

Social perceptions on the value of Lake Wendouree



Project Team

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“A lake is the landscape's most beautiful and expressive feature. It is earth's eye; looking into which the beholder measures the depth of his own nature.” - Thoreau

Overview

- Project summary
- Aims of the project
- Project challenges
- Project stages
- Research questions
- Results
- Conclusion

Project summary

- Economic and social assessment of long term value and future investment in Lake Wendouree (Ballarat)
- Lake Wendouree is an iconic attraction for residents and visitors (became dry in 2005)
- Contributor to local community wellbeing, business growth, environmental diversity
- Uses innovative methodology which seeks to identify and compare different elements of value and to value the improvement in community wellbeing
- Implications for future management of the Lake

Project Aims

- To examine the costs, benefits & social acceptability of using water in a high profile project
- To integrate and assess short and long term community wellbeing over time with ecological and environmental assessments of the states of the Lake (empty, full)
- Use and compare a new approach to measuring community wellbeing, proposed by Nobel Laureate Daniel Kahneman, with conventional tools and frameworks.

Project Challenges

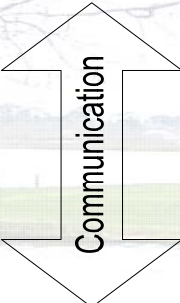
- Lake did not fill as initially planned
- Made it impossible to assess changes in wellbeing relating to different water levels
- BUT...methodology was adapted to further investigate valuation mechanisms and how such instruments can be used to inform investment



Conceptual framework

- Value of the water is comprised of:
 - Expectations of the community of the users of the water resources
 - Consumption value: value derived by users of the resources at the time of their experience
 - Investment value: underlying (long-term) environmental value of the water resources to the community

