

# EcoTender Demonstration 2007/08

## General information

Information Sheet No. 1

### Background

In July 2006 the Victorian Government released its *Our Environment, Our Future Sustainability Action Statement* outlining its goal to make Victoria a sustainable state by responding to the challenges of climate change, restoring our natural assets, using our resources more efficiently and reducing our everyday impacts.

This statement includes an initiative to design and test efficient markets for ecosystem services that private land offers, by using innovative economic approaches such as specialised auctions, tradeable permits and offset markets that help counteract environmentally harmful activities such as carbon and water intensive production.

EcoTender is one such market-based approach being developed by the Victorian Government where landholders competitively tender for contracts to undertake actions that produce improved ecosystem outcomes. Successful bids are those that offer the best environmental value for the investment, with successful landholders receiving periodic payments for management activities conducted under signed agreements.

### The EcoTender Demonstration project

The Victorian Government is calling for expressions of interest from private landholders in the EcoTender Demonstration 2007/08 project area in Corangamite Catchment Management Authority (CMA) region to participate in the project (Refer to page 3). The following provides general information on this project and the process that will be used.

### How does the EcoTender process work?

1. *Expressions of interest* - landholders located in the project area (Refer to page 3) can register an expression of interest through the Department of Sustainability and Environment (DSE) Customer Service Centre on 136 186, 8am - 6pm Monday - Friday.

Note: the Expressions of Interest period will close when participation levels are considered sufficient.

2. *Site assessments* - the EcoTender Regional Implementation Manager contacts each registered landholder to discuss eligibility and arrange a site visit. The EcoTender Field Officer assesses the site and advises the landholder on the significance of the site from a range of environmental perspectives, and identifies potential native vegetation management and revegetation options for consideration by the landholder.
3. *Development of management plans* - each landholder identifies the commitments and actions they are prepared to undertake and the field officer prepares a draft management plan as the basis for a bid. Landholders may choose either a five-year management agreement **or** a five-year management agreement *plus* a permanent protection option.
4. *Submission of bids* - each landholder submits a sealed bid that nominates the amount of payment being sought by them to undertake the agreed management plan. All landholders have the same amount of time to consider the price they will tender.
5. *Bid assessment* - all bids are assessed objectively on the basis of the:
  - estimated change in the on and off-site environmental outcomes (the amount of change in environmental outcome);
  - value of the environmental assets affected by these changes (significance); and
  - dollar cost (price determined by the landholder).Funds are allocated on the basis of 'best-value for money'.
6. *Management agreements* - successful bidders sign a final management agreement based on the previously agreed draft management plan.
7. *Reporting and payments* - periodic payments and reporting will occur as specified in the agreement.

# General information

## The EcoTender process

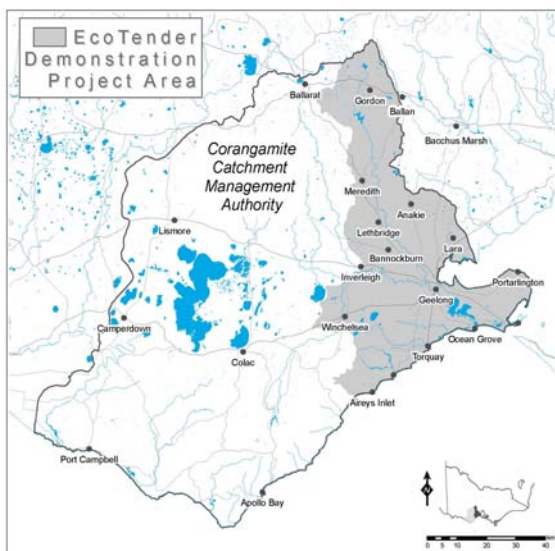
The following table summarises the EcoTender roles and responsibilities throughout process.

