

Land manager and service provider constraints to conservation tender bid development

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Contracts for

- 2,256 ha under management (70 funded sites)
- ~ 15% of native vegetation on private property
- \$59 /ha/year average cost of successful bids
- 9 new covenant applications
- 408 ha of threatened plant communities
- Habitat protected for 27 threatened species

Approx 4:1 implementation efficiency

Potential barriers to land manager participation in conservation tenders:

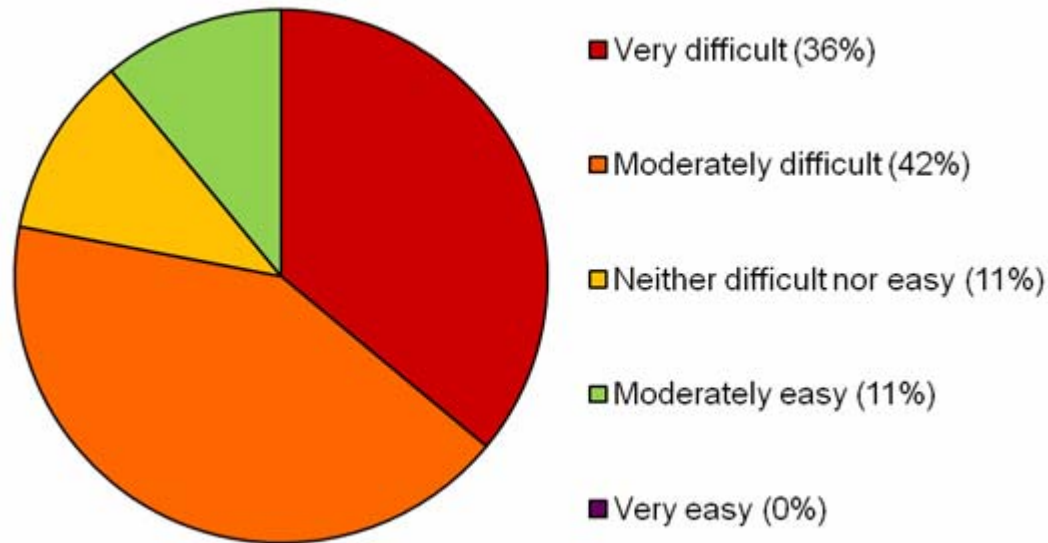
- Perception, complexity, compatibility and flexibility of scheme
- Compatibility with farm and personal objectives
- Land manager attitudes to nature conservation
- Likelihood of success
- Complexity of the management practice
- Obligation and loss of flexibility with contract
- Restrictions on land use and perceived loss in value of land
- Financial, legal and liability considerations
- Confidence in the bid assessment process
- Level of technical support
- Time commitments
- Level of adversity to risk

Participants involved in price setting study

- Successful and unsuccessful *BushBids* land managers (n=37; 79% response rate)
- Land management service providers (n=50)
- Land management advisors (n=7)

