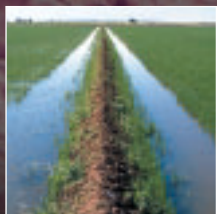




Managing Our Natural Resources: Can Markets Help?



Investigating Market Based Instruments in NRM



Natural Heritage Trust

Helping Communities Helping Australia
An Australian Government Initiative

Market Based Instruments

What are MBIs?

Market Based Instruments (MBIs) are “tools” that use a range of market-like approaches to positively influence the behaviour of people. MBIs can achieve outcomes by altering market prices, setting a cap or altering quantities of a particular good, improving the way a market works, or creating a market where no market currently exists. This brochure discusses the application of MBIs to natural resource management (NRM) and environmental problems.

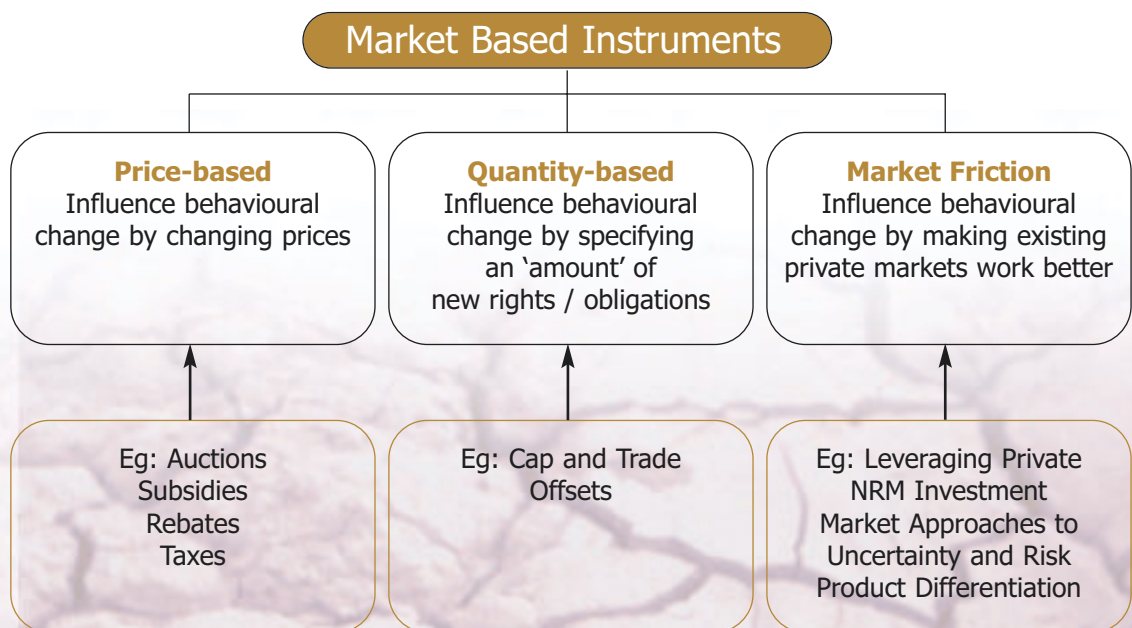
Australia is facing a range of complex NRM problems including water quality, salinity, biodiversity decline and soil erosion. Governments, industry, communities and individuals invest significant levels of funding each year towards addressing these NRM problems. To improve the efficiency and effectiveness of this expenditure a range of MBIs are currently being tested or implemented across Australia.

A wide range of policy, legislative and planning instruments guide the use of natural resources. MBIs have the potential to expand the management tools available to get better NRM outcomes.

Exploring the use of MBIs

In Australia, a number of different projects are either investigating ways to improve the use of MBIs in NRM through research or actually using MBIs on the ground for NRM outcomes. The *National Action Plan for Salinity and Water Quality National MBI Pilots Program* is one example of this on-going investigation.

This brochure introduces some of the MBIs currently being investigated in Australia. It also outlines the theory that underpins their potential benefits and some of the learnings to date from the *National MBI Pilots Program* and other MBI projects across Australia.



