that resolve tensions between local, State and national scales are required.

Key issues are:

- clearly defining roles and responsibilities (page 112); and
- legislative frameworks that maintain minimum standards (page 112).

Capacity building (Chapter 4). Councils in this category are the most difficult to engage in the conservation of native vegetation. For this reason education and awareness programs will have highest priority.

Key issues are:

- education and awareness (page 70); and
- appropriate funding mechanisms (page 74).

Toolkit for councils (Chapter 3). Local governments in this category should be required to integrate conservation values into their decision-making processes. Of particular importance is the integration of State-based natural resource management strategies into local land use plans.

Key issues include:

- strategic land use planning and development approvals (page 40);
- management of public lands (page 46); and
- management of environmental risks (page 52).

3. Toolkit for councils

Introducing the toolkit

There are many activities that local governments can undertake to promote the conservation of native vegetation within their existing powers and responsibilities across all tenures and land uses.

One of the most significant findings of this report is that all local councils can make a contribution to managing native vegetation, although this contribution will vary depending on the circumstances and resources of the council involved. For this reason, the actions that local governments can take to assist in conserving native vegetation are presented as opportunities, which are introduced in Box 3.1.

Each of the opportunities identified in Box 3.1 is discussed in a separate section of this chapter. This approach has been chosen to allow councils maximum flexibility in determining what is the most appropriate involvement for local government within their region.

A very important distinction is drawn between the core functions and discretionary functions of local government, as discussed in the first chapter of this report. Where the existing activities are having a significant impact on native vegetation, participation of councils is required to ensure that conservation values are integrated into their decision-making. However, there are a range of other discretionary functions which local government may undertake to support sustainable management of native vegetation at a grass roots level.

Rationale for local government involvement in these discretionary functions arises from the potential for solutions to be generated at a local level and hence have greater local ownership and success than approaches imposed or administered by higher levels of government. Local governments are in the unique position of being able to adapt the approaches of other regions so they are relevant and effective within their own region.

There are many impediments to improving the management of natural resources, including limited resources. These impediments are discussed in detail in the next chapter, which addresses the issue of building the capacity of local governments to manage natural resources. The focus in this chapter is on what local governments can do through their own initiative. Some of the proposed actions will require increased resources. However, many of the actions are of a 'no regrets' nature where, with a little upfront investment, existing processes and procedures can be adapted to take account of natural resource management issues.

Box 3.1: Opportunities for local government to assist in native vegetation conservation.

Core functions

- Land use planning and development approvals
- Management of Crown and council-owned lands
- Management of environmental risks

Discretionary functions

- Facilitation of community involvement and education
- Management of grant and incentive programs for private lands
- Provision of financial and administrative support

Strategic land use planning and development approvals

In regions undergoing significant land use change through urban or agricultural development, local government responsibilities for land use planning and development approval are the most significant way in which councils are able to contribute to the conservation of native vegetation.

The issues

Local government is the first point of contact for a landholder seeking to develop their land. Whilst major land use decisions often involve decisions of the Commonwealth and State governments, it is the large number of smaller decisions made by local councils that have the most significant cumulative impact on land use.

Land use planning at a regional scale is a complex task because individual planning decisions cannot be determined on their own merits. Rather, they must be considered within the context of meeting a wide range of social, economic and environmental objectives. For example, it may or may not be appropriate to allow new urban development that will result in the clearing of native vegetation, depending on the extent to which similar vegetation and habitat is conserved elsewhere within the region.

Local governments can directly regulate land use in the following ways.

- Councils are able to use land use zones to designate different areas of their local shire for different purposes. In the same way that areas for future industry development can be set aside, areas of significant conservation value can be identified and set aside for conservation.
- Councils may pass by-laws which restrict or place additional conditions on land use and development.
- At a finer scale, councils regulate land use through the process of considering development applications. In these cases, councils may refuse or attach conditions to an application for development.

Land use decisions that are made at a strategic level well in advance of new development pressures will have the greatest chance of success. Local governments have traditionally used planning tools to strategically plan future urban development. However, it is only more recently that conservation values are being integrated into existing land use planning frameworks.

Discussion and models for action

Strategic planning

Councils are increasingly seeking to include conservation issues in their strategic land use plans in an attempt to minimise conflicts at the point of development. The advantage of this approach is that conservation areas can be identified well in advance of rising development expectations. Forward planning can also result in increased flexibility in how conservation objectives may be reached, for example, the location of a habitat corridor or refuge for an endangered species. Clarification of appropriate land uses well in advance of new developments can allow for greater certainty for both conservation and investment.

A difficulty lies in the fact that whilst some councils are willing to integrate conservation planning into their planning decisions, others are less enthusiastic. New South Wales recently enacted the *Local Government Amendment (Ecologically Sustainable Development) Act 1997* that requires councils to take account of the principles of ecologically sustainable development in their decision-making. Initiatives such as this are critical in securing the principle that councils have a responsibility for environmental protection, but are less clear on the mechanisms for giving effect to the principles. Potential mechanisms are discussed below.

Land use zoning

Councils are increasingly able to create land use zones that are specifically devoted to nature

conservation within their local planning schemes. In the past, conservation values have often not been taken into account in land use zoning. For example, Kelly and Farrier (1996) clearly demonstrate that recreation management has dominated the management of public space zones, often at the expense of conservation values.

Land use zones specifically devoted to nature conservation are beginning to emerge. These zones can potentially be applied to both public and private land on a voluntary basis. Some examples are highlighted in Box 3.2.

Early detection of sites of high conservation value and, if appropriate, rezoning these to a conservation zone has the potential to reduce demands that development be allowed in environmentally sensitive areas. A major challenge lies in providing councils with the resources and expertise to:

- map the location and quality of native vegetation across local government areas;
- establish priorities for conservation based on the contribution of an area to meeting the region's conservation objectives and the degree of conflict with other land uses; and
- identify appropriate land use and development conditions for conservation zones.

These issues are discussed in the section in chapter 4 which addresses the requirements for data, information and expertise for conservation planning by local government.

By-laws

Councils are also able to pass by-laws that make the clearing of native vegetation a development requiring consent of the council. These by-laws may be broadly applied or, with improved information, targeted to specific ecological communities, as has been done in Brisbane.

Box 3.2: Innovative uses of planning provisions

The Shire of Serpentine-Jarradale on the urban fringe of Perth is the first shire in Western Australia to introduce a conservation zone for private lands within their town planning scheme. The council provides a rate rebate to land within the zone as an incentive for landholders to protect the conservation areas (Noble, 1997).

Brisbane City Council has introduced an urban conservation zone and put in place vegetation protection orders for sites of high conservation value within the city. Landholders who voluntarily place their land within the conservation zone via a voluntary conservation agreement are provided a grant of up to $1500, set in proportion to the value of the property. Prior to developing land covered by a vegetation protection order, a development application must be lodged and consent given by the council.

The ***New South Wales Model Planning Scheme***, developed by the State Department of Urban Affairs, includes a tree preservation order, which a large number of councils have used to protect trees of special significance to their community. Some councils are using tree preservation orders to target sites of high conservation value.

The ***South Australian State Government*** requires any proposal to clear native vegetation to be offset by other activities that will yield a 'net environmental improvement'.

Wyong Shire Council has successfully developed a computerised decision support tool called Bell Impact Assessment Software (BIAS). The software does not replace the need to collect basic information, but does offer a systematic way of evaluating the environmental impacts of proposed developments. It has streamlined and improved the quality of assessments within the council.

A difficulty with this approach arises in deciding what will occur when vegetation protected by a local by-law is subject to a development application. Brisbane City Council has approached this issue by purchasing key sites and encouraging voluntary conservation management of other sites. Such an approach is both obvious and pragmatic, but also serves to underscore the costs to councils of not planning for and managing development expectations well in advance of proposed land use changes.

By-laws must also be enforced, requiring clear compliance and monitoring arrangements to be put into place.

Development approvals

Councils in all States are required to take account of the environmental impact of proposed developments before giving development approval.[3] Development approvals are becoming increasingly complex as new legislation is introduced, including Acts relating to the protection of endangered species and the clearance of native vegetation.

Whilst development approvals provide a necessary safety net, considering individual development applications on an ad hoc basis is unlikely to result in quality planning outcomes over time. This is because decisions relating to the conservation of native vegetation are more effectively made with reference to broader regional objectives.

Opportunities for improving development application and approval processes lie in streamlining approval processes and in offering flexibility in how conservation objectives are achieved. These issues are addressed in greater in detail in Chapter 5, which address institutional issues in the delivery of native vegetation programs.

For example, a 'no net loss' of native vegetation rule could require that, where native vegetation is to be cleared, other areas are managed for conservation or revegetated to offset the impact of the development, perhaps with a requirement to yield a net benefit to the environment. This rule implies that vegetation of similar quality must be traded or larger areas revegetated in strategic locations to offset the clearing of undisturbed vegetation. South Australia operates such a 'net environmental improvement' rule when considering applications for the development of areas containing isolated standing trees. The Gold Coast Council also offers an offset scheme by allowing increased development densities to developers who set land aside as public space within their development proposal. Initiatives of this kind are potentially very effective in reconciling development and conservation interests. However, care must be taken to ensure that such offset schemes do not trade a poor environmental asset, such as revegetated farm land, for an irreplaceable asset, such as a highly diverse wetland.

3. See Cripps et al. (1999) which reviews the legislative framework that is in place in each State.

Policy option 1

Ensure that conservation values are taken into account in decision-making by integrating conservation data and planning with other strategic and land use planning processes within councils.

Local government actions

- Assess and map native vegetation and include as a layer in land use databases.
- Put in place procedures to ensure conservation values are considered in formal land use plans.

State and Commonwealth government actions

- Legislate to require councils to take account of the principles of ecologically sustainable development in decision-making.
- Target resources to assist councils develop integrated conservation plans.

Costs

Low costs

However, significant administrative costs may be associated with pursuing legislative reform.

Expected outcome

Net savings from reduced conflicts as councils address conservation issues prior to individual development applications.

Policy option 2

Use targeted by-laws (vegetation protection orders) and dedicated conservation zones to protect land of high conservation value.

Local government actions

- Include conservation categories in local land use plans.
- Develop a by-law and put in place processes to target its delivery to areas of highest conservation value.

State and Commonwealth government actions

- Include conservation zones and vegetation protection orders in model planning schemes and promote their use.

Costs

Low costs

However, significant costs may be associated with identifying areas to be included within a conservation zone.

Expected outcome

Allow lands to be identified and managed appropriately and separately from recreational open space. Private landholders encouraged to place sites of high conservation value into the conservation zone.

Policy option 3	Local government actions	State and Commonwealth government actions
Develop rules for offsetting the impacts of developments, such as a requirement that no net loss to native vegetation cover occurs as a result of development. Developments requiring the clearing of native vegetation would be required to establish an area of at least equivalent size in the local government area.	• Seek developer contributions to offsetting on-site impacts of development.	• Legislate for the capacity to raise developer contributions for offsetting environmental impacts off-site. • The Commonwealth government could assist this process by developing a conceptual approach for consideration by State and local government.
	Costs	Expected outcome
	Minimal costs provided well accepted within the community. Otherwise high in terms of enforcement.	Sites of high conservation value protected prior to development. Requirement that council be willing to purchase land or compensate landholders refused existing development rights.

Managing publicly owned land

In their role as managers of public lands, local governments can make a substantial and direct contribution to conserving native vegetation. By breaking away from their traditional focus, there is an opportunity for councils to actively manage these lands for conservation.

The issues

Local governments are responsible for the management of significant areas of publicly owned land.

Of the 768 million hectares which make up the Australian continent, 541 million hectares fall under the jurisdiction of local government, with only 114 million hectares being freehold. This means that some 79% of land within areas covered by local government is broadly under the control of the Crown. Much of this land is held under lease by private individuals. Another significant proportion is managed by State and Commonwealth authorities, for example, in national parks and State forests. The remainder is under the control of local government (Greening Australia, 1995). Table 3.1 provides some examples of the categories of land found in local government areas.

Greening Australia estimates that there are 15 to 20 million hectares of land in various forms of reserve that are directly under local government control. These include local roads, parks, stock routes and pasture protection areas (Greening Australia, 1995, p 62).

Many of these areas are likely to be of high conservation value because:

- They are often the only lands that have not been subject to competing land uses and therefore are reference sites for many endangered or vulnerable species. For example, local cemeteries have often been left undisturbed and may contain the last remnants of ecological communities vulnerable to disturbance, such as native grasslands (Prober and Thiele, 1996).
- In the case of road reserves, which are long and linear, they may be the last indication of how the structure of native vegetation changed across the landscape. For example, road reserves often make up a large proportion of the intact reserves in cropping areas such as in south-west Western Australia, particularly on more productive soil types (NSW Roadside Environment Committee, 1996).
- They act as a corridors that may be critical in allowing animals to travel through the landscape (Saunders and de Rebeira, 1991).
- They can be a critical seed bank for revegetation, thereby maintaining genetic diversity within species within a local area.

Traditionally, each of the types of public land outlined in Table 3.1 has been managed for a single purpose. For example, stock reserves are managed to facilitate the movement of stock and maintain feed, roadsides for safe transportation, and so on.

Table 3.1: Examples of types of publicly owned land found in local government areas[4]

Local government	State department	Statutory authority
• Roadsides • Unmade roads • Town reserves • Cemeteries • Public parks • Vacant land	• Leasehold land • State forest • National park • Road reserves and unmade roads • Vacant land	• Rail, roads • Stock routes • Easements to public utilities (electricity and water)

4. The term publicly owned land is used in the broadest sense to refer to all land held by the State. Only a proportion of this land is managed directly by local governments, with the responsibilities of local government varying considerably between jurisdictions, see Cripps et al. (1999).

More importantly Kelly (1995) argues that local governments have traditionally focused on managing open space for recreation, often to the exclusion of other objectives including biodiversity conservation. This observation raises an additional issue: how public land management can be integrated for multiple purposes, including nature conservation?

The issues to be considered in this section include the role of local governments in:

- maintaining the conservation value of land directly managed by local government; and
- coordinating the management of public lands across the many government agencies with landholdings within a local government area.

Discussion and models for action

A number of innovative approaches to the management of public lands by local councils and other statutory organisations are outlined in Box 3.3.

Council managed lands

As discussed above, the first step is for councils to identify areas of native vegetation that are directly under their management, evaluate their conservation value and develop strategies for their management. A number of innovative programs are identified in Box 3.3.

Of particular interest is the work of roadside vegetation management committees in most States in surveying and providing management advice on the conservation of vegetation located on roadsides. These committees have established a robust and simple framework for assessing the conservation value of public lands and putting in management programs.

Despite the excellent work of these committees, a number of practitioners have expressed reservations. In particular, our needs analysis (Appendix A) has shown that, although a large number of local councils have participated in mapping roadsides and training, this has not always led to an ongoing commitment to conservation management. Programs aimed at active conservation management, including the control of weeds or rehabilitation of degraded sites, have been less successful. It would appear that, due to resource constraints, most councils are unwilling to divert resources away from other activities, although they are willing to change work practices to avoid further degradation of roadsides.

Examples of councils that have implemented pro-active conservation programs for public lands are rarer. The implementation of a management program that aims to maintain and rehabilitate native vegetation is both challenging and resource intensive. Successful approaches have been developed by both Ku-Ring-Gai Municipal Council and the Australian Bush Heritage Fund who have emphasised community involvement and participation in conservation management. Both of these organisations have devoted considerable resources to ensure that the community is actively involved in planning and managing their natural areas. Considerable effort has also been devoted to establishing information and education programs that support the bush program.

Community management is premised on voluntary participation by members of the community. Whilst community members can be a useful resource, it is critical to emphasise that successful programs still have to be well resourced, for example Ku-Ring-Gai Municipal Council spends approximately $2 million per annum on bushland management.

Coordinating the management of all public lands

Councils only directly manage a relatively small proportion of all publicly owned land. Across any given region, public land is generally managed on a fragmented basis because of the different land use objective of the different land management agencies. Because of the need to manage many ecological processes at a landscape scale, the fragmented management of public lands often leads to poor conservation outcomes.

For example, the conservation value of stock reserves has rarely been considered in their management. However, native vegetation contained within stock reserves is often of high conservation value because these reserves have lighter grazing regimes, which have favoured some species that are

Box 3.3: Managing public lands

Ku-Ring-Gai Municipal Council in the northern suburbs of Sydney has an active program for managing approximately 1100 hectares of bushland for which the council has management responsibility. Over three-quarters of the bushland is in good condition and the council is aiming to keep it that way. Approximately $2 million is spent each year managing bushland reserves, which are ranked by the community as being amongst the highest priority environmental issues. Activities supported by the council include:

- coordinating and supporting a volunteer community bush management program with in excess of 600 participating volunteers;
- bushland maintenance works;
- maintaining bushland access and fire management;
- bushland education; and
- monitoring bushland condition.

The ***Shires of Dumbleyung and Mullewa*** in Western Australia have supported the fencing of unmade road reserves following surveys of native vegetation that revealed the significance of these reserves in meeting conservation objectives in the highly fragmented sheep/wheat belt of Western Australia. Adjoining landholders have also been encouraged to set fences back from the boundary of the reserve to encourage regrowth and widen the corridors created by these reserves.

Perhaps the most successful model for improved conservation management on Crown lands has been the recent establishment of ***roadside vegetation management committees*** in most States. These committees have worked to promote assessment, planning and implementation of strategies for maintaining the conservation value of roadside verges. The committees have worked with local communities to undertake the following activities:

- mapping native vegetation and weeds;
- ranking roadsides on conservation condition;
- developing guidelines for management;
- training council road staff;
- providing short-term financial assistance; and
- developing guidelines for rehabilitation of road sites.

The committees have also produced a wide range of excellent literature, including codes of practice and conservation manuals (see, for example, New South Wales Roadside Environment Committee, 1996; Roadsides Conservation Committee of Victoria, 1995).

The ***Department of Natural Resources and Environment*** in Victoria has, over a number of years, been undertaking a survey of all Crown lands in Victoria with a view to making decisions about their future use and management. The current focus is on making decisions in relation to small isolated remnants of native vegetation. Local governments could potentially play a role in their management.

A useful model for active conservation management is the use of community-based management committees by the ***Australian Bush Heritage Fund***. The fund is a private not-for-profit organisation that purchases high conservation remnant vegetation and manages these areas as conservation reserves. Each reserve owned by the fund has a management committee made up of interested members of the local community. The committee is advised and assisted by a professional conservation planner employed by the fund.

vulnerable to intense grazing. In this example it may be possible to identify high conservation value stock reserves and manage them in a way that is consistent with both their ongoing use as stock reserves *and* the maintenance of conservation values. Such an approach is being trialled in the Murray catchment in New South Wales (Martin Driver, Greening Australia pers. comm., 1997).

To address inconsistent and fragmented management of public lands issue, Binning and Young (1997a) recommend the creation of 'protected area networks' through which conservation programs are developed on the basis of managing ecological communities across all tenures.

The concept of a protected area network is depicted in Figure 3.1.

Because State agencies are only responsible for a small proportion of public land within a given local government area, they are not generally in a position to integrate land use across tenures in the way outlined above. On the other hand, local governments taking an active interest in conservation management could work to coordinate the activities of these organisations through the development of a regional or local conservation plan. Local governments could act either individually or collectively through regional structures such as voluntary regional organisations of councils.

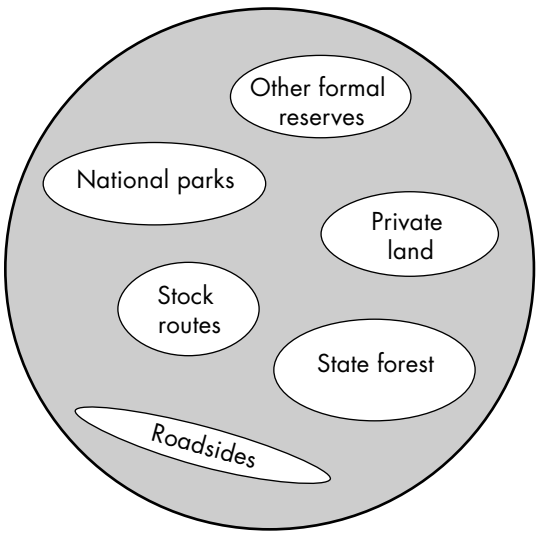
A further issue raised by the coordination of public land management is the integration of land management objectives. As has been noted, public land is often managed for a single land management objective. It many cases it is possible to manage areas for multiple objectives, including nature conservation. Examples of integrated management are numerous and include the management of:

- roadsides and stock routes for transport, grazing and conservation;
- town reserves for recreation and conservation
- drainage lines in urban areas for drainage and wildlife corridors;
- waterway buffers for erosion control, water quality and conservation
- rail, road and other easements for conservation and future infrastructure needs.

In each of the cases outlined above there is potential to create both conflicts and synergies. The challenge lies in planning the management of public land so that each land use objective can be met in a way that accommodates other land use objectives. One useful approach taken in open space planning is to survey community demand and then match the supply of land to these demands. This requires a clear understanding of the different land use objectives associated with public land and a commitment to appropriately zone or classify the land for management (Newcastle and Lake Macquarie Councils, 1987).

A related issue concerns the ability of local and State governments to appropriately classify public land. A recent inquiry by the Tasmanian Public Land Use Commission identified in excess of 120 public land use classifications with overlapping and confusing management objectives and recommended that these classifications be reduced to 16 (Tasmanian Public Land Use Commission, 1995). There is considerable scope for a review of this kind to be undertaken in each State.

Figure 3.1: Protected area network



Policy option 4

Establish programs that support the conservation of native vegetation on land managed by local government.

Local government actions

Conduct an audit of all native vegetation on council-managed land to assess its conservation value.

Develop and support community programs for the management of native vegetation. Consideration may be given to establishing:

- community-based committees to advise on the management of key bushland sites;
- programs that facilitate and resource voluntary management of key sites by community groups and interested individuals;
- community monitoring and surveys; and
- education programs on native bushland.

Create conservation zones for significant sites and integrate these within open space planning strategies.

State government actions

Using roadside vegetation management committees as a model, provide support for the assessment and management of native vegetation on public land. Assistance could be provided for:

- *assessment*: mapping and classification of the conservation value of all council-managed lands;
- *planning*: development of management plans which can operate under various budget levels;
- *implementation*: training for local government staff and funding for on-ground works, including remediation and rehabilitation works; and
- *monitoring*: development of performance indicators and monitoring of ongoing viability of remnants.

Commonwealth government actions

Provide catalytic funding of $12 million for planning and management of native vegetation by local governments. This funding would provide $200 000 to 60 councils to undertake a comprehensive survey and plan for native vegetation management and initiate an ongoing management and monitoring program.

Costs

Moderate–high costs

Fund 60 councils @ $200 000 to develop a conservation program for council lands.

Expected outcome

Significant area of Crown land mapped and ranked on basis of conservation value. Attitudinal change in public land managers. Programs for ongoing management and monitoring put in place but not secured through ongoing funding.

Policy option 5	Local government actions	State government actions
The management of public lands within local government areas could be significantly enhanced by establishing programs that coordinate landuse planning and management across all government agencies.	• Convene a workshop between all managers of public land within the local government area to discuss how to achieve conservation objectives. • Facilitate the development of an integrated conservation strategy/plan across all government agencies.	• Support the development of regional conservation plans that integrate management across all public land and agencies. • Consider outsourcing Crown land management to councils or other community groups with demonstrated performance in conservation management to manage small, isolated public reserves within their local government area.[a] • Undertake a comprehensive review of public land use classifications and land management arrangements in each State.
Specific actions	**Costs**	**Expected outcome**
Facilitate development of an integrated conservation strategy	Moderate costs Associated with coordinating activities across a number of agencies.	Coordinated management of public land creating more effective conservation outcomes, particularly at the landscape scale. Better networks and understanding of public land management objectives.
Pilot outsourcing of public land management	Savings $1 million in seed funding to see if program is cost-effective.[b]	Small Crown reserves managed to maintain conservation values where ongoing degradation and loss of values would otherwise be expected. Studies have shown that community groups will return up to 10 times the value of grants through voluntary work.[c]
Review of public land classifications.	Moderate–high costs Estimated cost of $1–$5 million per State over two years on a 50/50 cost-sharing basis.	Rationalisation of existing Crown land classifications with associated efficiencies in delivery of land management.

a. Most States would have the jurisdiction under their Crown Lands Acts to delegate the responsibility for managing Crown lands to local government. This option also relates to the management of smaller isolated remnants of Crown land, which tend to have minimal management. The efficiency of the management of larger public reserves, such as national parks, is not covered in this report, although we note the apparently strong case for ongoing public management in the face of a complex range of objectives associated with managing these lands.

b. Costs could be offset against savings in State agencies moving to a coordinating rather than hands-on management role. These recommendations apply to small isolated reserves, which are generally not actively managed by public agencies. As a result, the cost of these programs would probably be in addition to existing programs. This needs to be contrasted with costs in terms of forgone conservation values associated with continuing poor management.

c. Young et al., 1996, 3–10 times

Managing environmental risks

Councils are responsible for managing a wide range of environmental risks, including flooding and fire, which may have a direct impact on the management of native vegetation. There is potential for councils to integrate risk management with conservation programs.