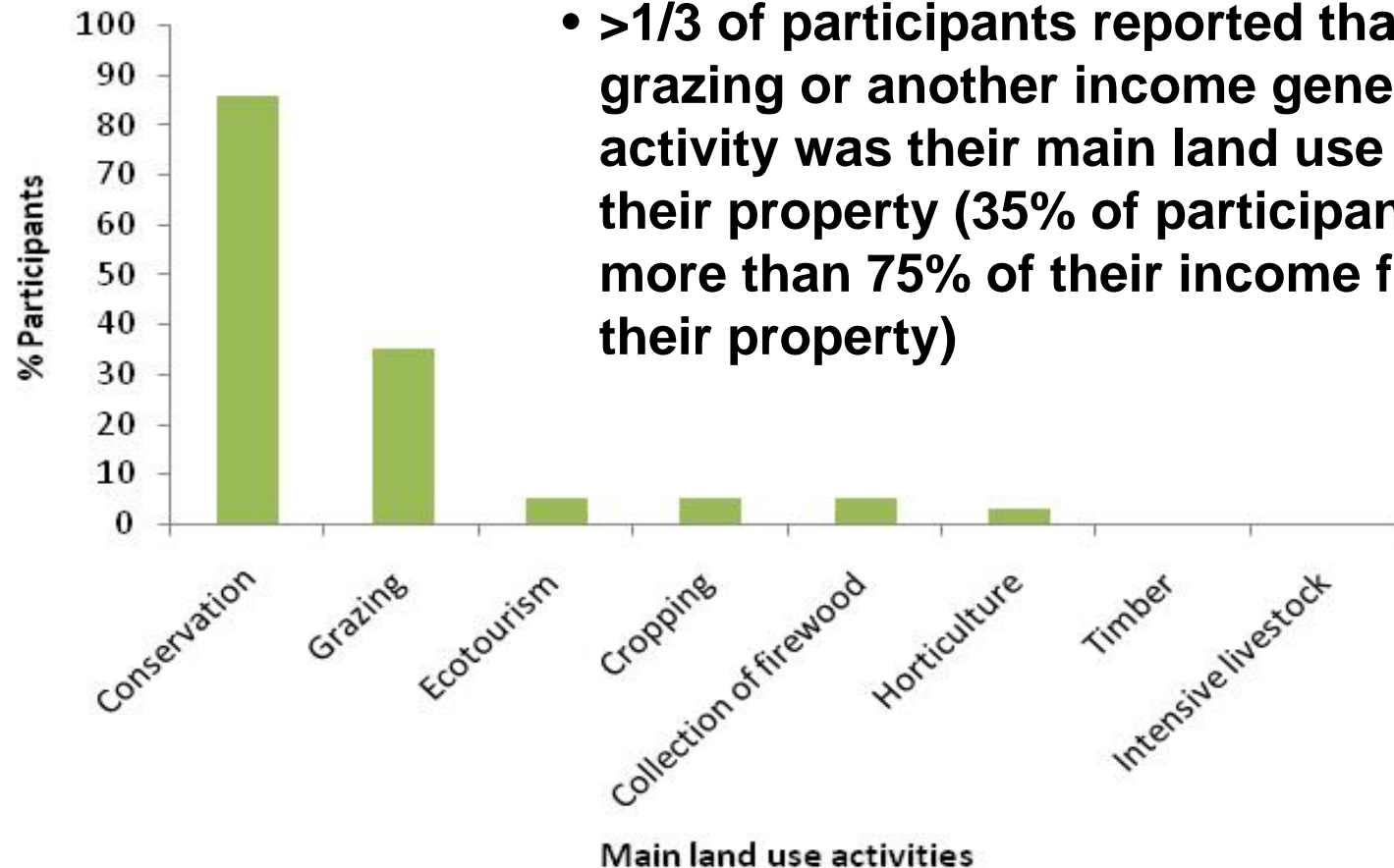
Even though land managers had previous involvement and knowledge of native vegetation management prior to *BushBids* and sought help with bid pricing

