

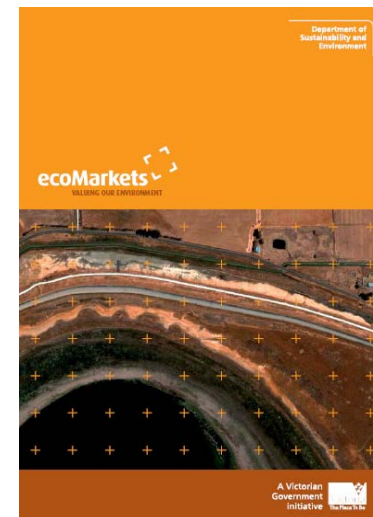
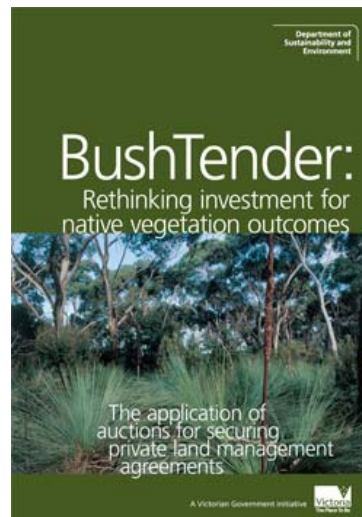
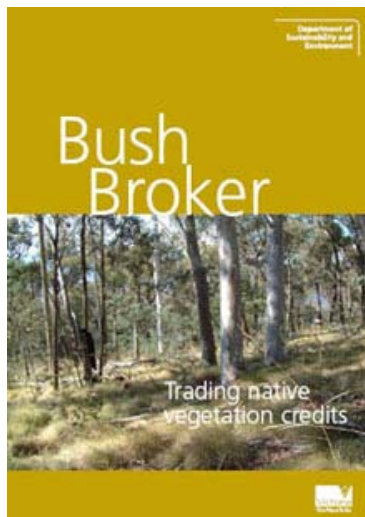
An overview of current Victorian Government ecosystem services payment schemes

James Todd

Manager, Ecosystem Services Projects
Department of Sustainability and Environment
17 September 2008

ecoMarkets in Victoria

- to provide incentives for private landholders to manage their land in ways that conserve and enhance the environment
- Flexible – allow landholder to participate at preferred level
- Alternative income streams for landholders – spread business risk