The issues

The impact of risk management strategies on native vegetation is a significant issue as councils are often caught in a Catch 22 position:

- On the one hand, local councils are responsible for ensuring that lands they are responsible for managing do not place life or property at risk from flooding, fire and storms.
- On the other hand, actions to reduce environmental risks may have an adverse impact on native vegetation. For example, controlled burning of bushland to reduce the hazard of wildfires will adversely affect some ecosystems (Bradstock, 1998).

Councils are often in the position of facing legal liability associated with environmental risks. For example, a council may be found negligent in putting in place measures to protect houses from bushfires (Cripps, 1998). For this reason, policies have been developed with the objective of minimising the potential liability of councils to the loss of life and property.

Evaluating the potential impact of risk management activities such as hazard reduction burns on native vegetation is a complex task. It is clear that, in an environmental event, individuals' life and property will be given precedence over other considerations. Indeed, legislation in most jurisdictions requires councils to give priority to the protection of life and property. See the legislative review in *Opportunity Denied* (Cripps et al., 1999).

However, if particular types of native vegetation depend on fire or flooding, these also need to be planned for. This requires that past and, more importantly, future developments take account of the management requirements of different ecosystems.

Discussion and models for action

The need to manage environmental risks to ensure the protection of life and property has been recognised by State authorities and local councils for a long time. Councils have responded by more carefully planning future releases of land for development to avoid flood and fire-prone areas. For example, it is common that local environmental plans require that buildings not be constructed in flood-prone areas.

However, comparatively little effort has been devoted to considering the impact of risk management actions on the management of natural areas for conservation. This is powerfully illustrated by the differences in fire management practices of different public land managers. For example, forest agencies have traditionally sought to burn native forest regularly to minimise fuel loads and hence reduce the risk of wildfire. Conversely, conservation managers have tended to avoid burning because of limited information and resources and a view that fires occur frequently enough through natural events and arson. Neither approach is likely to have been optimal (Tasmanian Public Land Use Commission, 1997c).

Developing successful approaches to integrating conservation management with risk management lies in bringing together the expertise from a number of agencies and reconciling potential conflicts. Councils have the potential to call on expertise from both conservation, fire and water management agencies in developing risk management plans. Box 3.4 describes an approach being adopted by Wyong Shire Council to undertake this task.

Box 3.4: An example of integrated risk management

In 1997 the New South Wales Government enacted a new Rural Fires Act, following a number of large wildfires in the Sydney region. The Act places a duty on public authorities and councils to minimise the spread of bushfire from any land vested in or under its control or management or any highway or road which is maintained by the council.

In response to the Act, the Rural Fire Service is committed to developing 'risk management plans'. It is envisaged that these plans will identify both community assets, such as houses, schools and roads, and environmental assets, such as native vegetation and threatened species.

Wyong Shire Council and the *Rural Fire Service* have initiated the development of a risk management plan for the council that will seek to ensure that life and property is protected, whilst at the same time ensuring that key areas of native vegetation are managed in accordance with fire management guidelines developed by the New South Wales National Parks and Wildlife Service. Once completed, the risk management strategy will provide a basis for maintaining conservation values and meeting the council's obligations under the *Rural Fires Act 1997*.

Policy option 6

Ensure conservation values are considered and integrated in risk management strategies adopted by local governments.

Local government actions

- Ensure procedures for including environmental assets, including native vegetation, are taken into account when developing fire management plans.

State government actions

- Provide information on appropriate fire regimes, training and advice to councils in the preparation and implementation of risk management strategies.

Commonwealth government actions

- Financial and technical support.
- Research on appropriate risk management strategies, particularly in relation to fire management.

Costs

Moderate costs

Changes to policy and legislation may be required.

Resources to councils to prepare integrated risk management strategies.

Expected outcome

Councils required to integrate conservation and risk management planning. Councils may over time be able to demonstrate that conservation values have been taken into account.

Facilitating community participation

As local governments are the level of government closest to the community, they are in a strong position to support community-based programs for the protection and management of native vegetation.

The issues

Local councils can provide in-kind or direct financial assistance to community-based groups undertaking actions to conserve and manage native vegetation. Many local councils already support community-based activities, focusing upon landcare facilitation in rural areas and the employment of environmental officers by urban councils.

The activities of voluntary community-based groups and individual landholders are at the centre of State and Commonwealth government policies for sustainable natural resource management. This is probably best demonstrated by the landcare movement, which seeks to encourage both communities and individual landholders to learn from joint experiences and thereby improve land management practices. Governments are seeking to encourage and support community-based activities, rather than provide full financial support for conservation management.

In this context, the voluntary efforts of community-based groups and individual landholders become more important, as they are the central means through which the conservation of native vegetation is to be delivered.

Facilitation of community involvement is a well established function of most local governments, although not always in ways that are directly related to vegetation management. Key issues raised in our discussion with a range of individuals involved in facilitating community programs include:

- improving the targeting of community programs to areas of highest environmental need;
- integrating environmental programs into other council activities; and
- securing continuity for environmental programs through long-term political commitment and financial support from councils.

Discussion and models for action

Local councils have a strong tradition of supporting the work of community-based groups. Mechanisms through which councils provide support and other resources to community groups for natural resource management include:

- *use of council machinery* – for example, through purchase of tree planting and/or direct seeding machines or providing ripping prior to plantings for rehabilitating native vegetation;
- *use of council resources* – including administrative support;
- *use of facilities* – such as community halls and shop fronts;
- *direct support* – for example, providing motor vehicles for facilitators; and
- *direct grants* – to community groups for on-ground works.

The role that councils are currently playing is strongly related to the size and location of the council:

- Many larger urban councils have dedicated environmental officers who play a significant role in facilitating community involvement in vegetation conservation. These councils often provide direct financial support to community-based groups.
- Landcare facilitators are employed to assist in coordinating landcare groups in many rural regions. These positions are often funded by State and Commonwealth governments and based in local government offices. The majority of support currently provided by these councils is of an in-kind nature. The costs of providing

these resources are real, however, and may typically be in the order of $30 000 to $60 000, depending on the situation. [5]

Local councils and community groups also receive support for community facilitation from Commonwealth and State agencies and other non-government organisations. For example:

- environmental resource officers are located in the local government association, or equivalent, in each State;
- Bushcare facilitators are employed to support Bushcare activities in each State;
- Greening Australia provides support for vegetation planning in a wide range of regions; and
- numerous State programs provide advice to catchment groups, including whole farm management programs, Land for Wildlife, catchment committees, and so on.

The challenge is to coordinate the wide range of community-based programs and activities at a local level. Councils are well placed to perform this function through the development of regional strategies and plans.

Targeting community programs

An important challenge in supporting community-based management is balancing local objectives with conservation objectives set at a strategic scale. A number of individuals have commented that the objectives of a community group are often of a very localised nature:

- several officers in one peri-urban council in New South Wales noted that community groups were only interested in their own local patch and were not interested in the more strategic biodiversity objectives of the council; and
- several landcare facilitators in rural regions have noted similar concerns with linking individual projects to regional objectives or plans, particularly where landholder objectives vary from the regional objectives.

This situation presents a dilemma to policy makers. On the one hand, the enthusiasm of community groups should be fostered, and on the other hand the nature of many natural resource management problems requires a strategic and planned approach.

Within regional areas it involves establishing linkages between regional planning processes and local activities. In many regions fine scale data is not available so, whilst priorities can be established with confidence at a regional scale, their interpretation at a local scale is more difficult to achieve.

Local government is potentially in a powerful position to broker strategic partnerships. In the broad there are two strategies for doing this:

- actively involving the community groups in developing local action strategies that use the information and data collected by higher levels of government. For example, Brisbane City Council has developed an approach where they involve community groups directly in the planning and management of key sites of native vegetation;
- developing grant programs that give greater priority and funding to proposals that are directly linked to clearly identified regional objectives, such as the establishment of a wildlife corridor.

Both of these approaches rely heavily on developing program structures that actively involve the community in setting objectives for management. In this way it is hoped that local and regional/scientific objectives can be more closely aligned.

Integrating environmental management into council activities

A large number of landcare facilitators and environmental resource officers have raised the issue of poor council support for their work and of a feeling of being isolated and not supported by their councils. For these reasons, there is a need to

5. This estimate is based on discussions with local councils and estimates of the costs of office support and a vehicle.

develop mechanisms that ensure that community-based facilitation is more strongly linked to similar activities in other councils. This link could be ensured through:

- establishing networks of environmental officers to support their work;
- having environmental officers or landcare facilitators produce independent reports on the environmental performance of their councils; and
- creating permanent positions for facilitators, subject to continuing performance.

Clearly, a balance needs to be achieved between integrating community-based activities with the work of councils to develop strategic approaches to natural resource management and providing independence to the facilitators and the community groups they support.

One possible approach would be to give environmental officers and landcare facilitators greater access to the decision-making processes of councils. For example, facilitators could be given the opportunity to prepare an annual report to council on the progress of community-based programs highlighting the actions and decisions councils could take to support the program. Further, because facilitators are often unaware of administrative and decision-making procedures within councils, they would greatly benefit from active support and mentoring by senior managers.

Securing long-term commitment to environmental programs

Facilitation of community involvement in natural resource management can either be a pro-active or passive council function. We have not spoken to any council officer who did not support community-based involvement in natural resource management. However, a significant number of councils did treat landcare facilitation as a discrete activity that was not part of their general council functions. Environmental officers and facilitators are often employed on the basis of grant funding from State or Commonwealth programs, with no commitment from councils to continue the role after funding ceases. The lack of security and commitment to environmental programs has led to a high turnover of staff in facilitator positions, particularly in remote rural regions.

Other councils strongly support the work of their facilitators and provide leadership within their community. Our needs assessment revealed that the success of environmental programs is strongly tied to:

- the degree of political support for the program within council, particularly from senior management and councillors;
- the extent to which council activities are integrated with other regional and State natural resource management programs, such as when a senior manager from the council is actively involved in the region's catchment group allowing for networks and links to be developed; and
- continuity of key staff; many of the most innovative and successful programs have had stable staffing in excess of five years.

In short, to be successful community facilitation requires a long-term investment from councils and must be strongly supported and given the same degree of security as other council policies and programs. This requires that councils provide a commitment to continue programs, even in the absence on ongoing grant funding from State and Commonwealth government. This is a significant issue, especially for smaller councils with very limited discretionary funding. The issue of providing a more secure funding base for councils to engage in natural resource management is addressed in Chapter 4.

A closely related issue is to employ and retain high quality individuals to run community-based programs. Wages for facilitation are generally in the lower to middle range for professional officers. Further opportunities for advancement and career development are limited. As a result many facilitators move on quickly to new positions. A key issue is to provide a more structured career path for individuals involved in natural resource management facilitation and extension.

Policy option 7

By closely involving community groups in the preparation of conservation plans and strategies, local governments can more effectively target community-based programs.

Local government actions

- Involve community groups in the collection of data and development of priorities for environmental management within the local government area.
- Develop criteria for prioritising council assistance to community groups based on environmental priorities.

State and Commonwealth government actions

- Support the development of local plans for community-based conservation work by providing funding, information data and expertise

Costs

Savings

Upfront costs associated with including community groups in strategic planning processes.

Expected outcome

Improved targeting of investment and high return to the public from community investment in on-ground works.

Outcomes more rewarding, resulting in improved participation and growth in community programs.

Policy option 8

Greater integration between community and local government programs can be achieved by giving facilitators and environmental officers access to council decision-making processes.

Local government actions

- Facilitators could be encouraged to provide feedback to the council on environmental management through the production of an annual report to council.
- Senior management provides active support and mentoring for facilitators and environmental officers.

State and Commonwealth government actions

- Require Commonwealth and State government funded positions to provide an annual report against clearly defined performance criteria.

Costs

Savings

Reduction in duplication of infrastructure.

Expected outcome

Improved access to community leaders and decision-making processes will ensure more effective delivery of community programs.

Improved accountability of councils.

Provide a catalyst for improved environmental performance.

Policy option 9

Community-based programs will be more successful if there is continuity in their operation and in the staff involved in their delivery. Local governments could, with funding support from central government, move to provide security and a career path for facilitators and environmental officers by incorporating these functions into a council's core structures.

Local government actions

- Include environmental programs within the core budget of councils and create permanent positions for community facilitation.

State and Commonwealth government actions

- Provide a secure funding base for natural resource management programs within local government.
- Investigate and develop options and incentives for retaining and developing the skills of natural resource management facilitators.

Costs

Low–moderate costs

Based on the assumption that funding levels will be sustained.

The difference is that a long-term base for maintaining existing commitments is required.

Expected outcome

There is strong anecdotal evidence that there are long lead times involved in establishing successful community-based programs.

Programs that are sustained over a period of greater than five years are likely to have a much greater impact.

Financial incentives and market mechanisms

Financial incentives and market-based instruments are a primary means of supporting land use planning outcomes on private lands through voluntary participation of landholders in conservation activities.

The issues

Financial incentives are a mechanism for rewarding land managers for the provision of services that conserve native vegetation. They are the carrots of the policy mix which may also include regulatory sticks delivered through land use planning, zoning and approval processes. Councils have not generally used incentives and market-based instruments to promote conservation management, depending on more traditional planning tools to meet conservation objectives.

As local government is the principal regulator of the development, it has an important role to play in promoting the conservation of native vegetation on private land. Strategic land use planning that takes account of conservation values is a necessary first step in this process. However, these planning measures are likely to be more effective if they are complemented by incentive programs.

Incentives have gained currency amongst policy makers because they reinforce and encourage voluntary conservation activities on private land (Young et al., 1996). Financial incentives and market-based instruments have a role in the range of policies introduced for vegetation management because:

- they use the market to identify landholders who are willing to voluntarily manage land for conservation;
- they can offset the costs associated with making a transition to new land use provisions or local laws and hence increase their acceptance within the community; and
- they can act as a catalyst to private investment in conservation activities as they meet some of the direct upfront costs of managing land for conservation, such as the construction of fences.

The importance of achieving conservation outcomes on private land cannot be overstated. This is because many of the most poorly represented types of native vegetation are only found in flatter and more fertile areas that are privately owned and have been more intensively developed (Pressy, 1995). These areas have traditionally been ignored as conservation planning has focused on debate over the use and allocation of public lands.

Key issues in achieving a greater use of incentives and market-based instruments include:

- gaining support for the use of incentives and market instruments within local councils that have traditionally used planning mechanisms;
- clarifying the legal capacity of councils to use financial incentives and market-based instruments; and
- securing ongoing resources required for administering incentive programs.

Discussion and models for action

The incentives and market instruments considered in this project are introduced in Box 3.5 They are discussed in detail in a separate report prepared for this project (Binning and Young, 1997a). The incentives are all of a modest size that would not generally compensate landholders for forgone land use opportunities. Rather, they would provide a catalyst for landholders undertaking conservation works by offsetting some of the direct costs of taking action.

Financial incentives and market-based mechanisms are just one of a range of policy tools that can be used to promote conservation outcomes. There is considerable evidence that they will not succeed if used in isolation. Rather their effectiveness lies in complementing other programs and initiatives that are being undertaken by councils (Young et al., 1996, Binning and Young, 1997a).

Box 3.5: Examples of financial incentive programs

Financial incentives

Grants to landholders and community groups

Local government may provide funding to individuals or community groups to undertake conservation works. For example, a farmer may apply for fencing assistance to fence off a high value remnant. The provision of grants is a direct way of the community acknowledging that on-ground works have a public benefit in addition to private benefits. In this way grants and incentives can be considered cost-sharing mechanisms for the conservation of native vegetation.

Rate rebates and concessions

A rebate on rates may be provided to landholders who have agreed to manage an area of remnant vegetation for conservation. In such a scheme, a discount on the rates payable or rebate on that land are given to the landholder.

Market-based mechanisms

Land acquisition and revolving funds

Councils may move to acquire key sites of high conservation value within the local government area. Rather than retaining these sites, a revolving fund which is used to purchase land on the open market, to place a covenant on the land and then re-sell the land has the potential to protect land cost-effectively. The covenant is usually one that links the owner and all subsequent owners to the covenant's conditions. As the property right is changed via the covenant, it is more likely that a landowner committed to vegetation management will purchase the land. In this way the market works to identify a landholder willing to manage the land for conservation.

Management agreements

In broad terms, a management agreement is a contract or binding agreement between a landholder and a third party regarding the management of native vegetation on their property. In the case of remnant vegetation, an agreement would generally restrict land uses that are harmful, such as vegetation clearing and over-grazing, and prescribe the management actions required to sustain conservation values in the long term.

This report considers two types of management agreement: land use agreements which are generally related to agreements or development approvals under planning legislation and which are binding on the current landholder; and covenants which are registered on the title of land and hence are guaranteed to bind successive landholders and governments.

Some councils are becoming very active and being strongly supported by their communities in promoting the conservation of native vegetation through the use of financial incentives. Commonwealth and State government agencies are also moving to promote the use of financial incentive schemes of this kind. A range of these instruments is already available to landholders through State agencies. Councils may also apply to initiate such programs through the Commonwealth Government's Natural Heritage Trust.

A number of examples of councils using incentive-based instruments are highlighted in Box 3.6

Box 3.6: Examples of incentives and market-based instruments in practice

In ***Melton Shire Council*** in Victoria, landholders are eligible for a rate rebate for environmental works to control noxious weeds (such as serrated tussock), pest animals (such as rabbits) and soil erosion.

Logan City Council in Queensland has identified areas of environmental significance requiring conservation. Purchase of these lands is not feasible, so council has introduced a residential conservation zone into its planning scheme. Rate rebates of between 25% and 50% have been offered as an incentive for private landholders to rezone their property to the new zone, and thereby meet broader conservation objectives.

The ***Coorong District Council*** in South Australia provides incentive payments for the management of dryland salinity. Payments have been negotiated using the cost-sharing framework developed by the Murray-Darling Basin Commission, with payments increasing as the public benefits of actions rise in proportion to private benefits. For example, smaller payments are provided for establishing lucerne, a commercial crop, than for establishing wildlife corridors.

Gaining support for the use of incentives and market instruments within local governments

Financial incentives and market-based mechanisms for natural resource management are unfamiliar to most local governments, who have traditionally relied on planning tools. The needs assessment undertaken for the study revealed that councils have the following significant concerns in relation to using these instruments:

- gaining community and political support for councils playing a role in conservation management;
- ongoing funding implications;
- accessing the expertise and examples of successful approaches; and
- having adequate human resources – incentive schemes, like most conservation programs, require skilled staff to administer the program and extension officers to negotiate appropriate land management practices with landholders and to monitor outcomes.

These concerns highlight that councils are uncertain about the resources required to administer incentive programs and are unlikely to support their development in the absence of strong support from the community and higher levels of government. In particular, rural councils were generally of the view that these mechanisms might be more appropriately pursued at a Statewide level through catchment management structures and the Landcare Program.

Those councils that did support these mechanisms tended to be larger and already have active conservation programs in place. Typically, incentives and market-based mechanisms are developed to reinforce existing policies.

The reluctance of local government to use new approaches highlights an important opportunity for the Commonwealth Government and State governments. Many of the impediments to the use of these instruments lies in the uncertainties created through initiating new programs.

One approach would be to develop model programs at a Commonwealth and State level and actively promote and support their use by local government. A potentially useful model is the development of model planning schemes by State planning agencies which are then used as a guide in the development of local plans by councils.

A second approach may be to support the development of partnerships between State agencies and local government. For example, all States have active conservation agreement programs. However, these programs are generally short staffed and have only a low profile in the community, particularly in remote regions. Councils could potentially act as a regional office for these

programs. In this way the delivery of existing programs is improved rather than spending limited resources in establishing new programs at a local scale.

Clarifying the legal capacity of councils to use financial incentives and market-based instruments

Another concern is that, due to legal restrictions facing local government, councils may not have the legal capacity to use financial incentives and market-based instruments. Indeed, our analysis of the legislative framework faced by local government, presented in *Opportunity Denied: Review of the legislative ability of local government to conserve native vegetation* (Cripps et al., 1999), reveals that there are significant legal impediments to councils using innovative tools in each jurisdiction.

Interestingly, the needs assessment contradicted this finding and showed that most councils felt that legislative impediments to introducing incentives could be overcome if there was a strong commitment to their use within council. For example, Brisbane City Council has introduced incentives in the form of a direct grant based on property value, rather than as a rate rebate, to avoid administrative complexities. Likewise, they have used the planning scheme to register conservation agreements through a special land use zone, rather than registering agreements on title, which they are currently unable to do.

It is clear that legal impediments can often be worked around. However, lack of policy support and clarity in the legal position of local government is hindering the use mechanisms of this kind. This point is clearly demonstrated by the contrast in performance of councils in south-east Queensland and New South Wales. In Queensland there are no legal or policy constraints to the use of incentives and market mechanisms which have been adopted by a wide range of councils. However, in New South Wales, where the legal position is unclear and there has been no policy support from State government, there is almost no use of incentives by local governments.

Councils in all jurisdictions should have the legal jurisdiction and policy support to implement the full range of incentive-based instruments to manage native vegetation. Significant legislative impediments to councils using incentive-based instruments exist in each State.

Appendix B contains summaries of the legal position in relation to the use of each of the instruments in each State from the report, *Opportunity Denied* (Cripps et al., 1999).

Securing ongoing resources to support incentive programs

A principle concern for councils in introducing financial incentives and market-based instrument is the potential long-term cost, either in terms of outlays or forgone revenue in the case of a rate rebate.

This concern is particularly important as many new natural resource management programs initiated by councils are supported by short-term grants from State and/or Commonwealth governments. Many councils will not put in place strategic ongoing programs in the absence of an identified source of revenue to meet longer term obligations. Faced with only short-term funding they are more likely to use grants to initiate self-contained projects which do not have ongoing financial implications.

Funding of environmental programs by local government is a complex issue which is addressed in detail in Chapter 4. It is argued that if local government is to play a central role in natural resource management a larger and more secure funding base is required. Cost-sharing principles also imply that a proportion of the costs of conservation activities should be borne by the broader community and hence paid for from outside the rate base. However, even if the issues concerning the overall financial position of councils is improved, it will still be necessary to allocate resources to programs of this kind.

Two broad approaches are possible:

- an allocation can be made from consolidated revenue; or
- forgone revenue can be recovered through changes in the rating structure; for example, if may be possible to offer rate rebates in a way that is revenue neutral by applying differential rates to other land use categories.

Finally it is also important to consider the magnitude of the financial cost of introducing incentive programs. Incentive programs are often very cost-effective as they can secure private investment of up to 10 times the value of the incentive provided (Young et al., 1996). Further, ongoing costs to revenue may be relatively small. For example, in the case of a rate rebate, a highly successful program would still only apply to a very small percentage of land within a shire, certainly less than 5%. In this case options to recover forgone revenue from other ratepayers may be acceptable. This will generally be easier to achieve in urban councils that have greater capacity to cross-subsidise activities than rural councils.

Policy option 10	Local government actions	State and Commonwealth government actions
Local governments should be given the legal authority and policy support to implement financial incentives and market-based policy instruments for the conservation of native vegetation.	• Identify gaps and issues in existing arrangements and seek clarification and support from State agencies.	• Ensure local governments have legal access to the full range of policy incentives (see Appendix B).
	Costs	**Expected outcome**
	Low–moderate costs No direct financial cost. However, some costs in pursuing legislative reform.	No impediment to local councils being innovative in conserving native vegetation.

Policy option 11

Incentive-based instruments may be promoted and used by local governments to complement other conservation initiatives within local government.

Local government actions

- Consider the role of incentive and market-based incentives in the development of local and regional land use plans and natural resource management strategies.

State government actions

- Support the development of local government programs through the development of model incentive programs as a component of land use planning processes.
- Develop alliances with local government for the delivery of existing State-based incentive programs.

Commonwealth government actions

- Use Natural Heritage Trust funds as a catalyst for introducing incentives and market-based instruments for vegetation management. The program could be transitory, with councils moving to self-fund these programs over a number of years.

Costs

Moderate costs

Pilot programs are required to develop and test model schemes for wider use.

Funding in the order of $5 million per annum in the first 4 years.

Expected outcome

Wider acceptance and use of incentives and market-based instruments to complement other planning tools.

Providing financial and administrative support

Because local governments are elected and directly accountable to their communities, have a statutory basis, and have highly professional financial administration systems in place, they are ideally placed to manage the collection and expenditure of public funds for regional natural resource management.

