

Midlands Conservation Fund – an innovative conservation tool developed in response to the social, economic, and ecological conditions of the Tasmanian Midlands

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The Tasmanian Midlands is one of Australia's biodiversity hotspots. It is a lowland area of fertile rolling hills and valleys in the interior of Tasmania, a large island off the south coast of Australia. The social and ecological history of the region is significant in the development of the 'Midlandscapes' conservation model.

The Tasmanian Midlands is fringed by mountains to the west, south-west and the north-east. Prevailing, rain-generating winds originate from these directions, leaving the midlands in a distinct rain shadow. The latitude is 41° south and the marine influences of the Southern Ocean and Tasman Sea provide for a temperate climate. Rainfall is less than 800 mm a year. During the last glacial age in Tasmania which ended some 14,000 years ago, the island was drier and colder and the Tasmanian Midlands was desertified.

For the last 10,000 years, the natural ecosystems of the Tasmanian Midlands has been a mosaic of native grasslands, open woodlands, wetlands and shrubby forests. The grasslands, woodlands and wetlands are particularly rich in herb and wildflower species.

Prior to European arrival in Tasmania in the early 1800s, the island was inhabited by small numbers of mobile Aboriginal peoples. The Tasmanian Midlands was certainly inhabited and the ecosystems were significantly influenced by Aboriginal burning regimes, which were used to encourage native grassland pastures and the associated marsupial grazers that were an important food resource.



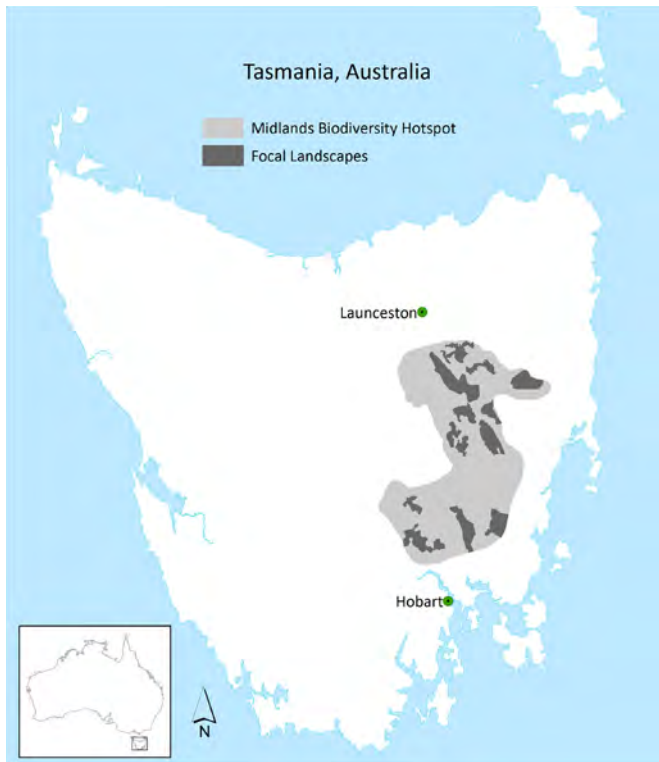


Figure 1. Focal landscapes of the Midlandscapes initiative within the Midlands Biodiversity Hotspot.

European settlement of Tasmania was initiated as a penal colony in the early 1800s. The penal colony soon proved difficult to manage and free settlement was encouraged – in particular the governments of the day sought to establish an equivalent of the European aristocracy to provide social structure, leadership, and a source of active employment for the convict population.

Being open and grassy, the Tasmanian Midlands represented an ideal landscape for the establishment of large farming estates. By the 1830s, 99% of the Midlands was alienated from the Crown as private land and a wealthy land-owning class was well established. Among a broad range of farming pursuits, the Midlands proved ideal for the production of fine wool, and this enterprise above all others has dominated the farming traditions of the region in the intervening years.

High wool prices, land grants and convict labour enabled the land-owning class of the Midlands to generate significant wealth throughout the 1800s. Families built numerous striking and fashionable Georgian mansions, farmhouses, and farm villages, which are now undoubtedly a little-known, but significant cultural treasure of Australia. In large part the same families remain in ownership of the properties established in the early 1800s.

