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Year 2006

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Sanctuaries and Market-based
Conservation

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This article was originally published as: Sydee, J and Beder, S, The Right Way to Go? Earth Sanctuaries and Market-based Conservation, *Capitalism Nature Socialism*, March 2006, 17(1), 83-98. Copyright Taylor & Francis. Original journal available here.

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The Right Way to Go? Earth Sanctuaries and Market-based Conservation

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Abstract

Australia's Earth Sanctuaries Limited (ESL) is an internationally acclaimed organisation that uses private property as a way to achieve conservation objectives, thereby demonstrating a commitment to using free market principles to create sustainable futures. This private approach to conservation clearly resonates with the agenda of conservative think tanks and is ideologically motivated. The environmental credentials of this organisation obscure this motivation and also the far-reaching ethical and political consequences of private conservation. By suggesting that all that is required to protect the environment is good management by private owners, ESL deflects attention away from the 'socio-economic crisis' and confines debate and action to what can be achieved by the market. In doing so ESL sidesteps important equity considerations about the private ownership of endangered species and remnant ecosystems, including questions about the private appropriation of common heritage, public accountability, and community participation. The ESL case study shows that when conservation is turned into a private enterprise, environmental priorities can be compromised by the vagaries of the market and the needs of private concerns to earn an income. These issues throw into question the potential 'sustainability' of ESL's operations and the effectiveness of private conservation as a long-term environmental strategy.

The Right Way to Go?

Earth Sanctuaries and Market-based Conservation

Jasmin Sydee and Sharon Beder

Bureaucrats and conservationists are idiots. ... They are losing wildlife at an extraordinary rate. The key to restoring Australia's natural heritage ... is through private enterprise ...¹

During the 1970s and 80s business and right-wing interests promoted a combination of neoclassical economic theories and economic or market liberalism that consisted of a basic policy formula involving small government and a greater role for the market. It emphasized the need for less government intervention, privatisation of government services and assets, and deregulation of business activities; all in the name of free markets, competitiveness, efficiency and economic growth.

The neoconservative think tanks that promoted this neoliberal formula sought to apply it to every avenue of society including environmental issues. They, together with big business, have been actively attempting to defuse, or obfuscate critical debate and discussion whilst promulgating (naturalizing) the position of the new right: the language of markets, property rights and individualism.² Some key environmental organisations are also playing a role in the realignment of conservation (and environmentalism) with neoliberalism. They are doing this through an emphasis on private conservation and the compatibility of profits and conservation.

Australia's Earth Sanctuaries Limited (ESL), for example, is not only attempting to prove to the world that the integration of ecosystems into human systems (the market) can be environmentally successful, but that the integration of conservation into the market place is ultimately the only way forward to save endangered species.³ It claims to be the first company in the world to have conservation as its core business. It is a publicly listed company, made up of shareholders who invest in saving endangered mammal species through the conservation and management of their habitat.⁴ ESL is a relatively small-scale business that advocates the use of private property as a mechanism to facilitate conservation objectives, as well as a commitment to the free market to create sustainable futures.

This paper will show that far from being the 'solution' to species loss in Australia,⁵ ESL's private conservation efforts are ideologically motivated and impractical as a long-term alternative to government conservation efforts. They have far reaching ethical and political consequences that throw into question the potential 'sustainability' of the programs of the organisation.

¹ John Wamsley paraphrased in Tim Thwaites, "Buying the Wild: Visionary or Madman?" *International Wildlife*, Jan/Feb 2001, p.1(3) accessed : Expanded Academic Index, University of Wollongong, 7/4/04.

² Sharon Beder, *Global Spin: The Corporate Assault on Environmentalism*, Revised edition, (Devon: Green Books, 2002), chapters 5 & 6.

³ John Wamsley paraphrased in Thwaites, Op. Cit., p.1(3); and Michael Warby, "Wildlife Stocks," *IPA Review*, March, 2000, pp. 14-15. See also ESL media releases, annual reports and promotional materials.

⁴ Earth Sanctuaries Ltd., "Welcome to Earth Sanctuaries Online!" <<http://www.esl.com.au/default.htm>>, 2004.

⁵ Earth Sanctuaries Ltd., "A Sustainable Solution" <<http://www.esl.com.au/solution.htm>> 2004

Keep it Simple and Keep it Private

There's very little left in our national parks: just foxes, cats, rabbits, goats and greenies in four-wheel drives.⁶

ESL employs a simple, non-threatening formula that is attractive to donors and investors. ESL's formula involves protecting endangered species by keeping areas of habitat free from feral animals. This formula is complemented by the parallel aims of demonstrating a) the merits of private conservation efforts, as opposed to government efforts, and b) the compatibility of the profit motive and the conservation motive.

ESL presents its brand of environmentalism as the 'commonsense' approach to wildlife conservation.⁷ This 'commonsense' approach has two dimensions which accord with the parallel aims outlined above. Firstly, ESL operations are presented as commonsense in terms of being a pragmatic approach to species rescue: that is, 'buying up and fencing off huge tracts of land; eradicating introduced rabbits, foxes and feral cats; replanting native vegetation where necessary; and then bringing back the animals.'⁸ Secondly, the proprietors of ESL argue that it only 'commonsense' to run their operations self-reliantly and independent of government aid: therefore the marketplace should be the natural friend of conservation.

Earth Sanctuaries are primarily concerned with the acquisition, management and protection of healthy viable ecosystems. The ESL program involves: acquiring land, feral proofing it, and then reintroducing native and especially endangered species. ESL states that preserving wildlife is the key to their operations, which entail the recognition that wildlife are an integral part of ecosystems and in order to save wildlife, ecosystems must also be conserved.

