VANISHING NATURE

Addressing implementation gaps in New Zealand

Why is conservation so hard?

How can we bring down the barriers?

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Conservation effort is huge

Lots of excellent policy

- ten Acts with provisions for nature protection
- commitments under six international conventions
- DOC - a dedicated public agency
- 33.4% of our land area is legally protected

But we are failing

- NZ leads the world into its Sixth Extinction
- NZ has the world's weakest Emissions Trading Scheme
- < 1% of coastal marine environments protected

Solid but insufficient effort

Decades of dedication by

- parliamentarians
- government agencies
- trusts & ENGOs
- volunteers & community groups
- and the private sector

have not been enough

The numbers are going backwards

Why?

What is the barrier?

Public, private, and government interests in nature are not aligned

New Zealand lacks an institution designed to bring divergent interests in nature toward alignment

The barriers…

Reflected in

- market failure (impacts insufficiently considered in decisions)
- private interests prevailing over public interests
- agency capture
- regulation that protects private interests in environmental destruction – not the public interest in sustaining its regenerative capacity

Each facilitates biodiversity loss and cuts funding for conservation.

Market failure

No price or explicit value for nature

Impacts on nature are left out of decisions

Private interest in consuming nature conflicts with the public interest in maintaining it

Market failure

Market failure is often addressed by regulation

- intended to protect nature from degradation
- but its implementation can fail to achieve this

This is ‘regulatory failure’

Private interests prevail

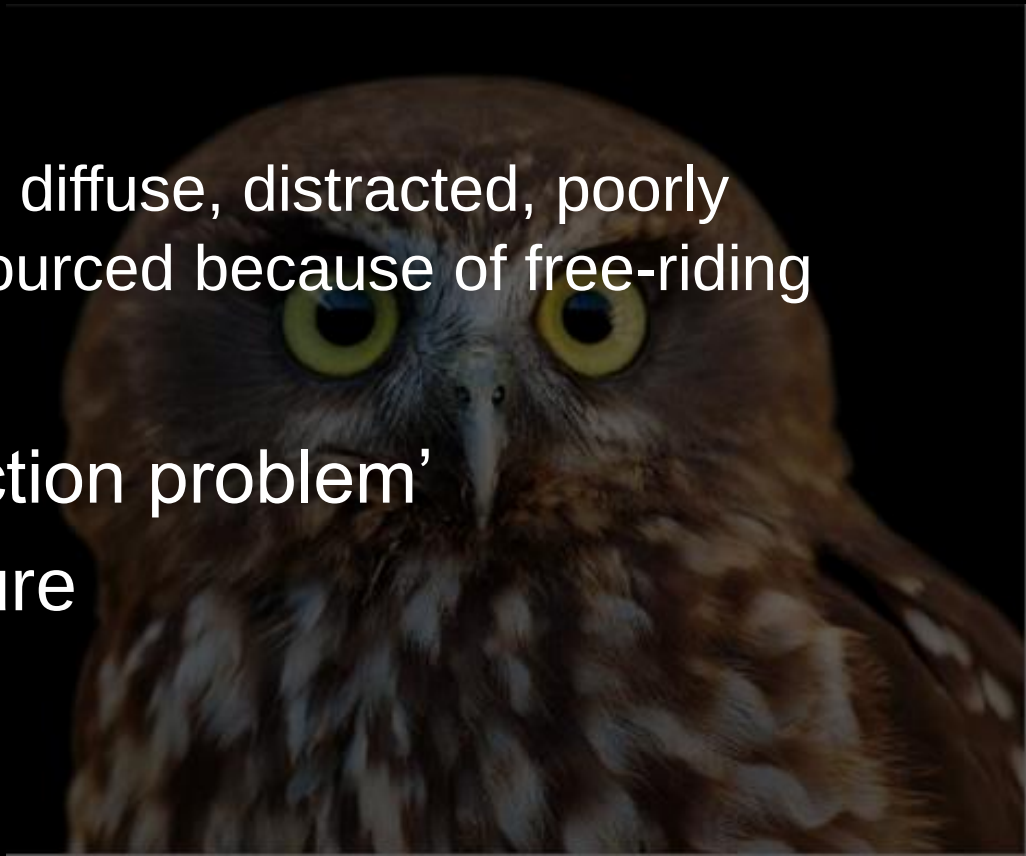
Private interests who consume nature are typically focused, determined, informed and well resourced

while

Public interests are often diffuse, distracted, poorly informed, and/or under-resourced because of free-riding

This is the ‘collective action problem’

It leads to agency capture



Agency capture

Indications of agency capture include

- ambiguous legislation and policies
- poor institutional alignment
- weak compliance, dilatory enforcement and retrospective consents
- discourse framed around ‘balance’, instead of statute and policy
- settlements advance private but erode public interest
- fragmented, poor quality biodiversity information
- incoherent or superficial environmental monitoring and reporting

… sound familiar?