AGENCY ROLE	LANDHOLDER ROLE
<b>EXPRESSION OF INTEREST</b>	
<p>Information is provided to landholders in the Demonstration area.</p> <p>The EcoTender Regional Implementation Manager contacts landholder to arrange a site visit.</p>	<p>Landholders register an expression of interest through the DSE Customer Service Centre on 136 186.</p>
<b>SITE ASSESSMENT</b>	
<p>The EcoTender field officer assesses the site and advises the landholder on the significance of each site from a range of environmental perspectives at both local and landscape scales. The field officer will also identify potential land management options focussing on native vegetation activities that lead to improved environmental outcomes.</p> <p>The field officer is able to provide advice on how these options would be scored in the assessment of a bid.</p>	
<b>DEVELOPMENT OF MANAGEMENT PLAN</b>	
<p>The EcoTender field officer prepares a draft management plan based on the proposed landholder management commitments and actions and forwards this to the landholder for consideration.</p> <p>Each landholder is provided with a final assessment of their environmental benefits score (the estimated change in the on-site and off-site environmental outcomes and the significance of this change based on the environmental assets affected) to assist with bid preparation.</p>	
<b>SUBMISSION OF BID</b>	
	<p>The landholder determines the payment they require for the proposed management commitments and actions, and then submits a sealed bid for this amount within a specified timeframe.</p>
<b>BID ASSESSMENT</b>	
<p>Bids are assessed objectively on the basis of the:</p> <ul style="list-style-type: none"> <li>• estimated change in the on and off-site environmental outcomes (the amount of change in environmental outcome);</li> <li>• value of the environmental assets affected by these changes (significance); and</li> <li>• dollar cost (price determined by the landholder).</li> </ul>	
<p>➔ The Corangamite CMA notifies successful and unsuccessful bidders</p>	
<b>MANAGEMENT AGREEMENTS</b>	
<p>Successful bidders sign fixed-term management agreements based on the agreed management plans. Agreements with permanent protection are also available.</p>	
<b>UNSUCCESSFUL BIDDERS</b>	
<p>The Corangamite CMA informs unsuccessful bidders of the relative outcome of their bid in comparison to the general level at which bids were successful. These landholders will be provided with information on other regional programs that may assist with the management of their site.</p>	
<b>REPORTING AND PAYMENT</b>	
<p>Payments are forwarded to signed-up landholders on receipt of an invoice. Payments occur subject to satisfactory progress against commitments and actions as specified in the Agreement.</p> <p>A percentage of all sites will be monitored each year over the five-year management agreement period.</p>	

## General information

### Where will the EcoTender Demonstration 2007/08 project be conducted?

The EcoTender Demonstration project will be conducted in the eastern part of the Corangamite CMA region within an area stretching from Ballarat to Geelong, and including the Bellarine Peninsula, and part of Otway Ranges (Surfcoast) and mid Barwon regions. A map of the project area is shown below.



### How do I register an expression of interest?

If you believe you have a property within the project area and wish to register an expression of interest to participate in the project, please telephone the DSE Customer Service Centre **136 186** Monday to Friday, 8am – 6pm.

An operator will collect some basic information from you (e.g. name, address, telephone number, type of proposal and approximate area) and will then send you an information kit providing further background information on the EcoTender Demonstration project.

The EcoTender Regional Implementation Manager will then contact you to discuss eligibility and to arrange a suitable time for an obligation-free visit. Your participation is voluntary.

### How much money is available?

Approximately \$1.5 million will be available for funding on-ground works. Landholders are advised to be quick to express interest in the project as over subscription may result in later registrations missing out.

### Has the EcoTender approach been used before?

Yes, EcoTender has been successfully conducted in parts of the Goulburn Broken and North Central CMA regions. The process is based on the highly successful BushTender approach, which has been implemented and fine-tuned since 2001 across different parts of Victoria.

There are also a number of regional BushTender projects currently being conducted elsewhere in the State (e.g. northern and southwest Victoria).

### Further information

To register an Expression of Interest please contact the DSE Customer Service Centre on 136 186. For further information visit DSE website [www.dse.vic.gov.au](http://www.dse.vic.gov.au) or visit Corangamite CMA website [www.ccma.vic.gov.au](http://www.ccma.vic.gov.au) and search under "EcoTender".

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ecoMarkets is a Victorian Government initiative under the *Our Environment, Our Future Sustainability Action Statement 2006*.



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