The issues

As the third tier of government, councils are responsible for managing public funds. Councils employ financial managers to oversee the administration of a complex range of services and functions. There are also well defined procedures in place for auditing both the performance and accountability of programs administered by local government (see, for example, National Office of Local Government, 1997; Industry Commission, 1997a).

There is an increasing trend towards organisations, ranging from catchment committees to landcare groups, becoming incorporated so that they can manage public funds and be insured against public and personal liability. Indeed, incorporation is often mandatory before grants can be provided to community groups.

Whilst the case for incorporation is strong from the perspective of insuring against public liability, the red tape associated with incorporating means that many regional bodies and community groups must devote significant resources and energy to complying with the administrative and reporting requirements associated with government grants.

A related issue is that these organisations do not generally have the jurisdiction to raise funds, although this capacity has recently been given to catchment management authorities in Victoria. In some situations local governments may be able to raise funds for these organisations, either through imposition of a special rate, or by providing a grant from general council revenue.

These functions of could be provided as a service to these groups by local government. However a tension exists because:

- on the one hand, it is critical that regional bodies and community groups that apply for and receive government grants have some autonomy and decision-making power over how these funds are used and distributed; and
- on the other hand, local governments already have systems in place for both collecting and managing public monies.

Discussion and models for action

There are numerous examples of local governments providing administrative support in the form of financial management to regional bodies and community groups. For example, many landcare coordinators are located in local government offices and receive administrative support. Where there is a close relationship between a local council and the other organisation, this relationship can be extremely productive by acting as a catalyst for communication and integration of the organisation's activities.

However, a small but nevertheless significant number of groups consulted in the course of this project have indicated that they have become frustrated with a local council administering their funds. This is because either processing has been extremely slow or, more rarely, the local council has sought to influence the ways in which funds were used.

In relation to raising funds, local councils have in place mechanisms for raising funds through rates. The capacity of local councils to raise funds for environment-related expenditure is addressed in detail in Chapter 4. Local councils are also becoming involved in raising funds for regional bodies, either voluntarily or because of a statutory requirement.

Some examples of local councils providing financial and administrative support are outlined in Box 3.7.

Box 3.7: Examples of councils providing financial administrative support

Lake Macquarie City Council provides administrative support to the Lower Hunter and Central Coast Regional Environment Management Strategy, a joint initiative of councils within the region. The strategy is a significant program coordinating strategic environmental management in the region, from biodiversity to waste management initiatives. Without the support of Lake Macquarie Council, additional resources would have to be diverted to administrative tasks.

Many of the shires in the ***Blackwood Basin***, including Dumbleyung, Katanning and Wagin, provide administrative financial management support to landcare coordinators based in their offices.

Councils in Western Australia are assisting ***landcare coordinators*** and ***Land Conservation District Committees*** to raise funds for on-ground landcare works. The Shire of Katanning raises a voluntary levy for landcare on its ratepayers. The Shires of Mullewa and Dalwallinu are assisting their Land Conservation District Committees to raise funds for on-ground works. The raising of these levies has been cooperative and well supported by the local councils (Nobel, 1997).

In Victoria, the newly formed ***catchment management authorities*** have been given the capacity to rate landholders, with local councils responsible for collecting the levy. As the approach is one imposed on local councils, however, it is being resisted, with many councils expressing the view that their role in natural resource management is being usurped by the catchment management authorities, which are not elected (Municipal Association of Victoria, pers. comm.). But, in time, we believe this role will be accepted and then turned to advantage.

Where cooperative arrangements can be established, there are clearly advantages in local government providing support of this kind to community groups. An interesting question is whether it would be desirable to mandate that local government undertake the financial administration of grants to community and catchment groups. The rationale for such an approach would be that:

- giving local councils the formal responsibility of coordinating financial management across their local government area would provide a significant catalyst to achieving much needed integration between the activities of local councils, community groups and other regional bodies; and
- considerable efficiencies may be created, with many groups avoiding the need to establish separate processes for financial administration.

However, in considering such a model, care would have to be taken to ensure that councils did not have the power to withhold funds or usurp the decision-making power of regional bodies and community groups that have successfully applied for funding from higher levels of government.

On balance, we stop short of recommending mandating that local governments provide administrative support of this kind. However, we do believe that the potential benefits associated with cooperative administrative support are very significant, not least in developing closer working relationships between organisations involved in natural resource management at a local scale. For this reason it is strongly recommended that local governments actively support community and catchment groups in this way.

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Policy option 12	Local government actions	State and Commonwealth government actions
Local governments should be encouraged to provide financial and administrative support to community and catchment groups in order to promote greater synergies in their activities at the local scale.	• Actively promote council administrative and financial services to relevant and active community and catchment groups.	• Encourage local governments and community groups to work collaboratively in the administration and delivery of natural resource management programs. • Consider coordinating the distribution of grant funding through local governments. • Include criteria for community grants that favour proposals that actively involve local government in their administration and support.
	Costs	Expected outcome
	Savings More cost-effective administration.	• Improved program coordination. • Improved cooperation. • Reduced conflict and duplication.

4. Building the capacity of local government

Education and awareness of native vegetation values

Funding local government to conserve native vegetation

Providing data, information and expertise

Policy and program coordination and targeting

Education and awareness of native vegetation values

Local governments do not always perceive natural resource management as an important issue. Education and information on the value and importance of natural resources, such as native vegetation, are required to raise the awareness and commitment of many local governments

The issues

Reasons why many local governments are reluctant to take on additional service responsibilities, including native vegetation management include:

- a strong view within some local governments that natural resource management is responsibility of State government, not local government;
- poor knowledge of biodiversity and its value and the services it provides to both the local and broader community;
- resistance from rural industries and urban developers to the involvement of local governments in regulating land use for nature conservation purposes.

It must be accepted that many local councils are yet to be engaged in the management of natural resources. Yet the clear potential of local government to effectively manage native vegetation is demonstrated by the actions of successful councils which are described in boxes throughout this report. All of these councils are marked by their capacity to take complex policy objectives, such as the conservation of biodiversity, and give them a practical interpretation at a local level. However, approaches to engaging local government in native vegetation management must recognise the motivations that drive local government attitudes and actions. Strategies for engaging local government include:

- education strategies, highlighting the importance of sustainable management of natural resources, targeted at decision makers within local government;
- ensuring active involvement of local governments in regional natural resource management; and
- employment of dedicated environmental officers within local government.

Discussion and models for action

The needs assessment undertaken for this study (see Appendix A) revealed that success is very dependent on the ability of key individuals to bridge the gap between two organisations or interests that appear to be in conflict. These individuals can be project officers, chief executive officers or councillors. What sets them apart is their drive and vision. We have met a significant number of individuals who, through their efforts, have made a significant difference within their region or local government area. This is generally because:

- they have a clear strategic vision;
- they are able to build consensus; and
- they embrace new ideas and innovation.

One cannot prescribe community leadership, although this is clearly part of the solution. However, it is possible to identify institutional arrangements that are more likely to develop a culture of innovation and partnership that encourages leading individuals to come to the fore.

For example, a culture of innovation can only be established when councils have the flexibility to determine how they are going to achieve desired outcomes. Hence *process* or *input-based* policies, including many statutory planning and approval processes, will do little to create innovation, simply because they allow councils very little discretion in their actions.

Similarly, councils will not be able to manage natural resources effectively if they lack the financial

resources, information and expertise required to effectively plan and implement conservation programs.

Ultimately, political will is driven by community attitudes and perceptions. If the institutional structures, resources and policies available to local government are robust, it can be expected that changing community values will, in time, be reflected in the political process delivering native vegetation conservation.

Education

Natural resource management is a new and emerging function for local government. As the functions of local government have broadened, natural resource management has had to compete with a wide range of other activities and community services.

The challenge lies in presenting information in a way that is targeted and of direct relevance to the needs of local government (ALGA, 1998). The relationship of native vegetation and other natural resources to the performance of local government functions must be demonstrated. Likewise, the impact of local government actions on natural resources must be made clear. Examples include:

- the impact of rising water tables, increased water diversions and nutrient leakage on water quality and hence local water treatment costs;
- the impact of rising watertables, caused by loss of native perennial vegetation, on local infrastructure including roads and buildings;
- the role of native vegetation in pest management and pollination; and
- the impact of road maintenance on roadside vegetation and fire management strategies.

Because of the complexity of natural systems, these relationships are often unclear. Where these ecosystem services can be quantified a convincing case for the conservation of natural resources can often be made. For example, in one study of the Thomson River catchment in East Gippsland, it was found that the value of the native vegetation in providing clean water exceeded the value of the timber and agricultural production that would be associated with the catchment's development (Read, Stargess and Associates, 1992).

To be successful, education strategies will need to be specifically designed and targeted to key decision makers within local government. The returns from education are long-term and difficult to quantify. There is considerable evidence that education strategies, in their own right, will not lead to changed behaviour by local government. It is when education is matched with regulatory and program structures that support the role of local government in natural resource management that successful strategies will begin to emerge (Binning and Young, 1997a; Young et al., 1996; Brasden et al., 1991).

Involvement of local government in regional structures

A wide range of regional structures, such as catchment committees, are emerging for the management of natural resources. These structures recognise the need for integrated natural resource management. However, the involvement of local government within regional structures of this kind is often inconsistent and unclear.

Where new regional structures are created, a formal role for local government should be included. In the needs assessment we found that where strong linkages between local government and catchments exist, it is more likely that councils will be involved. In urban areas, a similar case can be made for the involvement of local governments in the development of regional conservation strategies by State agencies.

Employment of environmental officers

Environmental officers can bring key expertise to councils in the management of natural resources. Many councils already employ environmental officers, with mixed success. Some environmental officers are able to effectively integrate environmental issues into the day-to-day activities of councils such as development approval processes. Others have difficulty in gaining acceptance within the council and feel marginalised.

The *National Local Government Biodiversity Strategy* (ALGA, 1998) identifies the following duties for an environmental officer:

- introduce technical skills and data into councils or regional organisations;
- organise and manage vegetation/biodiversity audits;
- design and implement education/information programs;
- draft habitat conservation regulations;
- consult with local communities;
- review planning schemes to introduce biodiversity conservation into land use management;
- design and implement a monitoring program; and
- establish administrative structures for ongoing biodiversity management.

The role essentially involves implementing a program for natural resource management that mirrors the actions identified in this report. Gaps in the above list include the potential to establish processes for management of native vegetation on council-managed lands and the introduction of incentive and grant programs.

Policy option 13

Develop a comprehensive education program for local government decision makers highlighting the importance of local government involvement in the management of natural resources, including native vegetation.

Local government actions

- Undertake internal training to highlight the impact of council activities on natural resources.

State government actions

- Provide information to councils on their responsibilities under State legislation and policies for the management of native vegetation.

Commonwealth government actions

- Fund and support a national education program for local governments, highlighting the importance of natural resources and native vegetation to their operations. Support this program with resources for on-grounds works by local councils.

Costs

Moderate–high costs

Estimated in the National Local Government Biodiversity Strategy at $750 000.

Expected outcome

Increased awareness of natural resource management issues by decision makers within local government.

Effectiveness increased if combined with complementary on-ground regulatory, policy and program mechanisms.

Policy option 14

Ensure local governments are actively involved in regional natural resource management structures.

Local government actions

- Seek to meet with and discuss opportunities for collaboration with regional structures, such as catchment management committees.

State government actions

- Ensure local government is represented and consulted by regional natural resource management structures established under State legislation

Costs

Low–moderate costs

Review of local government participation in regional structures.

Expected outcome

Improved integration between local government and regional natural resource management structures.

Policy option 15

Employ environmental officers to develop and integrate local government policies and programs for the management of natural resources.

Local government actions

- Employ and support the role of an environmental officer.

State government actions

- Provide financial support and establish networks for environmental officers to share experiences.

Commonwealth government actions

- Provide resources to councils with a lower capacity to manage natural resources.

Costs

High costs

Costs of employing environment resource officers lie in the range of $70 000 to $100 000 per council depending on assumptions regarding in-kind support and salary range.

Expected outcome

Improvements in the coordination and delivery of environmental programs.

Funding local government to conserve native vegetation

The majority of local governments are unwilling to put in place new programs to protect native vegetation in the absence of secure funding to meet ongoing costs associated with managing these programs. There is an urgent need to develop long-term funding protocols, including cost-sharing arrangements, for natural resource management at the regional level.

The issues

Local governments are strongly of the view that increased levels of funding are required if they are to play an effective role in vegetation management. Key concerns raised by local government officials include:

- councils do not have the staff to undertake the tasks associated with vegetation management;
- State governments are increasingly devolving responsibilities to both local government and new regional agencies without resources to support or to maintain them;
- a range of support services previously supplied by State governments are now only provided on a cost-recovery basis; and
- councils are reluctant to introduce new programs that are going to lead to ongoing liabilities, such as managing areas of land acquired by local government for biodiversity conservation or maintaining an incentive scheme, once Commonwealth/State funding ceases.

Existing funding arrangements for natural resource management from Commonwealth and State governments to local government are generally tied to a specific purpose and timeframe. For example, the Natural Heritage Trust is specifically targeted at providing short-term assistance for *'activities more properly addressed by land users and directly responsible jurisdictions'* (Commonwealth of Australia, 1997).The rationale implied in funding allocations is that resource management problems should ultimately be addressed and financed at a regional level.

Such approaches are effective in acting as a catalyst for undertaking new activities. However, existing arrangements do not address how the transition to self-reliance and funding is to be achieved once central government funding ceases. If management of natural resources is to be effectively delegated to a regional level, there is a need to establish clear funding arrangements.

Many of the policy options identified in this report will require new resources to be identified or existing resources within local governments to be diverted.

In order to determine models for funding, the following issues need to be considered:

- how local government is currently funded;
- options for local government raising funds at a local scale;
- options for the provision of funding from the Commonwealth government and State governments; and
- mechanisms for equitably sharing the costs of natural resource management between jurisdictions and beneficiaries.

Discussion and models for action

How local governments are financed

To evaluate how local government can fund native vegetation management activities, it is important to firstly understand how local governments are currently funded and how they administer these funds across a wide range of expenditure needs. With this information, some initial judgements can

be made about how the costs of natural resource management can be most effectively shared between the various levels of government and how funding arrangements may be most effectively managed. Table 4.1 outlines the various sources of local government funding.

Table 4.1: Sources of local government finance within Australia

Source	$billion
Taxes, fees and fines	5.52
Net public trading enterprise surplus	0.52
Interest	0.4
Grants	
– general purpose	0.83
– local roads	0.37
– specific purpose	0.22
– other	0.66
Sale of goods and services	2.72
Other	0.65
Total	11.89

(National Office of Local Government, 1997)

The total revenue of Australian local governments in 1995–96 was $11.89 billion, of which approximately 50% ($5.52 billion) was raised directly from local communities through rates and charges (National Office of Local Government, 1997). This compares with total revenue of $166.9 billion and taxes and charges of $152.56 billion across all levels of government in Australia (Australian Bureau of Statistics, 1998).

Local government's share of all government revenue is therefore approximately 7% and its share of revenue collection is approximately half of this, at 3.5%. This translates into local government activities constituting a little over 2% of gross domestic product, a figure that has remained relatively stable over the last 100 years (National Office of Local Government, 1997).

Relatively little is known about the significance of environment-related expenditures by local governments. This issue is being addressed in a joint study by the Australian Centre for Regional and Local Government Studies and the Australian Bureau of Statistics, which is evaluating the significance of environment-related expenditures by local governments. Preliminary results (Table 4.2) are showing that local governments spend a significant proportion of their income on environmental matters – that is, between 6.5% and 33%. This is high when compared with other levels of government and industries in Australia.

Table 4.2: Estimates of the percentage of expenditure on environmental issues

Level of government	Percentage of expenditure on environmental matters
Commonwealth and State	0.3–6
Mining, agriculture and manufacturing industries	0.29–1
Local government	6.5–33

(Osborn, 1998)

The Australian Centre for Regional and Local Government Studies study has also made preliminary estimates of the breakdown of environmental expenditures against a range of categories which are set out in Table 4.3.

Table 4.3: Categories of environmental expenditures by local governments

Environmental protection	
Sewerage and stormwater	56%
Biodiversity and landscape	3%
Other	1.2%
Natural resource use and management expenditures	
Inland water uses and management	29%
Land management (including planning approvals)	9%
Repercussions of environmental damage	
Floods, storms and bushfires	2%

(Heycox et al., 1998)

These findings demonstrate that local government is a very significant player in environmental management. If the results are generalised by assuming that local governments allocate, on average, 20% of their funding to environment-related expenditures, this is equivalent to approximately $2500 million per annum. This can be contrasted with the Commonwealth Natural Heritage Trust programs of approximately $1.75 billion to be spent over six years at an average of $291 million per year (Australian Bureau of Statistics, 1998).

However, it is important to recognise that local government expenditures are heavily biased towards water and sewerage management, with these items accounting for 85% of all local government expenditure. It is also interesting to note that 3% of local government environment-related expenditures were specifically targeted at conservation initiatives – an equivalent of $75 million per annum or $450 million over four years.

In summary, the data that is currently available shows that:

- Local government spends a significant proportion of its resources on the environment and related expenditure, although this is dominated by the provision of water and treatment of wastes and sewerage.
- Well in excess of 50% of local government revenue is generated from internal sources and hence approximately 50% of the natural resource management-related expenditures being undertaken by local government could be argued to be internally financed.
- Local governments have very little discretion in how they spend their funds because the majority of councils are fully extended in providing basic services such as sewerage treatment, water supply and planning approvals.
- The significance of grant revenue varies considerably, with remote councils in rural regions relying predominantly on grants; for example, the proportion of grants to other sources of income varies from 33% in the Northern Territory to 11% in New South Wales (National Office of Local Government, 1997).

From this background it is possible to conclude that new or additional funding is required for natural resource management and that these costs need to be shared. Options for increasing funding and the development of cost-sharing arrangements are outlined below.

Funding options for local government

Local governments have the capacity to increase funding for environmental management through:

- general increases in property-based rates;
- special environmental levies;
- payments for environmental services and developer contributions;
- reallocation of resources within existing funding constraints; and
- borrowing funds.

If local governments are given greater freedom and flexibility in the way in which they can raise funds for environmental management, they will have a greater capacity to contribute to the management of natural resources, including native vegetation. There would appear to be little need for regulating the degree of freedom afforded to councils, as the community is likely to be the most effective scrutineer of the appropriate use of increased taxation reserves.

General rate increase

An increase in general rates is the most obvious and direct way of increasing the resources of local government. Whilst a very attractive option when considered in isolation, there are several difficulties associated with rate increases.

- Rate increases, like increases in any form of taxation, are unlikely to be supported within the community and hence are politically very unattractive.
- Rates are generally based on property values as they have traditionally been associated with the provision of local infrastructure. As the functions of local councils have broadened to include issues such as environmental management, the appropriateness of this form of taxation may be questioned.

- In recent years a number of jurisdictions have moved to place a cap on the rates that local councils are able to levy on their communities. New South Wales and Victoria currently have rate capping in place.

The limited ability of local councils to increase revenue through general rate increases is well demonstrated by the following anecdote provided by a professional with many years experience in local government finance:

> It may seem counter intuitive, but rate capping has assisted many councils raise revenues to keep pace with other councils and inflation. This is because the decision to raise rates is to some extent removed from local government with the State Minister making a decision about the percentage by which rates may increase in any given year.

Despite this view, rate capping remains a significant impediment to councils who may have support for increased involvement in natural resource management.

Special environmental levies[6]

A number of councils throughout Australia have moved to introduce special levies to fund natural resource management. These are outlined in Box 4.1.

The rationale for using environmental levies is that they have the advantage of raising funds for a particular purpose which can then be used to market to the community the need for increased revenue. Because environmental levies are raised separately to general council revenues, care needs to be taken in a number of areas.

Box 4.1: Local governments funding environmental management

The ***Shire of Mullewa*** in Western Australia has increased general rates to provide funds to its local Land Conservation District Committee to undertake landcare projects. To date, increases have been modest, totalling $15 000 over 120 rural properties in 1997.

The ***Shire of Katanning*** in Western Australia has imposed a voluntary rate in an effort to retain their landcare facilitator. The scheme has not been very successful, with only a small proportion of landholders paying the rate. The shire, in cooperation with a number of other councils, is now seeking changes to be made to the *Local Government Act 1995* to add landcare activities to the list of services for which a council may impose a service charge. This would avoid the need to raise revenues indirectly through the *Soil and Land Conservation Act 1945*. This process requires that the local Land Conservation District Committee request a special rate be levied through the Minister of Primary Industry.

Warringah and Coffs Harbour City are the first councils in New South Wales to gain ministerial approval and introduce an environmental levy. Both levies are being used to fund local actions for improved natural resource and vegetation management (Morton, 1998).

Brisbane City Council imposes a rate of $30 per household. Funds from the levy have been predominantly used to acquire sites of high conservation value within the city. Initially, funds were borrowed against the levy to facilitate immediate purchase of a significant number of sites. The levy now funds repayments of the loan and purchase of additional sites. The fund is managed separately from general council revenue and enjoys strong community support.

6. The legal capacity of councils to introduce environmental levies in each State is evaluated in *Opportunity Denied: Review of the legislative ability of local government to conserve native vegetation* (Cripps et al., 1999).

Separate accounting from other council revenues is usually required to provide transparent reporting on projects undertaken with the funding so that ratepayers are confident the levy is being used on relevant projects.

Environmental levies may not enjoy long-term support. They have traditionally been used to fund short-term capital investments such as the acquisition of sites of high conservation value following review of conservation values across a region or investment in infrastructure such as new sewerage treatment works.

Whilst communities may be strong supporters of an environmental levy, experience with their use suggests that the community will very quickly remove that support if the funds are not administered for the purpose for which they were levied. For example, community support for the special environmental levy imposed by the Sydney Water Corporation was eroded after there was speculation that the levy was being used to pay the corporation's dividend to the State government.

A special levy may be an appropriate way of financing the local implementation of a regional environmental strategy.

Payment for environmental services and developer contributions

Councils are increasingly charging on a 'user pays' basis for the provision of services which impact directly on the environment, such as water supply, waste disposal and sewerage treatment (for a summary, see Morton, 1998). To the extent that charges of this kind lead to increased revenues, these may release general rate revenues for other environmental management, including the provision of incentives for landholders who manage remnant vegetation in the community's interest.

Of particular interest is the use of development contributions to mitigate the environmental costs of new developments. Land use planning legislation in most States allows for developers to be levied for the provision of infrastructure and community services associated with urban development. This concept could relatively easily be extended to apply to levies for the management of open space and biodiversity conservation.

Such an approach could raise funds to offset the adverse impacts of new developments with funds raised for improved management of native vegetation nearby the development. The scope of this mechanism is limited to the impacts of a particular new development on native vegetation contained within the development area. However, use of development contributions may assist in ensuring that the full costs of a new development are considered prior to the development proceeding.

Reallocation of council resources

Local government officers have noted that considerable scope may exist to reallocate existing council resources to environmental management. This potentially covers a wide range of issues including:

- promotion of long-term strategic planning to address natural resource management issues at an appropriate scale (for example, including funding or assigning staff to regional studies conducted in concert with other authorities/ agencies);
- rationalisation and streamlining of the development approvals process, particularly in relation to statutory requirements that may create inefficiencies if applied universally to all applications;
- improvement of the linkages between budget planning and the development of strategic priorities for council; and
- the sale of assets, particularly unwanted council lands of low conservation and other community value.

A number of these issues are addressed elsewhere within this report. While improvements can undoubtedly be made to the way councils manage existing resources, review of existing administrative processes will require strong council commitment that may not exist at the beginning of a process of engaging the council to undertake natural resource management.

Borrowing funds

Councils may also raise funds by taking out loans from financial institutions. This can be an effective strategy where a short-term capital investment is required which will have a secure funding stream to finance repayments on the loan into the future. This approach has been used to finance new sewerage treatment facilities and, in the case of Brisbane City Council, the purchase of sites of high conservation value, with the loan being repaid through an environmental levy.

Commonwealth and State government funding

A wide range of funding arrangements have been entered into between the Commonwealth government and State and local governments over the years. A comprehensive review of the strengths and weaknesses of different grant programs is beyond the scope of this study. However, the following broad approaches can be considered.

Grants by application

Councils may be encouraged to apply for grants on a competitive basis, with project proposals evaluated against documented eligibility criteria. This is essentially the basis on which councils can receive funding for natural resource management through the Natural Heritage Trust. Councils apply on an equal basis with other organisations for funding to undertake on-ground works for natural resource management, including the conservation of native vegetation.

The use of grant processes of this kind will facilitate the undertaking of projects of a short-term nature. As a result, they are ideal for addressing the scenario where central governments are seeking to provide a catalyst for new activities. Conversely, they are not well suited to funding programs that are likely to have ongoing and otherwise unfunded resource implications. Grant processes of this kind are also likely to be associated with high administrative costs, particularly where complex assessment processes are involved.

The one-stop-shop process of grant applications under the Natural Heritage Trust is an example of grants under this category, as funding is available for a maximum period of three to five years.