In general, the ecology of the Midlands survived European settlement. Native grasslands and woodlands were not destroyed by the introduction of sheep, although the intensity of these operations was likely much greater than grazing pressures of native animals under Aboriginal management.

However, since the 1960s the use of superphosphate fertilisers became common and many native grasslands were converted to pastures made up of introduced grasses. This conversion continues today and native grasslands have now been all but lost from the landscape – they are now estimated to constitute only 4% of their pre-European extent. Native vegetation as a whole now occupies only 30% of the landscape.

During the last 40 years, annual rainfall has declined and wool prices have dropped significantly, and as a result, many land-owning families find themselves with financial constraints. The drop in rainfall, combined with soils compaction and other factors, has meant the trees of many of the remaining woodlands have died, exhibiting a landscape that now appears to be in great ecological and some social stress.

Recent innovations in irrigation technology and investments in irrigation infrastructure have made it likely that irrigated agriculture is a possible alternative farming enterprise. While this promises social and economic improvement, it is likely to put further pressure on an already seriously stressed ecology.

Previous conservation efforts in the Midlands

While Tasmania has a significant protected area system on the western side of the island, since the 1990s several strategies have been used in an attempt to establish a formal reserve system in the Tasmanian Midlands. While a number of mechanisms have been used, all have achieved only low to moderate success. They are:

- Conversion of Crown land to reserve, which has achieved only a small number of reserves over a relatively small area, as 99% of the landscape is privately owned.
- Purchases of freehold land which have been attempted by conservation NGOs, but have proved impossible because most land of high ecological value is part of long-term family estates that are not likely to be sold; and when whole estates do occasionally appear on the market, the cost is very high due to the presence of improved agricultural land, farm infrastructure and large, historic houses.

- Private reserves established by conservation covenant, which has had moderate success, particularly when programs offer attractive financial incentives. In general, however, covenants are not attractive to this land owner group as the covenant agreements are perpetual, highly restrictive of land owner activities, involve government which is not highly trusted, and are reliant on ongoing government goodwill for their practical workability. Land owners are cautious about entering into agreements with government that may lead to future generations of land owners being restricted in unpredictable and unintended ways.

The Midlandscapes model

In the mid 2000s, a group of conservation NGOs and representatives of Tasmanian government programs came together, each recognising the importance of the region for conservation and responding to the lack of progress towards establishing reserves using the available mechanisms.

The participating NGOs and programs were:

- Bush Heritage Australia, a national conservation NGO primarily using land purchase as a conservation tool, with substantial land holdings across Australia and significant expertise in conservation land management.
- The Tasmanian Land Conservancy, a Tasmanian conservation NGO using a range of tools (purchase, revolving fund, covenant, and stewardship agreements) to conserve land in Tasmania.
- The Tasmanian Government's Private Land Conservation Program, combining a number of state and federal government project initiatives to develop a private reserve system primarily using conservation covenants.

Deciding to collaborate towards the conservation of biodiversity in the region, the group formed an initiative called 'Midlandscapes'.

Using The Nature Conservancy's Conservation Action Planning (CAP) process, the groups collaborated to identify and map conservation targets and identify parts of the region with high concentrations of values – termed 'focal landscapes' (Figure 1). Within focal landscapes, the groups began discussions with key land owners to share knowledge and identify opportunities to work together. This process was by no means easy, with discussions between conservation interests and land

owners breaking down on occasions due to unrealistic expectations about what the discussions could deliver in the short term – i.e. land owners seeking rapid financial outcomes and conservation groups seeking enduring conservation security. However, over time, quality dialogue led to an understanding of the ecological needs of the landscape and the needs of both land-owning and conservation interests.

The following were key issues within this dialogue:

- The remaining grasslands and grassy woodlands are in good condition when they are carefully grazed (and possibly burned) as part of a farming enterprise, but not when they are converted, ploughed, or fertilised.
- Remaining key grasslands and grassy woodlands are under significant threat of conversion as they occur on sites that have considerable agricultural potential for cropping, orcharding, and irrigated agriculture.
- Land owners who wish to retain grasslands need to be recognised for foregoing the opportunity for converting the native grasslands to other more profitable land uses.
- Land owners do not wish to (or in some cases due to the nature of the ownership structure of their properties, cannot) encumber future generations of land owners with legal restrictions, so perpetual covenants are not always desirable or possible.
- Land owners wish to be recognised for their conservation activities as a service to the community, and financially rewarded for at least part of that activity.
- Conservation groups and their financial supporters are wary of providing funds in return for short-term agreements as they risk not meeting the long-term objectives of conservation.