ESL's first sanctuary, Warrawong, was opened to the public in 1985.⁹ Several other sanctuaries followed in the 1990s across New South Wales, South Australia and Victoria. However, ten sanctuaries in total were subsequently sold in 2002 due to the company's financial crisis, which will be discussed later.¹⁰ Today, the Earth Sanctuaries project includes Little River Sanctuary in Victoria, and Hanson Bay Sanctuary on Kangaroo Island, South Australia in addition to the original Warrawong Sanctuary. A fourth sanctuary, Waratah Park, has recently been acquired near Sydney in New South Wales.¹¹ The vision of the company is to establish sanctuaries representing examples of each of Australia's key ecosystem types and in doing so protect and rehabilitate all 100 endangered mammal species of Australia.¹²

Although its business success has been variable, this 'no non-sense' approach has had some success in terms of maintaining viable animal populations on their properties. Their claimed list of endangered species includes the numbat, platypus, bilby, eastern quoll, southern hairy-nosed wombat, bridled nail-tail wallaby, tammar wallaby, red-necked wallaby, red-necked pademelon, long-nosed potoroo, woylie, rufous bettong, boodie, southern brown bandicoot, stick-nest rat, and

⁶ Ian Anderson, "Save a Species, Make a Profit," *New Scientist*, 140, 1993, p.7.

⁷Earth Sanctuaries Ltd., "Dr. John Wamsley- Earth Sanctuaries Founder" <<http://www.esl.com.au/jw.htm>>, 2004.

⁸ Thwaites, Op. Cit., p.1(3)

⁹Warrawong Earth Sanctuary, "The Warrawong Story" <<http://www.warrawong.com/warrawongstory.htm>>, 2004; Earth Sanctuaries Ltd., "Q. Why Does ESL Put So Much Emphasis on Mammals?" <<http://www.esl.com.au/faq.htm>>, 2004.

¹⁰ J. Raar, A. Purnell, and P. Hone, "Earth Bound?" *Australian CPA*, 72, 3, April, 2002, pp. 66-67.

¹¹ Earth Sanctuaries Ltd., "Welcome to Earth Sanctuaries Online!" <<http://www.esl.com.au/default.htm>>, 2004.

¹² Earth Sanctuaries Ltd., "A Sustainable Solution" <<http://www.esl.com.au/solution.htm>>

2004; Earth Sanctuaries Ltd., "Save Wildlife with Earth Sanctuaries" <<http://www.esl.com.au/savewildlife.htm>>, 2004.

the plains mouse.¹³ ESL claims its programs have increased the populations of all these species.

ESL founder, John Wamsley, has what seems to be a pathological hatred of feral animals and often wears a dead cat on his head as a hat. Wamsley is the 'face' of ESL and, until its financial crisis and restructuring in 2001-2002, was its Chief Executive. He claims that the work of ESL is the fulfilment of his childhood dream to save native species from extinction. He and his team argue that they have achieved this through the wholesale adoption of market-based strategies in the creation of this conservation strategy.¹⁴ In public statements he brashly differentiates his company from other 'useless' environmental groups whom he sees as ineffectual politically, pragmatically and financially.¹⁵

The second 'commonsense' aspect of their strategy, ESL argues, is that conservation projects should be run in a way that is self-sufficient, and not reliant on the prerogatives of government or funding agencies, and that such independence can, and indeed should, be achieved by using the power of the market. ESL operates as a business and is publicly listed on the Australian Stock Exchange.

ESL makes money from a variety of sources. These include ecotourism (including admission fees, guided tours etc); food and beverage sales at its restaurants, cafes and kiosks; overnight accommodation; gift shop sales; native plant nursery sales; weddings and functions; conferences; education programs; as well as filming and photography.¹⁶ (Film and photography is not restricted to nature documentary work. Little River was recently used as the backdrop to the international film, Ned Kelly, released in 2002, and has a secured filming set for features and advertisements.)¹⁷ Other activities include consulting services (such as fence building, feral eradication, native animal treatment, woodlot development, as well as conceptual planning and feasibility studies for other organisations); contract services in building; contract management, e.g. to government National Parks; captive animal sales (not endangered species); wildlife sales (reintroduction back to the wild); as well as donations.¹⁸

Despite its financial crises, ESL's now has a shareholder base of 6800.¹⁹ It has also been recognised with many awards and honours. The ESL website proclaims that '[t]he company structure of ESL was presented to an OECD/ World Bank workshop as the international model for biodiversity conservation in the private sector (Jan, 2001). *Choice Magazine* voted ESL Australia's most ethical investment (Feb, 1998)...'²⁰ ESL was also awarded runner-up for Ecotourism in the 1997 Condes Nast Travelers Choice Awards (USA), and was in the top 50 (the only Australian destination) for the Travel Holiday Insider Award for 'Best Kept International Secret' in the same year.²¹

Earth Sanctuaries states that it wishes to lead Australia and the world by example in showing that

¹³ Earth Sanctuaries Ltd., "Learn about Wildlife Species" <<http://www.esl.com.au/wildlife.htm>>, 2004.

¹⁴ Earth Sanctuaries Ltd., *Investing in Wildlife*, CD-Rom, available from: Earth Sanctuaries Limited, P.O. Box 1135, Stirling, South Australia, 5152. Email: <wildlife@esl.com.au>.