Consumption Value
• Remembered utility
• Experienced utility



Investment Value

Total Value of Resource

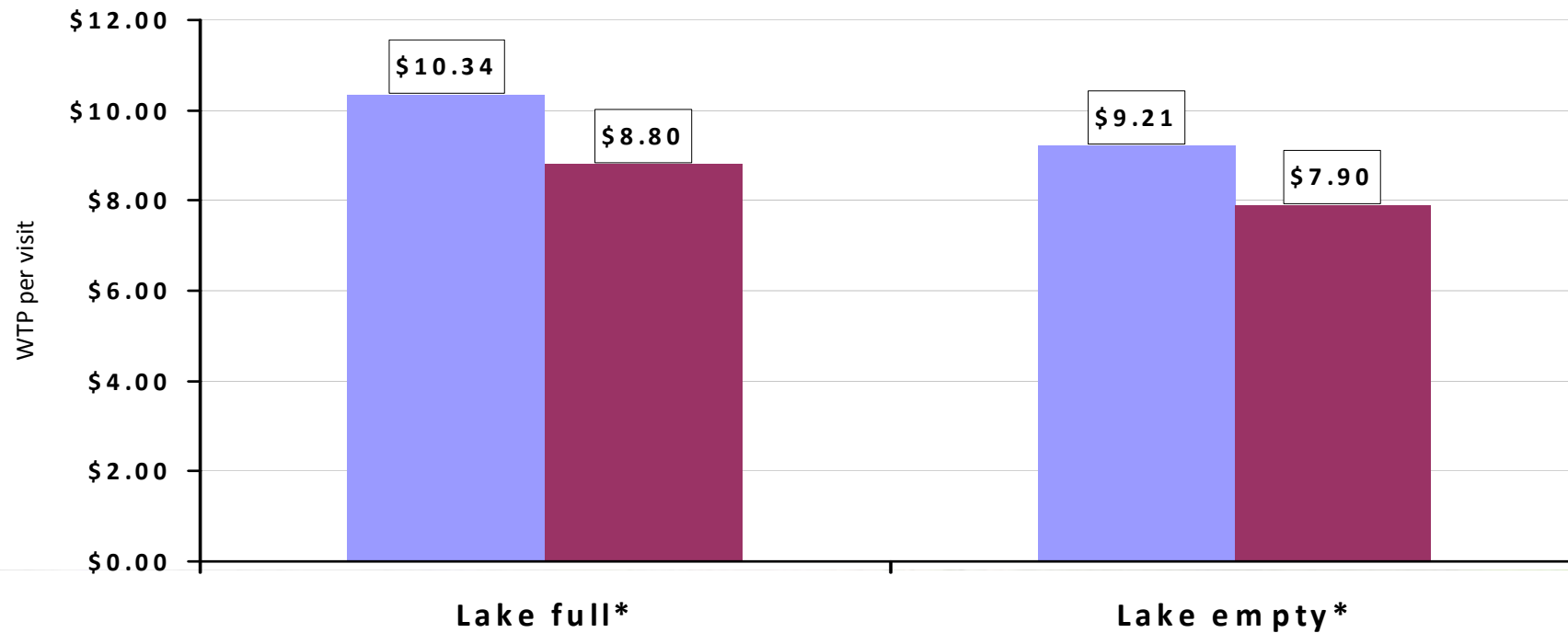
User Expectations

Measuring wellbeing (Kahneman and Riis, 2005)

- Predicted utility
 - How do you think you will feel?
 - How much would you be WILLING TO PAY?
- Experienced utility
 - How ARE you feeling?
 - Happy, capable, frustrated
- Remembered utility
 - How did you feel when visiting?
 - How much did you spend on the visit?

Research Questions and Findings

- What is the Lake worth (per visit)?

