



Response to the NSW Department of Trade and Investment, Regional Infrastructure and Services'

Report on the review of the NSW Livestock Health and Pest Authority (LHPA) model

23 May 2012

National Parks Association of New South Wales

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1. Introduction

The National Parks Association of NSW (NPA) appreciates this opportunity to respond to the Report on the review of the NSW Livestock Health and Pest Authority (LHPA) model, prepared by Terry Ryan (hereafter the Ryan review). NPA provided two submissions during the consultation period of the review addressing the role of the LHPAs in managing Travelling Stock Routes and Reserves (TSRs) and considering how TSRs might be funded and managed for their diverse range of values. NPA has also repeatedly outlined the extremely significant environmental, cultural, social and economic values of the TSR network in its submissions to the Review as well as in the publication *The NSW travelling stock routes and reserves network: Heritage – habitat – livelihood* (Appendix 1).

NPA is concerned that the Ryan review has made a set of recommendations that are not justified through a clear outline of factual evidence. There are many limitations and omissions of information relating to income streams and business management, particularly in relation to grazing activities on TSRs.

NPA feels that Recommendation 8 of the Ryan review is poorly considered, unnecessary and threatens the many values of TSRs. We strongly oppose this recommendation that management of TSRs be devolved immediately to the DPI Division of Catchments and Lands (Lands). NPA believes that Lands does not have the management structures in place to protect TSR values and their shared uses. The management of stock movements, grazing permits and leases and biosecurity issues relating to travelling stock requires the management expertise of the LHPAs. NPA is particularly concerned that Lands is the only agency with the ability to sell TSRs. **We call on the NSW government to commit to the retention of the entire TSR network as a public asset.**

NPA believes that the justification given for removing control of TSRs from LHPAs is flawed, and does not take into account the range of innovative funding opportunities that could support LHPAs in managing TSRs for their shared values. NPA and others have set out some of these opportunities in previous submissions to this review, and will expand further in this submission.

NPA does support several of the recommendations made by the Ryan review relating to improved management systems and the establishment of a regional service delivery organisation.

2. Limitations and omissions in the Ryan review

Business Cases

NPA is concerned that the Ryan review does not refer to the business cases that LHPAs were required to develop under the last restructure, which provided a way of recognising current usage and other values of the TSR network. We understand that most LHPAs had identified the TSRs under their management that still provided an economic base and those that didn't. There is no reference in the report to this information being available.

NPA participated in a stakeholder workshop conducted by the LHPA State Management Council in May 2009 where issues were raised to be considered in a template for LHPA business cases. (Notes from this workshop are attached as Appendix 2.) While the final business case template itself seems to have disappeared under the previous Government, NPA believes that State Management Council was engaged in the process of developing this template following the workshop.

There was recognition during this process that maintaining a core network of the routes, particularly up the central driftway, was critical for continued travelling stock access. People in the droving business maintained that all existing routes and reserves had some use.

Assessment of 'economic viability' of TSRs

If LHPAs have basically identified all the TSRs that are 'economically viable', as NPA understands they have, this information should have been made available in the Ryan review. This process should also enable the assessment of the rest of the TSR network and an understanding of the costs involved in maintaining 'economically unviable' TSRs for their other values.

The Ryan review stated that *"To estimate the full costs to ratepayers from the TSRs requires a comprehensive cost centre accounting with appropriate allocation of overheads and a multi-year perspective as there will be significant differences in income received from usage of according to climatic conditions"*.¹ NPA believes a substantial amount of this work would have already occurred in order for the LHPA managers to identify 'economically viable' TSRs.

¹ Ryan, T. (2012) *Report on the review of the NSW Livestock Health and Pest Authority (LHPA) model*. Review commissioned by the Minister for Primary Industries, NSW. p. 44

Consideration of alternative funding sources

The Ryan Review makes passing reference to the fact that *“In developing plans for the TSRs, submissions argued there is scope to receive funding from other sources to ensure that these wider community benefits are paid for by those who benefit either directly or indirectly”*². However, there is no real consideration given in the review to how these potential funding sources could be used to resource maintenance of TSRs by the LHPAs (or, indeed, by anyone). Without such consideration, the Ryan review has not met its own emphasis on *“achieving the most efficient value for money outcome for ratepayers and taxpayers in NSW”*³.

NPA maintains that most of the ‘economically unviable’ TSRs would contain important environmental values that don’t require the same level of management as TSRs regularly used for grazing purposes, either travelling or fixed. Funding streams from both state and federal biodiversity programs may well be able to fill the gap in management costs. There is no indication that this level of consideration has been undertaken by the Ryan review or the LHPA.