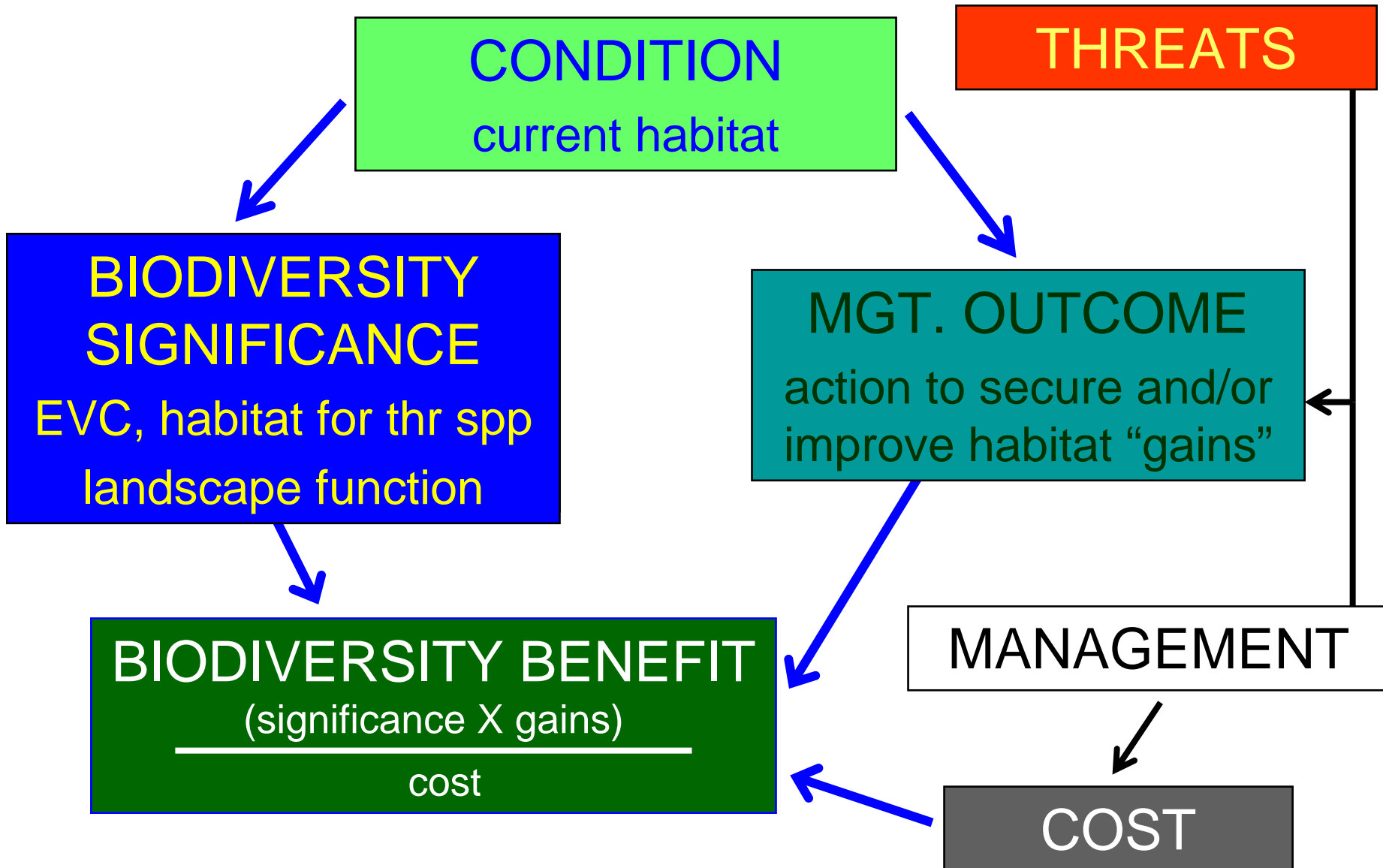
Victorian Government ecoMarket approaches - overview

1. **BushTender: public investment** for native vegetation outcomes on private land
2. **EcoTender: expanding the BushTender approach to include other environmental outcomes**
3. **BushBroker: a native vegetation credit register & trading scheme (private investment)**

