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Victorian National Parks Association (VNPA) comments on Infrastructure “The All things considered paper”

Introduction

The Victorian National Parks Association (VNPA) is Victoria's leading community based nature conservation organisation. VNPA is an independent, non-profit, membership-based group, which exists to protect Victoria's unique natural environment and biodiversity through the establishment and effective management of national parks, conservation reserves and other measures. We will achieve our vision by facilitating strategic campaigns and education programs, developing policies, through hands-on conservation work, and by running bushwalking and outdoor activity programs which promote the care and enjoyment of Victoria's natural heritage.

Comments are broken into three sections:

- 1) General comments**
- 2) Specific Comments “HELP PRESERVE NATURAL ENVIRONMENTS AND MINIMISE BIODIVERSITY LOSS”**
- 3) Specific Comments on Concepts requiring further development & in other areas**

1) General Comments

We welcome that Infrastructure Victoria has considers the natural environment and identified some initiative, however we find the section in general term very light of the wide range of policy initiative's and idea's currently being discussed to protect and enhance biodiversity.

The State Government has recently released a draft Protecting Victoria's Environment - Biodiversity 2036, which flags a range of initiatives and strategies which should be considered in framing ideas

<http://haveyoursay.delwp.vic.gov.au/biodiversity-plan>

The VNPA submission on the Draft strategy also contains a range of initiatives:

<http://vnpa.org.au/admin/library/attachments/PDFs/Submissions/Submission-draft-biodiversity-strategy.pdf>

We also recently (2014) completed an extensive assessment of the nature conservation in Victoria covering all environmental compartments, terrestrial, marine and coastal, freshwater and environmental governance.

For the VNPA's fourth nature conservation review since 1971 we commissioned seven expert reviews of Victoria's environmental history, conservation values, and issues in marine, coastal, terrestrial and freshwater ecosystems

The latest report, Natural Victoria - Conservation Priorities for Victoria's Natural Heritage, synthesises the commissioned reviews, supplemented by information from a wide range of other publications, and with recommendations developed by a VNPA reference group. The focus is primarily the state of Victoria and state government responsibilities
<http://www.vnpa.org.au/page/nature-conservation/habitat-and-wildlife/nature-conservation-review>

The proposals would benefit from some discussion with DEWLP staff, Environmental Sustainability Commissioner, Victorian Environmental Assessment Council and a range of conservation groups.

2) Specific Comments “HELP PRESERVE NATURAL ENVIRONMENTS AND MINIMISE BIODIVERSITY LOSS”

The chapter “HELP PRESERVE NATURAL ENVIRONMENTS AND MINIMISE BIODIVERSITY LOSS” is one of the sections relevant to VNPA areas of interest.

We support two of the proposed initiatives:

- Habitat corridor link expansion and improvement (HCL) – Develop and implement mechanisms to better link key habitat areas and improve the migration of key species
- Riparian fence investment (RFI) – Invest in riparian fencing along rivers and waterways to prevent stock entering these areas and causing damage such

We are strongly opposed and to a degree perplexed by the other two proposals:

- National park pricing and expenditure regime (NPP1) – Review the **regulatory regime** for parks to determine the necessary balance between upgrades, maintenance and revenue requirements (which could come from park fees or other means).
- National park private management (NPP2) – Use financial incentives for private park managers to deliver environmentally beneficial outcomes for national parks and protected areas. This would involve the establishment of measurable performance targets.

The first point NPP1, while we agree that there need to be more resources for park management the magnitude of the problem is fairly small in the context of the whole state budget. Annual management of the whole parks estate is around 0.6 % of total state revenue. Almost half of which comes from a level directly collected from Melbourne residents. Fees have been time and time again been found to be inefficient to collect and a significant barriers to participation/use. It not really the regulatory regime that drives this, and perhaps a review of the funding model for parks is needed , but with more of essentially service framework in mind which views to value of the whole asset against the costs.

