

# Your Local Nature Reserve: Parasite or Golden Goose?

By Bob Barnett

Some local politicians, typically in very rural municipalities, complain that nature reserves are just a drag on the local tax base because the Province has declared them exempt from taxation.

Then we have Friends of the Greenbelt and the David Suzuki Foundation who claim, in documents like “Nature Counts” and “Appreciating the Greenbelt’s Natural Capital,” that having nature generates almost two billion dollars worth of economic benefits, every year from hiking, biking and nature activities like birding.

Who is right? Let’s try to dig into the “real” economic factors.

Let’s start with the local municipal economy. In essence, a municipality provides local services and is given the power to tax its citizens. It can also charge user fees for such things as garbage collection and pool use. The Province has decided that a fair way to tax is based on property values. Maybe the thinking is that big, expensive houses hold people who use more garbage collection, fire protection, police, roads and sewers. More likely, the Province figures that people with an expensive house are better able to pay for services.

## Should Land Earn its Keep?

Then it comes to land. Land doesn’t have any innate way to pay taxes. Maybe it should “earn its keep” by giving up its timber, crops or gravel for the right to exist in the municipality. Maybe they figure people who own the

lawns, ponds and trees should pay for that right. Anyway, if those lands have a market value they show up in the assessment and get taxed with or without a house.

What services do nature reserves use? Roads and fire protection are likely important, although they are seldom used. Police protection is rarely needed unless people misuse the reserve. I would argue that the service needs of nature are miniscule compared to a house, filled with people, of the same value.

Then we have the Ontario Municipal Partnership Fund. The Province sends money to municipalities with low assessment to “subsidize” their operations. Despite municipal claims that such payments are inadequate, they should be more than sufficient to cover the miniscule costs of nature. School taxes come out of the tax base too and there is absolutely no need to educate the nature reserve. Nature is an educator.

## Benefits of Nature

Having dealt with the costs, let’s consider the “revenues” or benefits of having a nature reserve. Municipalities may be correct in claiming the benefits are often regional, provincial or federal, but do enough of these benefits stay in town to offset the net cost of services after provincial subsidies?

I find the best study of the economic benefits of nature are found in *Estimating Ecosystem Services in Southern Ontario* published in 2008 by

*Nature generates almost two billion dollars worth of economic benefits every year.*

Ontario’s Ministry of Natural Resources and Forestry based on research by SIG, an economic consulting group. They summarize the value of “non-urban” forests and wetland based on more than 100 previous studies.

Suzuki and others limit their work to areas like the Greenbelt or only study part of the range of benefits. It is, of course, hard to value rare species, and other things often called “externalities” by people who choose not to include them, but there are

ways. Researchers ask what people would be willing to pay to preserve species. Many of our politicians rightly value the species themselves as well as the health, science and educational value of having nature around us. They rightly regulate uses which disturb nature unduly. The “Estimating” study comes up with \$84 BILLION dollars a year of ecosystem benefits to people south of the Shield. That’s \$1,800 a year for every acre of forest and \$6,400 for an acre of wetland annually. Who benefits from rare species, tourism, good views, pollinators, less flooding, cleaner air and water and, maybe best of all, trees soaking up carbon dioxide and putting it into the soil?

Clearly the neighbours benefit. Their land values (and taxes) go up if they have nature around them. Community members get better health by spending time in or close to nature. Tourism helps local communities when restaurants and motels see increased business. Holding more water in the wetlands decreases local flooding. The local road crews have less work to do. Regions experience even more benefits and the province and country benefit from reduced health costs and more carbon in the ground. Municipalities claim they get all the cost and only some of the benefits of nature reserves, but upon closer examination, nature costs almost nothing, the benefits of having it are usually substantial and the real winners are the region, the Province and Canada.

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