

**Paper: Funding Options for the Protection of the
Environment Through Enhanced Management
Actions.**

Author: Lisa Miller, BSc

Miller Consulting

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Introduction

This paper has been prepared to identify a range of funding options for enhanced environmental management as well as some case studies of funding, how they were established and what are the successful attributes.

The paper has been commissioned by the Commissioner for Sustainability and the Environment to assist particularly on work associated with the Investigation into the Government's tree management practices and the renewal of Canberra's urban forest which included a term of reference to investigate and report on: "... resource implications associated with an enhanced program".

Governments around the world have been attempting to manage their environmental responsibilities in the context of a rapidly changing legislative and policy framework. Given the extent of our environmental impact it is often difficult to set appropriate priorities with limited funds available given competing demands. In addition, we all grapple with the extent to which we 'maintain' current environmental amenity versus how we might continually improve and enhance that amenity.

This paper outlines the results of a review of funding mechanisms adopted by local and state governments around Australia. Traditional funding through rates and taxes is largely spent on environmental management undertaken as part of an organisation's legislative requirement. This is seen as a minimum funding source.

Information was sought from local Councils and state and territory governments around Australia through web searches and telephone conversations. The search included Annual Reports and financial statements to verify funding streams. Local government searches included: Perth City Council (WA), Nedlands (WA), Harvey Bay (WA), Adelaide City Council (SA), Adelaide Hills Council (SA), Barossa Valley Council (SA) Melbourne City Council (VIC), Nillumbik Shire Council (Vic), Blue Mountains Council (NSW), Hornsby Shire Council (NSW), Manly Council (NSW), Wollongong City Council (NSW), Sydney City Council (NSW), Randwick Council (NSW), Warringah Shire Council (NSW), Newcastle Council (NSW), Wingecarribee Shire Council (NSW), Brisbane City Council (QLD) and Sunshine Coast Regional Council (QLD). In addition research was gathered from the Australian Local Government Association and the Department of Local Government NSW. The South Australian government and NSW governments were also trawled for information via the web.

Each government area has specific environmental attributes and values. Most often it is the unique environmental attributes of an area or region that residents value the most. However, the management and maintenance of such attributes is often beyond the means of governments from traditional rate and tax bases.

There is a general reticence by residents to pay any more in rates and taxes than they currently do. Pannell, 2010 asserts that: "the opportunity cost of public money is important to the community". However, for specific projects or to improve the amenity of things they value, such as environmental improvement public expenditure is often seen in a positive light. To prosecute a case for increased funding for environmental management it is important to clearly define which environmental outcomes are most important from an ecological perspective and the most successful funding

programs arise where these outcomes match community values and expectations. The funding request cannot be based solely on a populist view of priority or importance because from an improved environmental amenity perspective this is bound to fail and the money will have been wasted ruining any future chance to of garnering support for additional funds.

Funding Options

It should be pointed out that no one funding stream is the panacea for all shortfalls in funding. Indeed in most organisations the strategy is to seek multiple funding streams for any given project or program. Funds received from one funding stream, for example an environment levy, are then ‘leveraged’ by the organisation to gain broader sponsorship, grants, in-kind support and so on. Many organisations have identified that ‘seed’ funding from the environment levy is often, in the end, small in comparison to, say, the in-kind value they received for the whole project from the private or government sector.

That being said the role of project managers in implementing programs needs to encompass not just the technical skills to deliver the project but the relationships, knowledge and networks to continue to recognise the leverage opportunities and the value adding that may attract additional funds from the private and government sector. This is a specific skill set that must be recognised and employed for this leveraging of funds to occur. The Councils most successful at gaining additional funds for enhanced management possess have the ability to ‘sell’ their projects to a range of audiences and who work hard at understanding the participants in the broader environmental agenda. These individuals are also very good at communicating their success – success breeds success.

Special Rates (Environment Levy)

Due to rate capping and continued devolution of responsibility, local governments throughout Australia have sought a range of mechanisms to increase their funding streams. One option available to Councils is a ‘Special Rate’. Several other local government bodies use environment/tree/bushland levies outlined in Table 1.

