



Market Based Instruments

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Salinity & Water
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Natural
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Australian Government
Department of Agriculture,
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National Landcare Programme



Queensland
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Queensland Murray-Darling Committee
“Working together – healthy landscapes, viable communities”



QMDC's Implementation Pathways

- Technically based subcatchment action plans based on multiple landholders
- Planned investment in priority areas where high value assets are vulnerable to known degradation processes.
- Adoption of EMS systems
- Selected pilot and demonstration projects
- **Targeted incentives** in response to specific issues and threats to the natural resource base



Priority Investment Areas

Identify and Value Assets

e.g.: riparian
vegetation

Identify and Assess Threats

e.g.: uncontrolled stock
access

Where are valuable assets exposed to stresses?

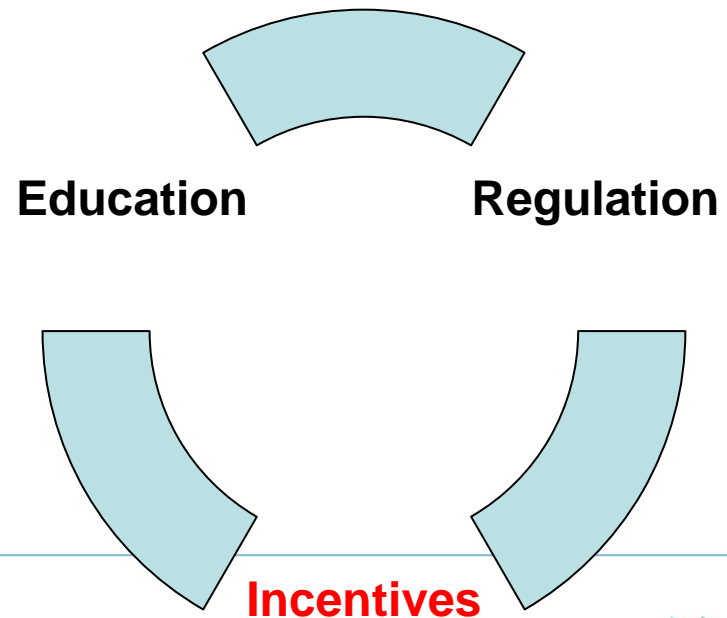
Implement required on-ground actions to produce desired effect



2005, 2006 and 2007 Veg Incentive Pilot

“The objective of this project is to maintain and improve biodiversity by retaining native vegetation in the form of native grasses and/or regrowth and unmapped remnant vegetation in different vegetation types.”

The tender is designed to allocate funds to the applicants providing the best environmental outcomes at the most competitive price.





Targeted Area - Vegetation Tender 2005/06/07

- National Hot spots objectives
- Areas were represented across **both catchments**
- Areas with less than **10% remnant vegetation** - RE mapping
- Areas with **moderate to high salinity risk** - salinity mapping
- Existing **Landcare and sub-catchment planning areas** were excluded



Assessment Factors- Vegetation Tender

- Biodiversity/Habitat **condition** scores- *technical staff*
- **Context** of the proposed project area- whole property and landscape
- **Feasibility** of the proposed management arrangements
- **Land values**
- **Past projects** e.g. devolved grants, NHT projects



Outcomes- Vegetation Tender

- Round 1 - 3 successful bids over 530ha
- Round 2 - 3 successful bids over 610ha
- Payment of **50% of Tender bid** is paid at contract signing, **30% paid on completion** of works and then the remaining **20%** following the first years **monitoring**.