There may also option for revenue to be related to ecosystem services. While these are largely society benefits currently, the government needs to considered avoided costs and services they provide when considering the costs managing parks and the broader environment. Recreation use is only one part of the equation. A recent study by Parks Victoria, highlights some of the values of there ecosystem services: <http://parkweb.vic.gov.au/about-us/valuing-victorias-parks>

- Tourists spend \$1.4 billion per year associated with their visits to parks, which generate \$1 billion gross value added and 14,000 jobs in the State economy.
- The annual run-off from nine of Victoria's highest water yielding parks is 3,400 gegalitres (16% of the state total). The market value of water runoff supplied in nine of the highest yielding Victorian national parks is estimated at \$244 million per year.
- Through the management of Port Phillip, Western Port and Port Campbell local ports, Parks Victoria plays a key role in the contribution these ports make to the State economy, estimated at over \$300 million GVA per annum in total
- The reduced sediment load from nine of the highest water yielding national and state parks is valued at \$50 million per year based on the avoided costs of additional water storage required under an alternative land use.
- The value of water filtration from metropolitan parks is estimated at \$33 million per year, or almost \$2,150 per hectare per year, which is based on the avoided cost of maintaining current water quality in metropolitan waterways through alternative infrastructure if the parks were an alternative land use (i.e. medium density urban development)
- The benefit of stormwater retention services from Melbourne's metropolitan parks is estimated at \$46 million per annum (or almost \$3,000 per hectare per annum).
- The value of protecting mangrove, saltmarsh and dunes in parks along Victoria's coast is conservatively estimated to avoid costs of \$24–56 million per year, based on the estimated replacement cost of a combination of seawall construction and revegetation if these coastal natural assets were severely degraded or lost
- Based on latest studies on the value of pollination services to agriculture across Australia, there are benefits of \$123–167 million to consumers and producers across 30 crops from pollination services provided by Victoria's parks.

The failure to invest sufficient public funds to arrest environmental decline in Victoria is exacting enormous economic as well as environmental and social costs. There needs to be much greater recognition that the natural environment provides essential services, and directly and indirectly sustains the Victorian economy. Otherwise, future Victorians will inherit further loss of natural capital and spiralling costs for restoration and threat mitigation.

Only a small proportion of the Victorian budget goes to support nature conservation, and government agencies are unable to meet their fundamental environmental obligations. For example, Parks Victoria receives funding equivalent to just 0.6% of the state budget, including budget allocations and funds from the Parks and Reserves Trust. This level of funding for managing about 18% of the state's land area and 5% of marine waters budget is equivalent to that for a medium-sized local government area, and equivalent to the cost of about a cup of coffee per Victorian per month. Conservation expenditure on national parks is actually substantially less than that, for about a third of Parks Victoria's budget is for managing 5000 hectares of metropolitan parks and a considerable portion is spent on managing visitors and facilities.

Essential to environmental planning is the realistic costing of actions needed to fulfil Victoria's environmental obligations as well as the costing of current unsustainable practices. Long-term investments are needed for long-term problems. The following principles should be applied to funding decisions.

- Establish clear links between policy and funding, so that policy is translated into actions and outcomes.
- Commit resources for ecologically realistic timeframes.
- Allocate 'core funding', with longterm security, to central elements of public land management, rather than short-cycle 'initiative' funding.
- Identify the core environmental functions of government – those required under treaties, legislation, regulation and policy – that should be funded by government, to ensure that funding obtained from external, non-public sources is used to enhance these functions and not replace them.
- Make funding decisions transparent, with details available for public review.
- Avoid funding or subsidising activities that undermine environmental objectives.
- Include realistic in-kind and volunteer contributions in programs and ensure there is sufficient budget to support, train and encourage volunteers. Conservation in Victoria requires substantially more funding – from both traditional and new sources.

In recognition that environmental health is essential to the state's future and underpins economic and social wellbeing, a certain proportion of the state budget should be guaranteed for environmental and conservation functions, based on an audit of core funding needs to fulfil essential environmental functions that arise from national and international commitments.

The VNPA Nature Conservation review proposes the establishment of a Victorian biodiversity fund to support programs necessary to build the resilience of Victoria's ecosystems. New or expanded sources of funding should be investigated, including lotteries and levies such as a bed tax from tourism. While we are open to innovative thinking on the funding side, NPP2 is the wrong approach.

NPP2 is in our view a "thought bubble", which should not receive any further consideration. It is essentially some sort "asset recycling scheme" for national parks.

The idea is flawed for many reasons two of the key ones include:

- a) It is inconsistent with the current ecological science for protection of nature, which suggests we need more core areas & national park, with better management, especially in the face of climate change.
- b) Out of step with community expectations, which will increase transaction costs
- c) There are some significant opportunities to focus on private land, rather than selling parks.