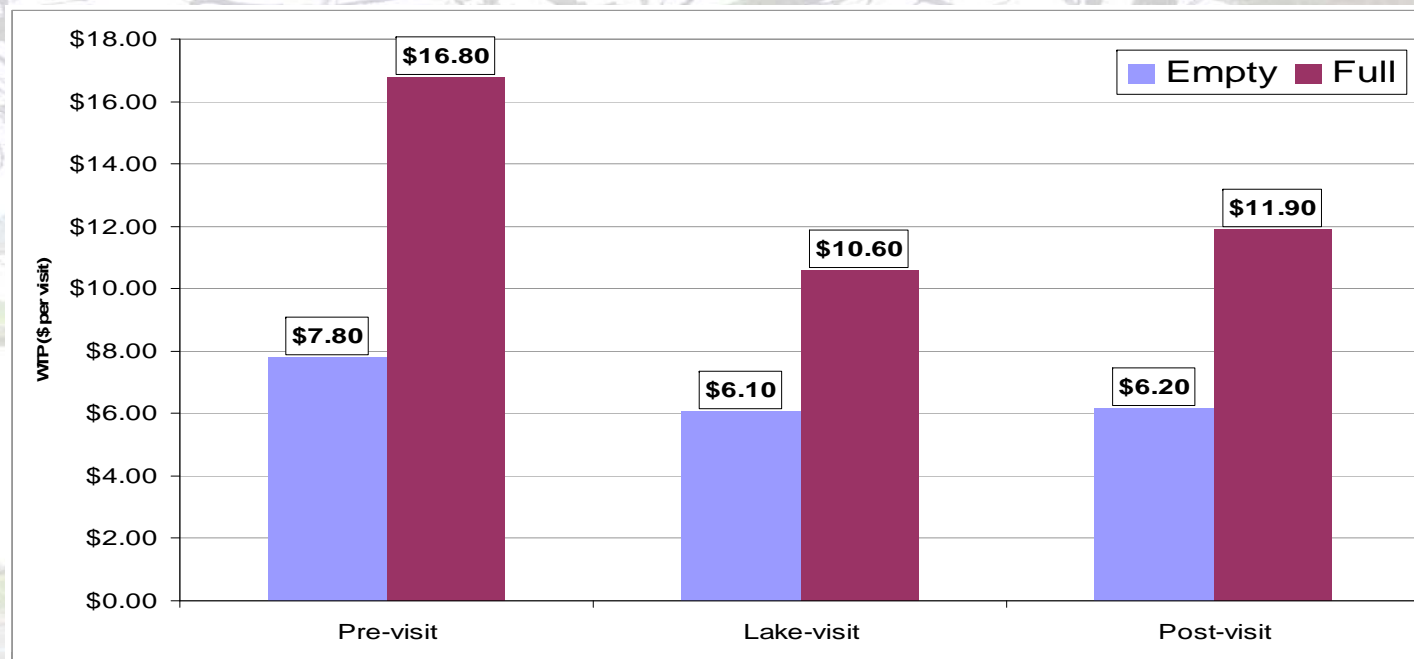


Note: Based on 2009 currency

■ 2007 study ■ 2009 study

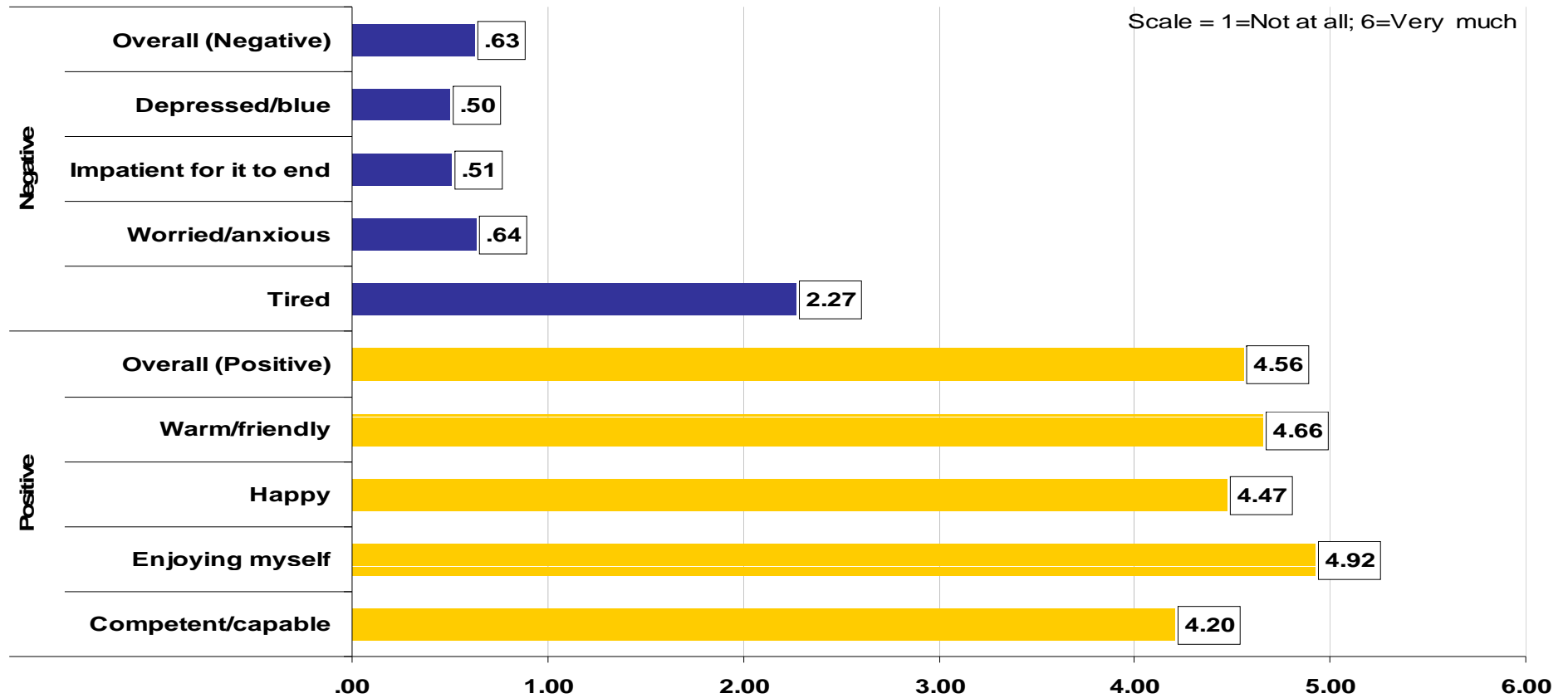


- How does the value of the lake change with change in its condition?

