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This program is funded by the Australian, State and Territory Governments' National Action Plan for Salinity and Water Quality.



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MARKET-BASED INSTRUMENTS FOR NRM CHANGE

National MBI Forum Designer Carrots training workshops

www.marketbasedinstruments.gov.au

Training June to September 08

18 training courses were held across the country

Lloyd Consulting team

- Queensland (3)
- New South Wales (3)

Patrick O'Connor team

- Australian Capital Territory (1)
- Victoria (3)
- Tasmania (2)
- South Australia (2)
- Western Australia (3)
- Northern Territory (1)



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Starting point: the needs analysis

Total 10 interviews of MBI practitioners all States:

- Need for capacity building for landowners / managers, industry sectors and policy people
- NRM toolbox & MBI tool
- MBIs seen in each jurisdictional context
- Course as an awareness raising tool / as pathway to further learning
- Expert support is essential for training



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Aims and parts of the 2 days

- The attributes and appeal of MBIs; where MBIs appropriate
- Learn by doing
- Define, choose, design and review a hypothetical MBI
- To build a common language for MBIs
- Network and share, to build a network of practitioners

The course had 5 units

1. The NRM toolbox
2. Choosing your MBI
3. Designing your MBI
4. Reviewing your MBI
5. Where to from here?



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Day 1

Day 2

Unit
1

NRM toolbox
Where do MBIs fit?
Do I need them?

Unit
3

**Design and trial your
MBI**
Decision Support Tool
Metrics

**DeLite Valley
hypothetical**



Finch habitat corridor
management
(4 parts)

Unit
2

What MBI do I need?
Types
Decision Support Tool

**Review and improve your
MBI**
Your Situation...detailed look

Plus
Web resources

Discerning between MBIs

- Tenders/auctions
 - Optimising participation
 - Generating interest
 - Adaptive... property plans, bids
- Offsets
 - ‘Lose to gain’
 - Equivalence
 - Need net gain
 - Many players
- Cap and trade
 - Cap or target, legal or voluntary
 - Pricing an entitlement to resource or to impact; trading
 - administration
- Reducing market friction
 - Ecolabelling/high interest area



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Participants' enthusiasm

- About all MBIs in all situations – salinity, catchment management/water quality, carbon credits or offsets, pesticides, industrial pollution, nutrients, natural resource management, fisheries, Aboriginal land management
- Cap and trade, off-sets and tenders were equally interesting to participants — *learning about all the tools then choosing the appropriate tool for the situation instead of sticking to the easiest or most well understood.*
- tenders and fixed grant incentives — these are likely to be continued if funds are secure and institutional functions can continue



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Patrick's team found

Tenders were of most interest in all workshops – largely because they are the easiest to implement without regulation and have most recent projects associated.

- Victoria – offsets and tenders for biodiversity conservation and water cap-and-trade
- Tasmania – offsets and tenders for biodiversity conservation
- Canberra – offsets and tenders for biodiversity conservation and allocating carbon sequestration funds
- SA – offsets for biodiversity impacts
- NT – cap & trade for carbon, offsets for biodiversity
- WA – tenders and offsets for biodiversity