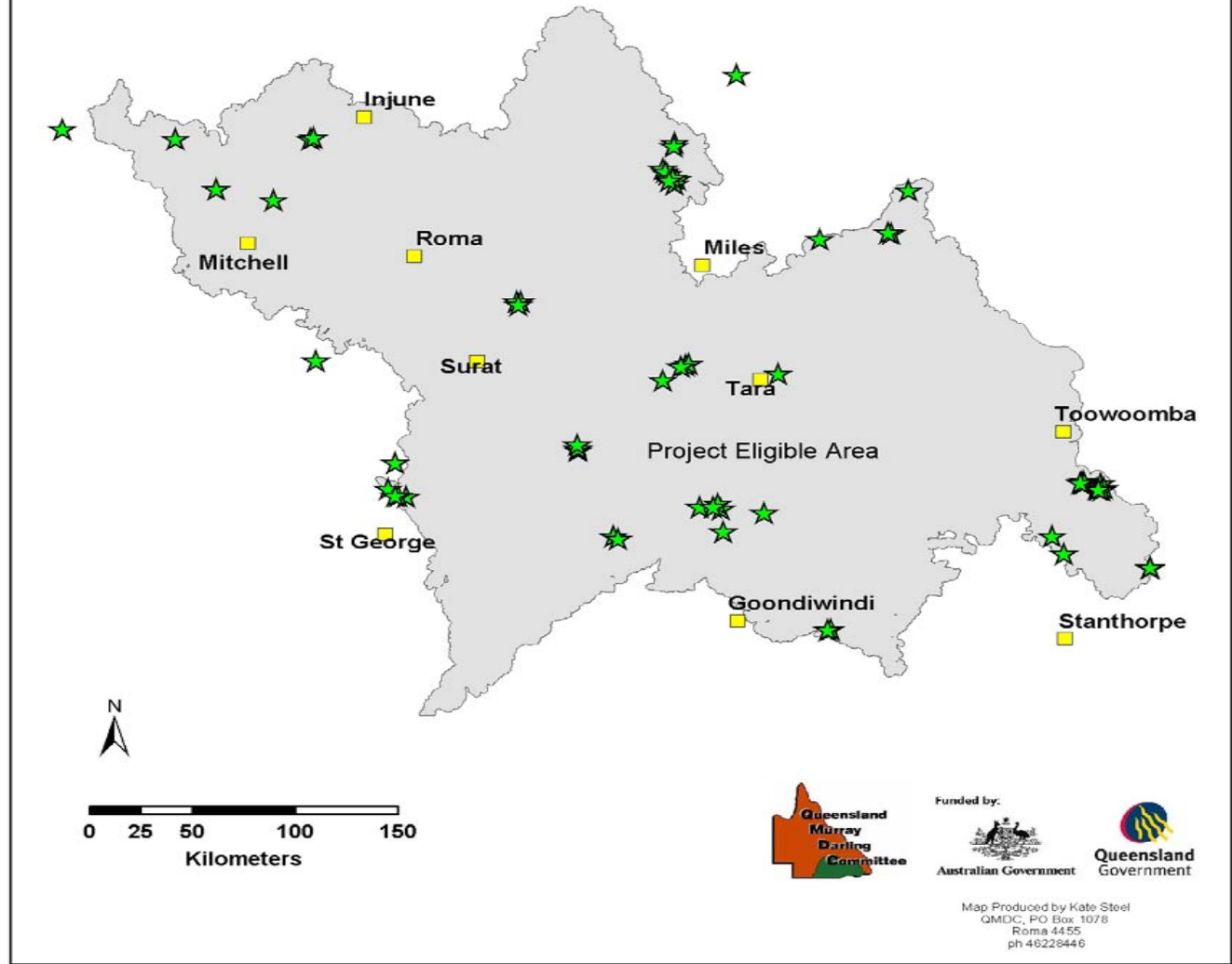


Round 3

- 80 enquiries at EOI
- 34 formal EOI for 42 Bid Areas
- Area in all EOIs - 11,519 ha
- 5 EOIs ineligible
- 29 Property Assessments
- 35 final tender bids covering 9,514ha
- Bid value of \$2,150,418.97.
- **12 approvals covering 45459ha for \$381,000**



**Figure 1. Maintaining Australia's Biodiversity Hotspots Program
 QMDC Bush Tender 2007
 Location of all Expressions of Interest
 at closing date 14th March 2008**



