



**TRUST FOR
NATURE**

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Local Government Victoria
Review Secretariat
Department of Environment, Land, Water and Planning

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Dear Review Secretariat

Local Government Rating Review

Thank you for the opportunity to respond to this review.

Trust for Nature is Victoria's dedicated private land conservation agency, which has, since its establishment in 1972, helped landowners to enter into more than 1,400 in-perpetuity conservation covenants, securing significant native vegetation and habitat for wildlife on their land. We also own 43 freehold conservation reserves. Altogether we steward over 100,000 hectares of private land in Victoria, making us a significant contributor to the National Reserve System – the system of formal protected areas which contribute to Australia's international protection commitments under the 1993 Convention on Biological Diversity.

Policy settings have a direct impact on conservation outcomes. Currently, landholders with conservation covenants receive no secure incentive to do so; and in some cases face disincentives. For example, if land was previously subject to a farm rate, it can become subject to the general rate, which is up to double the amount. Trust for Nature continues to urge the State government to create policy settings that reward, rather than penalise, landholders for protecting biodiversity on their land; and in doing so to provide pathways for realising its commitments under the Biodiversity 2037 Plan.

It is no longer possible to overstate the importance of rapid and organised responses to biodiversity loss in Victoria and beyond. The threat of ecosystem decline is now so extreme that the United Nations has warned that it poses at least as serious a risk as climate change (IPBES Global Assessment Report on Biodiversity and Ecosystem Services, 2019). Land use is also increasingly in the spotlight: this year the Intergovernmental Panel on Climate Change report took the first ever look at the whole land-climate system and showed that better land management, including retention of native habitat and rebuilding biomass, can contribute to tackling climate change (IPCC Climate Change and Land Report).

Landholders who enter into conservation covenants forego development rights and commit to protecting and enhancing their land as stewards for future generations. They often do this at significant personal cost and effort – and with substantial local, state and national gains, including by

providing connectivity, more resilient ecosystems, weed and vermin control and carbon mitigation. This contribution must be recognised and rewarded through our policy frameworks.

Proposed amendment to the Local Government Act

Submission #1: Landholders with a Trust for Nature covenant should be exempt from rates under the Local Government Act, as a way of incentivising conservation activities on private land and ensuring the benefits are secured into the future.

Land that is vested in a public statutory body is not subject to council rates in Victoria (Local Government Act 2005 (LGA) s 154(2)(a); (3)(b)) on the basis that it is being held 'for public or municipal purposes'. As such 35,000 hectares of land being held by Trust for Nature as conservation reserves are exempt from council rates. Another 63,000 hectares of private land has been protected using conservation covenants entered into by the Trust with the landowner, but in contrast to Trust reserves, these landowners are not currently eligible for a rates exemption under the Local Government Act.

Trust for Nature urges the Panel to make recommendations for a State-wide concession, through an amendment to the LGA. We would support an approach such as the current State-wide concession for eligible pensioners, where the State funds a 50 per cent deduction on the General Rate, and where councils then have the option of providing an additional rebate on top of the Victorian Government rebate. This would recognise the significant contribution made by landholders with a conservation covenant, and provide them with much needed consistency, predictability and equity.

Comparable approaches in other jurisdictions

Submission #2: New South Wales offers a helpful precedent to inform the policy approach in Victoria

By adopting submission #1, Victoria would be brought into line with New South Wales, which provides a blanket exemption to all Conservation Agreements (see section 555(1)(b) of the Local Government Act 1993 (NSW) and the related clause 18(1)(c) and 51 of the Biodiversity Conservation Regulations (Savings and Transitional).

The need for consistency in rating covenanted properties

Submission #3: If a full exemption under the LGA cannot be achieved, a consistent approach to rating land with a conservation covenant should be applied to ensure equity across councils, recognising the public value of land being managed forever for environmental benefit.

Section 169(1)(ba) of the LGA allows local councils to offer rates rebates or concessions to preserve places of historic or environmental interest. A little under one third of Victorian regional councils have elected to provide rebates or concessions to landholders with a conservation covenant: the majority offer a per-hectare rebate (capped at a fixed annual amount); a minority offer a rate rebate (between 37.5 - 100 per cent). While these initiatives are individually positive, they can be changed at any time, and create significant equity issues for neighbouring covenantors who have no concession or rebate.

If a full exemption under the LGA is not possible, Trust for Nature supports a more consistent approach to rating deductions for landholders who enter into conservation covenants. This would not only improve fairness between covenantors across different councils, but would also play an important role in incentivising the uptake of covenants in general. The current unpredictable and inconsistent rating system is a very real barrier to conservation efforts, resulting in inefficient

outcomes across the board. Covenants represent 'value for money conservation', with willing landowners becoming long term land managers on protected areas: their voluntary contribution to conservation, including weed management, revegetation, feral animal control and more is conservatively estimated to be valued at \$1.1M per year.¹

The interaction of the local government rating system with the Fire Services Levy Property Act

Submission #4: The FSPL should not be issued more than once for a single property

Landholders whose land comprises a protected area under covenant and a non-protected area can be issued with two separate rates notices. The Trust appreciates this rating arrangement has been positively designed by councils to provide some rate relief to the landowner in recognition of the public benefit derived from the covenant and the significantly reduced capacity to earn income from the covenanted area. However, a side effect of this approach has sometimes been that the Fire Services Property Levy (FSPL) is issued twice. Trust for Nature requests that a system be implemented to avoid two FSPLs being issued to a single property.

While we recognise that the local government rating system's primary driver is to raise revenue to fund public services, we urge the Panel to consider the co-benefits of covenants and the value to councils and the State overall of incentivising the important conservation work of covenantors. A more streamlined approach will also provide greater fairness, equity and predictability to landholders.

We would be very pleased to discuss this submission further with you.

Kind regards,



Victoria Marles
CEO, Trust for Nature

¹ Conservative estimate that each landholder (1400 total) does 0.5 hours of work p/w at \$30p/h.