To effect a special rate in NSW Councils have to meet a number of criteria and the rate can only be approved by the Minister for Local Government. Amongst other things the criteria includes:

- the special rate must be for a specific project or range of projects,
- residents must be consulted about the rate (they don’t have to agree to it for it to be approved);
- there must be a sunset clause (the rate must be for a specific period of time); and
- the rate can only be implemented as a percentage of their rates, not as a set amount per ratepayer (which often leads to difficulties in garnering public support for the rate as Councils have difficulty communicating exactly how much the levy will cost each household).

Table 1 Environmental levies in Australia

| Council | Levy | Description | Coverage | Rates | Comments |
|---------------------------------|--|--|--|--|--|
| Adelaide City Council (SA) | Natural Resource Management Levy | <ul style="list-style-type: none"> The levy funds vital projects that manage, protect and restore the region's water, land, marine, coastal and biodiversity assets. | Rateable properties | | <p>The levy raised \$857,000 in 2010 and was in addition to the Environment and Sustainable City budget of \$1.2 million.</p> <p>The NRM levy is imposed by the South Australian government on all Councils in SA, whereby the Councils collect the revenue from all rateable properties on behalf of 8 regional NRM Boards</p> |
| Ashfield (NSW) | Environmental Levy | The Environmental Levy as part of a special rate variation provides funding to implement programs in line with the ESD Policy. | residents and businesses – payable by all properties that are charged general rates | The Environmental Levy is charged across all rateable properties as a 50% Base Amount and the remainder as an ad-valorem rate. | <p>The Environmental Levy projects identified for funding include but are not limited to:</p> <ol style="list-style-type: none"> Environmental Education & Awareness programs for the community, school groups, local business and Council staff; Water conservation projects Energy conservation projects Street Trees Cycleway projects. |
| Bega Shire Council | Environment Levy | | Rateable properties | Approved in 2002/03 at 4.96% of rateable properties | |
| Blue Mountains Council (NSW) | Environment Levy | <p>Levy funds</p> <ul style="list-style-type: none"> weed control water quality improvements walking track maintenance Threatened species conservation rehabilitation of degraded lands | All rateable properties | Approved in 2005 of 3.65% of general revenue | Levy was introduced in 2005 and raises \$1.174 million annually |
| Brisbane City (QLD) | Bushland Preservation Levy Environment management and compliance levy | <p>Brisbane residents and businesses pay Bushland Preservation Levy as part of rates. Levy goes to:</p> <ul style="list-style-type: none"> protection and enhancement of the natural environment creation of a world-class natural area network for Brisbane contributes to the Living in Brisbane 2026 vision for a 'clean, green city'. | Brisbane residents and businesses – payable by all properties that are charged general rates | <p>\$49.80 –bushland preservation levy</p> <p>\$22.76 – home owners, however differential rate depending on zoning</p> | Environmental management and compliance levy covers the protection of waterways from toxins, trash, sediment, effluent discharge and landfill gas control. The charge also includes remediation of landfills to meet Council's obligations under the <i>Environmental Protection Act 1994</i> . |
| Coffs Harbour Council (NSW) | Environmental Levy | | | \$25 per rate payer | Raises around \$700 000 per annum for environmental activities within the Shire. This has allowed council to employ a Biodiversity Officer and a Sustainability Officer. Other activities funded include an incentive program for land management, implementation of council's Koala Plan of Management, support of volunteer groups, bushland regeneration projects, and the restoration of coastal reserves and fish habitats. |
| Crows Nest Shire (QLD) | Environmental levy | | | \$20 per rate payer pa | NRM and biodiversity projects. |