Why use MBIs?

NRM oriented MBIs have received increasing attention recently as they have the potential to deliver NRM outcomes at a lower cost than many traditional government instruments. MBIs can achieve this by allowing flexibility in the way participants choose to respond to the instrument. Similarly MBIs encourage change by those who can achieve the change most cheaply. For example, evaluations of BushTender in Victoria indicate that the MBI approach preserved 25% more vegetation than a grants scheme would have under the same budget (this is explained in more detail later).

MBIs also have the potential to put a positive incentive on better NRM, as compared to the negative (penalty) incentive that comes from regulation.

MBIs seek to correct “market failure”. Market failure in NRM occurs when the market does not give appropriate signals to participants that ensure natural resources are managed sustainably, for example the full cost of decisions are not reflected in the market. The primary causes of market failure are:

- **Externalities** – This occurs where firms or individuals do not bear all the costs and benefits of their action because they affect another user. This can lead to one person not being compensated for the damaging actions of another. For example, the cost of treating saline water is borne by the end user rather than at the source of the salt;
- **Public Goods** – A ‘public good’ is both non-rival and non-exclusive. It is non-rival if one person’s use does not diminish another person’s use. A good is non-exclusive if someone cannot be excluded from using it. For example, a lake may have significant environmental value, but individuals generally have little incentive to conserve it; and
- **Information** – This occurs where there is a general lack of information or where information is restricted to one part of the market (asymmetric information). This market failure has implications for the prices that consumers are willing to pay and for government policy setting. For example, it is

very difficult for a government to determine the amount a landholder should be paid to undertake an activity because the cost to an individual landholder will vary significantly.

There is also a concern in some quarters that more traditional policy tools (suasion and regulation) are not achieving the NRM outcomes the community desires. MBIs can complement these approaches by:

- allowing the flexible adoption of better NRM;
- encouraging innovation to achieve NRM outcomes;
- contributing to long-term and relatively self-sustaining solutions;
- leveraging private investment in NRM; and
- addressing market failures.



When to use MBIs

Over the past twenty years MBIs have received considerable attention around the world, however, our knowledge is still limited. MBIs are certainly not the answer to all NRM problems; rather they are an additional tool for the toolkit.

We do know that MBIs are best used when there are many ways of solving a problem and significant differences in the cost (to individuals and the community) of these solutions. In these situations MBIs can reduce compliance costs by encouraging greater change by those for whom change is relatively cheap, rather than asking all participants to make the same level of change. It is important to note that MBIs often rely on a regulatory framework to operate effectively.

Price Based MBIs

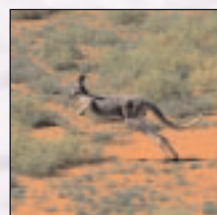
Price based MBIs can be used to address externality, public good and information market failures by working to correct price signals to encourage a change in behaviour, leading to the adoption of more sustainable practices. Price based MBIs include auctions, grants, rebates, subsidies and taxes.

Auctions of Land Management Contracts

An NRM auction enables the purchaser of better natural resource management (government, community group, etc) to choose the tenders that provide the greatest benefits at least cost.

The commodity auctioned in projects (to date) has been contracts for a landholder to manage an area of land. Management is for specific NRM outcomes, such as salinity reduction, in return for some payment. An auction can help the purchaser (for example the government or a community group) to understand the cost of changed management practices. At the same time, the landholder develops an understanding of the value of the natural resource to the community.

Under an auction the land managers in the region being considered tender bids for these contracts and the purchaser (such as government or a community group) then assesses the bids, ranks them and finally awards the contracts. A key element in an NRM auction is the bid assessment process. Typically, the government or community group assesses the bids by using an Environmental Benefits Index (EBI), or similar technique.



MBIs in Action: Examples

BUSH TENDER

Victorian Department of Primary Industries, North-East and North-Central Catchments, Victoria

Issue

This auction investigated incentives for improved management of remnant vegetation on private land.

