

Land Repair Australia

3 years experience

Land Repair Australia



- Formed in 2005 to acquire degraded land to improve or change land use to yield capital and income growth from more valued private and public uses of the land
- Began from research in 2004 into three case studies in the Murray River Valley, as agreed with the Centre for Natural Resource Management.
- Has undertaken two out of three of these proposals
- Three years on what has happened?

“Australia Needs a Revolution in Land Use”

Dr John Williams (Ex Chief, CSIRO Division of Land and Water)

A new approach to investment in land, water and bio diversity conservation

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- A proposal to change the vegetation mix in strategic locations in the MRV to achieve desired outcomes
 - Reduced salinity inflows from infiltration
 - Increased carbon sequestration
 - Increased land value from conversion of some to amenity areas
 - Intensify irrigation in best land
- Did not go ahead;
 - Too difficult to obtain clarity on salinity credits and potential returns did not justify the risk of time delays to gain rezoning



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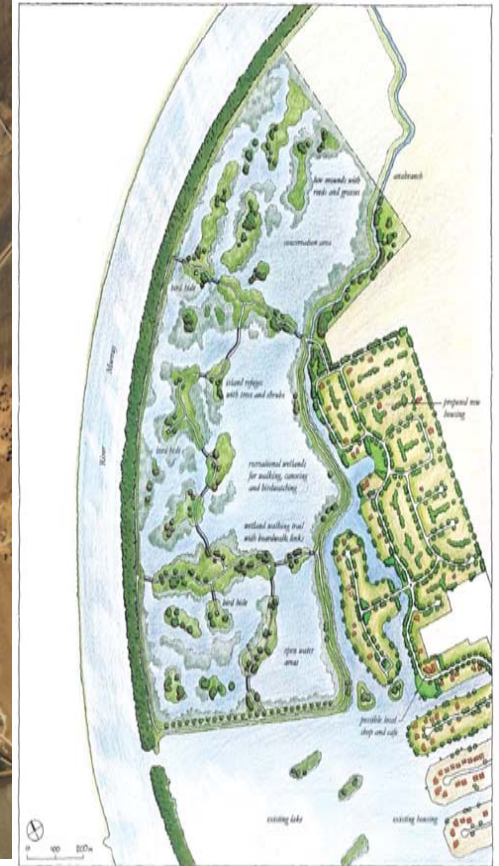
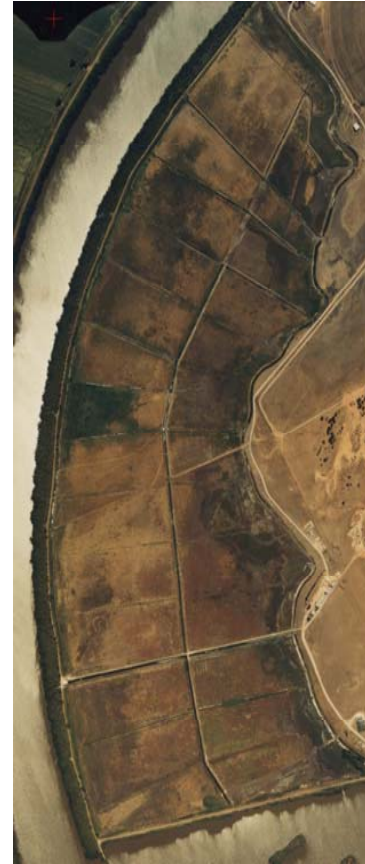
- The second was a scheme to restore degraded bush within a large irrigated dairy in the Lakes Albert, Alexandrina area to gain tax deductions from forgone income
- Project did commence with new plantings of native species



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- Third is a project to rehabilitate a dairy flat and degraded river bank into a constructed wet land, managed to mimic the original wetting and drying cycle
- Funded by a real estate development on the bank that would enjoy the wetland
- Although the project was strongly supported by the relevant State Minister and council necessary rezoning has been delayed, perhaps because of the novelty



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- Questions
 - Is there a role for NRM boards to assist in gaining rezoning or other land use rights to facilitate land use change, a quid pro-quo with the private sector?
 - Do they have any formal authority or responsibility to seek this with relevant authorities?
- We invite proposals or ideas from NRM boards seeking private investment for desired land use change. See www.landrepairaustralia.com.au

Case Study Example of Investment in Land Repair - Coorong Dairies

- Private benefits from the sale of agriculturally productive portion of the land (year 25) and taxation deduction associated with gifting non-agriculturally productive portion of the land to a trust (year 1). Costs include land purchase and revegetation/fencing costs (year 1).
- *Net private benefits were estimated to be approximately \$90,000 (NPV in 2004 dollars, 30 years @ 8%).*
- Public benefits from the environmental value of restored remnant vegetation (biodiversity reserve).
- *Net public benefits were estimated to be approximately \$60,000 (NPV in 2004 dollars, 30 years @ 7%).*

Case Study Example of Investment in Land Repair - Wellington East

- Private benefits from the sale of rural living and marina blocks and a hospitality complex (years 1-5). Costs would include development costs of rural living and marina blocks, the hospitality complex and wetlands (years 1-5).
- *Net private benefits were estimated to be approximately \$690,000 (NPV in 2004 dollars, 30 years @ 8%).*
- Public benefits from the environmental value of restored wetland.
- *Net public benefits were estimated to be approximately \$840,000 (NPV in 2004 dollars, 30 years @ 7%).*

Case Study Example of Investment in Land Repair - Revegetation in the Murray Corridor

- Private benefits from existing and new agricultural activities on land not revegetated and payments for carbon and/or salinity credits.
- Costs would include revegetation costs, opportunity cost of agricultural profit forgone, costs of new agricultural activity (capital, variable and overhead) and land purchase/lease costs.
- *Net private benefits for the 3 case study properties were estimated to range from approximately -\$1.1 million to \$6.2 million (NPV in 2004 dollars, 30 years @ 8%).*

Case Study Example of Investment in Land Repair - Revegetation in the Murray Corridor (continued)

- Public benefits from carbon stored in revegetation, costs forgone from prevention of saline discharge to the River Murray and improved biodiversity values.
- *Net public benefits for the 3 case study properties were estimated to range from approximately - \$130,000 to \$7.9 million (NPV in 2004 dollars, 30 years @ 7%).*