78% found determining bid price moderately to very difficult

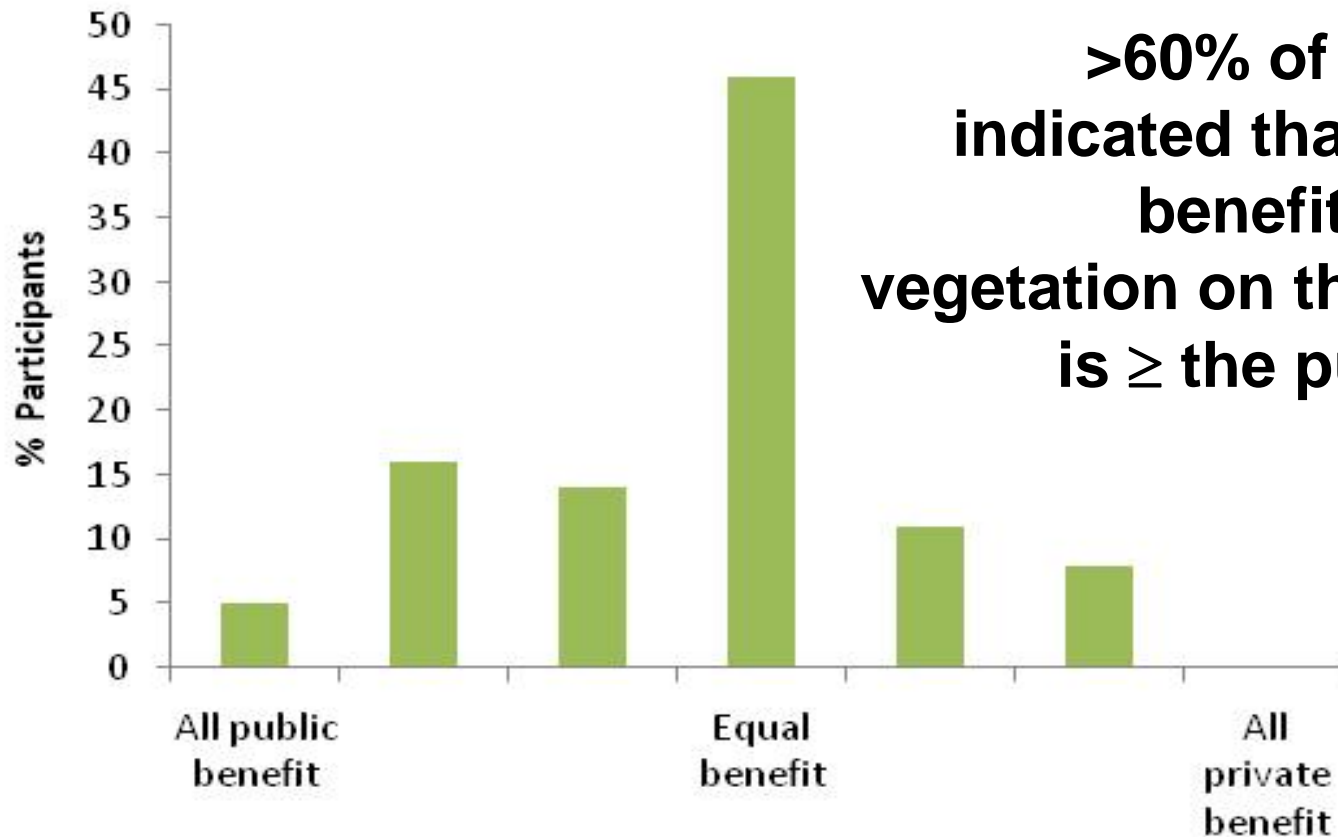


Land managers are conservation minded

- 60% rated conservation of native vegetation as a sole or main land use on their properties.
- >1/3 of participants reported that grazing or another income generating activity was their main land use on their property (35% of participants earn more than 75% of their income from their property)