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Map Produced by Kate Steel
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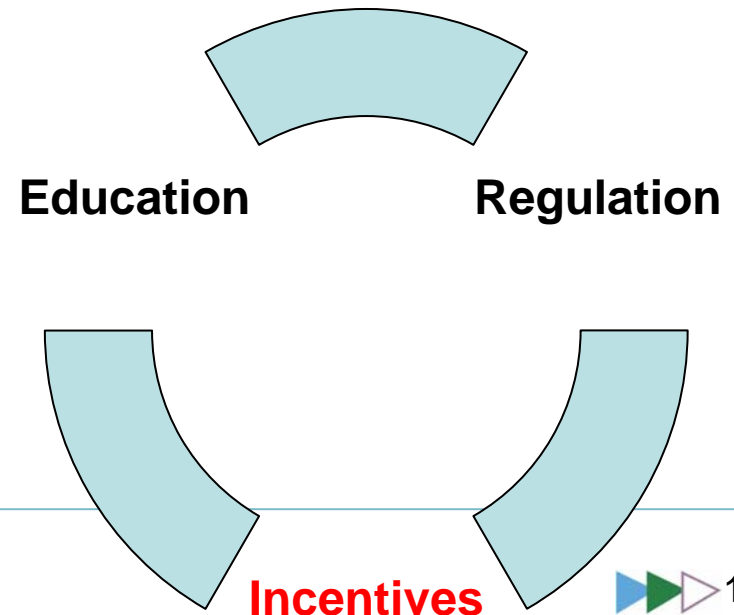


2005 Soils Incentive Pilot

The objectives of this project are to:

- improve soil condition by increasing existing groundcover to 30%,
- improve the management of soil fertility decline and soil structure problems
- develop actions that will reduce erosion

The tender is designed to allocate funds to the applicants providing the best environmental outcomes at the most competitive price.





Targeted Area - Soil Tender

- Areas across **both catchments**
- Areas were within identified higher fertile soils at risk from degradation
- Existing **Landcare and sub-catchment planning areas** were not **excluded**



Steps for Tender Process- Soil Tender

Farmers nominate the management actions

- Machinery adaptation
- Establishment of pasture on old cropping land
- Soil conservation works