Why is it like this?

In social services like health, education, or transport

Benefits are

- available to some but not all (excludable)
- substantial and strongly felt by individuals

Costs are

- mostly dispersed across society
- easily related to benefits

Markets are natural, consistent with individual autonomy, and work for both private and public interests, given regulatory support

Why is it like this?

Nature's services are very different

Benefits are

- widely distributed across society and available without payment (open access, non-excludable)
- weakly felt by most individuals

Costs of conservation are

- concentrated on a few people
- not easily related to benefits

Incompatible with natural markets, and a poor fit with conventional regulatory approaches.

Solutions

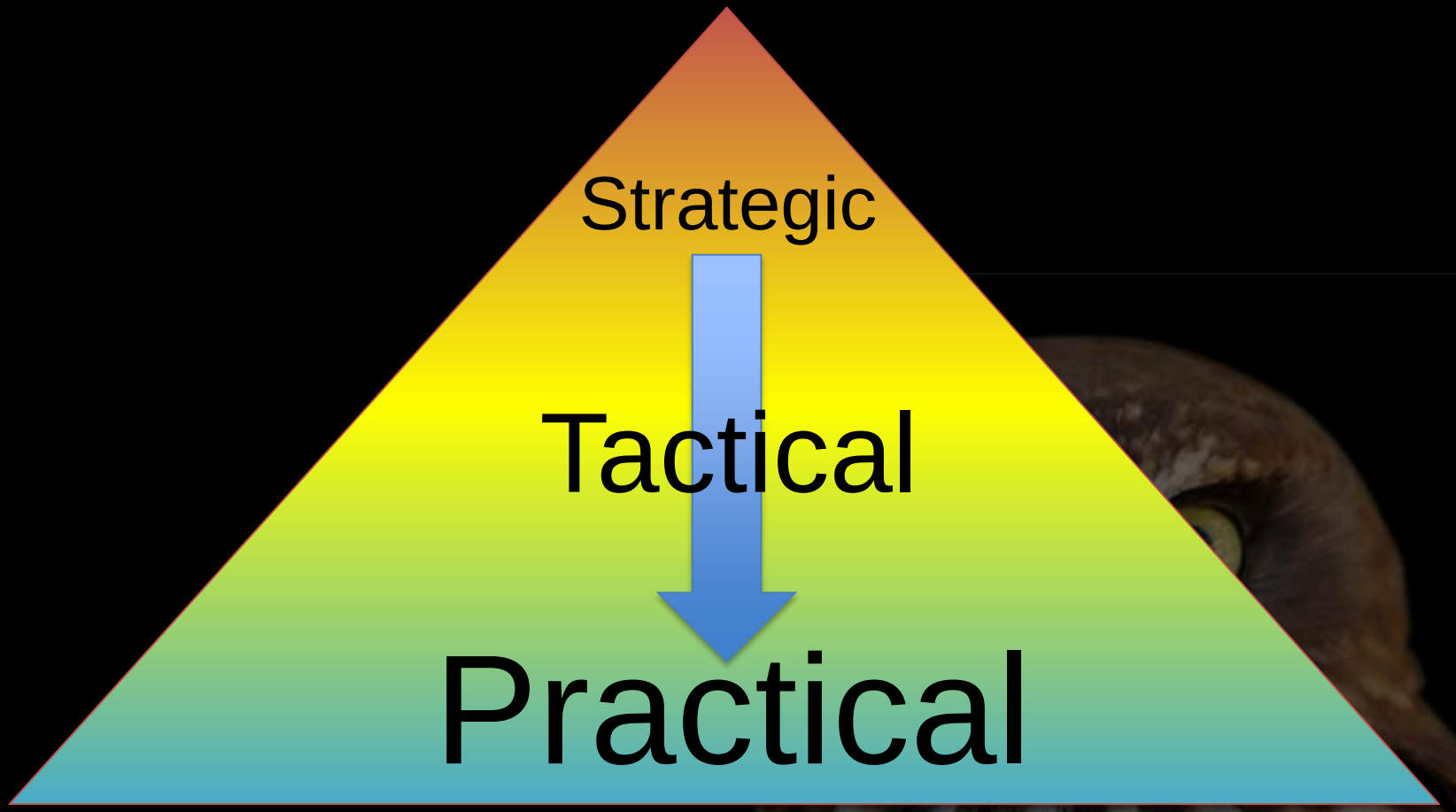
Does it have to be like this?