¹⁵ For examples, see Thwaites, Op. Cit., p. 1(3); Warby, Op. Cit., pp.14-15; or Anderson, Op. Cit., p.7.

¹⁶ Earth Sanctuaries Ltd., "Build Your Own Sanctuary!" <<http://www.esl.com.au/consulting.htm>>, 2004; Earth Sanctuaries Ltd., *Annual Report 2000*, Op. Cit., pp. 10-11

¹⁷ Earth Sanctuaries Ltd., *Earth Sanctuaries Limited Annual Report 2002*, p.10. <http://www.esl.com.au/reportsnew.htm>, last accessed, 07/04/04.

¹⁸ Earth Sanctuaries Ltd., "Build Your Own Sanctuary!" <<http://www.esl.com.au/consulting.htm>>, 2004; Earth Sanctuaries Ltd., *Annual Report 2000*, Op. Cit., pp. 10-11.

¹⁹ Earth Sanctuaries Ltd., "Earth Sanctuaries - Quick Facts," <<http://www.esl.com.au/facts.htm>>, 2004.

²⁰ Earth Sanctuaries Ltd., "How You Can Help!" <<http://www.esl.com.au/investinwildlife.htm>>, 2004.

²¹ Earth Sanctuaries Ltd., "Awards and Accolades for Earth Sanctuaries" <<http://www.esl.com.au/awards.htm>>, 2004.

placing conservation in the marketplace is the 'sustainable solution' for conservation.²² Since, its triumph has been tempered by mixed financial fortunes and corporate restructuring, ESL now claims that environmental success must be measured as a social good in itself regardless of financial performance, and encourages its shareholders to view their profit in terms of conservation outcomes, not just monetary rewards.²³

In taking a private approach to conservation this organisation implicitly helps to align environmentalism with neoliberalism. ESL provides a useful example to free-market advocates in their arguments for market-based solutions to environmental problems.²⁴ It represents the free enterprise, corporate autonomy, and small government agenda that conservative think tanks promote but with the bonus that they have sound environmental credentials. Conservative think tanks have sought to have the conservative, corporate agenda of deregulation, privatisation and an unconstrained market dressed up as an environmental and social virtue and they often cite the 'success' of ESL to demonstrate what can be achieved through private conservation.

For example, the Institute for Public Affairs (IPA), a leading Australian neoconservative think tank, has showcased ESL as a working example of its environmental policy.²⁵ Although ESL presents itself as an apolitical organization, its actions and rhetoric clearly support the neoliberal position that advocates a greater integration of life into the free market: entrusting the market for the provision of social (and ecological) goods. This position is congruent with the agenda that has been promoted by neo-conservative think tanks and big business for many years now.²⁶

But ESL also appeals to the public in a way that think tanks or business interests would have difficulty doing. The passionate although abrasive persona of Wamsley himself appeals directly to the Australian national mythology of the 'little Aussie battler' and 'larrikin'. In other words, he appeals to the Australian sense of championing the underdog and bucking authority when it is deserved.²⁷ Wamsley claims he has gone 'against the grain' of Australian environmentalism and been hindered at every stage in achieving his vision, by politicians, regulators and bureaucrats, animal welfare groups, environmentalists and even his neighbours. Wamsley even claims the local authorities once detained him for attempting to undertake his conservation work.²⁸ Yet whilst in his personal story, and the story of his company, Wamsley represents himself as the 'outsider' and the 'virtuous rebel', his market-based conservation strategy has been timely and he fits rather well in the growing conservative trend in environmental politics.

Wamsley himself often directly articulates what might be described as neo-conservative sentiments, combining a social conservatism with the promotion of the free-markets, as evidenced in a range of quotes used throughout this article. This neo-conservatism is also congruent with the positions taken by contemporary governments in Australia and the US, that combine conservative social values that attack or undermine the political left and progressive social movements, with radical economic policy.²⁹ However, even without Wamsley at the helm, ESL still embodies this ideology

²² Earth Sanctuaries Ltd., "A Sustainable Solution" <<http://www.esl.com.au/solution.htm>>, 2004; Earth Sanctuaries Ltd., *Earth Sanctuaries Limited Annual Report 1998*, "Environmental Policy And Principles" <http://www.esl.com.au/AR/1998/AR98-policy.htm>, last accessed 29/10/98.

²³ Earth Sanctuaries Ltd., "How You Can Help!" <<http://www.esl.com.au/investinwildlife.htm>>, 2004.

²⁴ See for example Jarret B. Wollstein, "Liberty and the Environment: Freedom Protects, Government Destroys," *Freedom Daily* May, 1993, p. 23.

²⁵ See the Institute for Public Affairs, "The Institute for Public Affairs: Australia's Premier Think Tank for Over 60 Years" <<http://www.ipa.org.au/>>, 2004.

²⁶ Beder (2002), Op. Cit.

²⁷ Clive Hamilton, "The Politics of Affluence" *Arena Magazine*, April-May 2003, 64, p. 46; Richard White, *Inventing Australia: Images and Identity 1688-1980* (Allen and Unwin: Sydney, 1981) chapter 8; John Rickard "Lovable larrikins and awful ockers" *Journal of Australian Studies*, March 1998, 56 p78-96

²⁸ John Wamsley (paraphrased), public debate, University of Wollongong, 6/12/04

²⁹ Peter Steinfels, *The Neoconservatives: The Men Who Are Changing America's Politics* (Simon and Schuster: New York, 1979)

in their conservation strategy, although in a more neutral and seemingly apolitical language.