Broader economic value of TSRs

Neither the Ryan review nor the LHPAs appear to have adequately considered the broader economic value of TSRs by attempting to quantify the environmental, cultural and social benefits they provide. NPA has been advocating for recognition and better understanding of the holistic values of TSRs for many years, and has taken an initial step towards assessing these values by commissioning a pilot economic study to identify the value of environmental services provided by two TSRs in north-eastern NSW (Appendix 3). This study found that the larger area provided to the taxpayers of NSW \$28,359 worth of ecosystem services per year and the smaller area provided \$3,446 worth of ecosystem services per year⁴. The report finds that *“These two areas represent just 321 ha of a total of approximately 700,000 ha of TSRs in New South Wales. To value the ecosystem services for these areas of public land at zero is clearly inappropriate.”*⁵

² Ryan, T. pp. 45 – 46

³ Ryan, T. p. 9

⁴ Curtis NRA Australia and Economists at Large (2012) *Estimating the value of ecosystem services provided by Travelling Stock Routes: A pilot study of selected sites in NSW*. Report prepared for the National Parks Association of NSW, p. 18. See appendix 3.

⁵ Curtis NRA Australia and Economists at Large, p. 19

This pilot project provides an example of the methodology that can be used to tackle the challenge of identifying the full value of the TSR network. A major international study, *The Economics of Ecosystems and Biodiversity (TEEB)*, has also produced a guide for policy makers that demonstrates how the value of ecosystems and biodiversity can be taken into account in policy decisions.⁶ In deciding how best to manage TSRs, it is essential that the NSW Government considers the full value of the TSR network.

3. Objections to recommendation 8

“Devolve management responsibility for all the public lands currently dedicated as travelling stock reserves and routes to the DPI Division of Catchments and Lands. The LHPA be required to make the public benefit case at the local level for the LHPA to retain management of any individual area of Crown Land for livestock purposes.”⁷

NPA strongly opposes this recommendation, particularly given the severe limitations of the review’s data and consideration of the issues pertaining to TSRs, as outlined above. Whilst the review briefly notes that a large number of submissions drew attention to the environmental, social and cultural values of the TSR network, it then goes on to make recommendations that, if implemented in their current form, are likely to severely damage these values.

Lack of framework to ensure that TSRs are well managed into the future

One major problem with this review’s treatment of TSRs is that it makes a recommendation that would significantly alter the management arrangements for TSRs, but does not provide any additional recommendations to ensure that TSRs would be well managed during and after the transfer, nor does it even identify some of the issues that would need to be addressed if such a transfer were to take place. Although we acknowledge that such a detailed analysis may be outside the scope of this review, we believe, if that was the case, that it was highly inappropriate and irresponsible for the review to recommend that *“...it should be an immediate priority is to devolve the TSRs to the Crown.”⁸*, rather than highlighting the need for further examination of TSR management arrangements.

⁶ TEEB – The Economics of Ecosystems and Biodiversity for National and International Policy Makers –Responding to the Value of Nature 2009. Available from www.teebweb.org

⁷ Ryan, T. pp. 13 – 14

⁸ Ryan, T. p. 47

This review is clearly striving to remove a perceived cost (the TSR) from LHPAs, with no consideration of how to protect this invaluable resource. The Review uses inconsistent and vague language in its discussion of TSRs, at various points recommending that TSRs be transferred to the DPI Division of Catchments and Lands⁹, “...appropriate government agencies”¹⁰ and “the Crown”¹¹. Moreover, the review also appears confused about why it is recommending that TSRs should no longer be managed by LHPAs. Whilst it states that “the benefits of their use are accruing to sections of the community other than ratepayers”¹², implying that maintenance of TSRs by LHPAs is only justified by benefits to ratepayers, not public benefit, it then goes on to recommend that “The LHPA be required to make the **public benefit** case at the local level for the LHPA to retain management of any individual area of Crown Land for livestock purposes”¹³ (emphasis added). These inconsistencies support the observation that the recommendations of the review regarding TSRs are based on inadequate consideration of the complex issues surrounding TSR management.