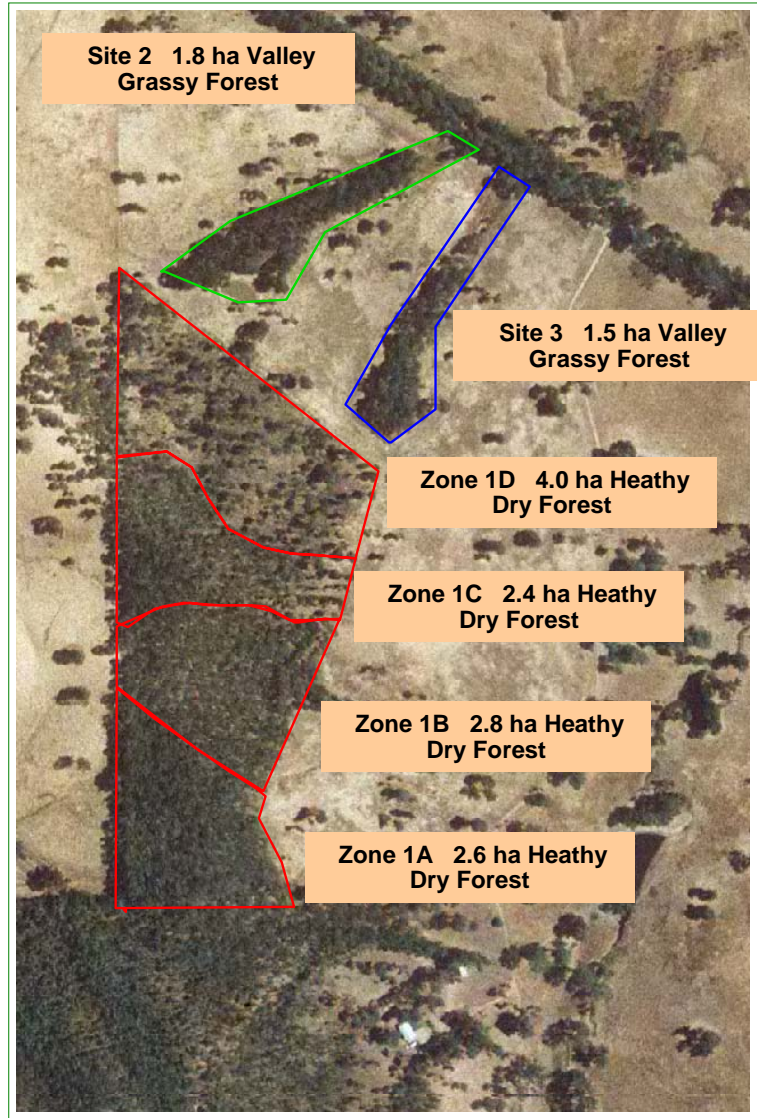
BushTender

Private / public partnerships to
deliver improved native
vegetation outcomes on private
land

How does BushTender work?



Landholder's name & code



| Site Numbers | Management zones within sites: |
|--------------|--------------------------------|
| 1 | A |
| 2 | B |
| 3 | C |
| | D |

Management zones are delineated by areas of different habitat quality or vegetation type (EVC).

Allotment boundaries

Care has been taken to ensure the accuracy of this plan, however the Department of Natural Resources and Environment accepts no responsibility for any omissions or errors

70 0 70 140 Meters



Landholder's experience

Site Visit

- advised on **significance** of vegetation types / quality / species / locations
- discuss **quality issues / mgt. options** & relative importance (score) of outcomes
- agree on proposed mgt. commitments

Following visit, receive by mail

- map of sites
- summary of biod. significance values
- draft mgt. plan & agreement