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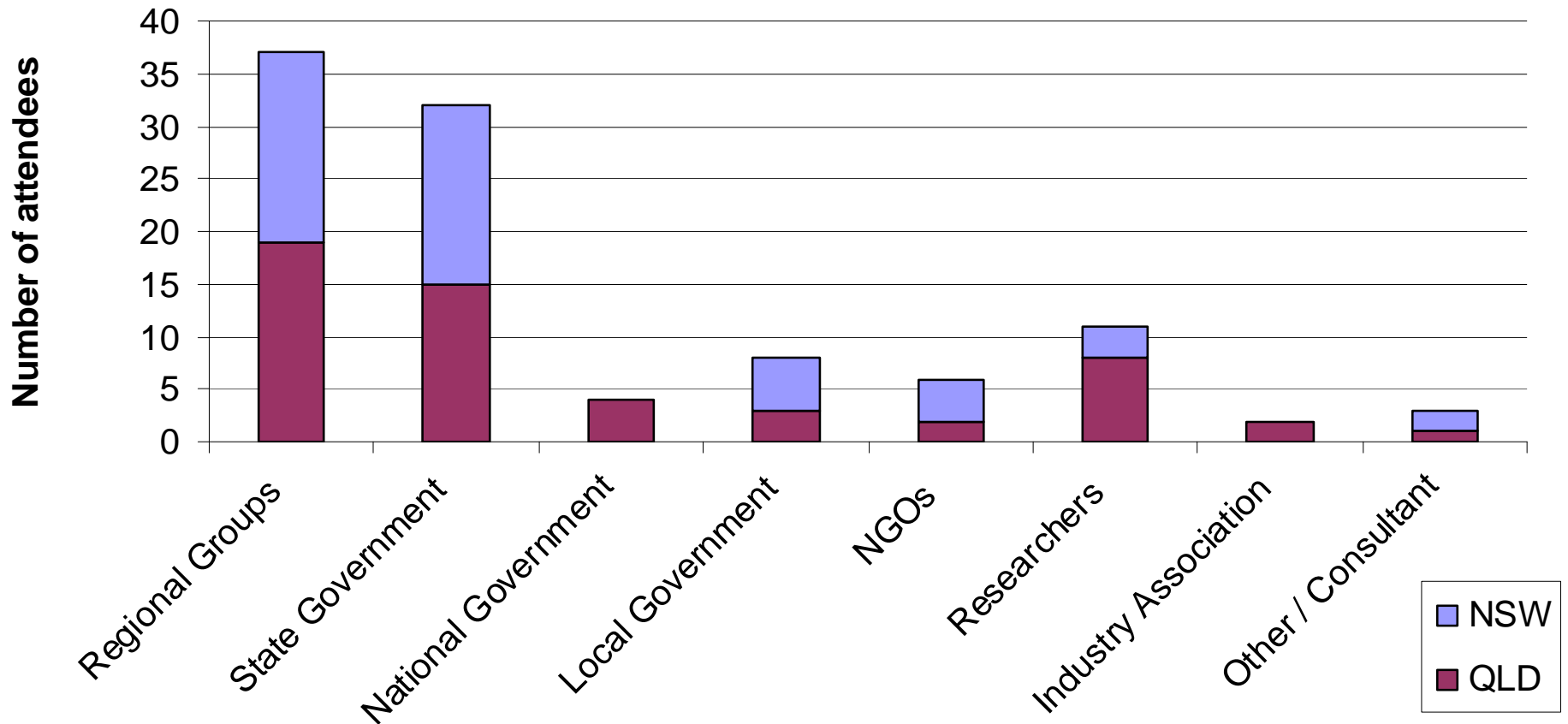
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Some stats: NSW and QLD