Approach

The assessment process concentrated on improving the state of vegetation and targeting vegetation of high conservation priority. Actions offered by landholders in their bids were converted to a score reflecting the likely improvement those actions would make to the vegetation from its present state. Evaluations have indicated that the auction preserved 25% more native vegetation than a fixed price auction (or grants scheme) making the same investment.

CATCHMENT CARE (National MBI Pilot)

Onkaparinga Catchment Water Management Board and CSIRO, Mount Lofty Ranges, South Australia

Issue

This auction is targeting the management of stream banks and adjoining lands to protect biodiversity value, and improve water quality.

Approach

The pilot's focus is on reducing the risk of further degradation, compared to the improved resource condition assessment used in many auction Environmental Benefits Index (EBI). Risk is measured as a function of environmental value and degradation risk, in this case focusing on water quality and biodiversity. Accordingly, the EBI ranks highest (for funding) those bids that remove or reduce threats to high value assets at the best price.

Table 1 – Simplified Environmental Benefit Index

Decision Criteria		Project 1		Project 2	
	Assessment	Score	Assessment	Score	
Salinity Risk	Low	4	Very high	10	
Land-use change	Improved cropping practices	3	Cropping-Perrenial pasture	6	
Area	15ha - medium	5	40ha - high	8	
Management Actions	No management plan	0	Comprehensive 10 year management plan	10	
Project Merit	Total Score	12/40	Total Score	34/40	
Project Cost	Bid Price	\$1500	Bid Price	\$5000	
EBI	=(Total score/Bid Price)*100	0.80	=(Total score/Bid Price)*100	0.68	

Note: This table is for illustrative purposes – typically EBIs are much more complex, due to weightings and interactions between issues. Ways to improve the accuracy of EBIs and environmental assessment processes is one of the key topics for investigation in relation to auctions.

MULTIPLE-OUTCOME AUCTION OF LAND-USE CHANGE (National MBI Pilot)

Victorian Department of Primary Industries, Goulburn-Broken Catchment, Victoria

Issue

Whether an incentive mechanism can deliver multiple outcomes from changes in private land management and use.

Approach

This pilot is investigating the provision of incentives to landholders to change land management or use. The aim is to simultaneously improve salinity, biodiversity and water quality and quantity, as these issues are frequently inter-related. The pilot has developed an Environmental Benefits Index (EBI) that measures the positive and negative outcomes (direct and indirect) of land use change, and thus enables comparison of alternative bids from landholders. For instance, planting trees can provide biodiversity, salinity and nutrient run-off benefits, while simultaneously reducing the quantity of water in a stream.

TOOLS TO ACHIEVE LANDSCAPE REDESIGN GIVING ENVIRONMENTAL/ ECONOMIC TARGETS (TARGET)

NSW Department of Infrastructure Planning and Natural Resources (DIPNR) and Macquarie, Lachlan and Castlereagh Catchment Management Boards, Central-West New South Wales

Issue

This auction, conducted as a sub-component of the larger TARGET project, sought to investigate two issues: auction transparency and how to calculate a reserve price.

Approach

The TARGET auction developed a simple tabular scoring system. This could be shown to landholders to explain how their project would be assessed and to help them target their project design. The auction also estimated the maximum amount the community would pay for environmental benefits (a reserve price). If the bid price was less than this reserve then the bid was eligible for funding. This approach facilitated negotiation with the participant to deliver further environmental services in return for an increase in funding under the reserve price level.

Subsidies and Grants

Although technically not market based instruments, NRM oriented subsidies and grants are similar to an auction in that they use a financial incentive to encourage specific activities. Typically, they are allocated on a fixed price basis. Where there are significant differences between the costs for change by landholders, a grant or subsidy will not capture these potential savings. This loss in cost-efficiency needs to be balanced with reduced transaction costs associated with running a subsidy or grant scheme when compared to other market based instruments.