| Council | Levy | Description | Coverage | Rates | Comments |
|----------------------------------|---|---|--|---|--|
| Eurobodalla Shire Council, (NSW) | Environmental Levy | Used to fund things such as: Dunecare, Estuary Management, Weed control and Foreshores studies | residents and businesses – payable by all properties that are charged general rates | 50 is flat rate of \$16 and 50% is based on land valuation | |
| Hornsby Shire Council (NSW) | Environment Levy | Funds: <ul style="list-style-type: none"> • sediment basins; • artificial wetlands; • gross pollutant traps; • creek remediation works; • environmental education; • water quality monitoring and research; • environmental compliance and management; • industrial auditing. | Rateable properties | 5% levy on rateable properties | The levy raises \$2.564 annually for catchment management projects |
| Ku-ring-gai Council (NSW) | Environmental Levy | Used to fund bushland, waterways and urban environment. | Base on land valuation (approx 0.0001 of land valuation) works out at about \$60 residential | | Commenced 2005 to operate for seven years. Raises over \$1.7 m pa. Enables Council to build on existing activities and attract other Government Grant funds to conserve and improve Ku-ring-gai's highly valued natural environment, including urban bushland, parks and reserves. |
| Lake Macquarie (NSW) | Sustainability & Environment Levy | | Rateable properties | \$26 per household \$91business per assessment. Approved in 2002/03 at 3.28% of general rates | |
| Liverpool City Council | Environment Levy | | Rateable properties | Approved 2002/03 at 4.65% of general rates revenue | |
| Manly Council | Environment Levy | | Rateable properties | | |
| Maroochy Council (QLD) | Environment Levy (introduced in 1997 as Vegetation Conservation Levy) | | | | Recognised the need to protect and conserve the shire's natural assets, introducing in 1997 |
| Newcastle City Council (NSW) | Environment Levy | | Rateable properties | Approved 2002/03 at 4.97% of rateable properties | |

| Council | Levy | Description | Coverage | Rates | Comments |
|--------------------------------------|---------------------------------|--|---------------------|---------------------------|--|
| Warringah Shire Council (NSW) | Environment and Stormwater Levy | Raised to fund beach restoration programs, Narrabeen Lagoon restoration works and Bushland program | Rateable properties | 6.9% of general revenue | Levy is 6.9% of general revenue raising \$1.9 million capital and \$3.95 million operating budget |
| Wingecarribee Shire Council (NSW) | Environmental Levy | | Rateable properties | | The levy has been in place since 2000. The aim of the current levy is to raise \$3m over five years to fund programs that protect the environment. A large benefit of the levy has been attracting matching funds from government agencies and generating volunteer work from the community. To date over 26 bushland projects have been completed with another 20 underway. |
| Woollahra Municipal Council (NSW) | Environment Levy | | Rateable properties | Approved 2002/03 at 7.28% | |

In 2002/2003 the Minister for Local Government in NSW was asked to approve 27 Special Rates across NSW. Of those requested nine were either wholly or mostly for environmental initiatives, all of which were approved. Of the remaining 18 requests five were not approved. The rate increases requested for environmental initiatives ranged from 3.28% to 15.14% of general revenue, the Minister approved between 3.28% and 8.52%. The Division of Local Government (part of the Department of Premier and Cabinet) viewed special rate increases for environmental initiatives very positively and strongly encouraged Councils to seek one or as many rates as required. The duration of the special rate ranged from 3 to 15 years.

By 2002/2003 the Department observed that the majority of councils in NSW, over one hundred, had in place a special rate increase for environmental initiatives. The remainder had some form of 'environment fund' from general rates revenue.

Only one Council – Hornsby – has an environment levy in perpetuity as it had approval before the sunset clause was added as a criterion .

The types of levies introduced, whether for example for trees or aquatic systems, is only limited by imagination. Some levies were very generic in title and application while others were quite specific. More recently the trend seems to be to keep the title of the levy as broad as possible and amend specific priority areas and projects as they arise. Most Councils, however, produced a plan of expenditure for the levy for 3-5 years.