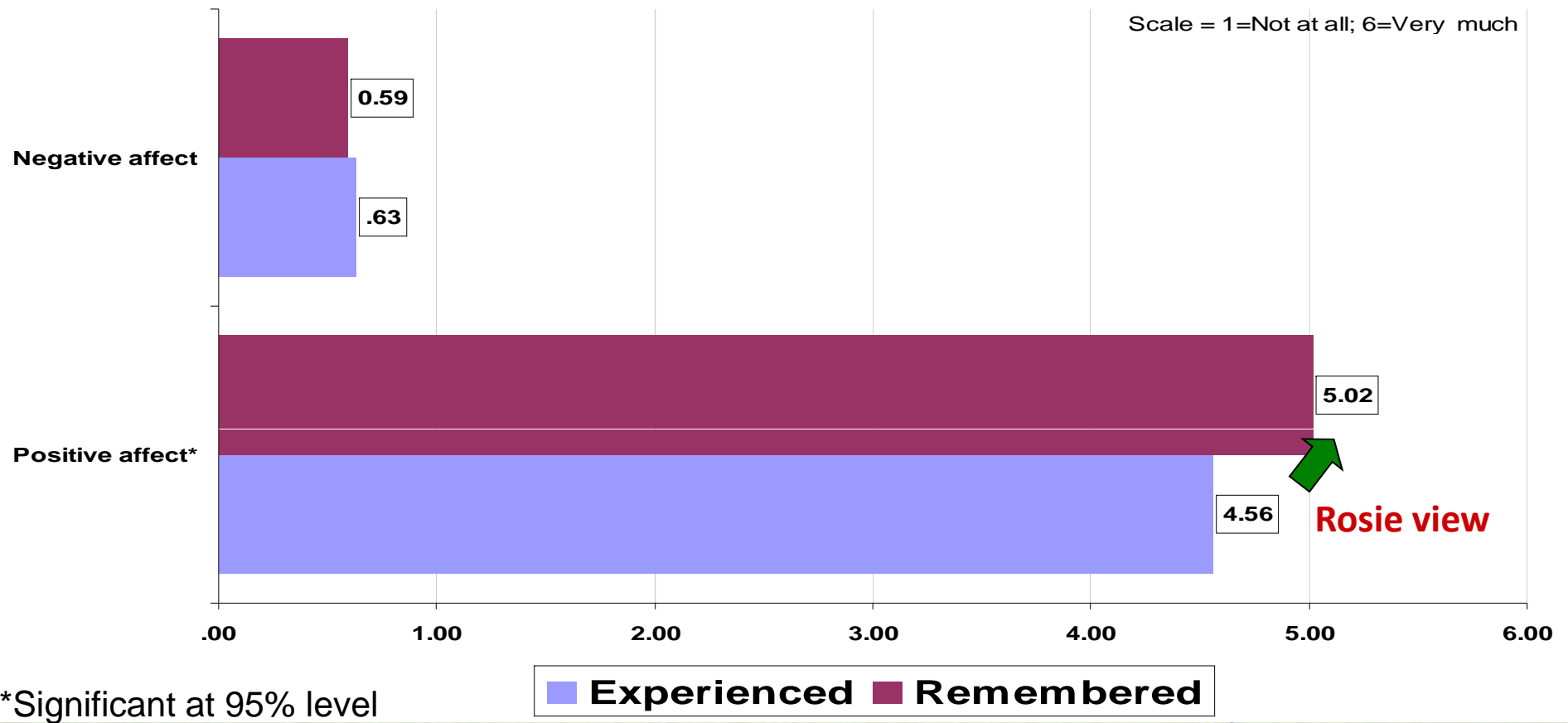


Respondents value the Lake lower when they are physically there (associated with the current condition of the Lake)

How do people feel at the Lake?



How do people feel at the Lake?