Targeted grants

Rather than using a bottom-up application process, grants may be directly targeted at regions which are evaluated to have the highest need by central governments. For example, in the early 1990s funding for capital investments by local councils was provided under the Local Capital Works Program. Councils were targeted on the basis of unemployment rates, with $303 million of grants provided at an administrative cost of $2.053 million, equivalent to 0.68% of the grants (Osborn, 1998).

In the case of natural resource management, regions could be targeted on the basis of:

- the conservation value of the native vegetation in the region;
- the extent to which native vegetation is threatened by activities in the region, for example urban or agricultural development;
- the capacity of the region to fund natural resource management programs; and
- the cost-effectiveness of proposed programs for the conservation of native vegetation.

Targeted grants provide a mechanism to target and lift the capacity of regions that have either not shown strong interest in natural resource management, or where action is required to address an urgent natural resource management problem.

We are unaware of any structured program providing funding of this kind specifically to local councils, although State government allocations to State agency catchment management structures may, in some circumstances, be targeted to priority regions. At a Commonwealth level, the use of targeted grants has been mooted through the 'Regional Priorities' component of the Natural Heritage Trust.

Untied grants (Financial Assistance Grants)

Local governments currently receive funding through Financial Assistance Grants for recurrent activities that form the 'core functions of local government'. Approximately $834 million is allocated through the grants each financial year. The

process for allocating the grants is outlined in Box 4.2.

These grants are untied and are aimed at correcting the fiscal imbalance created through the Commonwealth's dominant position in relation to taxing powers. Financial Assistance Grants are most effectively used for functions that all local councils must perform and for which uniform criteria can be established. They generally relate to functions that are well accepted as falling within the responsibility of local government.

If untied funding was to be provided for environmental management, criteria for determining the environmental needs of the local government area would have to be developed. This would provide a basis for allocating funding on the relative effort councils would have to commit to meet their environmental obligations.

It should be noted that the current process for allocating grants explicitly rejects the view that councils should be funded on the basis of performance, through application of the principle of effort neutrality (see Box 4.2).

Box 4.2: Financial Assistance Grants

The *Financial Assistance Act 1995* (Commonwealth) provides the basis for providing financial assistance to local governments for the purpose of improving:

- the financial capacity of local government bodies;
- their capacity to provide their residents with an equitable level of services;
- the certainty of funding;
- the efficiency and effectiveness of local government; and
- the provision of services to Aboriginal and Torres Strait Islander communities.

Grants are provided to local governments based on national principles, the most significant components of which are:

- *horizontal equalisation* – councils are treated equitably in a way that takes account of the differences in the expenditure required by those local governing bodies in the performance of their functions and in the capacity of those local governing bodies to raise revenue;
- *effort neutrality* – policies and programs of individual local governing bodies in terms of expenditure and revenue effort will not affect grant determination; and
- *minimum grant* – equal to the amount of 30% of total grant funding divided on a per capita basis.

Grants are untied and based on a calculation of the capacity of local councils to raise revenue through property rates and the need to provide a range of services at a cost that takes account of a council's 'disability factor', that is, the relative ability of the council to provide a service at an average cost.

Western Australia is the only State to specifically take account of environmental services in calculating Financial Assistance Grants. To date, the grants process deliberately precludes consideration of the performance of councils through the principle of effort neutrality, although considerable attention has been given to benchmarking council performance outside the grants process.

(National Office of Local Government, 1997; Industry Commission, 1997c)

Funding partnership agreements

Grants can be provided on the basis of local governments providing a range of services in partnership with other levels of government and regional organisations or groups. This arrangement is suited to the situation where costs for natural resource management are to be shared between the three spheres of government on an ongoing basis.

A medium to long-term funding commitment of 5 to 10 years could be envisaged, with clear outcome-based performance criteria established. A commitment to providing ongoing funding through untied grants such as Financial Assistance Grants could be given if performance targets are met. To take account of regional differences, the involvement of the various partners would vary depending on performance and capacity. For example, in some regions State agencies may be best placed to administer financial allocations through catchment structures. Alternatively, in regions where local government is actively involved, their proportion of total funding would be increased.

Partnership agreements are best suited to situations where responsibilities are shared and effort is being made to build the capacity of councils to perform new functions that will have ongoing financial implications. In this way all parties maintain active roles and have a direct interest in the outcome achieved.

Partnership agreements could be closely tied to the achievement of key outputs and activities in their initial years as trust is built amongst the various parties. However, in the longer term, as natural resource management is established at a regional level, it would be desirable to give greater flexibility at the local level by shifting emphasis to monitoring key performance indicators of the status of natural resources at the regional scale.

Towards cost-sharing and funding strategies

Developing funding arrangements for local government requires a clear understanding of the roles and responsibilities of each sphere of government and who benefits from the implementation of natural resource management actions.

Three factors, in particular, need to be considered:

- the vertical imbalance in the revenue-raising capacity of the three spheres of government in Australia, with the Commonwealth having by far the broadest taxation powers and hence raising the largest proportion of revenue;
- responsibilities for natural resource management are primarily held by State governments but are increasingly being devolved to local and regional level, generally through catchment management structures; and
- the benefits that arise from sustainable natural resource management are often poorly understood, of a non-market nature and unevenly distributed between local, regional, State and national scales, making the development of robust cost-sharing frameworks a complex task.

A balance needs to be struck between providing secure funding that encourages a long-term commitment from local councils and providing short-term assistance that encourages involvement in new issues or the provision of new services at a local level. A further complicating issue arises in relation to the development of cost-sharing arrangements for natural resource management. Whilst it may be appropriate for councils to raise taxes to address natural resource management problems generated at a local scale, the costs of meeting broader environmental objectives, such as the conservation of biodiversity, are arguably more appropriately financed by the broader community through taxation by central governments.

Simple solutions, such as increased Commonwealth funding, will not provide long-term or enduring solutions. Rather, cost-sharing arrangements that reflect the capacity and needs of different local regions need to be developed. Table 4.4 summarises the principles that may underpin the role of different spheres of government in funding natural resource management.

The roles and responsibilities outlined above imply that more secure sources of funding are required for regional natural resource management. While in the longer term a move towards increased untied funding at a regional level is both desirable and

justified, in the shorter term more structured arrangements are favoured.

As natural resource management becomes an accepted function of local governments, it would be desirable to provide increased recurrent funding through Financial Assistance Grants. This funding could be complemented by local government charges and levies that raise funds for initiatives which are primarily of local benefit.

In the short term it must be recognised that natural resource management is not an accepted function of many local governments. Untied funding may be diverted to other local priorities. As a result the use of untied Financial Assistance Grants is not advocated at this point in time. The use of partnership agreements and targeted grants provides a mechanism for strategically investing in local government activities. The partnership model provides flexibility to build consortiums with a wide range of organisations for the delivery of natural resource management programs.

Surprisingly, most local government officials interviewed as part of the needs assessment (see Appendix A) agreed with this view, noting that any untied funding would easily be subject to the risks of being diverted to other council priorities. Emphasis was placed on developing business-like contractual arrangements which build a partnership amongst all parties involved in delivering native vegetation programs. A number of individuals noted that this could be most effectively achieved by making all parties undertake some form of financial commitment to each project or program funded. In addition, a proportion of funds should be held over and tied to performance that is monitored against clear milestones and outcomes. In the longer term, however, the use of untied grants was seen as being acceptable.

A large number of issues are identified in this report which have resource implications. An approach which funded each of these activities separately would be inefficient and would risk the development of fragmented outcomes. Rather the development of integrated regional strategies that are funded through a single funding agreement have greater potential to achieve directed and strategic outcomes. These issues are addressed in detail in Chapter 5.

Table 4.4: Summary of the role of different spheres of government in providing funding for natural resource management

Jurisdiction	Roles and responsibilities
Commonwealth and State government	• Provision of short-term funding that provides a catalyst for local governments to provide a new service or undertake existing responsibilities in new ways. • Given the vertical imbalance in the revenue-raising capacity between local and central government, there is a responsibility to ensure that councils are able to generate sufficient recurrent funding to perform existing functions *and any new responsibilities devolved from higher levels of government.* • Provision of ongoing funding for conservation of values that are of Statewide or national significance.
Local government	• Raising revenue for natural resource management activities that are of local benefit, noting that: – taxing and revenue-making powers that enable local government to generate funds are required; or – in the absence of taxing powers, secure, untied funding should be provided that is sufficient to meet existing responsibilities.

Policy option 16

For local governments to contribute to financing the conservation of native vegetation, they will require the capacity to raise and target revenue for environmental programs.

State government actions

Enable councils to raise funds for natural resource management through the removal of rate capping.[a]

Allow the raising of environmental levies by amending the definition of a service within Local Government Acts to include environmental protection and remediation. Revenue raised through special environmental levies could also be exempted from rate capping.

Clarify that the use of developer contributions can include payments for protection of areas of native vegetation for the purpose of conservation.

Encourage review/audit of asset management and development approval processes to identify savings that will enable more strategic planning for environmental management within councils

Specific actions	Costs	Expected outcome
Remove rate capping	Minimal costs Amend policies and, where required, legislation.	Councils would have greater discretion in the range of issues they address through locally generated revenue. A small number of councils will raise rates, although they will only be able to do so if it is acceptable to the community.
Environmental levies	Minimal–moderate costs Amend definition of 'service' for rating purposes to include environmental services within relevant policies and legislation. Small cost increase in establishing new administrative processes.	A small number of more highly populated councils would raise a special levy to fund environmental programs. Potentially a significant impact as it gives resources to implement planning decisions. The impact of environmental levies has been significant in south-east Queensland. A small increase in the rate burden would be placed on ratepayers within those municipalities that impose a levy.

continued

Policy option 16 (continued)

Specific actions	Costs	Expected outcome
Developer contributions	Minimal costs Where required, clarify policy position in relation to developer contributions through policy or legislative change.	Where used, the full costs of offsetting the impacts on native vegetation of new development will be incorporated into investment decisions, the result being: • a funding source for on-ground works to offset impacts on new development; and • marginally higher housing and development costs.
Audit of existing programs	Moderate costs Fund pilot studies in 10 councils to identify potential savings from improved management of existing council processes.	It is anticipated that considerable potential would be found, although it is difficult to predict the level of savings that may be generated.

a. New South Wales and Victoria currently have rate capping in place.

Policy option 17

For local government to effectively engage in managing natural resource programs, Commonwealth and State governments will be required to provide a more secure funding source for environmental programs within local government.

State and Commonwealth government actions

In order to foster and engage local governments, identify 10 to 20 high priority pilot regions and establish five-year *funding partnership agreements* for each of these regions (see *Policy option 17*). Regions should be selected on the basis of:

- the conservation value of the native vegetation in the region;
- the extent to which native vegetation is threatened by activities in the region, for example, urban or agricultural development;
- the capacity of the region to fund natural resource management programs; and
- the cost-effectiveness of proposed programs for the conservation of native vegetation.

In the longer term, mechanisms that provide secure ongoing funding for regional natural resource management will be required. The development of national cost-sharing principles for natural resource management has the potential to facilitate this process.

	Costs	Expected outcome
Regional funding agreements	High costs These are difficult to cost but estimated to require $5 to $10 million per region in seed funding over four years, in addition to existing resources. Cost-sharing between Commonwealth and State agencies is possible.	Regions undertaking strategic natural resource management in a more strategic way, facilitating: • improved natural resource management outcomes through integrated strategic planning at the regional level; • greater community-based participation in natural resource management; • formal linkages established between community and government-based regional policy; and • reduced duplication and improved efficiency.
National cost-sharing frameworks	High costs Policy development is likely to lead to the conclusion that recurrent funding on at least the same scale as the current Natural Heritage Trust programs is required for the foreseeable future.	Better planned and more strategic investments will be made in a more certain funding environment.

Providing data, information and expertise

In order to be able to sustainably manage native vegetation, local governments require information on the distribution of the different types of native vegetation. Further, councils will need access to individuals with the expertise to be able to interpret this information and develop management strategies.

The issues

During the needs assessment for this project, many councils noted that they lacked basic information on natural resources and that this was preventing their council from taking an active role in vegetation management. A number of councils also commented that information held by State agencies had to be purchased and that expertise and advice was increasingly costly and difficult to access.

Councils are required to make a range of decisions at a local scale which require information on the status of natural resources within their local government areas. For example, a council will be unable to determine the impacts of a proposed development on threatened species in the absence of information on the distribution and habitat of threatened species. In this situation, cautious councils will refer many development applications to State government agencies for advice, a process that is inefficient, costly and creates delays in the processing of development applications (Victorian Department of Natural Resources and Environment, pers. comm., 1998).

Bringing together data which is relevant to a region is a very significant challenge. A wide range of academic institutions, State and Commonwealth agencies and local councils hold important data and information for regional planning. The value of this data lies in bringing it together at an appropriate *regional scale* and developing an holistic approach to vegetation and natural resource management.

Key issues that need to be considered in improving councils' access and capacity to utilise information for natural resource management include:

- establishing protocols for the transfer and management of data and information;
- identifying information needs;
- identifying requirements for expertise; and
- managing data gaps.

Each of these is discussed under headings in the next section which identifies models for action.

Discussion and models for action

The quality of information held by local councils and their ability to interpret information related to native vegetation management varies considerably:

- some larger councils have dedicated environmental officers or, in some cases, environmental departments which have relatively sophisticated land use planning skills and tools, including access to geographic information systems.
- by contrast, many councils (especially those in more remote regions) do not have dedicated planning staff, let alone environmental expertise or the ability to manage environmental data. Councils in these regions usually employ consultants on a part-time basis to do any planning work.

Some examples of innovative approaches to management of data and information are outlined in Box 4.3.

Establishing protocols for the transfer and management of data and information

Data and information are not free goods, as their collection, management and distribution has associated costs. Further, data and information that have a commercial value must be managed in a way that protects its commercial value. Failure to address these issues inevitably leads to conflicts over access to information, as the government agencies responsible for the collection and management of data become concerned about its potential misuse.

Box 4.3: Innovative approaches to data management and evaluation

Wyong Shire Council has successfully developed a computerised decision support tool called Bell Impact Assessment Software (BIAS). The software provides a systematic way of evaluating the environmental impacts of proposed developments. It has streamlined and improved the quality of assessments within the council.

The ***New South Wales Government*** is in the process of developing an Integrated Catchment Management Information Support System. The system will provide data on a wide range of natural resource management issues via the Internet. Data within the system will be supplied by all natural resource management agencies in New South Wales. The technology being adopted will allow each data set to be held and managed by its own agency, avoiding many of the problems associated with developing Statewide databases in the past. It is hoped that it will provide a useful resource to local governments and other regional organisations with an interest in natural resource management (Paul Kelly, Department of Land and Water Conservation, pers. comm., 1998).

Although not a local government, ***Forestry Tasmania*** has a useful model for the management of complex spatial data. Planning decisions related to forest management have to be balanced between responsibilities of head office, located in Hobart, and of various district offices around the State, in much the same way that decisions are made between State departments and local governments. Detailed management decisions are recorded on a geographic information system that can be viewed at any time in any of Forestry Tasmania's offices across the State. Through this process, consistency in zoning classifications, improved efficiency and reduced conflicts between offices has been achieved.

Information flow is often considered a one-way process, from central governments to local governments. A number of State officials have commented that agreements for accessing information are more likely to be achieved if information flow is two-way, with councils providing some data to central agencies in exchange for data held and used by State agencies (Paul Kelly, New South Wales Department of Land and Water Conservation, pers. comm., 1998).

Valuable information for decision-making in relation to natural resource management is often collected at a local level. For example, in Western Australia, roadside surveys are undertaken with the assistance of local governments, which hold the survey collection at the end of the process. In this case, survey data could be updated every five years with the information provided back to the State government. In New South Wales, a wide range of useful information is collected through local government State of the Environment reporting requirements. Much of the information collected by local governments is never recorded at a Statewide or national level.

Protocols for the management, use and distribution of data have the potential to facilitate information exchange. Protocols could be negotiated by individual councils on an agency-by-agency basis. However, the development of Statewide approaches that provide consistent access to all councils may be more efficient.

The Inter-Governmental Agreement on the Environment, signed by the Commonwealth government and State and Territory governments and the Australian Local Government Association, provides a precedent and useful starting point for the development of protocols for information-sharing (Commonwealth of Australia, 1992). The agreement contains a schedule relating to the coordination and handling of information at a national level. Further, it discusses processes through which environmental assessment procedures may be accredited between various levels of government. The principles contained in this document could be relatively easily translated into a framework for information-sharing with local government.

On a more practical level, Commonwealth and State government environment reporting processes could provide a framework for providing integrated natural resource management information to local government and other regional organisations. For example, the Land and Water Resources Audit being undertaken through the Natural Heritage Trust provides an important opportunity to ensure that information is made available at a regional and/or local level in a consistent format.

In summary, there is an opportunity, particularly at State government level, to develop data and information-sharing protocols with local governments.

Identifying information needs

Because councils have limited resources, any information provided to them should be relevant to the decisions and functions that they perform. Where statutory functions, such as taking account of impacts on threatened species, are devolved to local government, it is particularly important that the information required to make decisions in relation to these functions is provided to councils.

From the perspective of vegetation management, it is desirable that all local councils have access to basic information on the different types of native vegetation found within their local government areas. Ultimately, it is desirable that all local governments have access to information on the distribution and conservation value of native vegetation within their boundaries.

It is often the case that information held by State and Commonwealth agencies is not made available to local governments. This impedes good decision-making. Further, lack of coordination between the various organisations with an interest in native vegetation management often leads to conflicts between different planning processes and decisions. For example, land use planning undertaken by a catchment committee may not take account of statutory land use plans held by local government.

There is an important opportunity to draw existing data together at a Statewide level within an integrated information and planning system. Models used by Forestry Tasmania and the model currently being developed by the New South Wales government are described in Box 4.3. With the use of modern technologies such as geographic information systems, it should be possible to integrate and provide the following information within a single system:

- all land use planning frameworks and decisions made by State and local governments; and
- all available natural resource data.

Identifying requirements for expertise

If councils are to actively manage native vegetation, they will require the skills and expertise necessary to prepare vegetation management strategies, including skills in:

- vegetation and natural resource management planning, including the collection and interpretation of data and development of regional action plans;
- designing and implementing programs/policies for vegetation management; and
- facilitating community and stakeholder involvement.

Some councils have these skills, but many do not.

Limited access to expertise is available through environmental resource officers located within each State municipal association. In addition, the Commonwealth has recently appointed a local government facilitator for the Bushcare program, whose role is to promote the conservation of native vegetation by local governments.

Environmental resource officers play a critical role in developing strategic approaches within local government by acting as a catalyst for involvement and facilitating access to grant programs being administered by the Commonwealth and State governments. Their positions are, however, not intended to provide detailed technical advice and assistance either to regions or to local councils. A region seeking to develop a regional vegetation plan may have little expertise in native vegetation management and planning and may need advice on

how to go about developing a plan. Advice is available from numerous areas, however, local governments are often unaware of how to access it.

In response to local government requests, Greening Australia has produced *Resource Directories for developing 'Greening Plans'* in each State and Territory (Greening Australia, 1995). These are excellent resource documents that provide information and contacts for a wide range of data sets, agencies, programs, community groups and industry groups with an interest in vegetation management. However, the documents are complex and, in themselves, are unlikely to provide fully adequate guidance to local councils.

An opportunity exists to provide councils with a single support unit through which they could receive advice on how to go about developing native vegetation conservation plans and/or regional action plans for natural resource management. The unit would facilitate access to the resources needed to go about developing a successful vegetation management strategy.

The support unit could comprise:

- a liaison officer in each State, with the function of facilitating access to expertise in natural resource management in State government agencies; and
- a range of State government officials who would be available to provide short-term assistance in establishing natural resource management programs in each State.

Information gaps and prioritising action

Facilitating access to information and expertise is not the only issue that needs to be considered in providing councils with the capacity to make well informed natural resource management decisions. Very few regions in Australia have comprehensive data and information on native vegetation.

Australia's first State of the Environment Report (Commonwealth of Australia, 1996b, pp 4–5) notes:

> Australian biodiversity consists of hundreds of ecosystems, more than one million species and millions of genes.
>
> Although the country has been divided into biogeographic regions, each of these contains undescribed ecosystems. Thus we have a long way to go before we understand ecosystem diversity.

Even in relatively well studied areas such as the central coast of New South Wales, there are still significant gaps in understanding the distribution of ecological communities (New South Wales Department of Urban Affairs and Planning, pers. comm.).

This view is somewhat contrary to a view which is currently enjoying significant currency, which can be summarised as follows:

> We know what the problems are. The last thing we need is further research. What we do need is action on the ground, action that addresses real problems and leads to real outcomes.

Clearly, there is a tension between moving to address obvious natural resource management problems and undertaking further research to determine priorities for the future. However, these are not mutually exclusive activities. The pragmatic challenge facing regions lies in bringing together existing sources of information and identifying:

- those actions and on-ground activities that can be pursued in the confidence that they will make a significant contribution to meeting the conservation objectives of the region; and
- gaps in the data which need to be addressed in order to improve future decision-making.

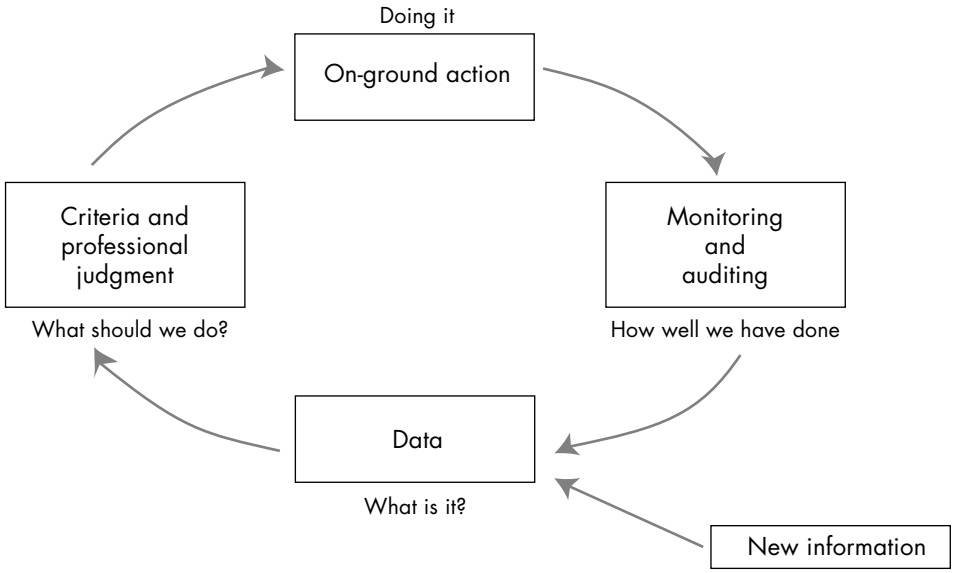
Where gaps in data do exist, local expertise may be used in the interim, for example, through the use of the expertise of field naturalist groups. The establishment of an advisory group of well-informed locals can go a long way to

identifying key issues for the region. Such processes do not, however, alleviate the need to collect comprehensive data which will inevitably raise issues that people are not aware of at local level.

The absence of data should not be used as a rationale for avoiding management actions. There are mechanisms available for establishing priorities for conservation with incomplete information. For example, in any given region it should be possible to identify a range of different types of native vegetation that are in need of higher levels of protection. These may then be targeted with incentive programs.

In the absence of full information, a strategy of the kind depicted in Figure 4.2 can be envisaged.

Figure 4.2: Strategies for planning with incomplete information



In the figure, existing data and mapped information is evaluated against criteria to develop priorities and implement on-ground works. On-ground works are monitored to evaluate their relative contribution to meeting vegetation management objectives. Data needs are prioritised resulting in further development and refinement of the information base and criteria for meeting defined objectives. These in turn are used to refine agreed outcomes and actions for the future.

Policy option 18

Processes should be put in place to ensure local government has access to the information and expertise required to integrate native vegetation and other natural resource management issues into their decision-making.

Local government actions

Contact Commonwealth and State agencies to access existing data sets and expertise.

In the absence of comprehensive data, committees of individuals with strong local knowledge could be used to establish short-term management objectives at a regional level.

State government actions

Undertake an audit and provide local government with all natural resource information that is relevant to the making of statutory planning decisions.

Develop integrated natural resource information systems with the capability of identifying planning issues and recording planning decisions made by State agencies and local governments.

Commonwealth government actions

Facilitate the development of information-sharing protocols for local governments through the Australian Local Government Association and State municipal associations.