Return a sealed bid (total \$) by mail

If successful, receive by mail

- agreement to sign and return
- reporting / payments & monitoring

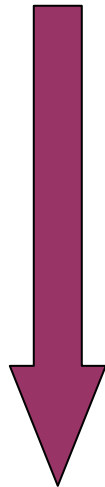
If unsuccessful, receive by mail

- advice on “how close” & other options

Ranking of bids

Biodiversity Benefits Index high Cumulative \$

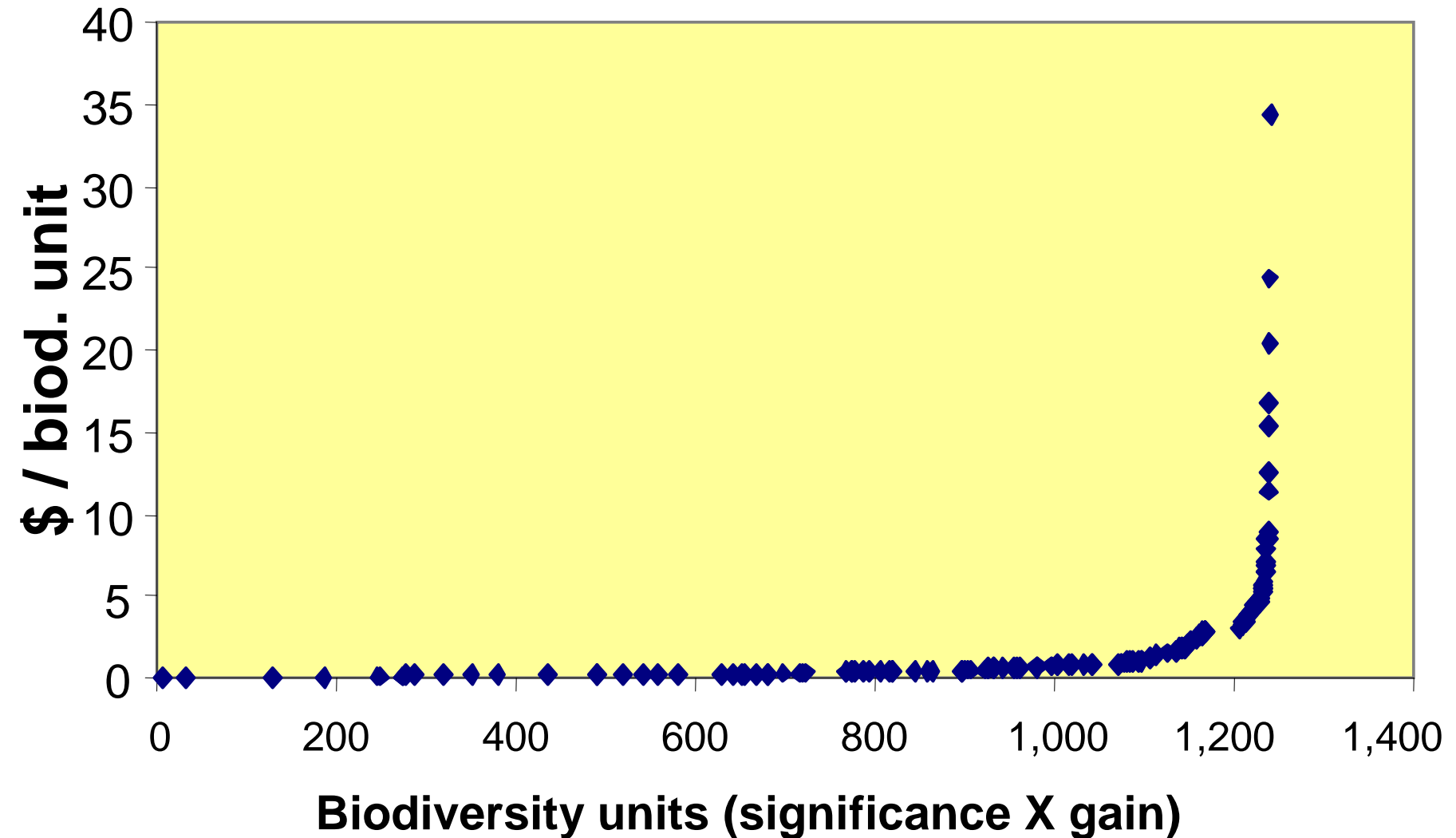
- Bid 1
- Bid 2
- Bid 3
- Bid 4
- Bid 5
- etc.



_____ BBI threshold for available \$

- Bid X
- Bid Y } Unsuccessful bidders informed of distance from “success”
- etc
- BBI low