In Vanishing Nature we suggest solutions to work within the current policy environment

and

to improve it

Solutions framework



Strategic solutions reduce the need for **tactical** solutions and bring increased resources for implementing **practical** solutions

Solutions at three levels

Level 3

Practical (actions for biodiversity)

Lots of them

- Legal protection
- Pest & weed control
- Active management of threatened species
- R&D, new technology

Solutions at three levels

Level 3

Practical (actions for biodiversity)

Usually popular because they

- help people to achieve conservation goals
- don’t confront opposing interests

But are seriously underfunded

Solutions at three levels

Level 2

Tactical (gaining & retaining power)

Limited number and range, e.g.

- win public support & facilitate mobilization
- undertake statutory advocacy
- demand agency accountability
- try collaborative governance

Solutions at three levels

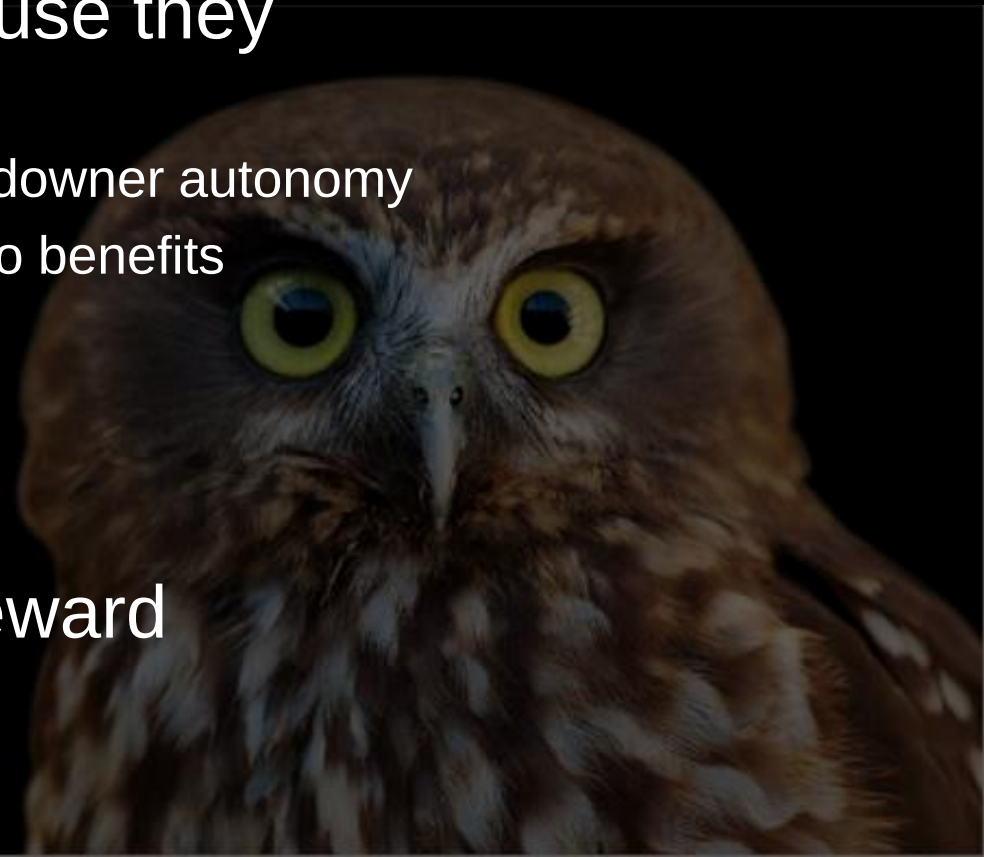
Level 2

Tactical (gaining & retaining power)

Solutions are difficult because they

- confront opposing interests
- seek constraints that erode landowner autonomy
- costs may be difficult to relate to benefits
- resource intensive & expensive
- outcomes often unpredictable

Often high-risk and high-reward



Solutions at three levels

Level 1

Strategic (game changing)