Hornsby Shire Council –Catchment Remediation Rate

Hornsby Shire ('the Bushland Shire') is north of Sydney and covers an area of 51,000 Ha of which approximately 67 percent is bushland. Of this bushland 52 percent is managed by the state government (National Parkes and Wildlife Service - NPWS) and 17 percent is managed by Council. The shire also has extensive estuarine areas and recreational waterways. This case study reflects the view of Hornsby that vegetation projects are part of "core" business and the catchment environmental program requires additional funds to address through a special rate or levy mechanism.

The special rate was approved in 1994 with a view to enabling Council to properly manage the Shire's waterways and catchments.

The environment levy is in perpetuity at 5 percent of general revenue and raises (2009) \$2.564 million annually. Some of the projects it funds include:

- sediment basins;
- artificial wetlands;
- gross pollutant traps;
- creek remediation works;
- environmental education;
- water quality monitoring and research;
- environmental compliance and management;
- industrial auditing.

Most of the bushland managed by Council is within the Berowra Valley Regional Park and is jointly managed by NPWS, there are many smaller reserves throughout the shire under Council's sole care and control. Other relevant bushland environment programs are funded through general revenue at Hornsby include:

- Land for wildlife program – this is a voluntary property registration scheme aimed at maintaining and enhancing native flora and fauna on private property and community owned land. The program provides advice, incentives (grants) networking and information to registered landholders. The registration is non-binding.
- Rural lands incentive program – to encourage rural land holders in their conservation efforts and the environmental management of their property – providing technical advice and cash incentives.
- Bushcare program – the Council has over 850 registered bushcare volunteers working on over 130 sites to restore native vegetation.

The Council produces an Annual Report on its Catchment Remediation Program to inform residents where the funds have been spent.

Warringah Shire Council - Environmental Stormwater Special Rate Levy

Warringah Shire Council has significant bushland, magnificent beaches and a major coastal lagoon system within its area. In 1996 the Council introduced the Environmental Stormwater Special Rate (ESSR) Levy of 6.9 percent of general revenue. The 6.9 percent equates to an average \$52 per year per household.

The ESSR levy funds water quality improvement works, coastal protection and enhancement, improved floodplain management, the protection and restoration of important bushland areas and ancillary projects that support the community in maintaining Warringah's unique natural environment.

The Council produces an annual report detailing the year's levy expenditure. In 2009/10 the Council raised \$1.935 million for capital works and \$3.954 million for operation works.

Wollongong City Council – Environment Fund

The Wollongong City Council – Environment Fund provides an interesting case study on the introduction of an environment levy.

In 2003 the Environment Manager asked the Councillors to consider introducing an Environment Levy, it was 18 months from a local election and she wanted approval to begin the consultation with the community on the proposal as required by the department of local government.

Previous community surveys on the environment at both the local and state level had found a consistent high regard for environmental protection and management. The surveys highlighted residents:

- Were more concerned about the environment than any other community across the state (EPA, 2000).
- unanimously supported sustainable projects for Wollongong's future (IRIS, 2002, 1500 respondents).
- wanted more dollars spent on the environment (IRIS, 2002).

- “70% were not against the idea of a levy to fund sustainable projects” (IRIS, 2002).

A survey was conducted in June 2002 to gauge general interest in a levy before the question was put to Councillors. After Councillors agreed to begin the public dialogue about an environment levy a further survey in May 2003 indicated that the response by the community was consistent with the 2002 response including that, although they did not agree with the proposal in its current form, 77% still agreed to an environmental levy.

- June 2002
 - Unanimous support for sustainable projects such as stormwater
 - 42% in favour of an environmental levy
 - 28% were not against the idea of a levy
 - 57% prepared to pay \$60 or more a year
 - 75% were prepared to pay at least \$12 or more a year extra
- May 2003
 - 90% concerned about the environment
 - 36% in favour of the levy as it is proposed
 - 60% against the proposal at 4%
 - Only 23% not prepared to consider a levy for environmental projects at all.