We believe that it is not acceptable to transfer the TSRs to Lands immediately, and work out an appropriate, consistent management strategy for the network later, as this review would imply. If this happens, there is likely to be a considerable transitional period of time in which TSR management is particularly inconsistent. We believe that a ‘gap’ in management arrangements could do irreversible damage, as TSRs may become severely degraded in this time due to inappropriate land uses or a lack of resources and expertise to manage on-ground issues. The review makes no recommendations for retaining the expertise of LHPA rangers in managing TSRs, so it is likely that much of this practical expertise would be lost in the transfer. More concerning, TSRs may be permanently lost during this time through lease or sale to uses such as mining exploration or infrastructure development, peri-urban development and other economically pressing projects.

NPA has, in previous submissions, identified some key requirements for TSR management, based on consensus points emerging from the 2011 Travelling Stock Routes and Reserves Conference in Orange¹⁴. Central to these recommendations was a single authority to manage TSRs, which has stable and

⁹ Ryan, T. p. 13

¹⁰ Ryan, T. p. 46

¹¹ Ryan, T. p. 47

¹² Ryan, T. p. 45

¹³ Ryan, T. pp. 13 - 14

¹⁴ NPA NSW (2011) *NSW Travelling Stock Routes and Reserves Conference, 28th July, 2011. Discussion group priorities and proceedings*. Available from <http://www.npansw.org.au/>

adequate resourcing for the task, and facilitates representative management of TSRs for their many shared values. NPA believes that the Government should consult with TSR stakeholders to develop a consistent, state wide strategic management framework for the TSR network. This management framework should be in place, or at least well progressed in development, before the Government should even consider changing the primary managers of TSRs.

Concerns regarding the Division of Catchments and Lands as primary TSR managers

NPA is particularly concerned that Lands is the only potential managing agency that would legally be able to sell TSRs that reverted to its control. The current NSW government has not stated their policy about what will happen to the TSRs that revert to Lands, and has not guaranteed that they will not be sold off. NPA strongly urges the NSW government to commit urgently to retaining the entire TSR network as a public asset, no matter what management arrangements are ultimately put in place.

NPA believes that Lands does not currently have the management structures in place to protect TSR values and their shared uses. The management of stock movements, grazing permits and leases and biosecurity issues relating to travelling stock requires the management expertise of LHPA staff, which is likely to be lost if much of the TSR network is devolved to lands. No indication has been given that the Department of Lands has an income arrangement to fund the management of the TSR network, and any external funding source obtained by the Department of Lands could be equally sourced by LHPAs.

If the responsibility for managing TSRs is divided amongst a variety of different land managers, including the LHPA (who may retain some TSRs under Recommendation 8 of the Ryan review), Lands and others who may lease or buy TSRs, the network will be effectively fragmented and its unique connectivity values will be lost. This will be particularly true if TSRs are not retained in public ownership. Moreover, this approach does not encourage the management of the whole network for its range of values (ecological, recreational, cultural, agricultural, tourism etc.), but would instead split the network into a number of reserves with radically different management aims and outcomes. As discussed below, a better model would be to have a single managing authority which could then seek and manage partnerships with other groups to ensure good management of TSRs that will protect their range of shared values and uses.

4. Funding Opportunities for TSR management

NPA agrees with the Ryan review's comments that it is inappropriate for ratepayers to continue to bear the majority of the cost of TSR management, given the wider public benefit provided by the network. However, as we outlined in our second submission to the review, in November 2011, NPA believes that there are feasible alternative models for TSR funding, which would resource LHPAs to manage the network.

NPA believes that leaving the TSR network as a whole under the control of one authority would be the best arrangement to allow a transition to a model of TSR funding that is not based on landholder rates. As explained above, we believe that the best managing authority in this situation would be the LHPA, rather than Lands.

A state-wide TSR management fund

A single managing authority could co-ordinate a state-wide TSR management fund, with a small grants component to allow strategic work on individual TSRs and regions. The LHPA, in partnership with a wide range of stakeholder groups, would then be able to seek state and federal funding for the network as a whole, based on its environmental, cultural, recreational and other values. NPA has identified a number of potential sources of funding based on the environmental values of TSRs, and TSR stakeholders could be drawn on for advice about sources of funding related to cultural, recreational and other values of the TSR network.

Potential sources of funding

The 2008 IMC review of the Rural Lands Protection Boards estimated that the total cost to ratepayers of maintaining the TSR network is \$3.1 million per year¹⁵. This is not a large sum, considering the benefits of maintaining the TSR network for biodiversity outcomes as well as cultural and social outcomes. Meeting this management cost would thus would be a very worthwhile investment for the federal and state governments.