Specific actions	Costs	Expected outcome
Access local expertise	Minimal costs Organisation costs and possibly sitting fees.	Facilitate improved access to natural resource information, expertise and planning systems, resulting in savings and improved outcomes through: • reduction in negotiation of information-sharing arrangements; • improved development and planning decisions and reduced referrals to State government agencies; and • local knowledge and expertise provided on a coordinated basis at minimal cost, resulting in greater local ownership and participation in decision-making processes.
Audit of existing data held by States and Commonwealth	Moderate–high costs Costs unknown and would depend on the existing degree of information coordination.	
Integrated natural resource information systems	Moderate–high costs Depending on the existing degree of information coordination. Estimate $1 to $10 million per State.	
Information sharing protocols	Moderate costs In policy development and negotiation between governments and agencies.	

Policy option 19

Establish a demand-driven program for 50 to 100 councils that provides local governments with resources to develop natural resource data management systems that are compatible with existing planning tools.

State and Commonwealth government actions

Establish natural resource management support units within each State. The support units could comprise:

- a liaison officer in each State, with the function of facilitating access to expertise in natural resource management planning within State agencies; and
- a range of State government officials who would be available to provide short-term assistance in establishing natural resource management programs in each State.

Costs

Moderate–high costs

May be offset by redeploying existing resources.

Total cost $6 to $12 million over 3 years, based on:

- 1 facilitator per State @ $100 000 per annum; and
- up to 5 additional staff per State @ $80 000 each.

Expected outcome

Improved access to natural resource management planning in 12 regions per State per annum.

Policy and program coordination and targeting

Improved coordination and targeting of natural resource management programs is required at Commonwealth, State and regional levels to improve the access that local governments and landholders have to these programs.

The issues

There are an extraordinarily large number of natural resource management programs operating at all levels of government in Australia. A review of vegetation programs undertaken by Fortech (1997) revealed just short of 100 vegetation programs in place at a Statewide level across Australia. These programs are administered by a wide range of government agencies and non-government organisations. The Fortech review is likely to have underestimated the number of relevant programs in that it only reported on those programs whose primary focus was vegetation management.

A careful balance must be achieved in coordinating program delivery. It is desirable:

- that, wherever possible, programs be *consolidated* to:
  - facilitate landholder access;
  - achieve efficiencies in administration; and
  - provide a basis for targeting government investment to areas in the greatest need of public assistance.
- to have *diversity* in the number of programs and the ways in which they are administered, because diversity:
  - reduces the risk of program failure by having multiple organisations involved;
  - creates competition for public funding and thereby generates greater private investment per dollar of public funds spent;
  - allows individual programs to be designed to meet specific objectives rather than promoting a number of potentially conflicting objectives; and
  - allows a range of organisations to be involved, facilitating community ownership and participation.

The dilemma facing governments is how to both coordinate program delivery and effectively target scarce government resources, whilst at the same time encouraging diversity in the delivery and application of the programs.

Models for action

The Commonwealth Government has responded to these issues by creating the Natural Heritage Trust. The Trust draws most of the Commonwealth's community-based natural resource management programs under a single administrative process, called the one-stop-shop. Bushcare, a Natural Heritage Trust program with funding in excess of $300 million, is focused on protecting and revegetating native vegetation. Emphasis in the program is placed on funding proposals developed at a grass roots level and subsequently assessed by Regional and State Assessment Panels, before being considered for funding by the Commonwealth government. The process is demand-driven, with regions free to determine their own objectives within broad guidelines. It is intended that a proportion of Natural Heritage Trust funding be allocated outside the one-stop-shop process on the basis of targeting investment to key priority regions agreed by the Commonwealth and State governments (Commonwealth of Australia, 1997).

By responding to the need for coordinated, regionally based programs, the development of the Natural Heritage Trust represents a significant improvement in the coordination of Commonwealth programs. However, targeting of funding from the trust between priority activities and regions is proving more problematic as emphasis is being placed on grass roots development of proposals, with only limited scope being provided for governments to identify and target key issues. This

deficiency could erode the overall effectiveness of trust funding.

Because of the difficulties experienced to date in prioritising the level of attention given to any particular region, State programs remain, to varying degrees, fragmented, and it is difficult to ascertain the extent and degree of complementarity between programs within and between agencies. Examples of innovative approaches to program coordination and targeting are outlined in Box 4.4.

Box 4.4: Innovative approaches to coordinating and targeting programs

The ***landcare movement*** was initiated in the 1980s by the Australian Conservation Foundation and the National Farmers' Federation. Landcare has come to symbolise an integrated approach to natural resource management and is highly regarded internationally. Landcare is an umbrella concept that embraces and pulls together a wide range of disparate government policies, programs and activities. It provides a common theme that is accessible to landholders and members of the broader community who are unable to engage in the complexity of government programs.

Most States now have programs that fund educational courses that promote integrated property management planning. The courses are targeted at landholders and provide a range of material, ranging from financial to stock and pasture management. We are aware that two of these programs, ***Farming for the Future in NSW*** and ***Property Management Planning in South Australia***, include modules related to nature conservation planning and the management of native vegetation. These programs have created unprecedented goodwill between the natural resource, primary industry and environment agencies that collaboratively run them.

Following completion of the National Strategy for Ecologically Sustainable Development, the Commonwealth undertook ***comprehensive cross-agency reviews of its policy approach and programs related to the environment and water management***. The reviews were administered by the Department of Finance and were aimed at improving program delivery. They were marketed as a process to improve program delivery, rather than as a cost-cutting exercise. The reviews enjoyed mixed success, with individual agencies resisting participation, but key reforms were agreed to, particularly through the Council of Australian Governments' agreement on national water reform (Kathleen Mackie, Commonwealth Department of Finance, pers. comm.).

An interesting approach to targeting program delivery is evident through the ***Murray and Murrumbidgee catchments fencing assistance programs*** administered by Greening Australia. Eligibility for the program is based on an on-site evaluation of the conservation value of remnants. The evaluation is based on current knowledge of the conservation status of remnants within the catchments, rather than on a comprehensive survey of the distribution of vegetation types and the degree of protection each type of native vegetation already has within the district. The approach is pragmatic in that it draws on the best available information and recognises that landholders must volunteer to participate and that governments are generally unable to impose planning solutions on the community.

Key criticisms made by local government of existing program delivery relate to:

- the complexity of application processes, including the need for all funding to be approved by central governments;
- the lack of coordination of programs at the regional level;
- the short-term nature of assistance;
- poorly defined objectives and targeting of expenditure;
- the time taken in applying to an uncertain funding source; and
- a lack of clarity in relation to local government's eligibility to apply for community-based programs.

For these reasons, local governments are often unwilling to engage as they do not perceive that they have a clearly defined role. These criticisms reflect an underlying uncertainty about the extent to which local governments should be involved in natural resource management programs administered by the Commonwealth government and State governments.

A model for coordinating institutional structures, including program delivery, is developed in Chapter 5. The model is premised on the desirability of accrediting organisations at the regional level to coordinate the delivery of government assistance for natural resource management. An important opportunity exists to facilitate this process by reviewing existing programs and developing approaches for coordinated delivery of government programs at the regional level.

Policy option 20

Improved coordination and targeting of natural resource management programs is required at Commonwealth, State and regional levels to improve the access that local governments and landholders have to naural resource management programs.

Local government actions

Develop directories of State and Commonwealth government programs that can be accessed to improve natural resource management

State government actions

State governments could undertake a cross-agency review of natural resource management programs within their jurisdiction. To increase the acceptability of the review, governments could commit to not reducing overall funding levels and maintain a focus on improved delivery, including opportunities to:

- consolidate and coordinate existing programs;
- coordinate delivery at the regional level; and
- utilise local governments as service providers.

Commonwealth government actions

The Commonwealth government should move to finalise processes for targeting a proportion of its Natural Heritage Trust programs to priority regions jointly agreed with State governments. Targeted investments should be coordinated and delivered at the regional scale through accredited regional action plans (see *Policy option 21*).

Costs

Moderate costs

2 to 4 weeks of project officers' time within local government.

Approximately $100 000 per State in consulting fees for review of program structures. Higher costs in restructuring the delivery of programs.

Costs of targeting a proportion of Natural Heritage Trust funding to priority regions are significant but are an existing Commonwealth policy commitment.

Expected outcome

Improved program coordination leading to public funds being better targeted and a larger proportion of those funds being used for on-ground works.

Cost-neutral shift to devolved delivery of natural resource management at the regional level.

Improved targeting and coordination of existing programs at the regional level.

5. Institutional issues

Reviewing and identifying best practice

Proposed model for creating successful regional strategies

Developing partnerships with local government

Reviewing and identifying best practice

There are two interesting trends affecting the role of local government in native vegetation conservation. These trends are operating in different directions in Australia at present.

- The powers of local government have been significantly broadened over the last 10 to 20 years, moving away from providing local infrastructure and services to encompass a wider range of issues, including land use planning and environmental management. This process has been complemented by the trend of council amalgamations in order to achieve greater economies of scale.

- Rather than use local councils to guide natural resource management, the Commonwealth government and State governments have developed new organisations to provide planning and advice, usually at the catchment level. Examples include the vegetation conservation committees in New South Wales, the land conservation district committees in Western Australia, and the catchment management authorities in Victoria. These bodies are increasingly being given land use planning and regulatory functions and, in some jurisdictions, the ability to raise revenue from landholders within their regions. These new powers cut across the functions of local government.

This dichotomy leads to tension over what the roles and functions of local government should be, relative to the new range of regional organisations. Whilst these new bodies may prove to be very good at planning, they will soon be in conflict with local councils if they become directly responsible for undertaking statutory functions, such as passing regulations relating to land use or in raising revenue from local communities. Councils can be expected to react to the trend in three ways:

- they could take the view that they are not responsible for natural resource planning and management and, hence, with limited resources and a widening range of responsibilities they may choose to not become involved. In this case, it is unlikely that the approaches of local government and regional organisations will be integrated;

- councils may react defensively and seek to protect their interests by undermining the role of catchment organisations. In this case, active participation and cooperation will prove difficult; or

- councils may perceive the establishment of regional structures as an opportunity to become involved in and build partnerships for sustainable natural resource decision-making.

Clearly, the last of these three reactions is the most desirable. The issue to be considered is what legislative and policy structures are most likely to yield this result. Can general best practice guidelines be developed? Answering this question requires an analysis of current institutional structures, their characteristics, strengths and weaknesses.

The current situation

Australia has very complex arrangements in place for managing natural resources, including native vegetation, across the three spheres of government.

The Commonwealth government exercises considerable influence over the use and management of natural resources, primarily through:

- the development of national approaches to environmental issues with reference to international developments and policies;

- the regulation of specific environmental issues of national significance; and

- the provision of funding for natural resource management activities.

The Constitution only provides the Commonwealth with limited powers through which it may indirectly regulate environmental issues. For example, the

external affairs power has given the Commonwealth considerable influence over the development of policies affecting native forests through the need for licences to export woodchips.

In recent years, the Commonwealth has sought to develop cooperative arrangements with State governments, firstly through the Inter-Governmental Agreement on the Environment (Commonwealth of Australia, 1992) and, most recently, through the proposed new Commonwealth environmental legislation (Commonwealth of Australia, 1998). Within this environment, the Commonwealth's influence is primarily tied to provision of funding to State governments for natural resource management, for example, through the Natural Heritage Trust.

State governments have primary statutory responsibility for natural resource management in Australia. Arrangements for managing resources are complex, and are reviewed in detail in a separate report: *Opportunity Denied: Review of legislative ability of local government to conserve native vegetation* (Cripps et al., 1999). For illustrative purposes, Table 5.1 summarises the situation in New South Wales, Queensland and Western Australia.

Key features of the legislative framework in each State are its complex nature and size, with only a small number of the key Acts highlighted in the table. The table also conveys the institutional complexity of administering this broad range of Acts with an even larger number of departments, commissions, authorities and advisory groups undertaking statutory functions. In some cases, the degree of overlap is so great that local governments have no discretion and are unable to meet all of their obligations concurrently. Hence, local government's role is limited to that given to it under State legislation.

The statutory responsibilities of different organisations under each of the classifications of legislation also vary.

- Local governments are given a wide range of statutory responsibilities for the administration of processes established through *land use planning and environmental protection legislation*.

- Responsibilities for administering legislation related to *rural land management* have generally been retained by State government agencies or devolved to boards or advisory bodies appointed by the State government.

- Responsibilities for administration of *nature conservation legislation* have largely been retained by State government agencies, although, with the advent of threatened species legislation, local governments in some jurisdictions have been given some responsibility through development approval processes.

At first glance, these legislative and institutional structures appear complex and cumbersome. Policies are often developed from differing and conflicting sectoral perspectives. However, in a democratic society operating under a Westminster style of government and where there are many competing interests to be balanced, the case for simplification of legislative processes must be considered against the need to ensure balanced decision-making.

For these reasons, it is necessary to analyse the strengths and weaknesses of existing approaches before identifying opportunities for reform. A range of characteristics that institutional arrangements may have, drawing on examples from each State, are discussed below.

Table 5.1: Natural resource management legislation

New South Wales

	Legislation	Agencies with statutory functions
Land use planning and environment protection	• *Environment Planning and Assessment Act 1979* • *Local Government Act 1993* • *Catchment Management Act 1989*	• Department of Urban Affairs and Planning • Department of Local Government • Local governments • Catchment management committees
Rural land management	• *Catchment Management Act 1989* • *Crown Lands Act 1989* • *Native Vegetation Act 1997* • *Rural Lands and Protection Act 1989* • *Western Lands Act 1987*	• Department of Land and Water Conservation • Environment Protection Authority • Catchment management committees • Proposed committees for water reform • Regional vegetation committees • Rural lands protection boards • Soils Conservation Commissioner
Nature conservation	• *National Parks and Wildlife Act 1974* • *Threatened Species Conservation Act 1995*	• New South Wales Parks and Wildlife Service

Queensland

	Legislation	Agencies with statutory functions
Land use planning and environment protection	• *Environment Protection Act 1994* • *Integrated Planning Act 1997* • *Local Government Act 1993* • *State and Regional Planning and Development Act 1971*	• Department of Environment • Department of Local Government and Planning
Rural land management	• *Forestry Act 1959* • *Land Act 1994* • *Soil Conservation Act 1986* • *Water Resources Act 1989*	• Department of Natural Resources • Department of Primary Industries • Department of Natural Resources
Nature conservation	• *Nature Conservation Act 1992*	• Department of Environment

Western Australia

	Legislation	Agencies with statutory functions
Land use planning and environment protection	• *Environmental Protection Act 1986* • *Local Government Act 1995* • *Town Planning and Development Act 1928* • *Western Australia Planning Commission Act 1985*	• Department of Local Government • Environment Protection Authority • Local government • Ministry for Planning • Regional Development Commission • Western Australia Planning Commission
Rural land management	• *Conservation and Land Management Act 1984* • *Land Administration Act 1997* • *Soil and Land Conservation Act 1994* • *Water and Rivers Commission Act 1995*	• Agriculture Western Australia • Department of Conservation and Land Management • Department of Land Administration • Land Conservation District Commission • Land and Forests Commission
Nature conservation	• *Conservation and Land Management Act 1984* • *Parks and Reserves Act 1895* • *Wildlife Conservation Act 1950*	• Boards of Parks and Reserves • Department of Conservation and Land Management • Nature Conservation Authority

Characteristics of institutional frameworks – their strengths and weaknesses

Standard-based legislative and institutional frameworks

Legislation may provide strong and prescriptive standards and processes against which proposed activities need to be assessed and approved. Planning legislation which requires development consent is an example of this type of arrangement. For example, the Threatened Species Act in most jurisdictions requires that proposed developments take account of, and mitigate, any adverse impacts on threatened species or their habitats. Emphasis is placed on approving an activity rather than on achieving a particular outcome, although in recent years emphasis has moved towards pro-active, as well as reactive, planning. For example, in the case of threatened species legislation, the process of developing recovery plans allows conservation planners to act ahead of developments and put in place measures to promote the recovery of a particular species or ecological community.

Standard-based legislation is often developed by central governments and implemented by local governments. Sproats and Kelly (1998) note that 'this means that Local Government's hand can be forced to follow certain procedures and scrutinise particular issues'. This has the advantage of requiring local governments to integrate natural resource management activities into their planning. For example, it is unlikely that many local governments would be pro-actively managing threatened species in the absence of the Threatened Species Legislation. On the other hand, processes of this kind can bind a council to following procedures for their own sake, with little or no regard for the actual outcome. For example, all local government officials consulted in New South Wales commented on experiencing difficulty with the complexity of the legislative framework associated with managing native vegetation. They noted the large range of legislation and planning policies that must be complied with and questioned councils' capacity to adequately administer all of the functions that have been prescribed by State government (see Table 5.2.).

Devolved responsibility

Responsibility for planning or addressing particular policy objectives may be devolved from central governments to local or regional bodies.

In this context, devolution implies more than a responsibility to administer a statutory process. Local governments are given the opportunity to take full responsibility for an issue. Councils' actions are discretionary and they are able to take advantage of the full range of policy options for natural resource management.

This characteristic captures much of the situation in Queensland, where native vegetation management remains unregulated on freehold lands controlled by the State government. Local governments have a very broad grant of power in Queensland, which allows them to regulate vegetation clearance and use the majority of incentives and policy mechanisms identified in this report.

Within this environment, local government officials in Queensland were frustrated by the lack of a coherent planning policy and legislative framework for vegetation management. There was a consistent view that the State government was not providing the leadership and policy framework for councils to act upon. Local government officials claimed that only limited resources, guidance or advice was coming from the State government. Councils felt caught between the choice of satisfying strong development expectations and meeting community concerns for the conservation of native vegetation within their regions.

However, on the positive side, councils have been forced to develop their own approaches, with a small number of councils in Queensland among the most innovative in Australia. They are using a wide range of policy instruments, including regulations, market-based instruments, incentives and educational instruments.[7] Some have compensated

7. Active councils include Brisbane City Council, and the Cooloola, Johnstone and Gold Coast councils. Examples of their approaches can be found in the boxes throughout this report.

Table 5.2: Strengths and weaknesses of standard-based legislative frameworks

Strengths	Weaknesses
• Allow clear standards or objectives to be articulated and enforced in law. • Provide a minimum standard which developments must meet prior to approval. • Can be applied universally across a State. • Force new issues to be considered by councils.	• Input or process-based, often with a poor focus on outcomes. • Established procedures provide limited or no flexibility in how objectives or standards are reached. • Uniform standards may not be appropriate for all regions.

Table 5.3: Strengths and weaknesses of devolved delivery

Strengths	Weaknesses
• Maximises discretion and innovation in meeting objectives. • Provides access to a wider range of policy options and tools.	• Actions are discretionary, requiring strong local commitment. • Resources and funding for management may not be available at a local level. • May lack a strategic approach or coordination at a regional, State or national level.

Table 5.4: Strengths and weaknesses of creating new institutional structures

Strengths	Weaknesses
• Provide integrated advice and decision-making. • Provide a forum for stakeholder views and interests to be considered in an holistic framework. • May reduce opposition to natural resource management programs. • May be administratively simple and create savings.	• Increase complexity of institutional arrangements. • May blur statutory and advisory responsibilities. • May alienate local government, which has land use planning responsibilities. • Decisions may conflict with local land use plans or other processes of local government. • Loss of democratic principles and local governance.

Table 5.5: Strengths and weaknesses of consolidating legislative frameworks

Strengths	Weaknesses
• Provides a consistent framework. • Provides an opportunity to define regional boundaries on a bioregional or catchment basis. • Minimises duplication and inefficiency. • More accessible and understandable to stakeholders and the public.	• Would require radical upheaval of existing legislative and administrative arrangements. • Does not give separate interests a clear voice in statutory decision-making.

Table 5.6: Strengths and weaknesses of coordinating legislative frameworks

Strengths	Weaknesses
• Works to provide regionally based coordination within existing legislative processes and structures. • Central government can act in the event that regional structures fail. • Gives all interests a voice.	• Accepts current structures and inefficiencies. • May increase complexity by creating a new institution to coordinate existing institutions. • Coordinator has no decision-making role and may be powerless to resolve conflicts and build consensus. • decision-making may still be held by central government agencies that are unwilling to devolve responsibilities. • May be resisted by existing agencies.

for the lack of State involvement in vegetation management and have demonstrated that they can act innovatively and manage responsibly. In these cases, capacity has been built and used successfully.

Most councils, however, are reluctant to address native vegetation management issues in the absence of clear policy guidance from the State government.

Creating new institutional structures

When confronting a new natural resource management issue, it is tempting to create a new institutional structure to address the issue. There is an increasing trend towards establishing expert and/or advisory committees, generally appointed by the relevant Minister, to advise or, in some cases, regulate land use.

There are numerous examples, including catchment management authorities in Victoria and regional vegetation committees in New South Wales, which have the capacity to develop regional catchment plans that may be binding on local governments. Catchment management authorities, along with land conservation district committees in Western Australia, have also been given the ability to levy landholders.

Considerable reservations have been expressed by local government about groups of this kind undertaking statutory roles. For example, in Victoria, the establishment of catchment management authorities has created considerable tensions within local government (Lyon, 1998):

> the new CMA are an example of single issue regional structures where the legitimate strategic and governance role of local government is reduced to the level of administration or service delivery…the real challenge in progressing regional arrangements beyond this point is to get all spheres of government to develop regional structures which integrate planning streams, recognise the legitimate governance role of Local Government and harness these governance roles as legitimate regional planning tools.

Despite these reservations, structures of this kind have the advantage of providing the expertise required to address complex physical and social problems. If carefully constructed, they also have the potential to represent the range of groups or organisations with an active interest in natural resource management issues and to build consensus at a local scale. In addition, because such bodies have limited regulatory functions, they may be more positively perceived than statutory bodies and, hence, may play a very important role in the delivery of natural resource management programs, including the provision of financial incentives.

However, these bodies are rarely, if ever, directly elected, and it has been argued that their existence violates the democratic principles of governance in Australia and, hence, weakens the role of local government (Sprouts and Kelly, 1998). A lack of local government engagement in natural resource management issues, particularly in rural areas, has been directly attributed to the increasing trend towards giving new regional bodies, such as catchment management authorities, regulatory functions (Graham Sansom, ALGA, pers. comm., 1998). Further, there is a danger that the work of these groups will not be integrated or coordinated with the statutory functions that local governments undertake. For example, a council may, through no fault of its own, be providing approvals for developments that are contrary to a regional catchment plan developed by a catchment management authority.

Consolidation

Another legislative option involves consolidating all natural resource management activities under a single institutional arrangement or, more radically, a single piece of legislation (Sproats and Kelly, 1998). This approach aims to ensure that the tensions associated with the use of natural resources are considered in an holistic framework.

Such an approach has been adopted in New Zealand through the *Resource Management Act 1991*. The Act establishes regional councils on the basis of catchment boundaries. These councils have a leading role in the development and implementation of regional plans (Florent, 1998; Sproats and Kelly, 1998).

The consolidation of legislative and administrative arrangements does not sit comfortably with existing and emerging processes in Australia. Australia has a strong tradition of adversarial policy development,

with various interests represented in decision-making by different agencies and, ultimately, Ministers in Cabinet. While such an approach may seem by its very nature to be duplicative and inefficient, it ensures that all interests in natural resource management have a voice in the decision-making process. A single piece of legislation under a single Department and Minister may be at risk of becoming captured by one particular sectoral interest. Because there is no diversity allowed for in the institutional arrangement, there is a risk that many of the real conflicts in natural resource management will be brushed aside, resulting in inefficient or inequitable outcomes.

Australia has little experience with consolidation of legislative arrangements, although the Commonwealth government has announced its intention to consolidate its environmental legislation (Commonwealth of Australia, 1998). In relation to administration, both Victoria and Western Australia have merged natural resource and environment departments into single agencies, the Department of Natural Resources and Environment and the Department of Conservation and Land Management respectively, although Western Australia has maintained a Department of Agriculture. Anecdotal evidence suggests that tensions remain within the various functional areas of these departments.

Coordination

Binning and Young (1997) and Sproats and Kelly (1998) offer an alternative approach by encouraging local councils or other regional organisations to perform a coordinating role at a regional level. Existing legislative and administrative processes would remain, although the role of local councils or other organisations would be strengthened in coordinating regional initiatives.

Such approaches are emerging, particularly in more highly developed regions where some councils are beginning to take this role through regional groupings such as voluntary regional organisations of councils. An excellent example is the work of the South-East Queensland Regional Organisation of Councils and the councils participating in the Lower Hunter and Central Coast Regional Environment Strategy. In rural areas, catchment groups are often taking a leadership role in working with agencies and building consensus. For example, the Blackwood Basin Group coordinates many natural resource management activities within the Blackwood catchment in south-west Western Australia.

At a State level, Western Australia has moved to coordinate the regulation of the clearance of native vegetation within its agricultural regions through a Memorandum of Understanding between the Commissioner for Soil and Land Conservation, the Environmental Protection Authority, the Department of Environmental Protection, Agriculture Western Australia, the Department of Conservation and Land Management and the Water and Rivers Commission (Western Australian Government, 1997). In establishing the Memorandum of Understanding, the Western Australian government has avoided the need to introduce new legislation, as existing processes have been coordinated to achieve effective regulation of native vegetation. Existing legislative arrangements are retained to allow all interests to be represented within central governments and to maintain minimum standards in the event of regional processes failing.