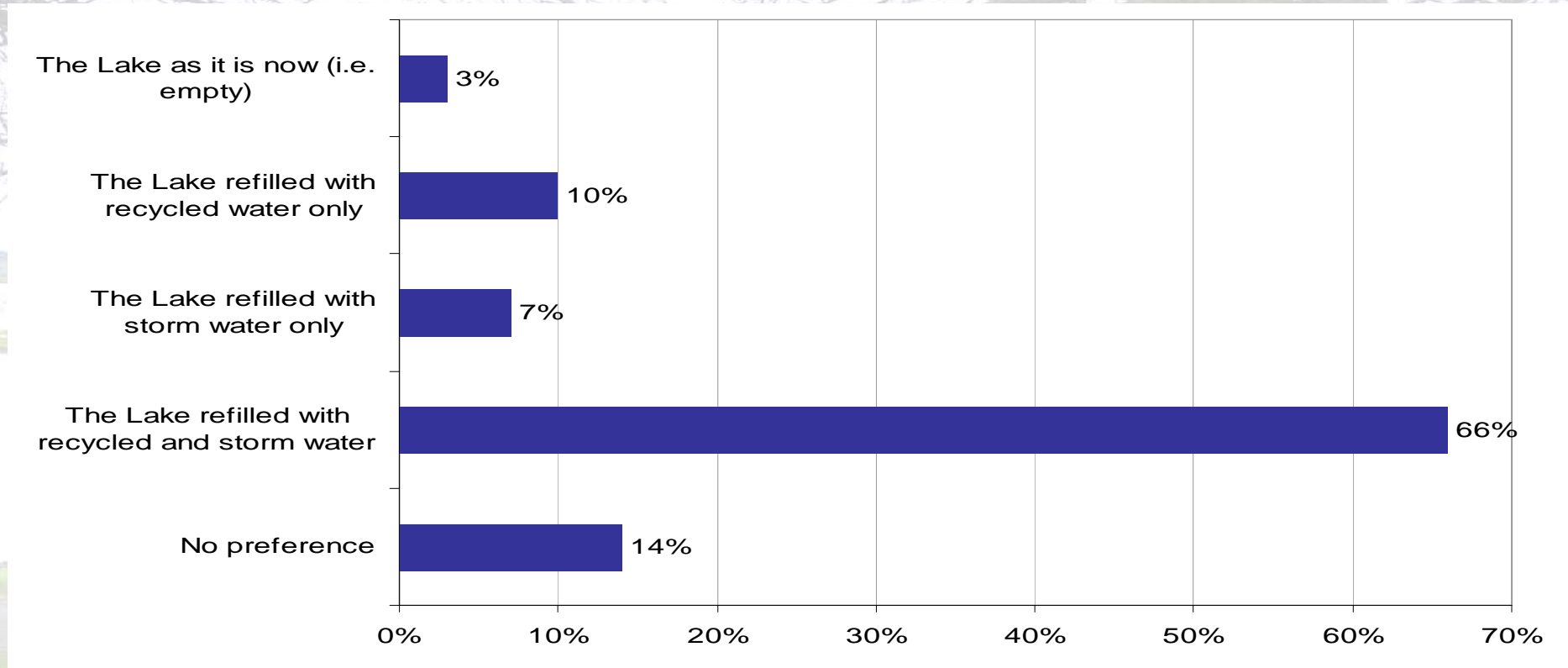
Research Questions and findings (cont.)

- Any relationships between WTP and Emotions?
 - Very poor correlation
 - Preliminary evidence suggests that WTP may be a stronger influencer of future usage
- Psychological value of the Lake
 - Residents generally feel better at the lake and visiting the lake contributes greatly to their current mood

Research Questions and findings (cont.)

- What explains values associated with the Lake?
 - Sense of place (connection with the Lake)
 - Satisfaction with experiences at the Lake
 - Age has some effect (higher values for older groups)
 - Gender (Males value the Lake higher than females)

Does the use of recycled water reduce the value of the resource?



- Mostly prefer combination of recycled water as well as storm water

Conclusion

- Decline in Lake visit valuation since 2007
- People's recollection of visiting the Lake is more favourable than the actual experience ('Rosie view')
- Poor correlation between emotional and economic measures of utility
- Valuable research for understanding recreational and iconic water resources

Questions?