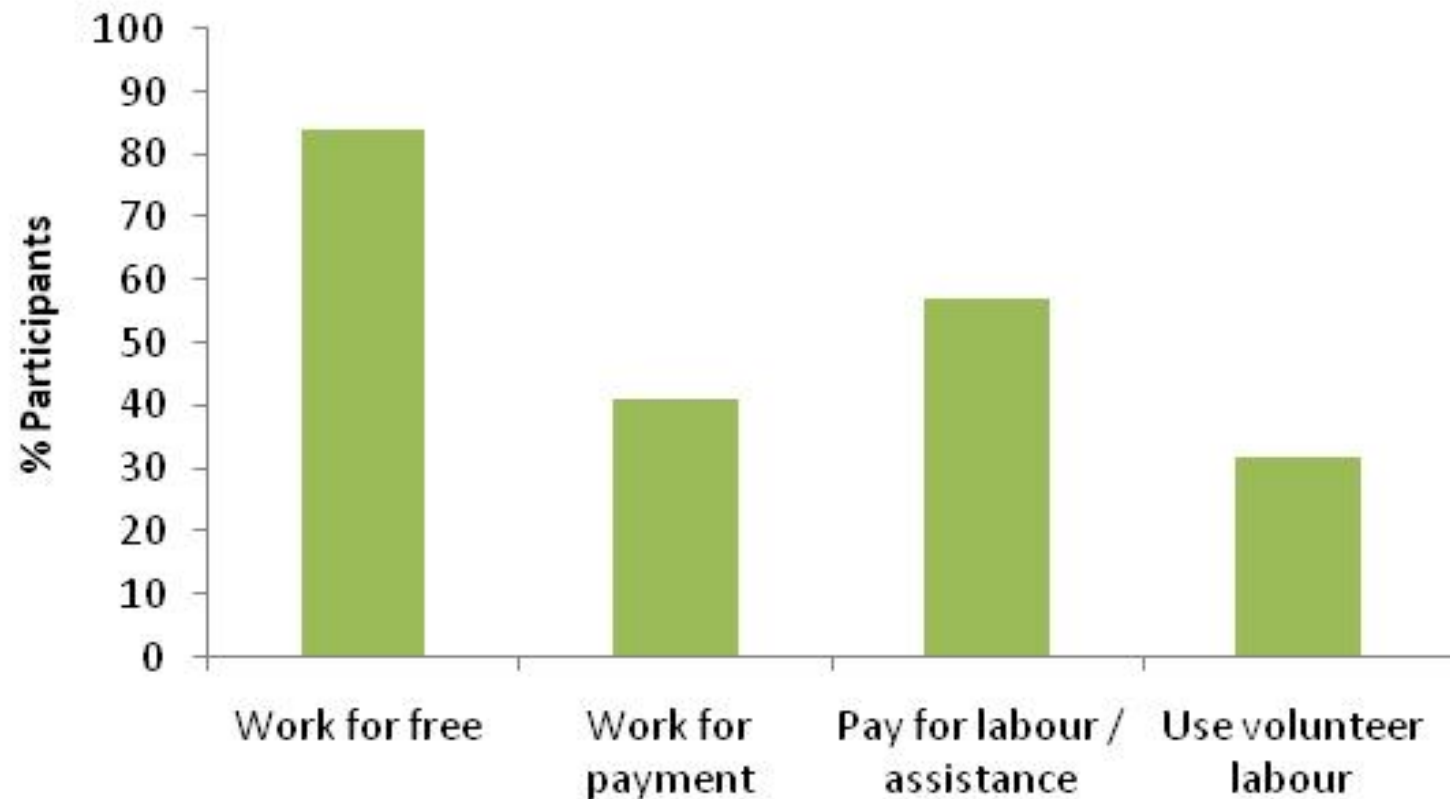


Public and private benefit of native vegetation on *BushBids* properties



>60% of participants indicated that the private benefit from native vegetation on their property is \geq the public benefit

84% of land managers would do some work for free



Advice searching

- 43% of land managers sought help from advisors and service providers with developing bid price
- Help was mainly sought for weed control and animal pest control.
- Issues with advice included:
 - Having to pay for advice
 - Not knowing who to ask
 - The reluctance of service providers to travel
 - Difficult of getting quotes from busy providers

More land managers included costs for materials than for labour

Costs components	Details of components	% Land managers
Labour / assistance	Included these costs	57
	Sought quotes	49
Materials	Included these costs	84
	Sought quotes	58