Identifying best practice

The description of the characteristics of the legislative frameworks clearly demonstrates that institutional structures will have a profound impact on the way in which natural resources are managed. The strengths of each of the characteristics of legislative and administrative structures outlined above belong in a best practice policy approach. As has been shown, lessons can be drawn from each State. These are drawn together and summarised in Box 5.1, which outlines a best practice framework for natural resource management. This framework was used to identify the model put forward for institutional reform in this section of the report

Additional criteria for funding, resourcing, monitoring and evaluation have also been added, and these are addressed in detail in other sections of this report.

Box 5.1: Benchmarks for a best practice institutional framework for natural resource management

A best practice institutional framework for natural resource management will meet the following benchmarks.

Benchmark 1. Clear definition of the roles and responsibilities of organisations with an interest in natural resource management

- A clear distinction will be drawn between the statutory processes and decisions of governments, the involvement of experts and stakeholder groups in providing input and advice to these processes and the delivery of services.

Benchmark 2. The maintenance of outcome-based legislative frameworks that ensure minimum standards

- Administrative and legislative processes will be in place that ensure that social, economic and environmental values are taken into account in decision-making processes.
- Standards established in legislation will be outcome-based rather than input-driven or process-driven, providing flexibility in how outcomes are achieved. The full range of policy options will be available to achieve outcomes.

Benchmark 3. Delegation and/or accreditation of regional action plans

- The statutory process will recognise the concept of subsidiarity, that is; the delegation of management responsibilities to the lowest level, with the strictest requirements imposed at any level being the one which must be complied with.
- Regional processes that meet minimum standards will be accredited by State governments as meeting statutory requirements.

Benchmark 4. Flexible delivery of services

- Partnerships for delivering sustainable natural resource management programs are flexible, encouraging innovation and a wide range of government and non-government sector involvement.

Benchmark 5. Adequate resources

- Funding, information and expertise required to meet minimum standards at a regional level will be secured.

Benchmark 6. Monitoring and review of outcomes

- Performance indicators and accountability measures will be in place and include provision for regular review of outcomes.

Proposed model for creating successful regional strategies

A model for achieving best practice has been developed by drawing on the attributes identified in the previous section. The model is presented graphically in Figure 5.1. It is based on adapting and strengthening existing regional arrangements for natural resource management. The model is structured around the development of an accredited regional action plan, which is essentially a formally endorsed integrated natural resource management strategy for a given region, catchment or local government area.

At this point it is worth recalling the discussion in Chapter 2 (pages 36 to 41), which identified the importance of developing partnerships at a regional scale, drawing on the strengths and responsibilities of different organisations and individuals, and noting that the role local government may be expected to play will vary depending on its capacity and willingness to conserve natural resources, including native vegetation.

The proposed model provides an adaptive framework. There is no need to immediately reform existing legislation and management structures. However, fundamental reforms will be required to the bureaucratic processes through which existing regulations, policies and programs are administered, particularly in relation to the delegation of powers and responsibility. The changes required are of a primarily policy nature and can be achieved through regional groupings or organisations, or cooperative partnership arrangements.

Central features of the framework are set out under the key benchmarks for the achievement of best practice identified in the previous section (the numbers in the text relate the discussion of each of the benchmarks to Figure 5.1).

Benchmark 1: Clear definition of the roles and responsibilities of organisations with an interest in natural resource management

- A clear distinction will be drawn between the statutory processes and decisions of governments, the involvement of experts and stakeholder groups in providing input and advice to these processes, and the delivery of services.

In the model, a clear distinction is made between the role of governments in making statutory decisions, and other groups and organisations with an interest in natural resource management.

Three clear roles in natural resource management are defined:

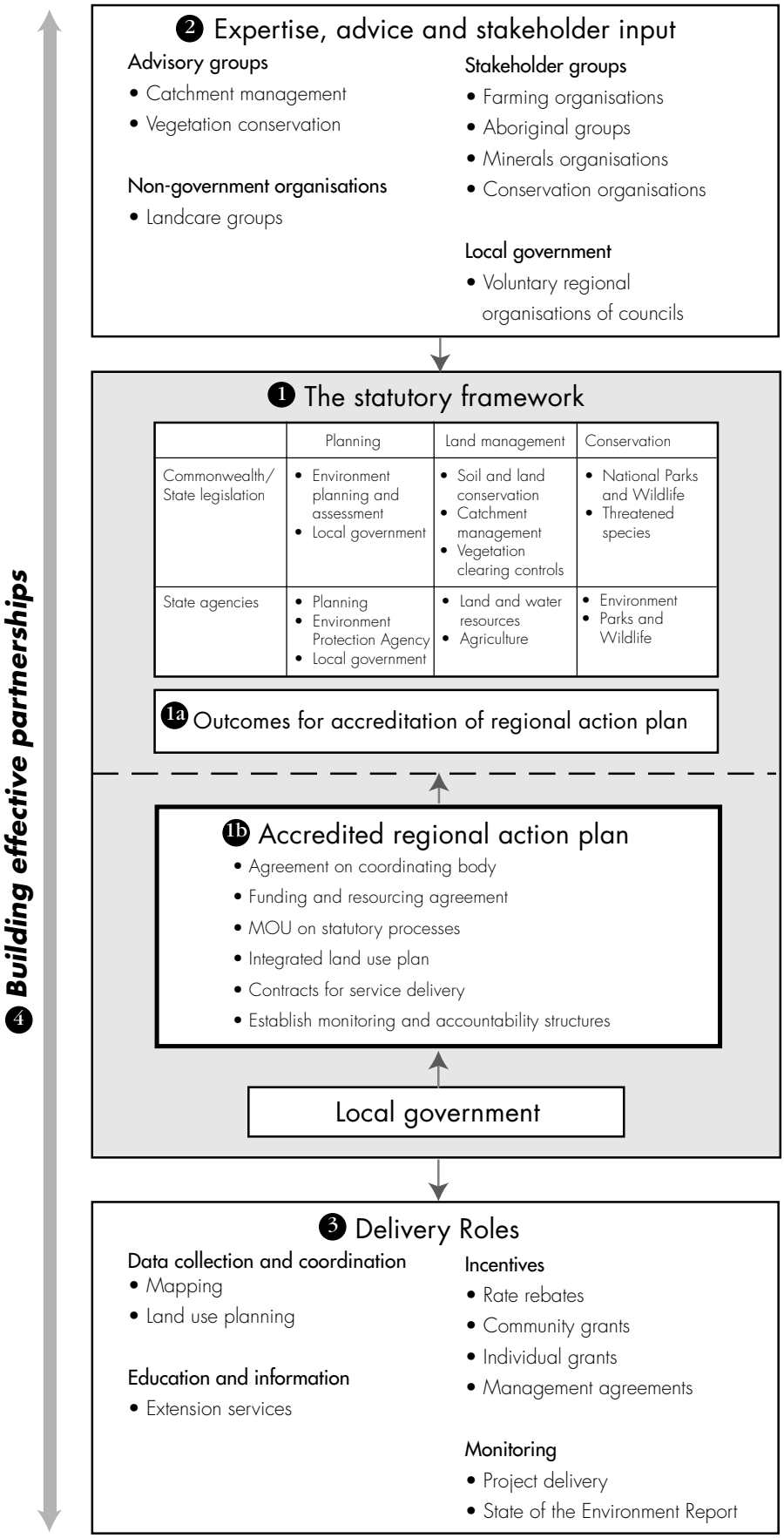
1. decision-making associated with the statutory process, which includes the legislative framework currently in place in each State and the organisations with statutory functions for implementing the legislation;

2. the provision of expertise, advice and stakeholder input to the development of programs, policies and regulations developed under the statutory process; and

3. the delivery of natural resource management programs.

These roles are integrated through the development of an accredited regional action plan, which is, essentially, a more formal version of the regional natural resource management strategies and plans that are being developed for many regions and catchments around Australia. The regional action plans proposed here can be most clearly differentiated from existing strategies by the fact that a formal link is drawn between the strategy and the performance of statutory functions by governments.

Figure 5.1: Conceptual framework for institutional reform



The relationship between a regional action plan and the statutory process is represented in Figure 5.1 by a broken line. Local government is located in two places on the diagram: firstly, as an organisation with statutory responsibilities under legislation; and, secondly, as a player in natural resource management at the bottom of the diagram.

4 Clearly, there are linkages between the roles depicted in the diagram. These are represented by the arrow across the bottom of the diagram, which emphasises the need to build partnerships and feedback between the various organisations.

Benchmark 2: Maintenance of outcome-based legislative frameworks that ensure minimum standards

- Administrative and legislative processes will be in place that ensure social, economic and environmental values are taken into account in decision-making processes.

- Standards established in legislation will be outcome-based rather than input-driven or process-driven, providing flexibility in how outcomes are achieved. The full range of policy options will be available to achieve outcomes.

In the Figure 5.1, all existing legislative frameworks of central governments are maintained to ensure that all interests are represented in formal decision-making by the Commonwealth and State governments. There is undoubtedly scope for consolidation and rationalisation of legislative processes in all jurisdictions. However, at the level of central government, there are also strong advantages to having a number of separate legislative processes, which require tensions between policy objectives to be reconciled through representation and advocacy of competing interests by ministers in Cabinet.

However, at a local level there is a strong need for integration to achieve a clear set of outcomes and avoid excessive duplication of approval processes. In Figure 5.1, this is facilitated by State governments developing a coordinated set of *outcomes for accreditation of regional action plans*. These are based on existing standards contained in legislation.

Significantly, the standards developed are not process-based, such as a traditional approval process, but rather establish the outcomes desired under each relevant piece of legislation at a Statewide level. For example, rather than requiring separate approval processes for all developments that impact on threatened species, the accredited regional action plan could establish a regional action plan for the management of threatened species.

The objective is to provide flexibility in how these outcomes are met:

- If organisations are able to develop effective arrangements at a regional level, their regional action may be accredited (see below) as meeting the statutory requirements.

- Alternatively, in the absence of a regional action plan, central governments have a responsibility to regulate land use using existing processes to ensure that existing minimum standards are met.

The achievement of this benchmark will require new outcome-based standards to be developed for most legislation. Planning legislation in most States should allow for development of regional criteria of this kind. Examples from New South Wales include the development of regional environmental plans, the accreditation of regional vegetation plans under the Native Vegetation Conservation Act, and the ability to establish joint authorities.

Benchmark 3: Delegation and/or accreditation of regional action plans

- The statutory process recognises the concept of subsidiarity, that is, the delegation of management responsibilities to the lowest level, with the strictest requirements imposed at any level being the ones which must be complied with.

- Regional processes that meet minimum standards will be accredited as meeting statutory requirements.

It is proposed that this benchmark be met through the development of *accredited regional action*

plans.[8] Core components of these action plans are as follows.

Establishment of a coordinating body: A local or regionally based body is given responsibility for overall coordination and strategic development of the regional action plan. This body will require a balance of expertise and skills. It is important to note that the coordinating body need not be a part of government or perform statutory functions. Rather, its role is to bring the various interests together at an appropriate scale for natural resource management planning.

It is important to recall that local governments may or may not play the role of coordinating regional strategies for natural resource management. For example, in rural areas, catchment management groups may be adapted to play this role and in urban and coastal areas, voluntary regional organisations of councils may play this role. The objective is to use the organisation that has the highest level of acceptance within the region.

Memorandum of Understanding on statutory processes: A formal Memorandum of Understanding will be entered into between the agencies with statutory responsibilities and other parties with a role in delivering the regional action plan. The purpose of the Memorandum of Understanding will be to outline how each agency or organisation with statutory responsibilities will interpret and apply the legislation under their control within the region. A precedent for the development of a Memorandum of Understanding of this kind exists in a Memorandum of Understanding between agencies responsible for regulating the clearing of native vegetation in south-west Western Australia (Western Australian Government, 1997)

The Memorandum of Understanding will clarify how statutory responsibilities will be undertaken within the region. The emphasis will be on achieving the *outcomes for accreditation* discussed under Benchmark 3. State agencies may retain statutory responsibilities; however, where a region demonstrates that it can meet the agreed outcomes, it will be accredited to perform these functions. Local councils may be encouraged to use their capacity to establish joint authorities to develop consistent approaches across regions.

Procedures for accreditation of regional action plans would need to be developed in each region.[9]

Integrated land use plans: All statutory land use planning will be integrated into a single coordinated land use framework that will form the basis of the regional action plan. Any tensions in the land use planning responsibilities of statutory agencies will be resolved through the Memorandum of Understanding. (Models for the development of integrated land use plans are discussed in the data, information and expertise section in Chapter 4.)

Access to the full range of instruments and program: See Benchmark 4.

Funding and resourcing partnership agreement: See Benchmark 5.

Accountability criteria: See Benchmark 6.

Two approaches to developing regional plans can be envisaged. All regions could be required to develop plans, with State governments only stepping in where regions fail to deliver. Alternatively, a voluntary approach could be used where councils are left to determine their own involvement, with existing approval processes operating as a safety net.

Benchmark 4. Flexible delivery of services

- *Partnerships for delivering sustainable natural resource management programs are flexible, encouraging innovation and a wide range of government and non-government sector involvement.*

8. It should be noted that the concept of accreditation is not new and is one of the key objectives of the Inter-Governmental Agreement on the Environment (Commonwealth of Australia, 1992).

9. The capacity of local governments to establish joint authorities for natural resource management is evaluated in *Opportunity Denied: Review of the legislative ability of local government to conserve native vegetation* (Cripps et al., 1999).

This benchmark is given effect by the organisation that coordinates the regional action plan developing partnerships with a wide range of organisations and individuals in the region for the delivery of programs for natural resource management.

The region should have access to the full range of planning, regulatory, incentive and market-based and motivational policy instruments. The range of tools available is important in providing flexibility in how the region meets its natural resource management objectives. To facilitate this process, local councils could be given a broad grant of power, with the Local Government Act giving them the jurisdiction to act under all State Government Acts, as has been the case in Queensland.[10]

The model proposed here is flexible, with arrangements to be developed to suit the region. The arrow depicted at the bottom of Figure 5.1 seeks to illustrate this flexibility, with partnerships being developed between all interested parties in a region, ranging from input to strategic planning processes through to involvement in the delivery of programs for implementing the regional action plan.

The tools potentially available to local government are located in Chapter 2.

Benchmark 5: Adequate resources

- *Funding, information and expertise required to meet minimum standards at a regional level will be secured.*

Funding and resourcing partnership agreements are entered into as part of the development of a regional plan. Funding issues are discussed in detail in Chapter 4. The focus would be on providing large scale grants rather than having regions apply for funding on a project-by-project basis. Regions would manage their own devolved or subsidiary grant and incentive programs.

It should be noted that devolution of responsibilities from central governments to local governments in the absence of resources, including funding expertise and information, is strongly opposed by local governments, as they are then placed in the position of being unable to meet their new responsibilities.

Benchmark 6: Monitoring and review of outcomes

- *Performance indicators and accountability measures will be in place and include provision for a regular review of outcomes.*

Performance indicators are developed and form the basis of a performance contract between the coordinating organisation and the statutory agencies. Strong ongoing performance should be rewarded with increased flexibility and autonomy of decision-making at a local level.

Performance indicators should be based on the principles of adaptive management and provide a basis for continuous improvement; for example, the International Standards Organization's ISO 14000 *Environment Management Systems Standard* (1996a, 1996b). A comprehensive assessment of performance indicators for environmental management by local government is beyond the scope of this study. Alexandra and White (1997) and the Industry Commission (1997c) provide a comprehensive discussion of issues surrounding the assessment of the outcomes management actions.

10. The capacity of local councils to exercise a wide range of functions is reviewed in *Opportunity Denied: Review of the legislative ability of local government to conserve native vegetation* (Cripps et al., 1999).

Developing partnerships with local government

At this point it is worth recalling the discussion in Chapter 2, where the differences in councils' capacity and willingness to manage natural resources, including native vegetation, were evaluated. It was emphasised that the role that individual local governments play will vary depending on their resources and the roles and responsibilities of other organisations within their region.

It is difficult to prescribe to what extent individual local councils should be involved in implementing the regional action plans and strategies introduced in this chapter. Generalisations will always invite exceptions. An initial general guideline is that all local councils must be engaged in the development of regional natural resource strategies. In other cases, local governments may be the driver, that is, the organisation coordinating the development of an accredited regional action plan. This will require detailed knowledge of the extent and quality of natural resources across their region and the capacity to build partnerships among different organisations, often with competing interests.

If it could be assured that successful regional approaches would be developed in the absence of intervention by State and Commonwealth governments, it would not be necessary to attempt to identify the situations in which different types of partnership might be expected and fostered. However, judgments must be made about the circumstances in which different approaches might be expected. A conceptual framework for making these judgments was developed in Chapter 3 by considering both the capacity and willingness of local governments within a region to undertake natural resource management planning, including native vegetation conservation.

The following categories and issues were identified in Chapter 2.

High capacity councils with coinciding interests for natural resource management: In these regions the preferred strategy would be to move as far as possible towards implementing the model outlined in this chapter by giving local councils autonomy to coordinate the development of accredited regional plans through networks such as voluntary regional organisations of councils.

Low capacity councils with coinciding interests in natural resource management: In these regions, the most effective strategy may be to engage other regional groups, such as catchment committees, which have a stronger link to State government, to play the leading role in coordinating regional approaches to natural resource management. With State support, these groups will generally have greater capacity and expertise to undertake effective regional planning. These groups would then be responsible for engaging local governments in their roles as service providers and land managers.

High capacity councils with conflicting interests: In these regions, stronger involvement of the Commonwealth and State governments will be required to reconcile differences in objectives for the management of natural resources. However, attempts should be made to maintain active council and community involvement in any processes developed.

Low capacity councils with conflicting interests: In these regions, approaches which build local capacity and manage structural adjustment are required from the Commonwealth and State government. Regional strategies that developed through other regional structures, such as regional development organisations or catchment committees, are likely to be most successful.

These differences make it clear that policies for institutional change need to vary considerably, depending on the jurisdiction within which they are placed. A critical policy option for State and Commonwealth governments for developing active regional partnerships that involve local government is highlighted below. Cross-references are provided where these policy options are closely tied to other policy options in the report.

Policy option 21

Facilitate and support the development of accredited regional action plans for natural resource management with close involvement of local governments in 10 to 20 pilot regions across Australia.[a]

Local government actions

Actively engage and seek formal involvement in regional natural resource management processes.

State government actions

Review existing legislation and bureaucratic processes to:

- identify criteria through which *regional action plans* for natural resource management can be accredited as satisfying statutory requirements;
- develop model Memorandums of Understanding for the streamlining of statutory functions, including planning and approval processes at a regional level; and
- identify the circumstances in which changes in legislation are required to provide greater flexibility in achieving the natural resource management outcomes sought at a regional level.

Commonwealth government actions

Fund the development of 10 to 20 pilot regional action plans or strategies *(Policy option 17)*. To take account of regional differences, these pilot programs would be most effectively targeted at a cross-section of councils:

- A number of the regional programs would be aimed at high-capacity councils with a view to councils playing the leading role in developing approaches to native vegetation management and to giving councils access to the full range of policy incentives.
- Other regional strategies would be targeted through State-based catchment management (or equivalent) structures. Particular emphasis could be given to targeted programs, including: Crown land management *(Policy option 4)*, provision of data information and expertise *(Policy option 19),* and education and awareness *(Policy option 13)*.

continued

Policy option 21 (continued)

Specific actions	Costs	Expected outcome
Development of regional natural resource management plans	High costs These are difficult to cost but are estimated to require between $5 and $10 million per region in seed funding over four years in addition to existing resources. The initial process of putting policies in place should document contributions made by all jurisdictions.	Regions undertaking natural resource management in a more strategic way, facilitating: • improved natural resource management outcomes through integrated strategic planning at the regional level; • greater community-based participation in natural resource management, resulting in greater private investment in natural resource management; • formal links created between statutory functions and existing informal regional initiatives, thereby reducing the risk of regional initiatives only achieving short-term success; • reduced duplication in effort; and • greater efficiency in delivery of on-ground funding.
Review of statutory processes	Moderate–high costs $100 000 to $250 000 per State. Costs of implementing findings may be high, but could be absorbed within existing policy development processes; for example, by using task forces drawn from existing departments.	Potential for streamlining the delivery of statutory functions identified with considerable cost-savings potentially available. In particular, administrative efficiency should be improved, leading to a greater proportion of funds being available for on-ground works.

a. It is noted that this policy opportunity is very similar in its objectives to the targeted regional investments proposed under the Commonwealth government's Natural Heritage Trust. The only real distinction lies in creating more formal structures and linking these to statutory processes. This is considered necessary as much of the institutional infrastructure being put in place for natural resource management is informal and, hence, not guaranteed to have a lasting impact.

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Appendix A: Needs assessment

Purpose and methodology of the needs assessment

Ideals for native vegetation management

Institutional issues – the role and functions of local government

The role of incentive instruments

Purpose and methodology of the needs assessment

Early in the development of this project it became clear there was a need to discuss attitudes to vegetation management with a wide range of councils. As councils have a great deal of discretion in their involvement in the management of natural resources, it is necessary to understand the factors that will drive local government to take an interest in the conservation of native vegetation.

It was unclear to what extent local governments should be involved in delivering native vegetation management programs. Local governments are close to the community, but so are the wide range of other regional and community-based groups, such as catchment committees, regional organisations of councils, Greening Australia and Landcare groups, all of which have an interest in local on-ground works to improve natural resource management. Indeed, many council officials argued that the increasing regionalisation of Australia is creating confusion over the roles and responsibilities of the various players in natural resource management and more particularly native vegetation management (see, for example, Campbell, 1996).

One possible interpretation of the role of local government within this matrix of regional initiatives is that local government should become the coordinator and driver of vegetation management programs. Alternatively, local government could be seen as just one of a wide range of organisations seeking to improve native vegetation management.

Surveying the attitudes of local government to native vegetation management issues provided a mechanism through which the practical actions and responsibilities of local governments could be measured against their legal capacities and responsibilities. It enabled a more realistic evaluation of the capacity of local governments to promote the conservation of native remnant vegetation.

The results presented below are based on surveys carried out in 18 councils in four regions:

- the lower Hunter and Central Coast, New South Wales;
- south-east Queensland;
- south-west Queensland; and
- the Murray catchment, New South Wales.

These regions were chosen to represent a broad cross-section of different types of local government, from remote rural regions to urbanised capital cities. It would have been desirable to hold discussions with local governments in each State, as there are significant differences between jurisdictions. This, however, was beyond the scope of the study, although discussions have been held with officials from all States during the life of the project.

The purpose of the needs assessment was to identify and document impediments to, and opportunities for, effective native vegetation management by local governments. A wide range of individuals including environment and vegetation officers, planners, engineers, chief executive officers and councillors within local government were interviewed. In addition, a number of other people were interviewed, including State agency officials, landholders and organisations representing other stakeholders.

Each interview took 45 to 75 minutes. The interviews were based around a series of focused questions in an informal setting. The objective was to allow a free transfer of ideas and perceptions rather than undertaking a highly structured survey which would have enabled direct comparison and statistical analysis to be undertaken (Miller, 1991). Rather, a range of attitudes and perceptions have been sought to provide an overview of what local government's existing roles and responsibilities are and how and whether these might be expanded in the future.

A copy of the questions around which the interviews were based are at the end of this Appendix.

The interviews covered perceptions in the following four areas:

Current state of play: A broad overview of current approaches to native vegetation management within each council was sought including the planning and policy mechanisms.

Role of local government: Attitudes to the role of local government in directly managing native vegetation.

Regional planning: Attitudes to regional approaches to native vegetation management including the possible devolution of program delivery to a local or regional level.

Policies, incentives, and tools: Attitudes to a range of financial incentives for vegetation conservation were sought in conjunction with a number of issues relating to their development and use by councils.

The first two sections of the interview were designed to obtain the views of local government officials with very little prompting. The last two sections were more interactive, with discussion of a range of issues.

The needs assessment sets the context within which local government is currently considering native vegetation management issues and sets the context for the policies, programs and issues identified in the main report. The following sections summarise:

- the ideals that local government officials have for vegetation management;
- attitudes to institutional issues including local government perceptions of their role in vegetation management and regional planning; and
- government attitudes to using the range of incentive-based measures being evaluated by this project.

Ideals for native vegetation management

The survey sought to investigate each individual's vision for vegetation management by asking each interviewee the following question:

> In an ideal world, with no financial constraints, what would you like to be doing to conserve remnant vegetation?

The question was asked to provide the freedom to express perceptions and ideals away from the day-to-day constraints of local government activities. In this way, our expectation was to reveal the potential scope for local government involvement in native vegetation management.