Following a campaign by a few vocal opponents of the levy the Council introduced an Environment Fund of \$1 million per annum from its general revenue. At the same time Kempsey Council introduced a levy, despite widespread community opposition to it. The levy proposed by Wollongong City Council was 2.9% for three years. The levy approved by Kempsey was 9% for five years.

Staff of other Councils at the time told Wollongong Council staff that initial community reaction to the introduction of a levy was negative yet the levy, once implemented, was seen by the community and Councillors as being very successful with widespread community support. Discussions with Department of Local Government officers revealed that, to their knowledge, no community had ever been in favour of the introduction of a levy but all had been supportive once the levy was introduced.

Yet at Wollongong the general public was in favour of the introduction of a levy and prepared to pay as much as \$60 per year (the average payment for the 2.9 percent levy was \$18).

One of the selling points of the levy was the potential to leverage levy funds to garner state and federal grants and private sponsorship. During the five years of the environment fund Council was able to attract a further \$15 million in grants and sponsorship. Therefore the environment funds

were leveraged by a ration of 1:3, for every \$1 of ratepayer funds the Council received \$3 from the state, federal or private sector for its environmental management program.

An Environment committee was established to administer the environment fund with community representatives from each of the six Wards as well as two Councillors and the Professor of Environmental Science from Wollongong University. A community contract was prepared (refer Appendix A) to provide transparency in the process of spending the funds. An annual report card on the environmental fund projects was available to residents and posted on the web site.

Brisbane City Council – Environmental Management and Compliance Levy and Bushland Preservation Levy

Brisbane City Council is the largest in Australia. The City covers a diverse environment with many unique attributes of high value to its residents. The Council has introduced two levies; the Environmental Management and Compliance Levy and the Bushland Preservation Levy. The first covers the protection of waterways from toxins, trash, sediment, effluent discharge and landfill gas control. The charge also includes remediation of landfills to meet Councils' legislative obligations (Brisbane City Council, 2010).

The Bushland Levy was introduced in 1991 and covers city bushland purchase and protection, including public access facilities. The set charge is reviewed annually (Brisbane City Council, 2010). The levy is used to purchase land that supports the natural resource objectives of the Council and is primarily used to support significant ecosystems, plants and animals through the Bushland Acquisition Program. Once purchased the land is converted into conservation reserves. Over 2,500 Ha have been protected since the program began, including:

- Karawatha Forest;
- Brisbane Koala Bushlands; and
- Tinchy Tamba Wetlands (Brisbane City Council, 2010).

Brisbane residents and businesses pay a Bushland Preservation Levy and an Environment Management and Compliance Levy and as part of their rates. The Bushland Preservation levy funds:

- protection and enhancement of the natural environment
- creation of a world-class natural area network for Brisbane
- the Living in Brisbane 2026 vision for a 'clean, green city'.

The Bushland Preservation levy in 2010 is \$49.80 and is payable by Brisbane residents and businesses – all properties that are charged rates.

The Environmental Management and Compliance levy covers the protection of waterways from toxins, trash, sediment, effluent discharge and landfill gas control. The charge also includes remediation of landfills to meet Council's obligations under the *Environmental Protection Act 1994*. The levy in 2010 was \$22.76 for home owners and is payable by Brisbane residents and businesses – all properties are charged and it is a differential rate based on zoning.

Brisbane City has a similar private lands program as Hornsby called Land for Wildlife program where interested landholders join the program and receive free advice on protecting and enhancing the environment, Habitat Brisbane which supports volunteer groups, voluntary conservation

agreements and a program that provides free plants for residents. These projects are also funded through the Council's Bushland Preservation Levy (Australian Local Government Association, 2010).

Sunshine Coast Regional Council – Environment Levy

The former shire councils on the Sunshine Coast each introduced levies to manage their unique environmental attributes. The regional Council in its first year of operation 2009-2010 continued that levy regionally and charged each household \$60 to continue to implement the environmental program. In 2009 the regional Council introduced an Environment Levy Policy which outlines the levy expenditure over the next five years.