Wamsley's controversial statements and flamboyant style have given Earth Sanctuaries a reasonably high public profile at various times over the last decade. This has helped the organization to promote its message that 'conservation as business' is *the* workable solution to environmental degradation in Australia and worldwide. The awards and honours ESL has received lend support, by way of example, for the policies of the political right.³⁰ And the ESL strategy of private conservation accords with contemporary government and business preferences for non-intervention in environmental matters. It is little surprise then that Wamsley was recently awarded the Australian Prime Minister, John Howard's 'Environmentalist of the Year Award' (2003).³¹

Win-Win Managerialism

Much modern environmentalism is dominated by a form of managerialism that privileges experts and business interests in environmental decision making. This managerialism views the environment as something to be managed rather than conserved or saved. Management is best undertaken by corporate managers who supposedly have the knowledge and resources to provide a stewardship role on behalf of corporate stakeholders.³²

In this discourse 'conservation' is synonymous with efficient expert management of resources. It is anthropocentric and instrumental rather than ecocentric and ethical, and it is associated with the concept of 'ecological modernisation', which assumes that environmental and economic interests are compatible and that major environmental problems can be solved within the current industrial/economic development trajectory without radical social or political change.³³

Environmental management is about finding win-win solutions. This means there is little need for regulation of firms. Markets—together with the profit motive—can be harnessed for environmental protection. According to Levy, environmental management accommodates the environmental challenge by dealing with the worst instances of environmental degradation and, at the same time, utilising a discourse aimed at 'deflecting the demands for more radical change'. It is therefore aimed at political sustainability rather than environmental sustainability.³⁴

The private market strategies engaged by ESL clearly fit within this ecological modernist discourse. They deflect attention away from arguments that we are facing a 'socio-economic crisis' and suggest that all that is required to protect the environment is good management by private owners.

The strategies of ESL explicitly and implicitly deflect attention away from the deeper structural issues about the relationships between social systems, economics, culture and ecology that other conservationists, academics, and activists have been attempting to bring to conservation politics. ESL maintains instead that not only is capitalism an environmentally sustainable system, but that it in fact offers the key to preserving biodiversity.

³⁰ For example, Wamsley received the 2003 Prime Minister's Award for "*Environmentalist of the Year*" on behalf of Earth Sanctuaries members. Earth Sanctuaries Limited, Op. Cit., <<http://www.esl.com.au/default.htm>>, 2004.

³¹ Earth Sanctuaries Limited, 2003 Annual Report, "Chairman's Report", p. 3 <http://www.esl.com.au/reportsnew.htm>, last accessed 14/12/04.

³² David L. Levy, "Environmental Management as Political Sustainability," *Organization & Environment*, 10, 2, June, 1997.

³³ Fernanda de Paiva Duarte, "'Save the Earth' or 'Manage the Earth,'" *Current Sociology*, 49, 1, January, 2001; Maarten A. Hajer, *The Politics of Environmental Discourse: Ecological Modernization and the Policy Process* (Oxford University Press: Oxford, 1995).

³⁴ Levy, "Environmental Management as Political Sustainability."

ESL claims it has had remarkable successes in rehabilitating endangered species merely through removing feral animals from their habitat. It claims to have facilitated the removal of six species of mammal from the endangered species list by enabling these species to thrive in the feral-free environments of its sanctuaries:³⁵

Our wildlife assets continue to thrive, demonstrating the methods put in place by the Founder, Dr John Wamsley, prove that all our wildlife really need is a piece of feral free Australia.³⁶ (Proo Geddes, ESL Managing Director)

But is a piece of ‘feral free Australia’ *all* that wildlife need for their protection and conservation? And what about biodiversity in general? By focusing entirely on their successes with mammal rehabilitation through feral eradication ESL sidelines structural and political factors that also contribute to the destruction of wildlife and ecosystems; factors that should be addressed in the search for a solution. Feral animals certainly pose an immediate threat to native animals; as Australia has no large native carnivores, feral animals can disrupt ecosystems without having predators to keep their numbers controlled. But ferals cannot and should not be seen as the only broad danger facing native animals and ecosystems.

For example, in Australia there are constant conflicts over the conservation value of forests sanctioned by state governments for harvesting. These include the East Gippsland forests of Victoria and the Tasmanian old growth forests. Marsupials such as quolls, koalas and possums are arguably placed under threat by so called ‘sustainable’ forestry, as are the unique forest ecosystems themselves.³⁷ Forestry, mining, farming, fisheries and coastal development are all examples of economic activities that are destroying wildlife and damaging ecosystems, particularly where vegetation is removed or toxins are introduced.

The economic activity that is represented by these industries is driven by the imperatives of consumerism, corporate profit and national economic growth and is therefore intimately bound to economic and political decisions and interest. Such activities certainly contribute significant threats to native wildlife, wilderness and biodiversity and their potential as ‘sustainable’ activities is an important issue for debate. In this light it can be seen that the destruction caused by feral animals is only one facet of the problem of long-term survival for native animals and ecosystems in Australia.

By privileging ‘cute and cuddly’ mammal species as the object of conservation ESL avoids the problems associated with determining the conservation status of less media-friendly species, such as plants, amphibians or insects, for example. The conservation status of these species is often determined in the *context* of the development imperatives that are weighted against them, and public apathy.³⁸

ESL argues that mammals are prioritized in their programs because, as a business (or ‘outcomes oriented’ conservation organization), they must have a clear indicator of the success of their operations to communicate to their shareholders. They argue that as mammals are easy to count and are prosperous in healthy supporting ecosystems, mammals are a good indicator of environmental

³⁵ Earth Sanctuaries Limited, 2003 Annual Report, “Founder’s Report”, p. 5 <http://www.esl.com.au/reportsnew.htm>, last accessed 12/12/01.