The answers to this question reinforce a number of important characteristics about the perceived roles and functions of local government. Answers were strongly biased to practical issues and impediments to getting 'on-ground' outcomes in contrast to the 'grand visions' that one might expect from higher levels of government.

Local government ideals

Comments made in response to the question are grouped under headings below.

Community awareness and political support

Most interviewees made reference to the need to secure community acceptance and support for conserving native vegetation. 'The community is the "resource" of local government, without which it would be very difficult to meet any vision.'

Interviewees discussed the potential that could be realised with a united community and in an environment where individuals have the capacity to take action in a pro-active and innovative manner. Political barriers and impediments can easily be overcome if the community supports and expects action.

Information and data on the status of remnant vegetation

Interviewees identified the need for a comprehensive database which will allow actions to be planned and decisions made based on the best available knowledge.

Many council employees, particularly those involved in planning, felt that once a strong information base was available they would be in a position to make well informed land use decisions. A good information base will:

- allow actions to be planned and prioritised on the basis of the relative contribution of individual areas to meeting conservation goals;
- strengthen the case for considering native vegetation management within planning processes; and
- enhance the ability to find cost effective 'win-win' solutions to land use conflicts (for example, with good data and planning at strategic level, trade-offs between proposed developments and conservation can be reconciled at an early stage).

Strategic planning

A number of respondents, predominantly from urban councils, emphasised the benefits of developing strategic plans at a regional level as a central mechanism through which vegetation management might be cost-effectively integrated with other land uses. Considerable emphasis was placed on moving out of the day-to-day practice of providing approvals on an ad hoc basis and addressing vegetation issues at an appropriate scale – that is, at the regional level.

The principles of ecologically sustainable development should underpin the development of land use planning, including consideration of the conservation of native vegetation.

On-ground practical solutions and outcomes

A wide range of on-ground solutions was mentioned by individuals including:

- fencing key areas;
- management of riparian vegetation and river catchment management;
- identification and management of key wildlife corridors;
- purchasing key areas;
- maintaining a rural landscape including isolated paddock trees; and
- managing 5% to 7% of each property for nature conservation.

Comprehensive regulatory framework

The need for a comprehensive regulatory framework was raised by a small number of respondents. The use of regulations was raised in the context of 'halting clearance' or achieving no net loss in native vegetation.

Promoting conservation as a private responsibility

Two respondents indicated that their vision was one of achieving conservation of native vegetation through private responsibilities and actions. Key points included:

- achieving conservation without public acquisition as the central mechanism (high upfront costs and continuing liability for ongoing management were cited as making broadscale acquisition programs undesirable);
- landowners taking responsibility for vegetation management through education and financial incentives; and
- establishment of a local open space network as a complement to the national park system.

Sustainable production

A number of people commented that when an economic return can be generated from sustainably managing native vegetation, the chances of individuals working towards conservation outcomes will be much greater.

One landowner in south-east Queensland with a strong commitment to private native forestry felt that landholders were being penalised for sustainably managing native forests rather than clearing the native forest and establishing a plantation. He saw a strong role for local government in promoting native forestry and providing secure harvesting rights.

In south-west Queensland, key issues raised included reducing stocking levels to sustainable levels, and the management of pests and weeds. Within the Murray catchment, more emphasis was placed on setting aside and managing remnant vegetation in a whole farm context.

Institutional issues – clarifying roles and responsibilities

A need to improve the institutional arrangements for vegetation management was identified. A number of comments were made about: improving communication and linkages between local and State government by clarifying the roles and responsibilities; coordination of councils and other organisations within regions; and giving local government the jurisdiction and capacity to take community-based action.

Management of development and expectations

One councillor raised a desire to identify mechanisms for managing population growth on the coastal zone and, hence, halting development pressures. They also indicated an urgent need to change people's expectations in relation to future rights to develop their land.

Discussion

The ideals identified by local government officials have a very strong theme of identifying practical actions to make a contribution to meeting conservation objectives at an on-ground level. Very few comments were made about issues that could be considered beyond the scope of local government: for example, changing the roles and responsibilities of State and Commonwealth government. It is significant that the one individual who addressed the underlying cause of biodiversity loss was a councillor rather than a council official.

The ideals of local government officials serve to highlight the potential strengths and weaknesses of local government involvement in native vegetation management. A key strength is that local government seeks to achieve tangible results by identifying practical on-ground actions. However, in relation to weaknesses, it is unlikely that local government has the capacity to address structural problems such as slowing the rate of population growth and development pressure.

Institutional issues – the role and functions of local government

In order to provide the context for a discussion of the attitudes of local governments to increased involvement in native vegetation management, a range of questions was asked about how individuals felt the roles and responsibilities for vegetation management should be shared by different spheres of government.

A consistent theme that emerged was frustration over poorly defined roles and responsibilities for vegetation management at a regional level. Perhaps this should not be surprising as people are inevitably critical of policies and processes when given the opportunity to reflect and seek out weaknesses in existing systems. Nevertheless, the consistency and strength of comments made are clear indicators that there is frustration that policy objectives articulated at higher levels of government are not being given a practical interpretation that would allow them to be implemented at a local level.

A very important distinction in these perceptions can be drawn between attitudes of the more active councils surveyed in New South Wales and Queensland.

- Local government officials in New South Wales all commented on experiencing difficulty with the complexity of the legislative framework for managing native vegetation in the State. They noted the large range of legislation and planning policies that must be complied with in addressing native vegetation management. They questioned councils' capacity to adequately administer all of the functions that have been prescribed by State government.

- In contrast, officials in Queensland were frustrated by the lack of coherent planning, policy and legislative frameworks for vegetation management, particularly on freehold land. There was a very consistent view that the State government was not providing leadership and a policy framework for local councils to act upon. Local government officials claimed that very little resources, guidance or advice was coming from State government. Councils are feeling caught between the choice of satisfying strong development expectations and meeting community concerns for the conservation of native vegetation within their regions. Local governments have been forced to develop their own approaches because of the lack of State government guidance in this area.

It is important to note that these are perceptions rather than an objective evaluation of the relative performance of each State. It is also interesting to note that, whilst the call for a clear division of roles and responsibilities was made in both States, it was made from quite differing perspectives: New South Wales seeking simplification and rationalisation of existing arrangements, and Queensland seeking clearer guidance and policy frameworks. However, there is strong evidence that this perception, in conjunction with the differing legal frameworks, is having a direct impact on how native vegetation is managed in each State.

- A small number of local councils in Queensland are among the most innovative in Australia in using a wide range of policy instruments, including regulations, property rights, incentives and education instruments. Most councils, however, are reluctant to address native vegetation management issues in the absence of clear policy guidance from the State government.

- Local governments in New South Wales have a very strong planning base and are focused on meeting the statutory requirements set by the State government. As a result they do not employ a wide range of policies for vegetation management. Rather limited resources are devoted to land use planning processes.

It is not a simple task to determine which of the two processes is more effective in terms of on-ground

outcomes. It is likely that a more consistent approach is achieved in New South Wales where minimum standards are maintained through rigorous planning processes. Performance in Queensland is likely to be patchy, and will vary depending on the relative development pressures and attitudes within the community and council to conservation issues. However, as noted, the most innovative councils are to be found in Queensland, where the lack of a State government framework has allowed councils to develop innovative approaches to meeting community expectations.

What seems clear is that:

- State government has a clear role in establishing a legislative and policy framework to guide local government decisions in this area, and by doing so effectively establish minimum standards for native vegetation management; and
- if given appropriate encouragement, local councils are capable of developing and implementing innovative programs for achieving on-ground outcomes that conserve native vegetation.

The issue to be addressed is how to combine the strengths of these approaches and identify how a comprehensive legislative base can be established while at the same time encouraging local councils to be innovative.

The following sections outline how local government officials perceive their role relative to the role of State and Commonwealth governments and regional organisations.

The role of local government

Each interviewee was asked what they perceived to be the role of local government in managing native vegetation. In general, there was a very strong belief in the role of local government in meeting environmental objectives at a local level. This was tempered by concerns regarding funding, the skills base and knowledge required for adequate vegetation planning, and the capacity to address new issues with existing resources. The key points made are discussed under the headings below.

Local government is representative of community values

Almost all the individuals interviewed noted that local government is elected and, hence, *represents* the community and its values. This means that local government cannot move too far away from community attitudes and values. As a result, any approach to remnant vegetation management will require the support of the community prior to being endorsed by council.

Most interviewees felt that the fact they are elected bodies is, on balance, an important strength of local government and makes it best placed to administer public policy issues at a local level. Local government represents the 'local interest', which can be defined as the interests of the local community as represented by elected councillors. Local government will be actively involved in the management of native vegetation if this is considered an important issue by the local community.

However, a number of council officers were frustrated that their local council representatives tended to be reactive and lacked the ability to lead through strategic planning in a way that would foster local participation in, and acceptance of, environmental programs.

Local government is best able to deliver programs on the ground

A very consistent theme was that local governments' strengths lie in delivery and implementation of policies at an on-ground level. Councils generally have excellent networks within their local communities and may be best placed to find innovative and efficient ways of delivering government programs.

Local government is placed in the position of integrating a wide range of land use policies developed at a sectoral level and applying these in an holistic way. They are also an effective means of informing and providing advice to stakeholders.

Mixed views on whether vegetation management is core business

There were very mixed views on the role of local government in managing native vegetation. In general, urban councils perceived that native vegetation management was a core function for them to perform while rural councils were firmly of the view that vegetation management was beyond their resources or control. This view was most strongly held in south-west Queensland, although it was also the dominant view within the Murray Catchment.

Local government may not be an effective regulator of land use

Most rural councils were strongly of the view that the State government should be the primary regulator of native vegetation clearance on privately managed lands. A number of interviewees from rural councils commented that it would not be politically feasible for their council to regulate vegetation on private land. This is because of a strong ethic of autonomous land management amongst agriculturalists who represent the majority of ratepayers within the council.

The views of urban councils on this issue varied considerably. Brisbane City Council introduced comprehensive vegetation protection orders as the first component of their vegetation management program. In contrast, Cooloola Shire Council is firmly of the view that regulation should be used as a last resort at the local level.

There was universal agreement that if broad-scale vegetation regulation is considered appropriate, these regulations should be developed at a State and/or national level. Nevertheless, several of the councils interviewed have introduced controls in the absence of State leadership on this issue. There were mixed views on who should administer and enforce such policies.

Management of Crown land

Management of land controlled by councils was often raised as a key role for local government. Council-managed lands were often high in the minds of operational staff, but were generally a secondary consideration of senior managers, who often required prompting on the issue.

Most council officials did not know what the extent or quality of native vegetation was on council-owned or council-managed lands. Roadsides and stock routes were the lands most consistently raised by rural councils, with particular focus on the difficulties in resolving conflicting land use objectives such as public safety, feed for travelling stock and protection of public infrastructure.

Role of local government relative to State and Commonwealth government

Following a discussion of the perceived role of local government, interviewees were asked for their perception on the role of Commonwealth and State government in native vegetation management. Interviewees generally did not make a strong distinction been the roles of the Commonwealth and State governments. State government was consistently nominated as having much greater relevance to the activities of councils, particularly in relation to policy and regulatory functions, than the Commonwealth government, which was largely perceived as providing general information and as a potential funding source.

A broad division of responsibilities consistent with the majority of responses follows.

Commonwealth government: Should establish clear policy objectives at a national level and provide funding and resources to secure the outcomes desired

State government: Should put in place statutory controls and take 'structural adjustment' issues away from local government. Indeed, local government should not be left making hard broad-scale decisions. State governments should not take all of the funding for vegetation management as their strengths lie in strategic policy and they are generally weak in program delivery.

Local government: Should receive funding for locally significant projects, promote good land use

practices, and be the delivery agent of State and Commonwealth programs and local regulations.

The division of responsibilities outlined above demonstrates that local government officials generally have a strong perception and mature understanding of the relative functions, roles and responsibilities of each level of government in Australia. Indeed, interviewees almost universally sought clearer direction from State government in relation to native vegetation management. In Queensland, this was expressed in the form of the State government taking a more pro-active role and putting in place a consistent regulatory framework. In New South Wales, councils consistently noted that the legislative framework is too complex making it very difficult for councils to administer development proposals. They sought a more integrated approach to natural resource management.

Priorities from a local government perspective for Commonwealth and State government activities are:

- a clear, simple statement of policy principles and objectives;
- strong involvement in regional planning and the development of regionally relevant guidelines and criteria for vegetation management;
- the provision of information and extension support;
- the creation of administratively simple approval processes;
- the provision of timely advice on statutory approvals, particularly where referrals to State agencies are required; and
- the provision of adequate funding and resources to local government to undertake activities delegated from higher levels of government.

In summary, local government strongly recognises the role of higher levels of government in developing policies and a regulatory framework that will apply consistently to all landholders. Urban councils are firmly of the view that they are better placed to deliver vegetation programs at a local level. Rural councils have more mixed views, with a range of councils noting that they see no direct role for them in managing native vegetation, particularly on private land. However, they remain concerned that, as additional regulatory functions are developed, the resource implications for local government need to be taken into account.

Perceptions of regional planning

The needs assessment sought to investigate the attitude of interviewees to regional planning as there is an increasing trend towards regional planning for all natural resource management. This trend has led a wide range of regional organisations to become involved in management issues directly affecting native vegetation management. Examples include: catchment committees, regional organisations of councils, regional environment strategies and regional development organisations.

All respondents agreed that a regional approach to natural resource management issues is a crucial component of developing successful strategies for vegetation management. However, there were a large number of concerns and varied opinions raised in relation to who should have responsibility for regional planning and the organisations through which regional plans should be developed.

Strengths and weaknesses of regional approaches

Interviewees were initially asked what range of regional organisations they were involved in and what they considered to be the strengths and weaknesses of these organisations. Responses are grouped and compared under broad headings in Table A.1.

Table A.1: Strengths and weaknesses of regional organisations

Strengths	Weaknesses
Less bureaucracy: • coordination • reduces duplication of effort	More bureaucracy: • too many meetings
Strong local role: • community acceptance including local input and fostering local participation	Weak local role: • lose the local issues and input – regional bodies often have poor links to local government
Develop strategic approaches: • allows holistic planning at an appropriate scale of catchments or other appropriate environmental domains	Unable to develop strategic approaches: • lack of vision or strategy • lack of technical expertise and information at a local level • unable to facilitate structural change.
Builds political consensus: • regional groups have the potential to lead small or reluctant councils (peer pressure)	Reinforces political divisions: • each council looking after its own interests. • suspicion of State and Commonwealth government agendas
Networking and improved information sharing	Lack of consistent information
Improve access to funding	Lack financial resources
Facilitate on-ground action	Do not lead to on-ground outcomes: • implications of the decisions made are often unclear to local government • no on-ground works
Able to make tougher decisions regarding regulation of land use	No decision-making powers. Regional bodies have been: • poorly defined • historically have a short lifespan • low commitment from higher levels of government
Participation is voluntary	Participation is voluntary
Economies of scale	Too many interrelated regional bodies

The most significant outcome of this process is the contradictory nature of the comments made. For almost every potential strength of regional bodies, there is a matching weakness. This result is initially very surprising. However, regional organisations are generally established to address extremely challenging issues, such as the need to coordinate the achievement of sustainable natural resource management among many competing organisations and interests. As this is not an easy task, an individual's attitude to the regional organisation they participate in might be expected to be guided by their personal experience with the organisation:

- When the regional organisation succeeds, it would appear that the 'strengths' column will dominate.
- When the regional organisation fails, it would appear that the 'weaknesses' column will dominate.

Hence a better question to have asked would be:

> What institutional structures are most likely to effectively deliver sound regional planning processes over time?

Attitudes to a model of regional vegetation planning

At a broader level, we sought the attitudes of respondents to regional planning by seeking reactions to the following idealised vision for the development and implementation of regional vegetation management plans:

- Regional vegetation management plans are developed that take account of national and State priorities. The plans are developed with strong local participation and identify objectives for vegetation management, strategies and actions to meet the objectives and monitoring and review mechanisms.
- Funding for management plans is devolved to local government, rather than making once-off payments for individual projects. Funding remains untied, with programs to be designed locally.
- The effectiveness of regional vegetation management plans is evaluated on the basis of quantifiable and objective performance indicators. Future funding is dependent on good performance.
- Local governments have access to the full range of tools for implementing regional vegetation plans including:
  - rate rebates;
  - revolving funds;
  - environment levies;
  - management agreements;
  - development applications and planning mechanisms;
  - individual grants (fencing assistance);
  - community grants; and
  - vegetation trusts.

Reactions to this scenario were strongly favourable, with all respondents indicating broad support for the model put forward. Respondents also indicated that they thought the model was realistic, although some noted that current arrangements are well away from achieving the vision put forward. Some reservations were expressed relating to the composition and decision-making capacity of the regional body, how this would relate to local government, and whether the organisation would duplicate efforts being made by other organisations.

As with the discussion of strengths and weaknesses of regional approaches, it appears that the need for regional planning is well accepted. However, what is less clear is: *What institutional structures are most likely to effectively and consistently deliver at a regional level over time?*

A range of additional questions relating to the scenario outlined above were asked in relation to impediments to realising the vision, how resources and funding should be provided, and what accountability measures should be put in place for local governments participating in regional initiatives of this kind.

The role of incentive instruments

Before discussing attitudes to individual incentive instruments, it is important to briefly outline the key issues which need to be taken into account when considering their use for meeting native vegetation management objectives.

All of the incentives discussed in this report were of a modest size. They do not seek to compensate landholders for the forgone land use opportunities. Rather, they aim to provide a contribution to the costs of meeting the community's expectation of native vegetation retention. The community's expectation can be thought of as a 'duty of care' for sustainable management which is placed on landholders. A duty of care is essentially defined through societal attitudes and expectations. Duty of care may also be reinforced through enforceable regulations (Binning and Young, 1997a).

Incentives play two functions in the policy mix:

- they provide a financial contribution and share the costs of native vegetation management; and
- they provide a powerful symbol of public recognition that landholders are undertaking activities that are in the community's interest. (As a result, a landholder's 'intrinsic motivation' to undertake on-ground conservation works can be enhanced.)

We are not aware of any empirical studies of the uptake rate of incentive-based measures. Those councils that are using incentive-based instruments do, however, have encouraging results. For example, in the 10 months of Brisbane City Council's Voluntary Conservation Agreement program, 18 agreements have been entered (Brisbane City Council, 1997). Staff within the council are quick to emphasise that, while the absolute numbers involved are not large, the existence of a management agreement program provides a mechanism through which more sites can be secured. Likewise, demand for fencing assistance grants in the Murray Catchment has outstripped funding for the scheme (Murray Catchment Management Committee, pers. comm.).

Councils which have used incentives appear to be encouraged by the results; however, all emphasise that incentives are just one part of a broader strategy and commitment from the council. All emphasise that incentives increase the acceptability of vegetation management programs.

In effect, the question of whether small incentives can effectively encourage landholders to manage native vegetation is unproven. Further, it is also unclear to what extent incentives simply reward managers with a pre-existing conservation ethic rather than actually changing the behaviour of landholders.

It is in the context of broader strategies for native vegetation management policies that the role of the incentives discussed here can be considered.

Overview of the instruments

Each interviewee was asked which of the incentives in Table A.2 they would favour using in their region. Their perceptions were fairly consistent within urban and fringe-urban centres, but these differed significantly from those favoured by rural and remote regions.

Rate rebates and management agreements were the only incentives to be highly rated by both urban and rural regions. Grants to individuals, such as for fencing assistance, were most highly ranked in the rural regions and moderately ranked in urban regions. Interestingly, environment levies and development controls were ranked highly in urban regions and poorly in rural regions. Vegetation trusts were consistently poorly rated. Mixed messages were received in relation to revolving funds, where the concept tended to be strongly supported, but practical considerations regarding implementation weighed against trusts being a favoured option.

Table A.2: Perceptions of potential incentive-based instruments by council type

	Urban/Fringe	Rural/Remote
Consistently highly ranked	Rate rebates Environment levies	Individual grants (fencing assistance)
Highly ranked	Management agreements Development controls Community grants	Rate rebates (if supplementary funding is available) Management agreements
Moderately ranked	Individual grants	Community grants
Poorly ranked	Vegetation trusts	Development controls Vegetation trusts Environment levies Revolving funds
Uncertain	Revolving funds	

These results need to be treated as very preliminary as they are based on discussion and first impressions by councillors and council employees. The attitudes expressed are also based on a first reaction to a range of policy instruments which were unfamiliar to a majority of the interviewees. Finally, many of the instruments are complementary rather than substitutes for one another. For example, management agreements can be used to provide security for the investment made by local government through rate rebates or individual grants.

Specific issues raised in relation to each incentive

Rate rebates

A symbolic and significant incentive

Rate rebates were consistently raised as an instrument that could provide a strong incentive for native vegetation management.

All councils indicated that a revenue stream to offset lost income would need to be identified prior to introducing a rate rebate. Rural councils in particular were concerned over how such a levy should be funded. Rating policy is amongst the most sensitive issues within any council. Any differential in rating between landholders would require very strong understanding and acceptance by the community. Rural councils have only a relatively small number of landholders, so reducing rates to some landholders will directly lead to rises elsewhere. This may be different for urban councils with larger rating bases where the capacity for urban residents to cross-subsidise rural ratepayers exists.

All councils on the urban fringe commented that significant rate discounts are available to land that is zoned rural. To be zoned rural, landholders are generally required to be earning income from primary production on the property. This is a significant perverse incentive for landholders to develop their land for primary production rather than conservation.

In New South Wales, a number of councils, including Wyong and Lake Macquarie, have investigated the feasibility of providing rate rebates, but have been unable to identify a mechanism through which such a rebate could be legally put in place (see section on the legal position of rate rebates in New South Wales).

In south-east Queensland, a number of councils, including the Brisbane, Cooloola, Johnstone and Logan councils, have introduced rate rebates. All of these rebates are tied to landholders entering management agreements which provide varying degrees of security for the ongoing conservation of sites. A recent trend has been to move away from a straight rebate to tying assistance to ongoing management activities (Brisbane City Council, 1997). Nevertheless, calculation of the payment is still based on a proportion of the rates.

A small number of people interviewed felt very negatively about the concept of rate rebates. They commented that the rates are almost the only independent revenue stream for councils. A rate rebate for conservation could be seen as the 'thin edge of the wedge' for future calls on rate relief. A further comment made by this group was that rate rebates are unlikely in themselves to be a significant incentive. However, because the majority of people interviewed have a direct interest in achieving environmental objectives, this view may be understated in the responses given.

Environment levies

'A potential funding source'

Environment levies were strongly supported by urban and urban-fringe councils and strongly rejected by rural councils.

Interviewees in urban councils generally felt that the urban community would be willing to pay for conservation efforts. Environment levies in Brisbane and Cooloola appear to be very well accepted by the community. Ensuring that funds raised through environment levy funds are transparently administered and used to meet environmental objectives are crucial considerations in the establishment of environmental levies. In Cooloola, a survey was sent to all landholders to assist in setting priorities for expenditure through the environmental levy. This was useful in increasing community awareness and acceptance of the levy.

Environmental levies appear to be unacceptable to the New South Wales government, which has rate capping in place. Any proposal to raise rates would have to be approved by the Minister for Local Government and such proposals have been viewed quite negatively in the past.

Rural councils in south-west Queensland were unanimously opposed to environmental levies, citing general rural decline and the financial position of their ratepayers as reasons they would not consider introducing such schemes. They were strongly of the view that increased funding should be provided by the Commonwealth and State governments.

A view was also expressed that environmental levies should not be used in the long-term, with any recurrent expenditures being made through general revenue.

Management agreements

'Seeking secure conservation outcomes'

Management agreements received high support from the majority of interviewees. Concerns were raised about the resource-intensive nature of management agreements. Many felt that without strong incentives there would not be many landholders willing to enter agreements. For example, there has been no uptake of management agreement programs by landholders in south-west Queensland despite significant incentives being offered by the Department of the Environment (pers. comm.). Strong emphasis was placed on the view that such agreements should be voluntary.

There is currently no simple legal mechanism for councils to enter management agreements that are registered on the title to land. This is significant, as it makes it very difficult to make agreements binding on future landholders. Some officers expressed frustration at accessing State-run programs which require proposed sites to be of Statewide significance rather than of local significance.

In Queensland, councils have used contracts with landholders, and the ability to create conservation zones within planning schemes, to achieve secure outcomes from their management agreement programs. In New South Wales, concern was expressed that the most appropriate land zoning required acquisition by the council if so desired by the landholder, thus resulting in great reluctance by councils to use this zoning category.

Development applications and approvals

Core functions

The use of development controls to manage native vegetation clearance is a controversial issue. In Brisbane City Council, concern for loss of green space within the city convinced the council of the need for broad-scale vegetation protection orders

across the entire city. Cooloola, on the other hand, has opted to leave vegetation clearance unregulated in the hope that voluntary approaches will be sufficient.

