Guest Editorial

No Free Lunch

Under-reporting of costs is commonplace in the restoration business and can lead to serious problems for everyone concerned.

by Marylee Guinon

How many times have you heard a restorationist claim to have created, restored, or enhanced a native habitat for a specific dollar amount? Be on the alert! More often than not what you are hearing will be far below what it really cost to plan, design and implement the project. In my experience, the discrepancies between reported and true restoration costs, generally due to hidden costs and inaccurate cost data, are the rule rather than the exception and can be astoundingly large. In many cases the real costs differ from the reported figures by a factor of ten or more. And the consequences for restoration—and for the natural environment—can be catastrophic.

It may not matter especially to the individual restorationist if costs for a particular project are inaccurately reported and accounted for. Problems arise, however, when these figures are used by others—as sooner or later they inevitably will be—to estimate costs for restoration projects, or to place a dollar value on a natural landscape for mitigation purposes.

This is where under-reporting costs can lead to serious problems. In the first instance, a restorationist is likely to lose money on a project bid on the basis of unrealistically low reported costs. In the second, the value of a hectare of natural habitat is simply lowered, which may be especially disadvantageous in instances where a project is handled through a mitigation bank.

And these are not just problems for the future. At the present time it is probably true that *most* of the available information on restoration costs fails to account for the full range of costs, with the result that decision makers and managers are likely to remain unaware of discrepancies between reported and true costs—at least until a project is underway and it is too late to revise unrealistically low cost estimates.

The principal reason for this problem is that restorationists habitually report only some costs of some phases of restoration projects, leaving other costs—equally real on a balance sheet, but perhaps less conspicuous in the field—unaccounted for. These then become “hidden” costs, which are bound to return to plague us all somewhere down the line.

An example is the estimated per-acre cost for restoring riparian habitat. In California, a commonly cited figure

(based, all too loosely on work carried out by The Nature Conservancy in California) is \$1,800 per acre (\$4,500 per hectare). What this figure includes, however, is only *part* of the costs of the equipment and materials associated with the actual clearing, planting and installation of a temporary irrigation system. The list of items *not* included is extensive and includes the value of volunteer labor (and the costs associated with recruiting and supervising volunteers), non-profit overhead, project management, restoration design, nursery facilities, maintenance and monitoring.

A general list of restoration costs that are frequently unaccounted for is even longer. In my own experience it includes (in addition to items already mentioned) land acquisition, permitting, planning, hydrological and soil testing, habitat protection measures, irrigation hook-up and water, and the cost of various hard-to-predict contingencies.

Still other costs may be omitted because they are allocated to budgets for construction on a site. These include items such as grading and other aspects of site preparation, which are most likely to be encountered in connection with mitigation work.

Responsible restorationists should keep these matters in mind and make a conscientious effort to report the *full* costs of restoration projects whenever called upon to do so, disclosing all related costs that for one reason or another are not included in the final figure. It is true there are incentives to underestimate in certain situations—to make restoration seem cheaper, and perhaps more feasible, than it really is. But to do this is to undervalue both our work and the communities we are trying to restore. The result is—to say the least—counterproductive for all concerned.

Our profession is emerging. Eventually habitats will be designed, engineered, constructed and evaluated in accordance with codes, regulations and performance standards that have yet to be written. Professional licensing of restorationists is probably not too far off. And already hundreds of persons are struggling to make a living doing restoration work.

Under-reporting of costs is an indulgence none of us can afford. We must not be timid about reporting the true costs of our work. Landscape architects are not sheepish when estimating costs of \$200,000 and up per hectare for creation of a relatively simple landscape. There is no reason why restorationists should be any more diffident—and excellent reasons why they should not be.

No one, after all, does more important work.

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