



l o c a l   g o v e r n m e n t   a s s o c i a t i o n  
o f   t a s m a n i a

Our Ref:  
File No.:

28 May 2000

Committee Secretary  
Standing Committee on Environment and Heritage  
House of Representatives  
Parliament House  
CANBERRA ACT 2601

Dear Secretary

**RE: Public Good Conservation Inquiry**

Public goods suffer from market externalities; that is,

- individuals can not be excluded from consuming them,
- the benefits or costs the goods provide apply to the entire economy, and
- they will not be provided for by the free market

Thus if public good conservation is to be provided it must be provided by the “state”. It is impossible to rely on the private sector to provide appropriate levels of public good conservation.

As an agent of the “state” councils are already heavily involved in the provision of public good conservation, through planning scheme development and implementation, management of public lands as reserves, raising environmental levies and by providing assistance to community groups. As the sphere of government closest to the community Local Government has the greatest ability to influence natural resource management decisions, these decisions are best made at a local level, to suit local conditions and in consultation with local people. But with limited abilities to raise revenue Local Government is not in a position to adequately resource this effort.

Funding programs such as the Natural Heritage Trust have provided short term resources and assisted many Councils become further involved in the provision of public good conservation, often with little consideration of the financial sustainability of this situation.

The Trust has not necessarily “fixed” environmental problems, but rather it has begun to quantify the size of the problems being faced. It has developed an expectation within the community that “government” will address the environmental issues, which have been identified.

With the end of the trust in 2002 a large hole exists for the future funding of public good conservation, amounting to approximately \$150 million in Tasmania. As the sphere of government closest to them, community’s will turn to their local council to pick up this shortfall.

Councils however have limited taxing powers. Councils require additional financial and human resources from central governments, which have a variety of revenue raising options and expertise. In person terms, grants to Local Government from the Commonwealth have fallen by one fifth of their value over the last 15 years. Local Governments face falling revenue and growing responsibilities in many areas.

Local Government’s ability to raise revenue does not necessarily coincide with the extent of the natural resource management problems being faced in each municipality. For instance Launceston City Council has largest population of any municipality in Tasmania yet the smallest land area. Tasman Peninsula on the other hand has a population of only 3,100, a land area of 556km<sup>2</sup> that includes National Parks, and visitor numbers exceeding 500,000 annually.

The resources required for implementing natural resource management must therefore be raised by central governments and not by individual municipalities. If long term financial sustainability for public good conservation is to be addressed an appropriate taxation regime at a national scale needs to be put in place to raise the resources required, with these resources being allocated to Councils to undertake the activities.

Thank you for providing the Association with the opportunity to comment on this issue.

Yours sincerely

Stewart Wardlaw  
**EXECUTIVE DIRECTOR**

(Email : [stewart.wardlaw@lgat.tas.gov.au](mailto:stewart.wardlaw@lgat.tas.gov.au))