Farmers nominate the amount of payment sought

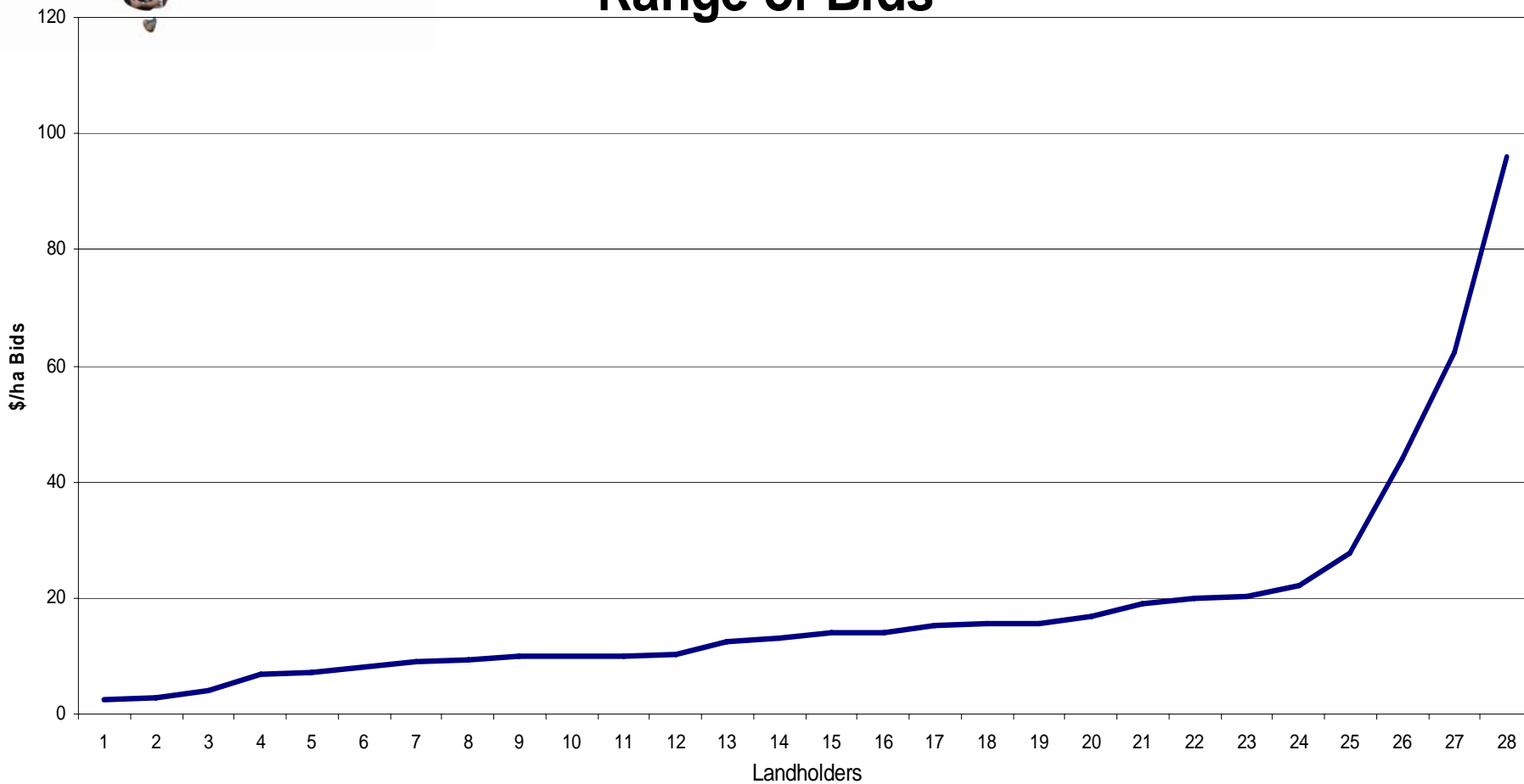


Steps for Tender Process- Soil Tender

- Support re eligibility through inspections or phone
- 3300 letters/ guidelines circulated into target area
- 65 landholders submit EOI
- 28 submitted tenders
- **17 successful offers at a value of \$274,000 covering 7000ha**