From the website:

Key objectives of the environment policy are:

- protecting environmentally significant land through acquisition, as part of a wider strategy for landscape and habitat protection and rehabilitation
- responding to the region's key environmental challenges and producing on-ground actions
- open, transparent management of Environment Levy revenue
- partnering with a range of stakeholders, community based and government, to improve conservation and sustainability outcomes

Key funded initiatives across the three themes outlined in the endorsed Environment Levy Policy for the next five years include:

Land acquisition

\$16.19m towards:

- [land acquisitions](#) [PDF 38KB] to build on the existing conservation area network and focus on consolidating larger conservation areas for future generations to enjoy
- establishment costs of acquired land
- planning, surveying and legal costs associated with acquisitions

Major initiatives and catalyst projects

- \$7.055m for developing and implementing a waterways and coastal foreshores strategy and on-ground projects
- \$317,000 for developing and implementing a regional biodiversity monitoring and reporting framework
- \$250,000 towards regional pilots and catalytic projects
- \$175,000 for developing an innovative pest management system
- \$1.2m towards coastal dune rehabilitation

Grants, incentives and partnerships

- \$8.32m for community environment grants, voluntary conservation agreements on private lands and partnership agreements with community groups and non-government organisations to undertake environmental initiatives.

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Philanthropy

Whilst the Australian community is not perceived as highly philanthropic this should not be underestimated. During disasters we are one of the most philanthropic societies in the world and we have a very high rate of volunteerism. Philanthropy can take a number of forms but the two most obvious and sought after are cash and in-kind. However, other types of donations can greatly contribute to our collective community assets – for example land was bequeathed to Wollongong City Council for the sole purpose of establishing a Botanical Gardens. These gardens are now one of the best regional Botanic Gardens in Australia and are visited by an estimated 150,000 annually.

The key to any philanthropic program is to clearly define what philanthropy is sought and how it will be spent. For example many Councils that run successful Bushcare programs have Bushcare coordination officers who can recruit volunteers and garner support for particular areas and gradually grow the program with available support. The community is continually informed about the areas the groups are active in and how residents can participate in their local area.

Another successful philanthropic program is run through community street tree plantings. A number of Councils such as Brisbane City ask residents to nominate where plants should be planted and have tree policies in place that encourage landholders to support and supplement the community program. There are further opportunities to develop the street tree concept in the same way memorial plaques around cities are payed for by the community. Funds could be sought through a web-based mechanism to offer trees for plantings with plaques identifying the species and the name of the contributor. The process needs to be simple and cost effective. It is clearly unsustainable to run a program that attracts small amounts but is costly to administer.

Some Councils and state and territory governments have established voluntary land acquisition programs. These could also include philanthropic donations of land that would support natural resource objectives.

To encourage philanthropy the giver needs to know the receiver will value the donation. It is worthwhile to establish a philanthropic strategic action plan that identifies what type of philanthropy is sought and how it can be supported by the organisation and articulated to the community.

Grants and Sponsorship

All of the Councils discussed in the above case studies for environmental levies have sought grant funding from state and federal government. Many have been successful in these applications before they imposed a levy but the introduction greatly increases their success rate as most grant criteria is based around 'bang for buck'. If the Council can contribute funds to the project it increases the overall value of projects funded by government. In fact some funding is stipulated as 50/50, for example the federal governments' stormwater reuse grant, matching funds are a mandatory criteria.

There are other grants available outside the government sector, established by philanthropic foundations or business' for example the Ian Potter Foundation is a Melbourne based philanthropic fund that will support a range of programs including environmental enhancement around Australia.

In addition to grants there are sponsorship funds that can be sought through the private sector. The contribution could be cash or in-kind and can contribute significantly to a projects success. For example Brisbane City Council attracted significant land contributions by public and private landholders for its 2 Million Tree program. The land contribution added a significant amount of land that could be used for a range of environmental enhancement.