Supply curve of biodiversity benefit

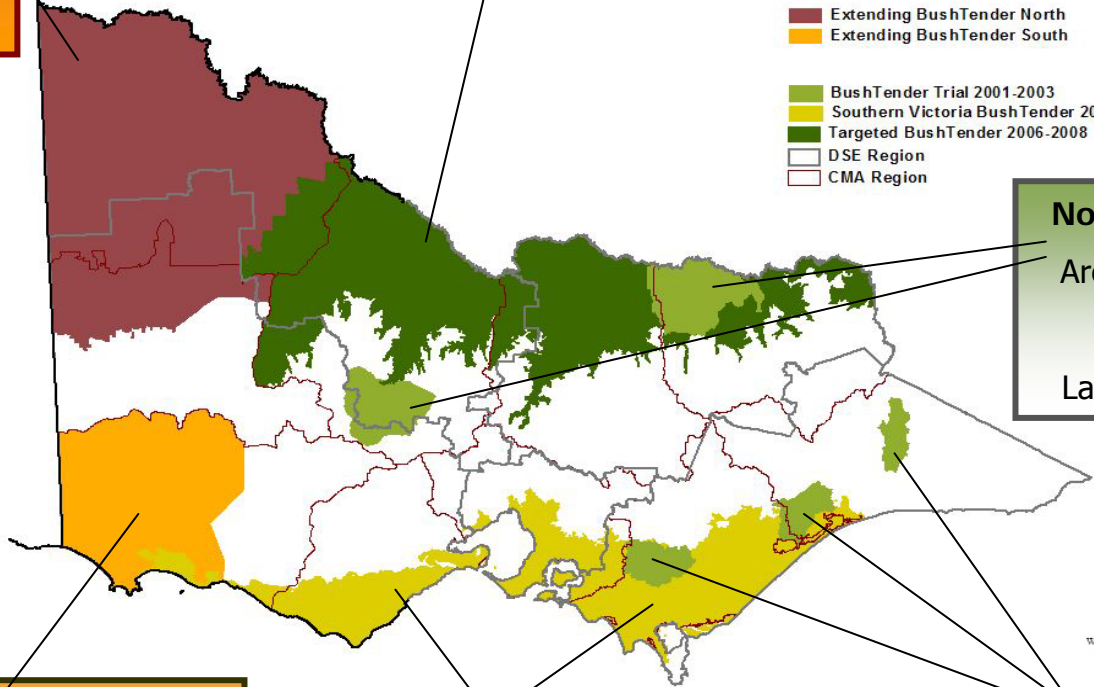


BushTender: history

BushTender 2008
Landholder payments \$1,000,000

Targeted BushTender
Area under agreement 7,130 ha
Gain Accrual 1,141 HabHa
Landholder Payments \$3,214,000

Summary
Area under agreement 16,824 ha
Gain Accrual 2,629 HabHa
Landholder Payments \$7,380,000
Landholders 292



North East/North Central Trial
Area under agreement 3,163 ha
Gain Accrual 336 HabHa
Landholder Payments \$400,000

BushTender South West
Area under agreement 2,836 ha
Gain Accrual 485 HabHa
Landholder Payments \$1,770,000

Southern Victoria BushTender
Area under agreement 2,011 ha
Gain Accrual 351 HabHa
Landholder Payments \$1,190,000

Gippsland Trial
Area under agreement 1,684 ha
Gain Accrual 316 HabHa
Landholder Payments \$800,000

BushBroker

A Native Vegetation Credit Registration and Trading Scheme

Offsetting

- Clearing requires a permit under the Planning & Environment Act
- Three step process for clearing applications
 - avoid,
 - minimise and
 - offset
- Offsets specified in an offset plan
 - to DSE's satisfaction
 - approved by responsible authority

Third-party offsets

Third-party offsets

Used when:

- offset not available on permit applicant's property
- permit applicant not interested in vegetation management
- strategically superior options elsewhere

BushBroker – components

- expressions of interest - landowner
- site assessment process
- BushBroker register
- enquiry - developer
- agreements
- trading

Native vegetation credits

Defining features of native vegetation credits:

- quality assessment
- complying management agreement
 - ongoing use commitments
- security
 - agreement registered on title
 - inclusion in conservation reserve
- gain measured in habitat hectares, trees

Prices for credits

| <u>Bioregion</u> | <u>\$K/HHa</u> |
|------------------|----------------|
| Goldfields | 25 → 45 |
| VVP | 35 → 200 |
| Over the counter | \$8 per plant |

Trade information to be released on DSE web in near future

Victorian native vegetation tools

- a currency (**habitat hectares**) to allow calculation of net outcomes
- improved investment mechanisms for cost-effective allocation of public resources (e.g. BushTender)
- trading rules for determination of offsets (**Native Vegetation Management Framework**)
- a broker to facilitate potential offset partnerships (**BushBroker**)
- an accounting framework to ensure performance can be related to objectives (**Net Gain Accounting**)