There has been considerable investment in and commitment to biodiversity conservation targets at by both the NSW and Australian governments in recent years, which will provide a range of different

¹⁵ Ryan.T. p.44

potential sources of funding for TSR management based on the environmental values of the network. These were discussed in more detail in NPA's previous submission to this review, in November 2011. Since then, a significant additional opportunity to attract Federal funding has arisen through the draft National Wildlife Corridors Plan. This Plan proposes to identify "National Wildlife Corridors" across Australia. Identified corridors will have higher priority for Federal funding. The TSR network would be an excellent candidate for listing as a National Wildlife Corridor, and NPA has made a submission and presentation to the National Wildlife Corridors Plan advisory group advocating for the TSR network to be recognised as a National Wildlife Corridor as soon as possible.

Once a strategic management framework for TSRs has been developed, the LHPA would also be able to inform and co-ordinate additional investment and partnerships at the regional and local scales. There are many examples of local partnerships between LHPAs and other organisations and groups for the management of particular TSRs, including partnerships with:

- CMAs;
- Local Aboriginal Land Councils;
- Recreational user groups and clubs;
- Community landcare and conservation groups; and
- Farmers with an interest in conservation, to provide strategic grazing for environmental restoration and management purposes.

Management of TSRs by a single managing authority is important to ensure that all local partnerships adhere to certain key principles within the strategic management framework, where they apply, such as:

- Protecting and/or restoring environmental and cultural values and sites; and
- Maintaining access for sustainable recreational and economic uses and the general public (e.g. maintaining access to waterways for recreational fishers, maintaining accessibility for travelling stock where this is still viable, and many other sustainable uses as identified by managers and stakeholder groups).

The co-ordinating body could also use the central TSR management fund to ensure that there is good management and governance of all TSRs, even where local funding or partnerships aren't currently available.

Later development of TSR funding model and management strategy

Over time, it may be possible and desirable for TSR management to move further towards a public-private partnership, similar to the Great Eastern Ranges model. This is an initiative with an overall conservation vision, supporting a wide range of community projects, which is currently being run by a number of community partners in partnership with the Federal and State Governments. It has been very successful so far in attracting funding from the State Government. Such initiatives are most effective when they have governance structures that facilitate and promote partnerships and collaborations between a wide variety of stakeholders¹⁶. In this case the LHPA and various stakeholder groups (including cultural, recreational and economic groups as well as environmental groups) could ultimately become lead partners in the management of the TSR network for shared and sustainable multiple uses.

5. Comments on supported recommendations:

Recommendation 5

“The LHPA to implement a management system to improve service delivery, reduce the overall costs of operation and improve transparency and accountability to the NSW Government and ratepayers. In particular the management system should deliver accurate management data relating to inputs, outputs and the assessment of outcomes, including cost centre accounting.”¹⁷

NPA supports this recommendation in the context that accurate management of data, including cost centre accounting, will provide a much clearer analysis of the income and costs accrued through the management of the TSR network. Improved transparency and accountability will also ensure commercial pricing of TSR grazing permits consistent with market based agistment costs, which will improve the income from the TSR network and prevent subsidisation of grazing activities.

¹⁶ Parris, H., Whitten, S.M, Wyborn, C., Hill, R. and Freudenberger, D. (2011) *An overview of key socio-economic factors, principles and guidelines in wildlife “corridor” planning and implementation*. A report for the Australian Government Department of Sustainability, Environment, Water, Population and Communities, CSIRO Ecosystem Sciences.

¹⁷ Ryan, T. p. 12

Recommendation 11

Create a new regional service delivery organisation to deliver a broader array of the services currently provided to landholders separately by the (state wide) LHPA, CMAs, DPI and weeds authorities.¹⁸

NPA supports this recommendation as a way forward for integrated pest management and biosecurity management with more efficient use of resources across land tenures. The current rural fire service system needs to be considered as a model for the delivery of a number of additional cross tenure services and benefits, including pest and biosecurity management.

6. Conclusions

NPA believes that the NSW government should:

- Commit to retaining the travelling stock route network, in its entirety, in public ownership.
- Leave TSRs under the management of the LHPA.
- Retain regional LHPA staff and offices, and promote local partnerships for management of TSRs.
- Consult with TSR stakeholders to develop a consistent, state wide management framework for TSRs. This will give consistency to local management partnerships and protect the shared uses and values of the network across NSW.
- Seek sources of funding, beyond LHPA ratepayers, to manage the multiple uses and values of the TSR network. Examples of these sources of funding have been provided in this submission.

¹⁸ Ryan, T. p. 16