The paper provides no justification for this approach, no evidence and no clear rationale. Few people who work in the conservation sector sees national parks as the only solution to protect nature,

particularly in the face of climate change, to I think otherwise is just “punching at clouds”. The issue are explored in more detail below.

a) The role of national parks and climate change

Victoria is most clear state in Australia. Essentially we have mutli-track landscape, with more intact landscapes on public land, of which around 40% in national parks and conservation area, and private land, which is largely cleared or fragmented. Tenure (public vs private) drives the types of strategies which can be employed and park are a key tool for protecting the more intact landscpaes. The national parks and conservation estate are the foundations for the efforts to protect nature not the only solution. See the discussion paper from the Victorian Environmental Assessment Council (VEAC) for a detailed review of the state of Victoria’s habitat on both public and private land.

<http://www.veac.vic.gov.au/investigation/remnant-native-vegetation-investigation>

The nature conservation review 2014 finds that to achieve a comprehensive, adequate and representative national park and conservation system in Victoria will require secure and permanent protection of another 3.1 million hectares of vegetation – on both public and private land

1.5 million ha on public land or about 40% of currently un-protected vegetated public lands.

1.7 million hectares of private lands or about 58% of the remaining vegetated area.

A recent symposium VicNature 2050 was organised by the Victorian National Parks Association, The Royal Society of Victoria and The University of Melbourne’s Bio21 Institute and sponsored by the VictorianDepartment of Environment, Land, Water and Planning and Parks Victoria.

In 2015, a group of people came together at a symposium, called *Managing Victoria’s Biodiversity under Climate Change*, in Melbourne. More than 200 scientists and audience members with years of practical experience discussed the state-of-play and options for the future.

Brought together Victoria’s leading ecologists and create 10 things which we can do to help nature adapt to changing climate. <http://vicnature2050.org/>

To help nature to adapt to a new climate:

1. WE ARE LISTENING, ENGAGING AND WORKING WITH PEOPLE
2. WE ARE ACCEPTING THAT NATURAL AREAS WILL CHANGE
3. WE ARE PROTECTING RESERVES AND LOOKING AFTER NATURE ON PRIVATE LAND
4. WE ARE REMOVING THREATS SUCH AS CLEARING, WEEDS AND FERAL ANIMALS
5. WE ARE USING NATURAL PROCESSES LIKE FIRES AND FLOODS TO PROMOTE DIVERSITY
6. WE ARE CONNECTING LANDSCAPES AND USING “CLIMATE-READY” PLANTS
7. WE ARE WELCOMING NATURE INTO OUR CITIES
8. WE ARE RECORDING CHANGES IN OUR LOCAL AREA
9. WE ARE PROMOTING DIVERSITY IN ALL THAT WE DO
10. WE ARE KEEPING POSITIVE, INFORMED AND ENGAGED

The following extract from section 3 of this web site highlights the role of parks:

*No matter how much the species change, a secure system of conservation reserves and Indigenous protected areas provides the **stage**, or **arena**, where new combinations of native plants and animals can colonise, compete, grow and evolve; especially the many species that cannot survive in disturbed areas like farms and towns.*

In the words of CSIRO scientists, Drs Suzanne Prober and Michael Dunlop: “A network of perpetual conservation reserves, designed according to principles of comprehensiveness, adequacy and representativeness (CAR), remains a highly appropriate mechanism for conserving a diversity of natural environments” under a changing climate.”

As climate change intensifies, our land “of droughts and flooding rains” will be hit by more droughts and more flooding rains; the climate is expected to become more variable. To deal with this variability, we need stable, long-term, strategies and funding programs that are flexible and responsive to rapidly changing local conditions; not quick, political fixes that arrive after the horse has bolted.

And, of course, we need to make sure that governments provide enough money to deal with these issues properly. The funds that are required to help nature adapt to a changing climate are small when compared to the size of our total national budget, as Professor Michael McCarthy from the University of Melbourne has shown: “\$10 million per year is predicted to save all of Australia’s bird species from extinction over 80 years. \$10 million is equivalent to 4 hours of defence spending in Australia.”

While there is need to better fund the public reserve system, particularly national parks and conservation estate operational costs to reduce pest plants and animal (see point 4 in Vic Nature 2050), selling off parks of the current public estate is not the solution – there is however significant scope to improve conservation efforts on private land.

b) Community Expectations

Social research and polling consistently show high levels of underlying support for nature conservation, and arguably higher levels of underlying appreciation of natural landscape and native species protection than for many other ‘environment’ type issues.