Attendees by industry group and state

n = 103



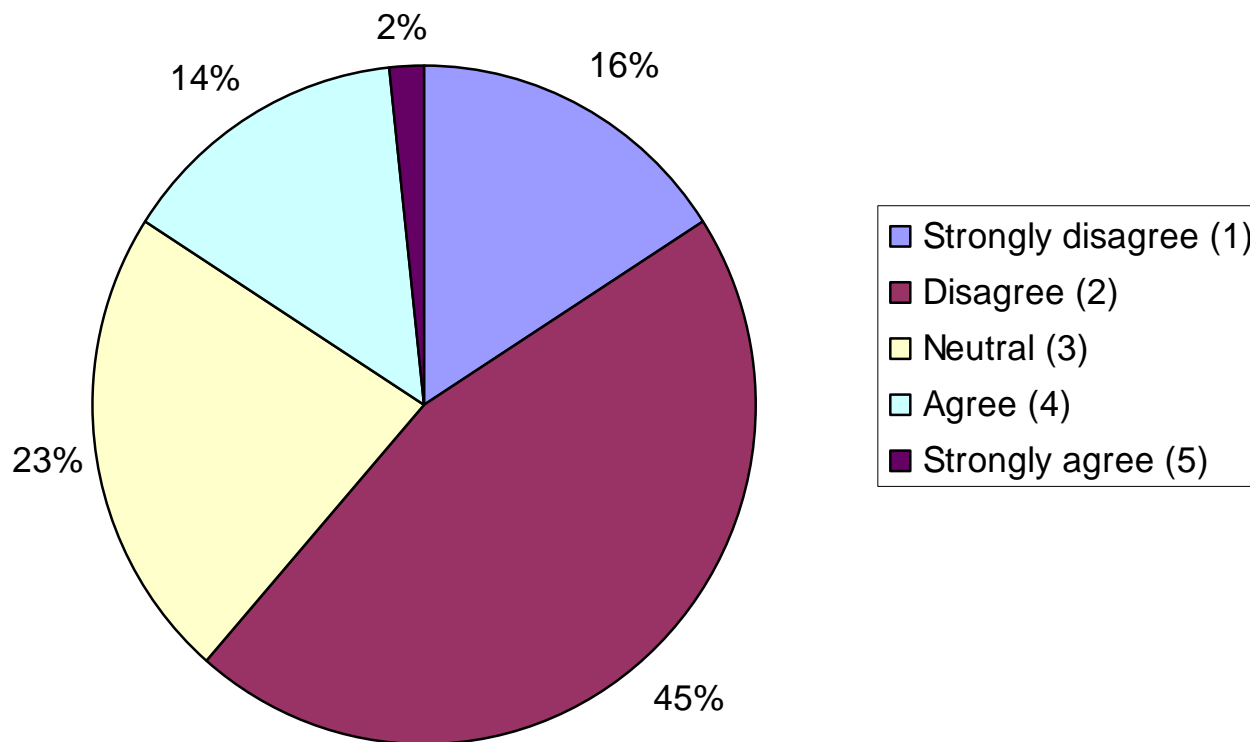
Attendees' experience levels



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n = 57

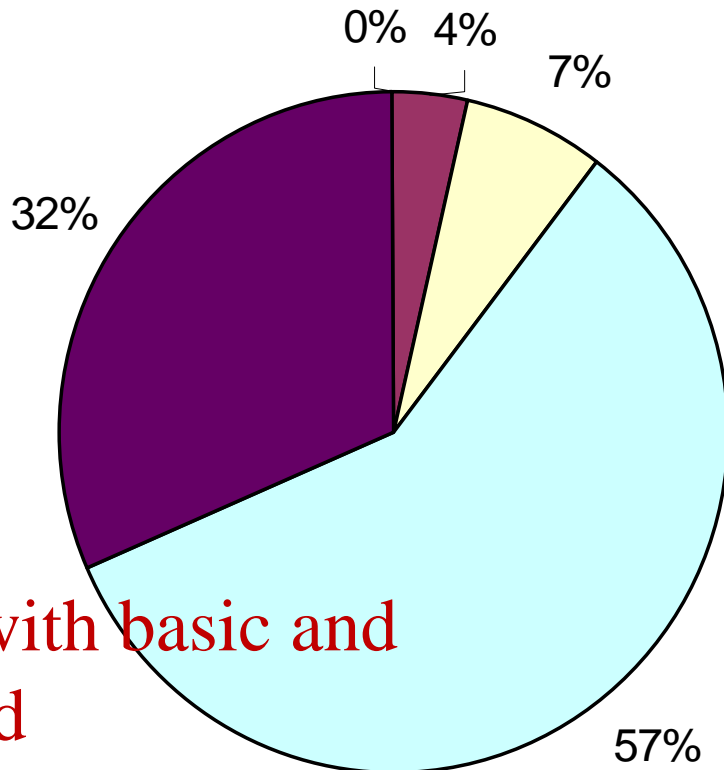
I have a good deal of experience with MBIs



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Key concepts clearer, confidence up



n = 57

- Strongly disagree (1)
- Disagree (2)
- Neutral (3)
- Agree (4)
- Strongly agree (5)

People with basic and advanced experience levels in MBI rated the course highly

Testimonials

- *Not as daunted about what MBIs are and how they are implemented*
- *From a very limited experience base I have a much better knowledge of MBIs and applicability*
- *Much clearer on concepts but won't be comfortable until I try to put it into practice*
- *I will be more confident when I work with real issues*
- *MBIs are a tool for us (CMAs) to be 'environmental – financial planners'*