In sharp contrast, local councils in south-west Queensland and the Murray Catchment indicated that they saw very little role for local government in regulating land use on privately owned land.

Wide spread cynicism of the adequacy of existing development approval processes was raised on a number of occasions. In particular, there is a strong perception that consultants preparing environment impact statements are paid to 'get the right result' rather than provide objective assessment of conservation values. Council officers were concerned that not enough emphasis was being placed on monitoring and enforcing the conditions contained in development approvals.

Tradable development rights were not supported, as they were seen to create structures which were very hard to amend or change as new knowledge or objectives emerge.

Individual grants (fencing assistance)

Cost-sharing for on-ground works

Of all the incentives discussed, individual grants were consistently ranked most highly in rural regions. Grants that are tied to on-ground works such as fencing assistance were the most frequently favoured. This is because fencing is seen as a costly upfront investment required to manage areas for conservation. Those interviewed said landholders are often willing to undertake conservation measures if they can receive assistance with the upfront costs of setting land aside. A number of people commented that fencing assistance would be less relevant than other direct grants, such as exclusion or capping of watering points in the rangelands.[11]

It was argued that once a fence is built and a conservation area established, a landholder has a sense of ownership and pride and is likely to be a very strong advocate on conservation measures. Such assistance may also act as a catalyst for further investment in conservation by the individuals involved. For example, one farmer in the Murray Catchment commented that the fencing assistance had allowed him to undertake measures that had always been at 'the back of my mind' and on a much larger scale than he had originally conceived.

Whilst recognising the above, a number of respondents queried whether direct grants would just be a mechanism for providing additional resources to those already strongly committed to undertaking conservation works on their properties. There was some concern that productive land may be taken out of production as a result of the scheme.

Community grants

Building partnerships

In urban areas, grants to community groups encouraged wider community participation in on-ground environmental works. It was commented on several occasions that well run community projects had been very cost effective and had made it possible to undertake large scale projects that otherwise could not have been funded.

Concern was expressed that the work of community groups needs to be well targeted to priority on-ground works. People make a considerable voluntary contribution when they contribute to a community group. If these groups are well resourced and have relevant information available to them, they are better able to implement meaningful projects.

Some rural councils, particularly in south-west Queensland, commented that community grant processes only reached a small minority of active and already committed landholders. Indeed, in some regions, landcare groups have not been successful because of low numbers and conflicting objectives. The strong culture of autonomous land management in these regions works against community grant processes. Rather, landholders are

11. See Landsberg et al., 1996, for a full discussion of the potential conservation benefits of removing water points in the Australian rangelands.

more likely to observe and act upon innovations they observe within their region in a more informal manner.

Vegetation trusts

Vegetation trusts were viewed quite negatively by participants in the survey. It was felt that vegetation management is not a large enough issue to justify the establishment of an independent organisation at a local or regional level. Would a trust just be another layer of bureaucracy? There was also concern that such a trust would not be representative of the community and might be 'captured' by sectoral interests.

One interviewee was, however, very positive about the notion of an independent trust as a mechanism for creating greater community interest and participation.

Revolving funds

Mixed views were expressed on the notion of revolving funds. Interviewees generally liked the concept of using land acquisition and sale as a means of identifying landholders willing to manage areas for nature conservation. However, there were concerns that the fund would have to be cost-effective. There was some concern that, once loss of value in the land, and legal and administrative costs are taken into account, it would not be a cost-effective instrument.

It was also suggested that councils might be perceived to be acting as de facto land developers. Councils could be perceived by developers as changing the rules of development in their favour to create green developments as a money-making venture for the council. For this reason, the operation of revolving funds was not seen as a desirable function of government.

Capacity of councils to administer incentives

Councils were asked if, in their opinion, their organisations had the capacity to administer incentive-based instruments. This question was seeking attitudes and perceptions to a council's administrative capacity to regulate native vegetation management, irrespective of the merits of doing so. These answers can be contrasted with the legal jurisdictions of councils outlined in Chapter 3.

The reaction to this question was generally very positive, with most interviewees responding in a manner consistent with the theme:

'If there is a will there is a way'

However, interviewees in south-east Queensland were much more confident of their ability to introduce incentive-based instruments and were able to cite either their own experiences or those of neighbouring councils. In south-west Queensland, greater emphasis was placed on administrative capacity than on issues of legal jurisdiction. In New South Wales, councils were positive, but noted State government agencies would have to be consulted and that some mechanisms, including rate rebates and environmental levies, would probably not be able to be used without policy or legislative changes at a State government level.

In terms of administrative capacity, most councils indicated that their existing administrative systems could be amended relatively easily to implement these policies. For example:

- Rate rebates – once a separate category is established the administration is quite mechanical.
- Revolving fund – most councils have an assets management program that enables the buying and selling of assets.

However, the following major resource implications associated with the development of incentive instruments were identified:

- Developing a policy – development of a policy that is acceptable to the community would require: establishing priorities, community consultation, development of eligibility criteria which are fair and equitable, and marketing.
- Information and expertise – a wide range of data would be required to effectively design and target the instrument. Considerable expertise would also be required.

- Extension and monitoring – providing field staff to do on-site inspections and monitor implementation of the incentives would have major resource implications. For the incentive to be worthwhile, ongoing management arrangements may need to be developed.

Cooloola Shire Council, which operates an active vegetation management program, estimated that the operation of a rate rebate, management agreement and grant program would require a core of two or three dedicated staff. Brisbane City Council, which has both regulations and incentives in place, has a core staff of approximately 10 working on environmental issues, although staffing levels were significantly higher during the initial policy development and implementation of their initiatives. It is worth noting that Brisbane City is a very large council which covers all of metropolitan Brisbane. Both Brisbane and Cooloola noted that they had to manage demand for the programs very carefully to ensure that demand did not outstrip the administrative capacity.

These experiences indicate that significant resources are required particularly during the initial development of policies associated with the implementation of incentive-based instruments. A number of interviewees noted that State and Commonwealth governments should play a leadership role in developing and marketing instruments of this kind on a Statewide or regional basis. Local government may then be an effective delivery agent for vegetation management programs.

Policy issues affecting the use of incentive instruments

Interviewees were asked what policy issues would need to be addressed in developing incentive-based instruments. The responses are grouped under the headings below.

Demonstrated need: Most councils are not convinced there is a genuine need for them to address native vegetation issues. As discussed, they perceive that vegetation management may not lie within their sphere of responsibility, rather viewing vegetation management as a Commonwealth or State government responsibility. The community must be seen to support and expect action by the council on these issues if they are to be involved.

Environmental effectiveness and dependability: Council would also have to be convinced that the proposed policies would lead to the achievement of the desired policy outcomes. A number or respondents expressed reservations about the capacity of small incentives to deliver.

Cost-effectiveness and efficiency: This was by far the most commonly cited policy issue surrounding the costs of using incentive-based instruments. Not all interviewees were convinced that incentives would be the most cost-effective instrument available and that funding arrangements for any program were reasonable and could be covered by an identified revenue stream.

Equity: It was noted that any proposed incentive would need to address issues of equity, both among landholders and between landholders and the broader community. This would be a primary consideration of councillors who would represent a variety of interests within the community.

Community acceptability: Any incentive proposed would need to be broadly acceptable to the community, or the council would need to be convinced that the incentive could be successfully marketed to landholders and the broader community. A number of interviewees noted that their councils would only support voluntary measures which maintain the rights of individual landholders.

Administrative feasibility: The capacity to administer incentives within existing council policies and administrative processes was a commonly cited concern that was often summarised by comments relating the staffing and resource implications of proposals for new initiatives.

Ongoing costs and effectiveness: A number of councils were concerned that incentive instruments may create ongoing costs and raise expectations amongst landholders. If funding is provided through a short-term grant, longer-term financial implications will need to be addressed.

Ability to review and adapt the policy: A small number of respondents noted that flexibility to review and adapt the policy through time would need to be retained.

Most interviewees indicated that if a range of the issues identified above is addressed, councils will move to implement policies for native vegetation management. Clearly the threshold question is:

Why should the council be involved?

Once this political imperative is established, the other policy issues come into operation. In relation to convincing council of the need to address native vegetation management, several interviewees indicated that it is critical to have high-profile 'champions' for proposed incentives. These people need to have the respect of decision makers and be strong advocates. Without the drive of influential people, it was noted that there was little chance of getting innovative proposals adopted by council, irrespective of the strength of the case.

Marketing to landholders

Finally, each interviewee was asked how incentive-based measures could be most effectively marketed to landholders. Key points raised include:

Highlight benefits to the landholder: To be successful, an incentive must have direct benefits to the landholder. Benefits must be clearly articulated and promoted with emphasis on commercial benefits.

Consultation: Quite a large number of respondents indicated that landholders should be widely consulted in the development of any proposed policy. If landholders are consulted during the initial development of a proposal, any potential problems in policy design can be resolved prior to implementation.

Networks and leaders in the community: Existing land management groups and agencies will need to play a central role in promoting native vegetation management programs. Identifying leading individuals in the community and getting them to champion the incentive can be critical for success. Existing networks such as Landcare groups provide opportunities to reach large numbers of people simultaneously.

Marketing: A marketing and media strategy is an essential component of any initiative that is seeking to reach a wide range of dispersed clients. Simplicity and ease of understanding are also crucial.

Timing: The introduction of a new program needs to occur when community expectations are high. Often the opportunity to implement a new initiative emerges during a time of conflict or crisis. Respondents indicated that it is important to be able to read the 'political wind' when seeking to change people's behaviour.

State government and local government associations: State government and local government associations have an important role to play in marketing programs for native vegetation management to local governments.

Moral arguments: A number of respondents argued that the 'public good' aspects of native vegetation management could be used to convince landholders to take action in the community's interest.

Ease of access: Programs must be easy for landholders to access and the service provided by the council must be professional and client-oriented. Care must be taken to ensure that the demand for incentives can be met.

Needs assessment questionnaire

Working with local government to protect remnant vegetation

Stage 1 – Current state of play and perceptions

1. What is your organisation currently doing to conserve remnant vegetation?
2. What other things does your organisation do that may impact on remnant vegetation?
3. What mechanisms are available to conserve remnant vegetation?
4. In an ideal world, with no financial constraints, what would you like to be doing to conserve remnant vegetation?
5. Is there support in your organisation for programs to protect remnant vegetation?
6. What are the impediments and barriers to effective remnant vegetation management within your organisation?

Stage 2 – Institutional structures

1. What do you believe the role of local government should be in conserving remnant vegetation (versus Federal/State government responsibilities)?
2. What support do you receive from Federal and State governments for vegetation management (grants, information advice etc)?
3. What regional bodies/organisations are involved in vegetation management or natural resource management (for example., catchment committees)?
4. What involvement does your council have with these groups? Are these arrangements effective?
5. What are the strengths and weaknesses of regional approaches from your perspective?
6. How could arrangements between organisations and governments in delivering nature conservation programs be improved?

Stage 3 – Perceptions of future directions

Background information

This stage of the interview is started by outlining possible future directions for vegetation management by local government or regional groupings of councils. The vision is characterised by the following.

- Regional vegetation management plans are developed that take account of national and State priorities. The plans are developed with strong local participation and identify objectives for vegetation management, strategies and actions to meet the objectives, and monitoring and review mechanisms.
- Funding for management plans is devolved to local government, rather than making once-off payments for individual projects. Funding remains untied with programs to be designed locally.
- The effectiveness of regional vegetation management plans is evaluated on the basis of quantifiable and objective performance indicators. Future funding is dependent on good performance.
- Local governments have access to the full range of tools for implementing regional vegetation plans:
  - State and local regulation;
  - revolving funds;
  - rate relief;
  - management agreements;
  - development application/zoning/land use planning; and
  - fencing assistance and other grants.

Questions

1. Is the above scenario realistic – if not why not?
2. What are the major impediments to realising such a model? How can they be overcome?
3. What skills and resources would you require to meet this vision of vegetation management?
   - Planning and technical skills;
   - community participation;
   - objective conservation criteria; or
   - implementation tools/policies.
4. How should funding be provided?
   - Grants commission;
   - tied grants; or
   - untied grants.
5. How should councils be held to account?
   - Should funding be tied?
   - What are the performance indicators?

Stage 4 – Tools

This section explores impediments and opportunities to the use of each of the following incentives:

- rate rebates;
- revolving funds;
- environment levies;
- management agreements;
- development applications and planning mechanisms;
- individual grants (fencing assistance);
- community grants; and
- vegetation trusts.

Questions

1. Which of these instruments would you favour?
2. Does your organisation have the jurisdiction/ capacity to administer tools of this kind?
3. How would you administer schemes of this kind?
4. What resources would you require, and where could they be found within your existing organisation?
5. What sort of policy issues would you need to address in developing tools of this kind?
6. What would your council's views to such mechanisms be?
7. How would such a scheme be most effectively marketed to landholders?

Appendix B: Summary of findings, *Opportunity Denied*

The following tables list the legislative impediments to local governments using incentive and market-based instruments identified in *Opportunity Denied: Review of the legislative ability of local governments to conserve native vegetation* (Cripps et al., 1999), prepared as a component of this study.

Box B.1 reintroduces the incentives considered in the report.

Table B.1: The ability of local governments to raise an environmental levy

State	Current position	Possible amendments
Tasmania	Environmental levies can not be imposed	Amend definition of service in the Local Government Act (s93) to include environmental services, or pass regulation
Queensland	Local Government Act s563	N/A as environmental levies can already be charged
New South Wales	Environmental levies can not be imposed	Amend definition of service in the Local Government Act (s501) to include environmental services, or pass regulation [a]
Victoria	Environmental levies can not be imposed	Amend definition of service in the Local Government Act (s162) to include environmental services, or pass regulation [a]
Western Australia	Environmental levies can not be imposed	Amend definition of service in the Local Government Act (s6.38) to include environmental services, or pass regulation
South Australia	Environmental levies can not be imposed	Amend definition of service in the Local Government Act (s177) to include environmental services, or pass regulation

a. Amount of revenue which can be raised is limited by rate capping and therefore general rate increases are not possible.

Box B.1: Model policy tools for native vegetation management

Revenue raising tools

Environmental levies

Environmental levies have been used in a number of jurisdictions to raise funds for environmental programs. They are typically a flat charge of $15 to $40 per household. Funds from a levy may be used to fund land purchases, enter management agreements with landholders, and provide grants to individuals and community groups undertaking on-ground conservation works.

Financial incentives

Grants to landholders and community groups

Local government may provide funding to individuals or community groups to undertake conservation works. For example, a farmer may apply for fencing assistance to fence off a high value remnant. The provision of grants is a direct way for the community to acknowledge that on-ground works have a public benefit in addition to private benefits. In this way, grants and incentives can be considered cost-sharing mechanisms for the conservation of native vegetation.

Rate rebates and concessions

A rebate on rates may be provided to landholders who have agreed to manage an area of remnant vegetation for conservation. In such a scheme, a discount on the rates payable or a rebate on that land is given to the landholder.

Property right mechanisms

Land acquisition and revolving funds

Councils may move to acquire key sites of high conservation within the local government area. Rather than retaining these sites, a revolving fund that is used to purchase land on the open market, place a covenant on the land, and then resell the land, has the potential to protect land cost-effectively. The covenant is usually one that links the owner and all subsequent owners to the covenant's conditions. As the property right is changed via the covenant, it is more likely that a landowner committed to vegetation management will purchase the land. In this way, the market works to identify a landholder willing to manage the land for conservation.

Management agreements

In broad terms, a management agreement is a contract or binding agreement between a landholder and a third party regarding the management of native vegetation on their property. In the case of remnant vegetation, an agreement would generally restrict land uses that are harmful, such as vegetation clearing and overgrazing, and prescribe the management actions required to sustain conservation values in the long term.

This report considers two types of management agreement: land use agreements that are generally related to agreements or development approvals under planning legislation and which are binding on the current landholder; and covenants which are registered on the title of land and hence are guaranteed of being binding on successive landholders and governments.

Table B.2: The ability of a local government to offer a grants scheme for vegetation conservation

State	Current position	Possible amendments
Tasmania	*Local Government Act 1993* (s77) – allows the council to make a grant to any person for a purpose it thinks fit	N/A as grants can currently be made by local governments
Queensland	Nothing prohibits the making of grants and therefore it would be within the power of local government to do so	State could clarify this position by policy encouraging local governments to purchase land of high conservation value and establish a grants scheme for conservation activities
New South Wales	*Local Government Act 1993* (s356) – council can make a voluntary donation to a community group or individual	N/A as grants can currently be made by local governments
Victoria	*Local Government Act 1989* (s136) – councils have power to apply money to carry out any function or power	State could clarify that vegetation conservation (for example, fencing) is within the power of local government
Western Australia	Nothing within the *Local Government Act 1995* prohibits the making of a grant; therefore, if it is for the good government of persons within the district, it would be allowed	Clarify that grants for vegetation conservation are for the good government of persons within the district and are therefore within the power of local governments
South Australia	*Local Government Act 1934* (s154) – councils can spend the revenue they raise through rates and charges in any way they think fit	N/A as grants can currently be made by local governments

Table B.3: The ability of a local government to offer a rate rebate scheme

State	Current mechanisms available to local government	Current mechanisms available to State	Comments
Tasmania	*Local Government Act 1993* (s107) – variation of rates, needs absolute majority of council *Local Government Act 1993* (s90) – differential zoning	N/A as the State cannot offer a rate rebate scheme	*Local Government Act 1993* (s112) – rate relief of urban farm land – could extend this to conservation
Queensland	*Local Government Act 1993* (s562) – differential general rates based on classification of land as conservation land *Local Government Act 1993* (s627) – remission of rates for places of environmental significance	*Nature Conservation Act 1992* (s45) – conservation agreement may include financial assistance; for example, rate rebates	
New South Wales	*Local Government Act 1993* (s529) – sub-categories for rating, may include conservation *Local Government Act 1993* (ss585–591) – rate reductions, where rural land is zoned for subdivision, but not subdivided, only available for 1 to 2 years	*National Parks and Wildlife Act 1974* (s69C) – land subject to conservation agreement is exempt from rates *Native Vegetation Conservation Act 1997* (ss42–44) – land subject to property agreement can receive financial assistance, could include rate rebate	*Local Government Act 1993* – categories for rating in legislation are farm land, residential, mining and business, could add sub-category of conservation
Victoria	*Local Government Act 1989* (s169) – local government can grant rebate or concession to preserve places of environmental interest *Local Government Act 1989* (s157) – can use capital improved value to rate land	*Conservation, Forests and Lands Act 1987* (s70) – land subject to a management agreement can receive rate relief which is provided by the council and reimbursed by the Minister	*Local Government Act 1989* – farm land exempt from municipal charges, could extend this to exempt conservation land
Western Australia	*Local Government Act 1995* (s6.33) – differential general rates based on zoning and use of land	N/A as the State cannot offer a rate rebate scheme	Encourage rate rebate scheme
South Australia	*Local Government Act 1934* (s176) – differential rates based on use or locality of land, only available for a limited period *Development Act 1993* (s57) – remission of rates for land management agreement between Minister or council.	*Native Vegetation Act 1991* (s23A) – remission of rates for land under heritage agreement and management plan	

Table B.4: The ability of a local government to acquire and sell land

State	Current position	Possible amendments
Tasmania	*Local Government Act 1993* (ss175 and 176) – councils have power to purchase land for the benefit of the community Nothing prohibits the sale of land by local government	N/A as local governments can also buy and sell land
Queensland	Nothing prohibits the purchase or sale of land and therefore it would be within the power of local government to do so	N/A as local governments can also buy and sell land
New South Wales	*Local Government Act 1993* (s186) – land can be acquired for the purpose of the exercise of the functions of a local government, but it appears that this land cannot be resold	Amend the provisions of the *Local Government Act 1993* so that land which is acquired can be resold
Victoria	*Local Government Act 1989* (s187) – enables council to purchase land in connection to its functions (s189) – provisions for the sale of land Nothing prohibits the sale of land by local government	N/A as local governments can also buy and sell land
Western Australia	*Land Administration Act 1997* (s161) – allows for the taking of land, by agreement or compulsorily, for public work by a local government; public work includes the protection and preservation of indigenous flora *Local Government (Miscellaneous Provisions) Act 1960* (s278) – gives a local government the power to lease or purchase land Nothing prohibits the sale of land by local government	N/A as local governments can also buy and sell land
South Australia	*Land Acquisition Act 1969* (ss10–17) – enables a council to compulsorily purchase land for the purpose of carrying out a project, which needs ministerial approval. However, the *Local Government Act 1934* (s154) gives local governments the power to spend the revenue they raise through rates and charges in any way they think fit Nothing prohibits the sale of land by local government	Clarify that it is possible to purchase land for conservation

Table B.5: Management agreements, their availability to local governments and State agencies

State	Current mechanisms available to local government	Possible action	Other management agreements
Tasmania	*Land Use Planning and Approvals Act 1993* (s71) – management agreement associated with planning approval	Clarify policy that this can be used for environmental management	*National Parks and Wildlife Act 1970* (s19) – management agreements for reserves under Act, made with National Parks and Wildlife Service *Threatened Species Protection Act 1995* (s29) – threatened species and critical habitat management plans
Queensland	*Local Government Act* 1993 – nothing prohibits a local government from entering an agreement	Policy support/ encouragement	*Soil Conservation Act 1986* (s17) – property plan *Nature Conservation Act 1992* (s45) – conservation agreement provides landholder choice in whether the agreement is registered on title
New South Wales	*Environmental Planning and Assessment Act 1979* (s91) – may require management plan as condition of development approval	Policy support/ encouragement Local government could encourage management agreements with State agencies	*Threatened Species Conservation Act 1995* (s21) – joint management agreements *Forestry Act 1916* (s25A) – working plan *Native Vegetation Conservation Act 1997* (ss42–44) – property agreement *Wilderness Act 1987* (ss8 and 16) – wilderness protection agreement or conservation agreement
Victoria	*Planning and Environment Act 1987* (s171) – agreements concerning land use, and regulation of development	Policy support/ encouragement	*Flora and Fauna Guarantee Act 1988* (s21) – management plan *National Parks Act 1975* (s17) – management plans for parks *Victorian Conservation Trust Act 1972* (s3A) – management plans
Western Australia	*Town Planning and Development Act 1928* (Schedule 1) – agreements as a condition of development	Department of Conservation and Land Management and National Trust encouraged to work with local government to develop scheme	*Conservation and Land Management Act 1984* (s16) – management agreement *Soil and Land Conservation Act 1945* (s30B) – agreements to reserve may also be registered on title
South Australia	*Development Act 1993* (s57) – land management agreements	Policy support/ encouragement	*Soil Conservation and Land Care Act 1989* (s13) – agreements for conservation and financial assistance or rehabilitation work

Table B.6: The ability of a local government to be a party to a covenant

State	Position of local government	Possible amendments	Covenants with other agencies
Tasmania	*Conveyancing and Law of Property Act 1884* (s90AB) – allows for the registering of a restrictive covenant	N/A as covenants can be entered into by local governments	*National Parks and Wildlife Act 1970* Part VA (ss37A–37H) – conservation covenants may apply to land for which a timber harvesting plan is sought
Queens-land	Covenants cannot be entered into by a local government for conservation	Amend Property Law Act and Land Titles Act so that covenants can be registered on title	*Nature Conservation Act 1992* (s51) – conservation agreements can be noted in the administrative advice file
New South Wales	*Conveyancing Act 1919* (s87A) – allows the registration of a public positive covenant	Clarify that vegetation conservation could be included with a public positive covenant	*Native Vegetation Conservation Act 1997* (ss42–44) – property agreements can be registered on title *National Parks and Wildlife Act 1974* (s69C) – voluntary conservation agreement may also be registered on title as a covenant
Victoria	Covenants cannot be entered into by a local government for conservation	Include provisions similar to those within the *Victorian Conservation Trust Act 1972* to allow a local government to enter into a covenant with a landholder	*Victorian Conservation Trust Act 1972* (s3A) – covenants can be entered with the Victorian Conservation Trust *Conservation, Forests and Lands Act 1987* (s69) – land management agreements (ss71–72)
Western Australia	*Transfer of Land Act 1893* (s129BA) – allows for the creation of a restrictive covenant for the benefit of a local government	Clarify that this Act may be used to restrict the clearing of land and can be entered without requiring the transfer of land	*Soil and Land Conservation Act 1945* (s30B) – conservation covenant and agreements can be registered *Heritage of Western Australia Act 1990* (s29)
South Australia	Covenants cannot be entered by a local government for conservation	Local governments encourage landholders to enter into heritage agreements under the *Native Vegetation Act 1991*	*Native Vegetation Act 1991* (s23) – heritage agreement *Soil Conservation and Land Care Act 1989* (s13) – property plans may be noted on title with the agreement of the parties and will then bind successive titleholders *Heritage Act 1993* (s34) – Heritage agreement must be noted on title