A state wide poll of 812 people undertaken by Essential Research (October 2014) and commissioned by the Victorian National Parks Association, showed that:

- 96% of Victorians recognise the importance of national parks for conserving nature and protecting native wildlife - 69% consider them very important.

- 89% of Victorians support Victoria having a comprehensive network of national parks and other conservation reserves across land and sea - 49% strongly support such a network.
- 81% of respondents support increasing funding for protecting nature, including threatened species and national parks across Victoria - 29% strongly supported this.

In August 2013, 21 eminent Victorians wrote an open letter to Premier Denis Napthine, calling legislation allowing some of our best national parks to be exploited by commercial interests using 99 year leases as a 'betrayal of public trust'.

"The most insidious of all these intrusive uses are the proposals of the Victorian government to lease areas within our national parks for up to ninety-nine years to encourage commercial development by private corporations. Government policy that starts the journey of incremental privatisation and commercialisation of national parks would be a betrayal of public trust.

Signed by: Professor Graham Brown AM; Professor Michael Buxton; Professor Peter Doherty AC; Mrs Alicia Fogarty; Justice John Fogarty AM; The Hon. David Harper AM, QC; Professor Barry Jones AO; John Landy AC, CVO, MBE; Dr Margaret Leggatt AM; Dr Mick Lumb OAM; Duncan Malcolm AM, JP; Professor Rob Moodie; Sir Gus Nossal AC, CBE; Lady Lyn Nossal; Professor Margot Prior AO; Dimity Reed AM; Don Saunders PSM; Dr Helen Sykes AM; Associate Professor Geoff Wescott; Professor David Yencken AO; Professor Spencer Zifcak.

Any attempt to sell off/ lease or develop bits of the publicly owned national parks and conservation estate will be met with fierce community opposition, as was the case when 99 years leases were attempted to be introduced. Whatever the intention there is no social licence for pursuing this initiative and any attempt would have extremely high transaction costs, and likely to fail. Efforts would be better spent in ramping up private land conservation. Two key strategies are discussed below.

The need to ramp up private land conservation

At a time of biodiversity decline, nature conservation on private land is crucial for sustaining Victoria's environment. Victoria's conservation parks and reserves cover close to four million hectares of public land and form the cornerstone for preserving our unique flora and fauna. But private land contains some of the most intact vegetated areas of Victoria and more than two-thirds of suitable habitat for threatened species.

Unfortunately only a tiny proportion of agricultural land is managed for conservation: just 0.5% is under a conservation agreement. Activities such as native vegetation protection and revegetation, and livestock exclusion, are occurring on a bare 1-2% of agricultural land.

On-title covenants or private protected areas increase the likelihood that remnant or restored habitat will be retained and maintained in the long term. They are critically important in regions where remaining habitat is largely privately owned. In Victoria these covenants are usually administered by the Trust for Nature (formerly the Victorian Conservation Trust), a statutory agency of the Victorian Government.

The Trust is one of Australia's oldest and leading private land conservation agencies. Managed under the Victorian *Conservation Trust Act 1972*, it has 1300 voluntary conservation covenants, protecting more than 59,000 hectares across Victoria, and has purchased and preserved more than 59 properties through its revolving fund. It manages 44 properties that total over 36,000 hectares.

If we are to protect examples of native habitat across the state, we need to dramatically ramp up support for private land conservation and the work of the Trust, particularly in highly cleared private landscapes.

An overall increase in funds for land stewardship is needed, but there are some immediate priorities:

- provide tax incentives for private land protection.
- invest in a \$40 million Habitat Revolving Fund for the Future

Tax Incentives for private land conservation

We strongly support the provision of tax incentives or tax breaks for private protected areas and private land covenanters.

Primary producers receive special tax concessions, which require commercial use of the property. But managing farms for conservation or to generate eco-services does not qualify. There are some capital gains tax concessions when an individual enters into a perpetual conservation covenant, but there must be a reduction in the market value of the property for it to apply. Tax incentives or tax exceptions such as land tax for conservation farming as a form of primary production (supporting ecosystem services) would help stimulate conservation investments. Rates relief for conservation land is available in some municipalities, and could also stimulate conservation covenanting if it applied across all municipalities.