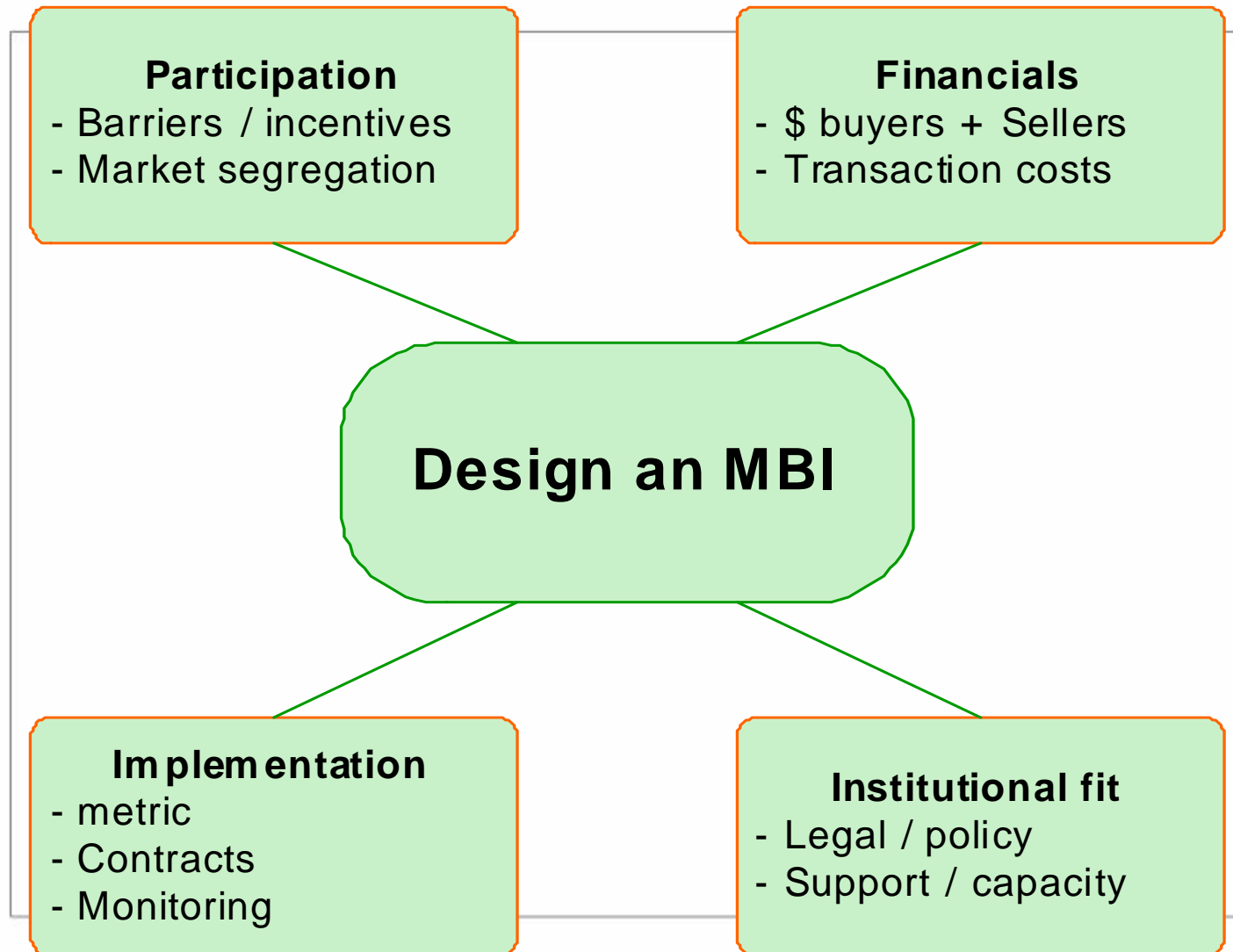
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Designing change – a framework



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Discussing the big picture

- Carbon – the biggest step towards building markets around environmental limits
- An inventory of MBIs – comprehensive list of MBIs at national, state, regional, local levels
- Evolution of NRM tools 1980s to 2020 – drivers of change into the future including increased investor interest, rising cost of living e.g. Oil and fertiliser, climate impacts
- Properties and their future ‘balance sheets’
- Building an MBI culture into policy and regional body arrangements



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Tell us more about

- Types of MBIs and when to use different types
- Policy drivers for MBIs (carbon offsets/credits, biodiversity offsets)
- Metric design
- Costs and logistics of MBI design and implementation
- Impact of MBIs on volunteerism
- Evaluation of MBI outcomes



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Where to from here?

Three parts to the professional development around MBIs:

- Training - two days of interactive learning to cover five core training units
- six elective units for out-of-session learning
- ongoing support through interactive website and practitioners' network (Little Orange Book), on the [Designer Carrots website](#)
- Future training needs:
 - Advanced level courses
 - Region-specific courses
 - Other capacity building initiatives



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