Community Services Programs

Another "funding" source that works well in conjunction with other funding streams is the community service programs administered through the courts system. The community service orders issued by the courts for various criminal activities require a certain number of hours to be registered; often it is difficult for participants to reach these hours as few agencies host community service programs. Wollongong City Council utilises this "free" labour to perform tasks in the environmental area such as litter removal and tree planting. The Council estimates the work undertaken by this workforce saves the Council approximately \$280,000 a year and reduces the cost of these works to the community.

Carbon Offsets

Carbon offsets represent a reduction in atmospheric greenhouse gases through sinks such as forest carbon, relative to a 'business as usual' baseline. Carbon offsets are tradeable and often used to offset all or part of another person or organisations emissions.

In order for domestic offset projects to be eligible under the national standard they must occur within Australia and fit the following criteria:

- be **additional** – greenhouse gas reductions generated by the project must be beyond what is required by legislation and beyond that which would have been normally been carried out by the business;
- be **permanent** – that the carbon stored is sequestered and will not be released into the atmosphere in the future;
- be **measurable** - methodologies for calculating the carbon sequestered must be robust and based on a defensible scientific method;
- be **transparent** – information on the project needs to be publicly available and clarify data sources, exclusions, inclusions and assumptions;
- be **independently audited**; and
- be **registered**.

NSW has a mandatory Greenhouse Gas Scheme (NGAS) now called Energy Savings Scheme. Under the NGAS any reforestation on land within NSW is eligible for credits and therefore the Googong Foreshore area would be eligible. Whether on the mandatory or voluntary markets any additional revegetation is eligible to trade in the carbon market. NSW Forestry currently is an active trader and provides credits for both the mandatory and voluntary markets.

Brisbane City Council estimates the mass plantings of Kholo/Mount Crosby store approximately 6 tonnes of carbon per hectare per year. The total land area at this site is 80 Ha. Therefore the site is generating approximately 480 tonnes of CO₂-e sequestration per year. On the current market that is between \$5,280 and \$24,000 per annum (Carbon Offset Guide price of \$11-\$50+ per tonne)

Attributes of Success

The following attributes seem to significantly contribute to the success of funding options for enhanced environmental management.

- It is important to formulate and articulate a clear vision and objectives, a case for the activity needs to be prosecuted once everyone understands the ‘what’, the ‘why’ and the ‘how’ they can then get on board, if the staff aren’t convinced no one else will be. What is the overall strategy? The objectives should be measurable, for example “net increase in native plant number and diversity”;
- Political support is vital. Even highly unpopular decisions will become popular once the full benefits are realised and communicated. Most Councils did not have community support to implement a levy but all identified significant community support after the levy was operational;
- Transparency: successful programs, whether through additional funds or general revenue, clearly articulated what the funds were to be spent on, why and what was achieved (Habitat rehabilitation, water quality improvements, carbon sequestered and so on). A careful measurement and monitoring program needs to be incorporated into the program activities and costs so that the information can be communicated back to the public. An active consultation program is required to fulfil the requirements of transparency. It is not enough to have the report available it must be actively communicated to the community: web site, forums, workshops, media releases, shopping centre displays etc
- Diversity of funding streams: each successful Council was active in pursuing multiple funding streams and this was one of the key ‘selling’ points of an environment levy. To attract external grants and sponsorship required a management plan – some strategy that underpins the program of works or project. This relates back to the vision and objectives of the levy
- The most successful organisations in attracting funds had charismatic leaders; people who had technical skills around the environment, for example science, but who also were entrepreneurial in their approach and had developed networks in the public and private sector. They knew what projects had additional benefits for other organisations and knew how to leverage that to attract additional funds and in-kind contributions, these leaders brought the community along with them (e.g Stella Whittaker – Hornsby Council, Skye Rose – Manly Council; Dr Mike Mouritz – Newcastle City Council).
- The more successful environmental levies either had a ‘sunset’ clause, which was usually five years, or there was annual review of the program. One of the limitations of a levy identified by David Pannell, 2005 was that any inefficiency in spending priorities may be locked in. Therefore a review and/or sunset clause can allow an organisation to better manage a current priority but does not perpetuate the spending once the priority changes.