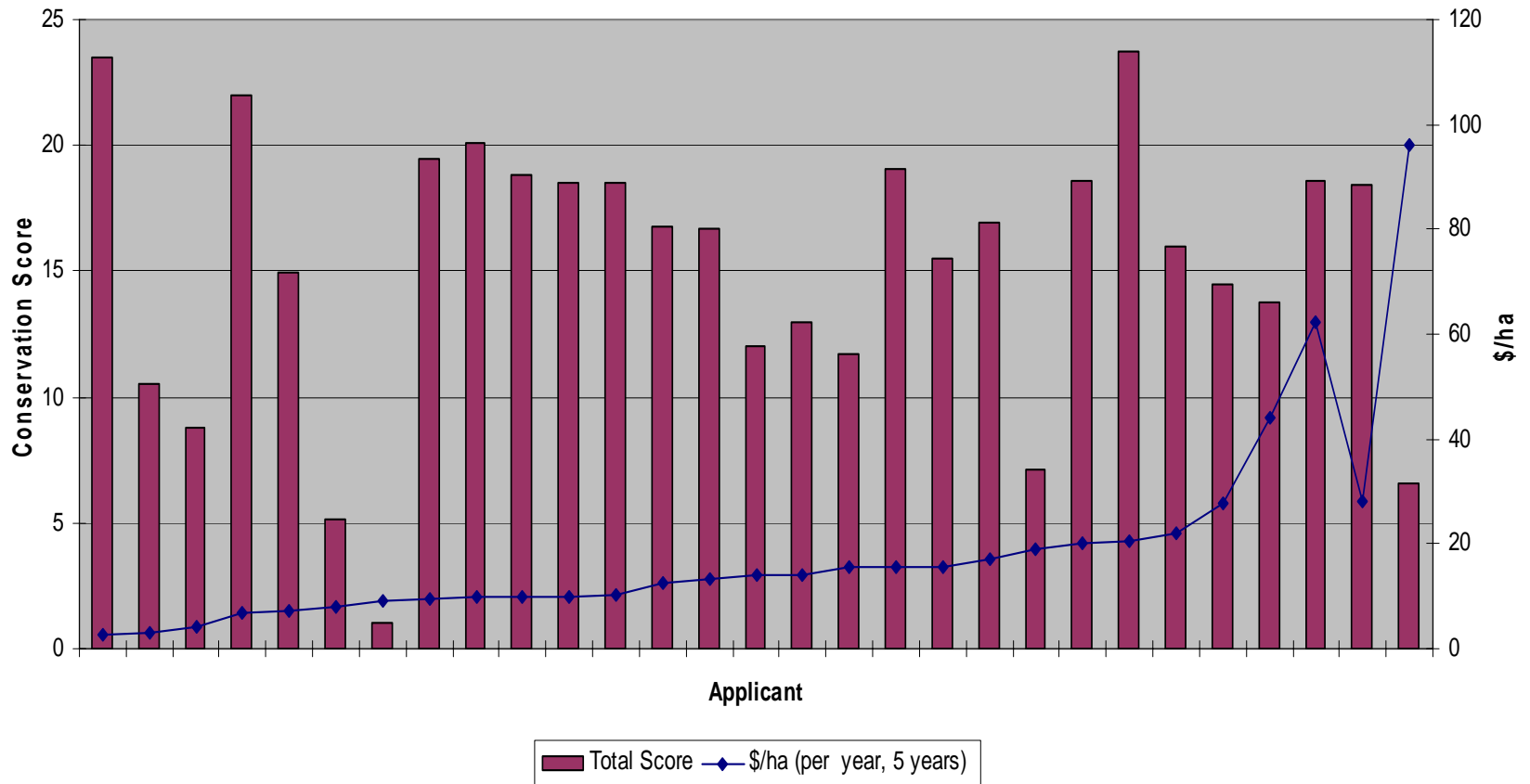


Range of Bids





Conservation Score vs. \$/ha





Lessons Learnt

- To Continue
 - Follow theory- believable
 - Marketing- effective
 - Process- clear and transparent
 - Point of contact- maintain one main person
 - Ambassadors- promote
- To Do Better
 - i. Target area- delineate more clearly
 - ii. Selection criteria- make 'SMART'er
 - iii. Targets- better more direct links
 - iv. Paperwork- have at the ready eg contracts, letters