MBIs in Action: Examples

ENVIROFUND

Australian Government Natural Heritage Trust, Australia-wide

Issue

Private interest is essential to the long-term sustainability of Australia's natural resources. Community groups have the potential to leverage private interest in NRM outcomes, but funding from this source is often inadequate to address NRM issues at the local scale.

Approach

Envirofund is the local action component of the Australian Government's Natural Heritage Trust. It helps communities undertake local projects aimed at conserving biodiversity and promoting sustainable resource use. Envirofund projects include tree planting, fencing, weeding and seed collecting, water course rehabilitation, demonstration of sustainable agricultural techniques as well as training and education activities to help community groups improve their knowledge about the environment and sustainable agriculture.

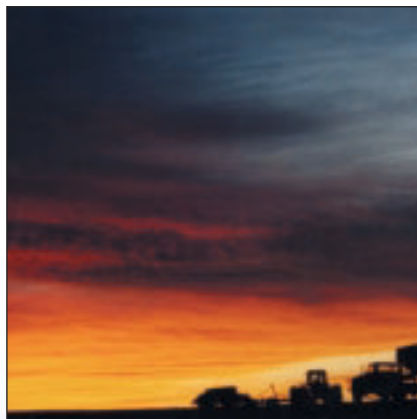


Rebates

NRM rebates refund a portion of the cost of a specific action, thereby using a financial incentive to encourage positive practices. The principle criticism of rebates is that they are difficult to target to specific outcomes because they do not necessarily result in a desired level of activity. Rebates are sometimes delivered through the tax system, but they can also involve a direct payment.

Taxes

Taxes can either impose an additional cost on transactions ('disincentive' effect), or reduce the cost ('incentive' effect) to undertake positive actions. Unfortunately, obtaining accurate information about the implementation and compliance costs associated with particular outcomes is difficult, which makes the targeting of taxes problematic. Also, the implementation and compliance costs associated with taxes can be significant and they are difficult to monitor in relation to other aspects of the tax system.



LANDCARE AND WATER FACILITIES TAX DEDUCTIONS

Australian Government, Australia-wide Issue

Government funding is unable to address all natural resource management (NRM) issues, subsequently private interest (particularly sustainable agriculture) needs to be encouraged.

Approach

To encourage the adoption of more sustainable agricultural practices, capital expenditure associated with landcare and water facilities (under certain conditions) is tax deductible under the Income Tax Act. Landcare works include: eradication or extermination of animal and plant pests; preventing or combating land degradation other than by the erection of fences on the land; the construction of drainage works to drain low-lying areas or to reduce salinity. Water facilities include: earth tanks, wells and pipes.

CONSERVATION COVENANTS

Australian Government Department of the Environment and Heritage, A Range of State Government Agencies and Nature Conservation Organisations, Australia-wide

Issue

Conservation on private land is needed to preserve Australia's ecological diversity and integrity.

Approach

A conservation covenant is a voluntary agreement between a landowner and an authorised body to help the landowner protect and manage the environment on their property. It is usually registered on the title of the land and can apply to all or part of a property. In some cases tax concessions may be available to landowners entering into a perpetual conservation covenant. Concessions include an income tax deduction for any decrease in land value as a result of entering into a conservation covenant and special treatment of capital gains tax where a conservation covenant is entered into, and the landowner receives money or property for doing so.

Quantity Based MBIs

Quantity based MBIs have the potential to address externality, public good and information market failures at least cost by enabling flexible compliance with NRM and environmental requirements. Quantity based MBIs include cap and trade, and offsets.

Cap and Trade

NRM oriented cap and trade mechanisms create a market to facilitate the trade of an environmental good (e.g. water) or pollutant (e.g. salinity). There are three components to this type of market creation:

- 1 A monitorable and enforceable quantity cap is placed on the market that limits the quantity of resource used or allowable emission in a defined area;
- 2 Entitlements are defined (property rights) and distributed among the users; and
- 3 A market is created to enable trading of entitlements.