- The levy did not replace general revenue funding on the environment. This was one of the perceptions for scepticism by the public, environmental legislative requirements usually supported by general revenue and the levy for specific projects that reflect the community values of the environment.
- Successful organisations didn't promise too much initially. Once the levy is in place there is a "gearing up" period where staff are employed and tenders written and awarded before the first sod is turned. Many organisations showed an under expenditure from approved budget in the first couple of years. This needs to be strongly managed and communicated so that the whiff of failure does not begin to surround the program. The public can start to become sceptical as to whether the money was really needed in the first place if it is not spent in a timely way.

This review has highlighted a number of funding streams outside the general taxes and revenues. An environmental levy can be implemented and attract significant funds for environmental programs without causing any long term stress to residents. The levy can then underpin more transitory or volatile funding streams such as grants, sponsorship, philanthropy and carbon trading. However, once a funding stream is secured all other leverage opportunities should be explored to leverage the ratepayer or taxpayer dollar.

It should be noted that introducing an environmental levy requires some political leadership but all of the cases discussed through local Councils or Departments of local government proved popular in the long term with residents. Once residents 'see' the benefits this often aligns with their environmental values.

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Appendix A: Example of a Community Contract and Policy



environment fund

COMMUNITY CONTRACT

To ensure community participation and Council accountability in the Environment Fund, Council will initiate a Community Contract. The Community Contract will detail a comprehensive program of environmental works, which will focus upon the themes of flood, bushfire, stormwater quality, natural asset protection and education. All these programs will enhance the integrity of our environment and preserve it for future generations.

The Community Contract will report back to the Community on the projects funded by the Environment Fund. This will demonstrate a transparency and full public accountability of all funds spent in the Environment Fund.

All work identified within the Community Contract will be undertaken funded by a dedicated \$1m program per year that will be reported in the Community Contract. Additionally, any external project grant funds that have been made available from either State or Federal bodies will also be reported in the Community Contract.

The Community Contract will be reported in the Annual Report, Council's website and the State of the Environment Report and periodic communications.

Annually, a report will be brought forward on the State and Federal matching grants which the Fund has attracted, as well as detailed information of the projects to which the moneys have been assigned.

As part of the Community Contract the Environment Fund will be placed on public exhibition for endorsement/comment by the community. The Program is to be reflective of the State of the Environment Report, including indicators.



Council Administration Centre. 41 Burelli Street Wollongong

Locked Bag 8821, South Coast Mail Centre, NSW 2521. Phone 4227 7111



ENVIRONMENT FUND POLICY

Vision

Wollongong City Council is committed to the protection of the environment, its enhancement and the promotion of environmental sustainability.

Objectives

The Environment Fund is structured within the Environmental Management Program and will incorporate functions across most divisions of Wollongong City Council. The Environment Fund will be co-ordinated by the Environment Fund Governance Committee in the rehabilitation of the environment which has been affected by our community activities.

The Environment Fund will:

- communicate this policy, objectives and targets to the citizens of Wollongong,;
- establish programs and set targets within a dedicated Environmental Management Plan to protect and enhance plants, animal, land and water that may be affected by our activities;
- promote environmental sustainability awareness among the citizens of Wollongong;
- report on performance of the Environment Fund through the periodical 'State of the Environment' Report; and
- through a "Community Contract" conduct periodic audits of the Environment Fund and communicate these to the citizens of Wollongong.

All projects administered by the Environment Fund will give consideration to the care of the plants, animals, air, land and water which may be affected by those activities and give consideration to the long term costs and benefits of these projects in relation to economic, social and environmental impacts.

To fulfil this commitment, the Wollongong City Council will observe the principles of Ecological Sustainable Development within the Environment Fund-Environmental Management Plan

Cr Alex Darling

Lord Mayor

City of Wollongong

Rod Oxley, PSM

General Manager

Wollongong City Council