³⁶ Earth Sanctuaries Limited, 2003 Annual Report, p. 4

³⁷ The Wilderness Society, “Brief on NSW Forests” <<http://www.wilderness.org.au/campaigns/forests/nsw/nsw/>>, 2004.

³⁸ For example, the conservation value and status of the Green and Gold Bell frog, an recognized endangered species residing at Port Kembla, was politicized by a local activist group during a conflict over industrial redevelopment in the late 1990s. However, the significance of the threat to these endangered frogs was dwarfed by the social and political conflict over human health and economics. See: Helen Hamilton, ‘Port Kembla and the Fight Against the State’, in Kathleen McPhillips (ed.) *Local Heroes: Australian Crusades from the Environmental Frontline* (Pluto Press: Annandale, 2002) p. 77

health.³⁹ Yet not all important and endangered Australian ecosystems have (endangered) mammal populations, and mammals are not always at the crux of debate. Consider for example the Australian conflicts over the Franklin River in Tasmania, where ‘wilderness’ was at stake, or the threat that the Jabiluka mine posed to the Kakadu ‘ecosystem’.⁴⁰ Furthermore, a myriad of local development controversies provide examples where an endangered reptile, bird or amphibian becomes the locus of debate: in the conflict over the Port Kembla copper smelter the endangered green and golden bell frog was believed to be threatened by the industry’s emissions and slag dumping.⁴¹ In these important conservation issues mammals did not provide the impetus for conservation action. Perhaps an unstated reason for ESL’s emphasis on mammals is that Australian mammals have more commercial appeal than other less glamorous yet no less threatened species/ecosystems.

The ESL position totally ignores the more critical arguments about intragenerational equity that question the systemic impacts of capitalism and globalization on distribution of environmental, social and ecological welfare worldwide, as well as ignoring the ‘limits to growth’ argument that there cannot be infinite economic growth in a finite world.⁴²

Fair Enough?

Although the private ownership of native flora and fauna may or may not be ethically problematic in and of itself, there are important equity questions that must be addressed when specifically discussing the private ownership of endangered species or remnant ecosystems. Equity is central to the notion of sustainable development, but a market based/property rights approach to conservation raises a number of equity issues.

Firstly, there is the possibility of effective private control over some species once considered to be a nation’s common heritage.⁴³ If endangered species or remnant ecosystems are held in private hands alone, then a monopoly has been created over these species/ecosystems.

Secondly, a program of private conservation, as opposed to government conservation, could see open communal access to wilderness areas dwindle. One can easily imagine a future scenario in which, with less healthy environmental assets globally, entry prices to private conservation sanctuaries will rise dramatically.⁴⁴ This has at least been the trend in capitalism in monopoly or oligopoly situations in the last few decades.⁴⁵ Of course ESL would respond that if it wasn’t for these measures, then these species would already be lost for everyone, and so the ends justify the means.⁴⁶ However, ESL are supposedly demonstrating the merits of private conservation over government conservation efforts. Publicly-owned conservation areas, which are the more traditional

³⁹ Earth Sanctuaries Ltd., “Q: Why does ESL put so much emphasis on mammals?” <<http://www.esl.com.au/faq.htm>>, 2004.

⁴⁰ James McQueen, *The Franklin: Not Just a River*, (Penguin: Ringwood, 1983); Sarojini Krishnapillai, ‘Jabiluka Update’ *Arena Magazine*, Dec. 2000, p. 25.

⁴¹ Hamilton, *Op. Cit.*, p. 77

⁴² See for example: Sharon Beder, *The Nature of Sustainable Development* 2nd ed. (Newham, Australia: Scribe Publications, 1996), ch 3 and ch 17; Robert Bullard (Ed.) *Confronting Environmental Racism: Voices From the Grassroots*, (South End Press: Boston, 1993) p. 203; Alan Thein Durning, *How Much is Enough? The Consumer Society and the Future of the Earth* (Earthscan: London, 1992) ch. 4.

⁴³ The field of environmental ethics discusses many Western and non-western approaches to our relationships to nature, of which property rights is but one, and their ethical ramifications.

⁴⁴ Thwaites, *Op. Cit.*, p. 1(3)

⁴⁵ White, *Op. Cit.*, p153; and John Kenneth Galbraith, *The Affluent Society* (London: Hamish Hamilton, 1958), p. 79; and Dan Schiller, “The Transformation of News in the US Information Market” in P. Golding, G. Murdock, and P. Schlesinger, *Communicating Politics: mass communication and the political process* (Leicester: Leicester University Press, 1986), pp. 19-21.