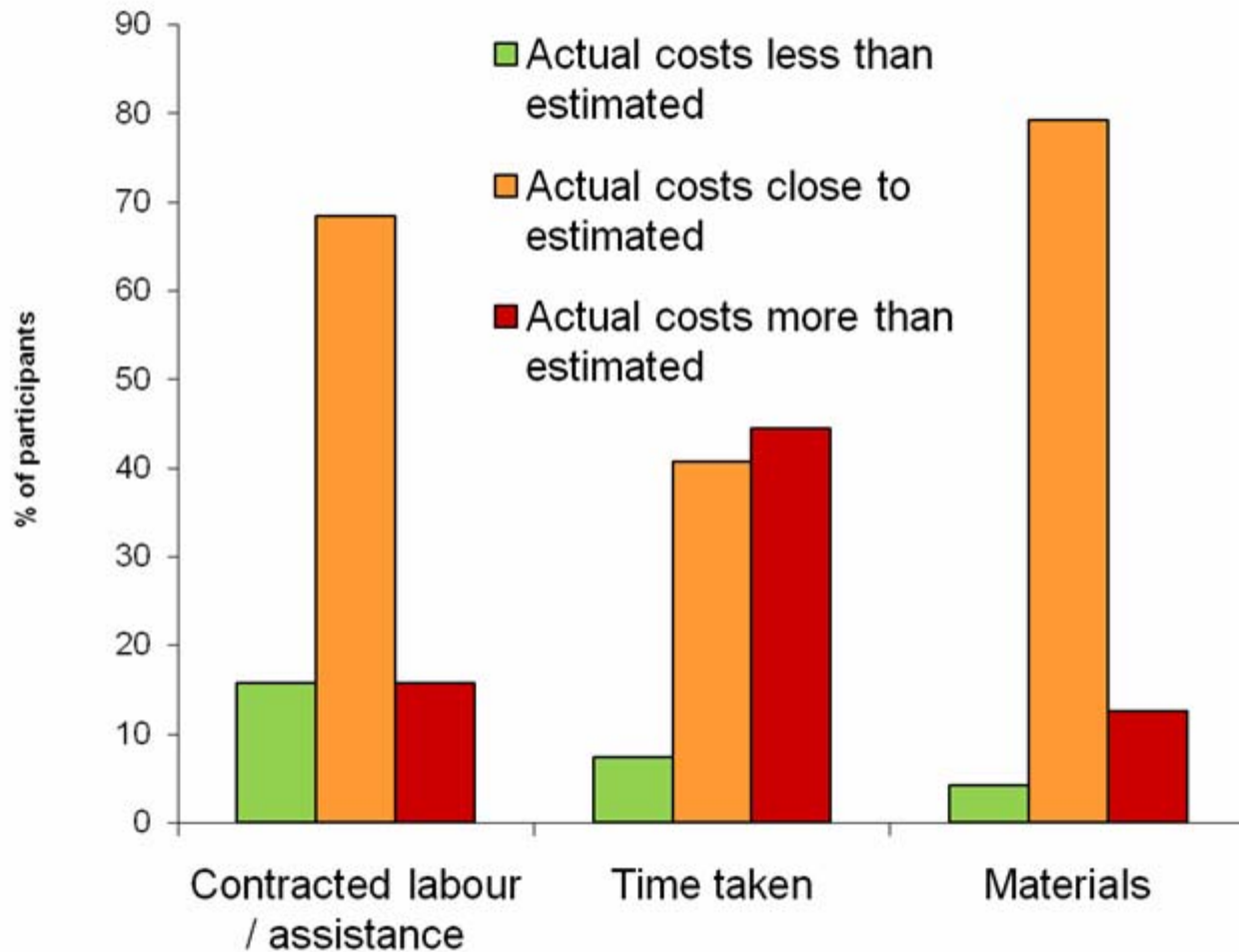
Land managers are prepared to provide their own labour rather than their own money

Financial advice?

- Few participants included opportunity costs in their bid price, however, opportunity costs may have been relatively low for many bidders
- A minority of participants included provision for taxation liability or impacts on government payments in their bid price

1- 2 years into contracts

A high proportion of land managers reported that the time taken for management has been greater than they calculated



Influence of motivation and land use

- Bidders who reported more private than public benefit from native vegetation on their properties submitted lower prices (\$/Ha)
- Proportion of income from off-farm did not make a difference to prices (\$/Ha)
- Proportion of income from off-farm did not make a difference to whether bidders included costs for their own labour or costs for hiring labour

Other difficulties with determining bid price

- Difficulties in estimating the cost of management actions
- Difficulties in identifying weeds and extent of weed problem and in determining the time it will take to implement actions
- Uncertain about management needs and associated costs over the period of the contract
- However, majority opted for 10-year contracts

Service providers do not appear to limit bid development

	Quotes easy to obtain (% land mangers)
Labour / assistance	89
Materials	100

Conclusions

- Information is out there but searching behavior is underdeveloped
- Long-term contracts add uncertainty, uncertainty costing is underdeveloped
- Some impediments arise from the approach of previous programs
- Land managers do not know how to price their private benefits
- Land managers may be absorbing risk by discounting their labour contribution – may be a risk to security of outcomes