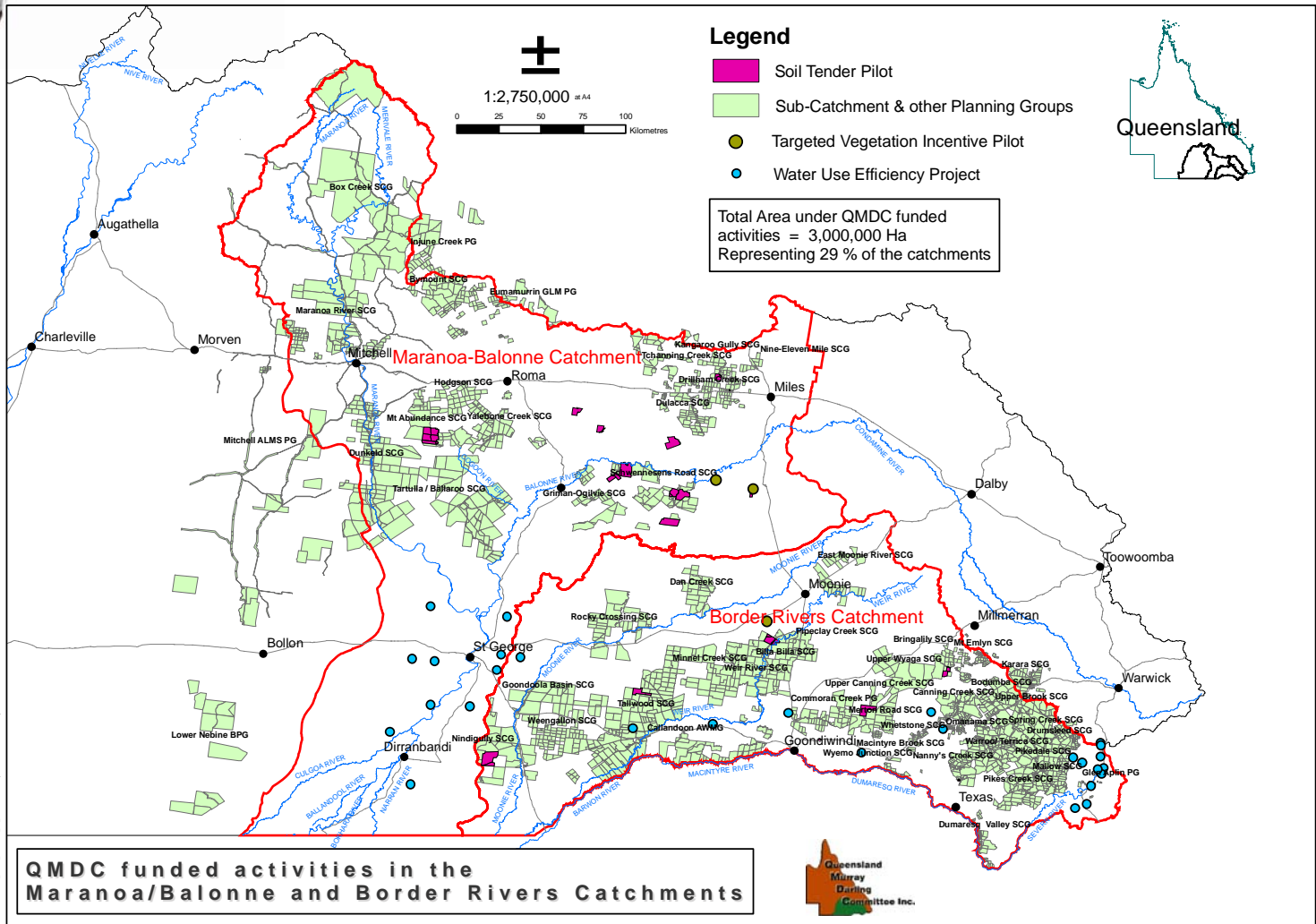
Other mechanisms

- QMDC runs several types of fixed price incentives – Water Use Efficiency, soil conservation, riverine management, vegetation management
- Technical advice and on farm R&D
- EMS (ALMS) a real market option



Sub Catchment Planning outputs

On-ground activity	Cumulative outputs Sept 04 - Dec 07	New outputs July – Dec 07
Revegetation of degraded areas (ha)	149,096	2,830
Fencing degraded lands (km)	420	40
Conservation earthworks (km)	985	221
Area protected from soil erosion (ha)	157,484	21,661
Alternative watering points created	576	119
Riparian zone fencing (km)	394	90
Waterway stabilisation (ha)	10,538	440
Remnant fencing (km)	169	17
Remnant vegetation management (ha)	55,284	7,872
Weed and pest eradication and/or management (ha)	701,020	401,610
Revegetation and changed management of land affected by salinity (ha)	33,319	3,040



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Overall analysis

- Tenders are only one mechanism.
- Mechanism needs to meet objectives
- Coordination/ cooperation needs may not suit tender process
- Tenders may not achieve a landscape outcome, without many rounds