⁴⁶ Whilst Earth Sanctuaries does use breeding programs to reintroduce species back to the wild, it does not hold responsibility in managing those ecosystems or habitats in order to protect the survival of these reintroduced animals.

way of protecting wilderness, would not face this 'enclosure of the commons' problem, illustrated by the entry price scenario.⁴⁷

Associated with the potential limitations on access that private conservation efforts may create is the issue that ESL is producing a 'nature commodity' out of common heritage. In other words they are marketing back to the Australian and international publics its common heritage in the form of holidays to conservation parks to see the endangered wildlife. Manufacturing a commodity that can be marketed and sold creates a shift in the way that we as people relate to the thing that is to be conserved. By placing endangered species on the stock exchange ESL is rendering the value of nature as comparable with other commodities with dollar values, and inadvertently curtailing the way people express their ethical and political concerns into an expression of the amount of money they are willing to spend on shares or a holiday outing. This process involves merging the identity of 'concerned citizen' into that of 'shareholder' and consumer'.⁴⁸

Therefore, the question is not simply should we conserve our ecosystems/wildlife, as not many people would dissent to conservation or the revitalization of endangered species populations, but also encompasses how we should do it, who gets a say about how it is accomplished and who is or is not afforded an opportunity to participate. In other words, questions of equity are not only framed by access, but also by participation. Although there is a degree of democratic participation within ESL's company framework, this participation is limited to shareholders: it does not extend to a wider community.⁴⁹

As a publicly listed company ESL's operations must be transparent to create public accountability.⁵⁰ However, as a private organisation, the decisions to create a sanctuary, where to locate it, and what activities to run in it, are largely out of public sight and planning is done without community participation. ESL would argue that participation in their conservation strategy is open to anyone who wishes to be a shareholder, and that its shares have been sold at prices that are relatively affordable to the general public. In other words, if you want to have a say, become a member of ESL through buying shares. However your say as an ESL shareholder is limited to providing an indication of support for their business and conservation strategy through financial backing, rather than any direct shareholder participation in the management or direction of the company.⁵¹

When a decision making process is arbitrary, without consideration of the wealth of potential local knowledge or expertise in various locations, (for example, local knowledge/lay expertise might include indigenous knowledge or that of farmers or bushwalkers) the broader political and ethical values of the relevant publics can easily be overlooked, misunderstood or ignored and conflicts may ensue.

For example, the owners of Earth Sanctuaries land have legal rights accorded by their ownership of property, given the current legislation, to destroy feral animals on their lands without community consultation.⁵² Although killing animals has been presented by ESL as a pragmatic and commonsense strategy, some proponents of animal rights have been critical of ESL's program of

⁴⁷ Beder (1996), Op. Cit., pp. 117-121

⁴⁸ Mahony calls this process the 'merchandizing and private appropriation of resources, previously regarded as common heritage'. Rhona Mahony, "Debt-for-Nature Swaps: Who Really Benefits?" *The Ecologist*, 22, 3, May/June, 1992, p. 102. See also Beder (1996) Op Cit., Chapter 8

⁴⁹ Mahony, Op. Cit., p. 102; and Michael J. Christie, "Aboriginal Science for the Ecologically Sustainable Future," *Chain Reaction*, 68, Feb, 1993.

⁵⁰ Earth Sanctuaries Ltd., *Earth Sanctuaries Limited Annual Report 2003*, pp. 14-15.
<http://www.esl.com.au/reportsnew.htm>, last accessed, 12/12/03.

⁵¹ *Ibid.*, p. 16

⁵² Thwaites, Op. Cit., pp. 1-2(3)

feral eradication.⁵³ Despite diversity on this point within the animal rights movement, this practice of killing some species of animals to save others raises some important ethical questions.⁵⁴

This lack of community participation is of great importance because it reflects the manner in which the adoption of property rights for conservation purposes is intimately related to the depoliticisation of ecological issues.⁵⁵ This process is two fold. Firstly, by bringing conservation into the private sphere of property rights and purchasing power, conservation is removed by degrees from the public realm of lobbying and political debate. Secondly, the focus on feral eradication sidelines the more difficult structural and political reasons underpinning the destruction of wildlife and habitat that environmentalists have been attempting to raise to public consciousness over several decades.

Market Compromises

A major problem with market-based solutions is that commercial imperatives take precedence leading to compromises that impact on the areas being protected. Recently, ESL's need to maintain share value and commercial viability forced it to sell off many of its protected areas. The case of ESL clearly demonstrates how environmental priorities can be compromised by the vagaries of the market and the needs of private concerns to earn an income.

Up until 1999 the ESL's profit making techniques of ecotourism and consultancy were relatively successful. In 1998 new environmental accounting standards were introduced (*AASB 1037*) that allowed Earth Sanctuaries to value increases in fauna populations as increase in capital⁵⁶ so that successful breeding programs were translated into increased corporate value.⁵⁷ This gave ESL the appearance of being highly successful as a business, which led to an increase in its share price.⁵⁸ The corporate Annual Reports for both 1998 and 1999 showed that the share price of ESL had increased exponentially since 1986, with the company being worth \$13million, and shares worth \$1 in 1986, being worth \$56 in 1999.⁵⁹

Then in 2000 the company was publicly listed on the Australian Stock Exchange (ASX). This was a momentous occasion for ESL as it represented a test of the organisations' philosophy: that the free-market held a place for conservation as business. In order to gain it's listing the company placed six million new shares on offer to existing shareholders and the public at \$2.50 each.⁶⁰ The capital raised through this share offer was accumulated at a sufficient rate for the company to be listed, provisionally on the ASX in May 2000.⁶¹

Then, shortly after ESL was listed on the stock exchange in 2000, the company announced that it was undergoing a financial crisis. ESL's share price, initially listed at \$2.50, 'declined to 16.5 cents

⁵³ Commonwealth Science and Industry Research Organisation, "Pests, Weeds and Diseases" <http://www.csiro.au/index.asp?type=issue&xml=researchProjects&id=Biodiversity_Managing_Environmental_Pests_Weeds_and_Diseases&style=sectorIssue>, 2004; and Anderson, Op. Cit., p. 7.

⁵⁴ See for example: J. Baird Callicott, 'Animal Liberation: A Triangular Affair' in Robert Elliot (Ed.) *Environmental Ethics*, (Oxford University Press: New York, 1995), pp. 29-59.