Novel, so not many of them

- align stakeholder interests
- pay for conservation, charge for degradation

Solutions at three levels

Level 1

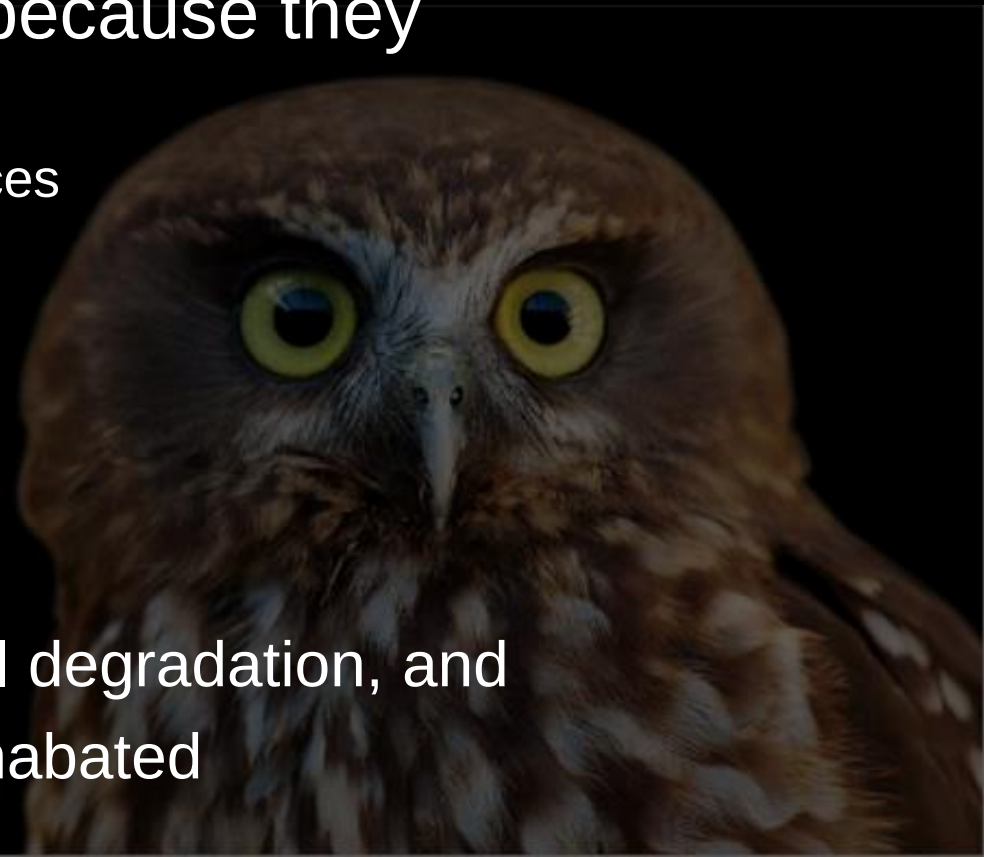
Strategic (game changing)

Solutions are challenging because they

- involve novel institutions
- have wide-ranging consequences

and so

- require strong public support



But without them

biodiversity loss, environmental degradation, and climate change will continue unabated

Strategic solutions

Are all economic

Examples tend to be confined to specific resources or localities

- cap & trade schemes
  - fisheries quota management system
  - Lake Taupo nitrogen trading
- payments for ecosystem services
- pollution taxes

Need to be comprehensive – all nature across the whole country

Environmental consumption tax

In Vanishing Nature, we propose a novel tax as an overarching strategic solution to environmental degradation and biodiversity loss

The tax

- is compatible with the economic properties of nature
- is designed to bring divergent interests in nature toward alignment
- preserves landowner autonomy
- supports economic growth

Environmental consumption tax

Our idea

a form of land tax based on

polluter-pays *and* payment for ecosystem services

- charge landowners for nature lost
- pay landowners for nature maintained
- raise net revenue from nature lost

some implications

- extend the tax base to untaxed property
- tax private consumption of public wealth instead of the production private wealth
- rebates increase funding available for practical conservation
- incentives reduce the need for contest (i.e. tactical solutions)

Conclusions

Conservation is failing because our environmental institutions are not compatible with nature's intrinsic economic properties

This misfit sustains the destructive divergence of stakeholder interests seen in stakeholder conflict, agency capture and regulatory failure

Novel environmental institutions are required to bring divergent interests in nature toward alignment

We think an environmental consumption tax could achieve this and so bring down the barriers to effective conservation and environmental protection

So what should we do now?

Take every opportunity to implement practical solutions to retain nature

Increase engagement with political and statutory processes to protect the public interest in nature and contain the power of private interests

Promote the need for strategic solutions and build public support for them