The discussions led to the development of a concept for a new and innovative type of conservation agreement that was not perpetual, but medium-term, regularly renewable (rolling) and provided annual funds to recognise conservation outcomes. The intention is that this type of agreement will allow for flexible long-term conservation agreements between conservation groups and land owners over multiple generations. The immediate consequence of this type of agreement was the need for a long-term reliable source of funds so that conservation groups could make the annual payments associated with the conservation agreements.

The conservation NGOs agreed to jointly form a company that could hold and invest funds raised for conservation in the Midlands and provide the resources for the annual payments. In 2011, the Midlands Conservation Fund was established as a company with a board drawn from representatives of Bush Heritage Australia and the Tasmanian Land Conservancy. Philanthropic foundations and trusts have provided seed funding to the fund and further fundraising efforts are under way with the aim of building the capital of the fund to \$10 million.

Key innovations of Midlandscapes

The two key innovations of Midlandscapes have been the recognition of the need for a medium-term, rolling conservation agreement and the establishment of the Midlands Conservation Fund to financially underwrite it.

Midlands Conservation Fund will guarantee the future capacity of the conservation groups to honour financial commitments made in conservation agreements. This is an Australian first as all previous conservation agreements have been either perpetual and associated with a single capital payment, or short-term and funded for a set number of years with no guaranteed options to continue. As most conservation agreements have been established through government programs, it is very difficult for governments to make promises for ongoing payments for indefinite time periods.

The key innovation of Midlandscapes is the private NGO sector and philanthropic interests recognising the need for more flexible, medium-term conservation arrangements to meet the particular ecological and social needs of a landscape, and to complement the inflexible, perpetual or short-term arrangements that governments can enter.

At the time of writing this chapter (August 2012) the Midlands Conservation Fund has been established as a company, seed funding has been committed, and the conservation groups were in the process of establishing the first medium-term rolling agreements.

Key challenges

Many challenges lie ahead, foreseeable and, no doubt, unforeseeable.

Known challenges include:

- Raising sufficient funds to invest for meaningful returns that can protect the extent of the target areas
- Measuring the conservation outcomes and the success of agreements
- Retaining land owners in the agreement for the long run and at generational change, particularly if the differential between the payments that conservation groups can make fall well behind the profits that could be earned from alternative enterprises.

The model is capital intensive and likely to have upfront investment needs similar to the purchase of land. Unlike the purchase of land, the model agreed by land owners and conservation groups is a medium-term (12 year) rolling agreement that can be regularly renewed by land owners for a further full term. While there is no guarantee that this method will achieve long-term conservation goals and conservation groups have no control over whether land owners remain in the agreement in the longer term, it is seen by both parties as optimising flexibility and conservation security.

There is strong optimism from both conservation groups and land owners that this type of agreement will be the foundation of a long-term relationships and partnerships for the management of important conservation assets that can recognise the needs of all the parties involved.

While this mechanism for conservation is capital intensive and does not guarantee long-term success, it has potential to bring together diverse groups into close partnerships that can share conservation objectives and recognise each others' particular circumstances and needs.

Future opportunities

The mechanism may have relevance to other regions where there are significant conservation values embedded in landscapes which are being highly pressured by land use change, and where there are land-owning communities that have a sense of long-term ownership and stewardship of the landscape.



Midlands land owners, Simon Foster and John Cameron (left, middle), discuss conservation opportunities with visiting American rancher, Sheldon Atwood (right).
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Biography

Nathan Males is a conservation and business professional with over 15 years of experience. He was the founding president of the Tasmanian Land Conservancy in 2001 and the organisation's founding CEO from 2003-2011. Nathan has an undergraduate degree in Environmental Studies and Education from the University of Lancaster, UK and an MSc in Protected Landscape Management from the International Centre for Protected Landscapes. Nathan has also worked with Bush Heritage Australia and the Tasmanian Government.