⁵⁵ Beder (2002), Op. Cit., pp. 61-63

⁵⁶ Earth Sanctuaries Ltd., "Economic Accounts Environmental Management" <<http://www.esl.com.au/AR/1998/AR98-ecoanal.htm>>, 2004.

⁵⁷ ESL Media Release "Conservation Company Gets ASX Go-Ahead On Top Of Record Half-Yearly Result", April 3, 2000, http://www.esl.com.au/media/media_halfyearly.htm, last accessed 29/10/03; See also Earth Sanctuaries Ltd., "SGARAs Accounting Standard- Extracts" <<http://www.esl.com.au/SGARAs.htm>>, 2004.

⁵⁸ Raar, Op. Cit., pp.66-67

⁵⁹ Earth Sanctuaries, *Investing in Wildlife*, CD-Rom, Op. Cit., "Investment - Investing" and "Investment - Returns".

⁶⁰ ESL Media Release "Conservation Company Seeks ASX Listing", January 31, 2000, <http://www.esl.com.au/media/media-asx.htm>, last accessed 13/12/04

⁶¹ ESL Media Release "Conservation Company Gets ASX Go-Ahead On Top Of Record Half-Yearly Result", Op. Cit.

in mid January 2001 before recovering to trade in the low to mid 20 cent range. The company reported a net loss of \$13.69 million to June 2001, against an overall profit of \$2.07 million for the financial year 2000'.⁶² The logic of the market can sometimes lead to absurd conclusions.

In the market, a decline in company financial value appears to indicate a decline in the importance of conserving species such as bilbies, numbats, and woylies.⁶³ For example, although the company continued to be rich in assets (i.e. its mammal populations were increasing) it was relatively cash poor, providing little to return to shareholders. That is, whilst the overall value of the company kept increasing, the actual cash inflow to the Sanctuaries from tourists didn't match the huge daily upkeep expenses of running the Sanctuaries, and consequently the sanctuaries were running at a loss. As a result the company became a financial risk to its shareholders and its share value plummeted. Without the ability to pay their shareholders dividends on the asset value of the properties the company was forced to liquidate its assets (that is sell off its sanctuaries).⁶⁴

Ten parks were sold and ESL underwent a dramatic corporate restructuring to cut overhead costs and become more financially viable.⁶⁵ As part of the corporate restructuring Wamsley resigned as the Chief Executive, and a new Board of Directors was appointed. Changes were also made to the operation of the sanctuaries to make them more cost effective.⁶⁶

Fortunately for the wildlife living within the sanctuaries, at least some of ESL's assets were sold to fellow conservationists. The Australian Wildlife Conservancy bought four of the ESL sanctuaries including Scotia and Yookamurra in 2002 and currently lists Scotia among its own sanctuaries on its website.⁶⁷ ESL states that it placed a great sense of importance and responsibility in finding appropriate buyers for their sanctuaries.⁶⁸ But there is no guarantee within the model of market-based conservation to ensure that this will always be the case. Whilst ESL state in their 2002 Annual Report that one other sanctuary was purchased by the former ESL Chairman Dr. Don Stammer with the intention of holding the property until such time as ESL wished to buy it back, the company does not account for the sale or purchase of their other five properties in that Report.⁶⁹

Environmental protection is supposed to be protection in perpetuity and the need to sell off sanctuaries at the first sign of financial crisis is clear evidence of the failure of ESL to combine business with conservation. If sanctuaries can be sold, their future is tenuous and the market cannot guarantee protection.

The future financial viability of Earth Sanctuaries Ltd remains uncertain. In an admission of failure in their 2003 Annual Report, Kevin Lynch, Chairman of the Board for ESL stated that:

If the Australian public is not prepared to visit our properties in sufficient numbers to make the sanctuaries commercially viable, the whole future of the company as a listed sanctuary developer, in its present form, will need to be reviewed and changed.⁷⁰

⁶² Raar, Op. Cit., pp.66-67.

⁶³ See Beder (2002), Op. Cit., Ch 8.

⁶⁴ Raar, Op. Cit., pp. 66-67; and J. Wamsley, (2002) "ESL Restructure" Earth Sanctuaries Ltd Public Announcement, January 14, 2002, http://www.esl.com.au/media/media_restructure.htm, last accessed 12/12/03.

⁶⁵ P. Geddes, (2002) "A Year of Restructuring", *Earth Sanctuaries Ltd Public Announcement*, September 13, 2002, http://www.esl.com.au/media/media_year2002.htm; and Raar, Op. Cit., pp. 66-67

⁶⁶ Raar, Op. Cit., pp. 66-67

⁶⁷ Australian Wildlife Conservancy, "Australian Wildlife: Unique, Diverse and In Trouble" <<http://www.australianwildlife.org/index.html>>, 2004.

⁶⁸ J. Wamsley, (2002) "ESL Restructure" Earth Sanctuaries Ltd Public Announcement, January 14, 2002, http://www.esl.com.au/media/media_restructure.htm, last accessed 12/12/03; and G. Folent, (2002) Earth Sanctuaries sells Four Sanctuaries to Australian Wildlife Conservancy for \$5.2 million April 19, 2002, http://www.esl.com.au/media/media_foursaleapr19.htm, last accessed 12/12/03.

⁶⁹ 2002 Annual Report.

⁷⁰ Earth Sanctuaries Ltd. 2003 Annual Report, p. 3.