Most other jurisdictions in Australia (the exceptions are Qld and Victoria) provide land tax relief for covenanted properties. A cost benefit analysis by ACIL ALLEN CONSULTING in 2013 found that the biodiversity value obtained by placing 'new' land under a conservation covenant would, on average, outweigh the value of the land tax revenue that would be foregone if tax changes were adopted for land under permanent covenant.

The value of biodiversity services provided by the 'average ha' of a Trust for Nature covenant is estimated at \$10,743/annum. The NPV of preventing a 1% annual decline over 20 years in this is \$14,299

Assuming that a Benefit Cost ratio (BCR) > 1: The benefit of foregoing some tax is likely to outweigh its costs. According to the study:

- Benefit transfer method the BCR is 2.39
- Using cost to government method BCR ranges from 1.38 to 7.50

Invest in a \$40 million Habitat Revolving Fund for the Future

The Trust currently operates a revolving fund that achieves conservation in a simple and straightforward way by:

- acquiring land for sale on the real estate market
- designing conservation covenants to protect habitat in perpetuity
- selling land to buyers seeking conservation property
- returning sales proceeds to the fund for further acquisitions.

However, the revolving fund needs a dramatic ramp-up, particularly in the face of climate change and other pressures. The Victorian Government should reallocate from existing funds (e.g. the Sustainability Fund) a capital amount of \$40 million to a returnable non-diminishing Revolving Fund. Boosting the capital of the revolving fund would set new standards for the capability and reach of such funds in Australia. It would become a primary conservation tool for the protection of thousands of hectares of threatened habitat, a lasting legacy for the Victorian environment.

The revolving fund's expanded capital base would increase opportunities in the real estate market (including important coastal and urban fringe land) and lead to more rapid and high-quality conservation outcomes. It would also increase the area of permanently protected high-priority flora and fauna habitat on private land by about 2,500ha per year, subject to market conditions. Since its inception, the Trust for Nature Revolving Fund has purchased more than 60 properties, protecting nearly 7,000 ha. With just \$1 million in government funding, through a grant from the Australian Government, it has created a large portfolio of secured conservation property valued at over \$13 million in 2015 prices. Trust for Nature retains capital in firm, redeemable assets of property and cash, visible on the financial record of the State.

One of the initiatives IV should support includes the establishment of a \$40 million revolving fund for Trust for Nature, which would allow the Trust to buy and covenant high conservation significance land and then re-sell it, particularly in the highly priced coastal and urban fringe areas.

c) Specific Comments on Concepts requiring further development & in other areas

Environmental water delivery infrastructure (EWD) – Further develop the use of infrastructure to deliver effective watering for the environment. – **supported in principle as long as have full ecological assessment**

National park access management (NPA) – Use non-price related mechanisms to manage access to parks. Examples include partial access to park areas or the use of ballot systems during peak visitor periods. – **these systems are already extensively used in Victoria, so not really sure why it here ?.**

Comments on Other sections:

IMPROVE THE EFFICIENCY OF FREIGHT SUPPLY CHAINS Concepts requiring further development (page 96)

New port (NCP) – Construct a new port to complement the Port of Melbourne and meet demand to import goods into Victoria. – **VNPA are strongly opposed to development of port in Westernport and have serious concerns about Western Port Phillip Bay (Bay West). We question the need for a new port, based on current economic trends.**

Expansion of the Port of Hastings would cause significant environmental damage and economic loss in valuable marine and coastal environments.

It is not clear from the available information that a new port is required. Infrastructure Victoria should consider a broader sweep of options for future ports and shipping operations in Victoria to fit into a National Transport Plan. Any plans for changes to infrastructure and operations of Victoria's commercial ports should be consistent with the Port Phillip Bay environmental management plan (in prep), the future Marine and Coastal Act and The State Of The Bays reports (in prep.).

The projected impacts of climate, as outlined in the Victorian coastal strategy 2014, should be factored into any planning for the use of the state's marine and coastal environments, including ports and shipping.

The environmental risks of port operation and port development in Westernport are unacceptable and remain as potential showstoppers. We support the submission by the Shire of Base Coast and Westernport and Peninsula Protection Council, advice and option on Victoria Second container port.

MANAGE THREATS TO WATER SECURITY, PARTICULARLY IN REGIONAL AND RURAL AREAS
Concepts requiring further development (page 100)

Water supply augmentation through building new dams (WSA2) – Build new dams to provide additional water supply for Victoria. – **we do not support the building on new dams due to their ecological impact.**

For more information please contact:

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