In the meantime ESL is attempting to refocus shareholders to view ESL as an *ethical investment* rather than simply a for-profit investment. It now describes itself as a ‘hybrid’ organization rather than simply being another competitive business.⁷¹ It states:

Basically it means that charities are ‘process’ oriented and businesses are ‘outcome’ oriented. A study of wildlife charities, worldwide, show few successes. The reason seems to be that conservation should be an outcome, not a process. On the other hand, businesses are outcome oriented. Unfortunately this outcome is generally ‘profit’. In Earth Sanctuaries case it is ‘conservation’.⁷²

Yet if environmental protection is forever, surely it is a process rather than an outcome!

This change in corporate attitude may mark a shift in the confidence of the company in its own philosophy, but it certainly represents an appeal to shareholders to consider the bigger picture and not simply their short-term investment value.

Beal, amongst others, notes that ethical investors are not primarily concerned with profit, but in the satisfaction they gain from knowing that their money is doing good in the world, something that appears congruent with ESL’s appeal.⁷³ But Raar et. al. argue that whilst ethical investors may not expect large returns, they may still be concerned about financial risk. ‘Without a return on the investment, shareholders and other concerned external parties may perceive that private equity capital is effectively a donation towards conservation activities’.⁷⁴ Loss of shareholder confidence may prove to be a real problem for ESL.

Although the setback has tempered the claims by the corporation to have *the* solution in their market-based approach, they have not publicly conceded any of the arguably inherent dangers that a market approach may pose for conservation.

Moreover, the financial viability of the company is dependent on government regulated accounting standards, which are adjusted annually. For example, in the financial year 2001/2002 (during their financial crisis) ESL had to write down the value of their remaining sanctuaries and animals by \$4.2 million to comply with such changes that reflect macroeconomic changes beyond the control of ESL as a company.⁷⁵ If in the future legislation changes, the basis upon which the native mammals are recognized as valuable (and hence worth protecting) will be negated.

There is also a more practical question about the product that ESL is attempting to sell. Raar et al have explored a number of significant questions related to how the company value and viability is related to the new Self Generating And Regenerating Assets (SGARA) accounting rules and pose the question ‘Will tourists come to see an ‘endangered’ species if, as a result of ESL conservation efforts, the species population increases and they are no longer on the endangered list?’⁷⁶ Raar et al suggest that the twin purposes of ESL, business and conservation, create a fundamental conflict for the company. That is, their conservation efforts may actually undercut the company’s marketing platform.

Although ESL claims success in its rehabilitation of endangered mammal populations, the long-

⁷¹ Earth sanctuaries Ltd. Op. Cit., (2003 Annual Report), p. 5

⁷² Earth Sanctuaries Ltd., “How You Can Help!” <<http://www.esl.com.au/investinwildlife.htm>>, 2004.

⁷³ D. Beal, and M. Goyden, “‘Put Your Money Where Your Mouth Is’ A Profile of Ethical Investors,” *Financial services Review*, 7, 2, 1998, pp. 129-144.

⁷⁴ Raar, Op. Cit., p. 66

⁷⁵ Geddes, Op. Cit.

⁷⁶ Raar, Op. Cit., pp. 66-67

term sustainability of this program is questionable at best. Endangered animals and ecosystem remnants are too precious to be left to the prerogatives of the market.

Conclusion

Various writers have observed the way that the confrontational, radical potential of the environmental movement has been undermined. The concept of “sustainability”, promoted by the environmentalists of the 1960s and 70s, has been turned into the tame, ambiguous, ill-defined concept of sustainable development.⁷⁷ Sustainability challenged the capitalist hegemony by positing biophysical limits to economic growth, questioning western paradigms of development and industrialisation, and criticising the inequitable distribution of wealth and resource use.

Sustainable development literature and government policy documents are today dominated by neo-classical economic concepts and generally promote the ‘free’ market as the best way of allocating environmental resources. Within this new discourse environmental protection and economic growth are compatible and the environment needs to be managed for its use/utilitarian value, as opposed to saved for its intrinsic value – it is a system of resources that need to be looked after. Major environmental problems can be solved within the current industrial/economic development trajectory without radical social or political change.

ESL has readily adopted and adapted this new discourse. Their simple explanation for environmental decline keeps their *product* attractive: a simple message is infinitely more marketable. In fact the ideology behind a conservation-as-business approach requires a simple message. That is, proponents of such a strategy *must* claim that there is nothing fundamentally wrong with the way that we live, and that consumer lifestyles and the capitalist system can be environmentally benign; we only need to ‘right the balance’ in nature that we have disrupted through poor land management and by introducing feral animals (both of which can be redressed with careful human intervention).

It is generally agreed that environmental protection requires a farsighted, long-term precautionary approach.⁷⁸ This case study demonstrates many of the pitfalls that a business in conservation can face. Although there may be debate over how to make environmental accounting and market forces work better for achieving conservation objectives, this example certainly raises the normative issue that something as invaluable and necessary as biodiversity and wildlife requires a guarantee of stability and continuity that the market cannot provide.

In the end, it is difficult to see that sanctuaries established by ESL are any more than zoos where tourists come and pay to see the animals. Like ESL traditional zoos also often claim to play a part in species preservation. Conservation strategy in Australia must be more ecologically and socially robust than that practiced by ESL: creating scenic daytrip destinations for metropolitan upper-middle class tourists.

⁷⁷ Beder (1996) Op. Cit.; David Caruthers, “From Opposition to Orthodoxy: The Remaking of Sustainable Development,” *Journal of Third World Studies*, 18, 2, Fall, 2001.

⁷⁸ Beder (1996), Op. Cit., pp. 3-8.