The quantity cap and trading rules are key elements of the mechanism. The quantity cap must be based on comprehensive scientific information so that the desired outcome is achieved. In addition, the market usually has specific trading rules to avoid point source pollution, or inappropriate trading.

A cap and trade mechanism can 'open up' options for low cost pollution abatement or natural resource management by encouraging greater change by those for whom change is relatively cheap. Any excess change can then be on-sold to those for whom change is relatively expensive. This reduces the total cost of compliance, relative to a one-size-fits-all approach.

Cap and trade arrangements are typically applied to point-source resource management issues (e.g. pollution through a smokestack), as it is relatively cheap to monitor compliance. However, a number of projects are currently investigating the application of cap and trade to diffuse source resource management issues, as discussed here.

MBIs in Action: Examples

TRADEABLE NET RECHARGE CONTRACTS IN COLEAMBALLY IRRIGATION AREA (National MBI Pilot)

CSIRO Sustainable Ecosystems, Lachlan-Murrumbidgee Catchments, New South Wales

Issue

Rising water tables are causing significant salinity effects in irrigated agriculture areas.

Approach

This project is investigating the potential to negotiate recharge contracts with irrigators to cap the recharge into groundwater systems, and subsequently reduce salinity. A market is being set up so that the credits resulting from these contracts can be traded between farmers. Farmer's can then either change their management to meet or exceed their cap and sell any excess, or purchase extra credits from other participants. This creates an incentive for those farmers with the lowest abatement costs to over-abate and on-sell their credits.

CAP AND TRADE FOR SALINITY – A LABORATORY EXPERIMENT (National MBI Pilot)
Department of Primary Industries
Victoria, Lower Murray Region Victoria and South Australia

Issue

Saline run-off is adversely impacting on many of Australia's river systems.

Approach

This pilot is using experimental economic methods to estimate the relative efficiency and cost effectiveness of a cap and trade approach to managing salinity arising from irrigated agriculture. The current system for managing salinity in the Sunraysia region involves the use of salinity impact zones and levies on water trade to reduce the application of water in salinity risk areas. A cap and trade system would target saline impacts directly and encourage private sector abatement as a complement to state and joint interception schemes. The experimental results will be analysed to estimate the efficiency and cost effectiveness of existing and new policy mechanisms.

Offsets

An NRM offset is an off-site action that counterbalances a polluting or environmentally degrading activity on-site. As a result, offsets help achieve economic development and environmental protection at the same time. The 'no net impact' (all impacts must be avoided or offset) rule is typically applied. Developers have the option of either undertaking the action themselves or paying others to do so on their behalf.

Offsets have the potential to achieve environmental outcomes (potentially defined by a regulatory bar) at lower cost than on-site mitigation. Thus offsets can lead to a win-win, reduced costs of development and higher environmental standards. The fact that there is a regulatory standard associated with development is also significant to the design of offsets, as they provide a way of meeting the regulatory bar in ways that are more efficient.



MBIs in Action: Examples

GREEN OFFSETS FOR SUSTAINABLE REGIONAL DEVELOPMENT (National MBI Pilot)

NSW Department of Environment and Conservation, Namoi-Gwydir, Macquarie-Castlereagh and Murray Catchments, New South Wales

Issue

This pilot is seeking to manage salt loads to stressed rivers in the Murray-Darling Basin by undertaking offset field pilots in three areas of regional NSW. Certain industries contribute significantly to the salt load in the catchment and are looking for flexible cost effective mechanisms to meet environmental goals, to continue activities or for proposed expansion.

Approach

The point source dischargers will be able to offset their emissions by investing in works that reduce saline loads from diffuse sources, thus creating a form of market for the provision of offset actions. The project will test key aspects of when and how to apply offsets – modelling predicted outcomes, establishing sound contractual arrangements for their use and developing protocols for verifying outcomes.

ESTABLISHING THE POTENTIAL FOR OFFSET TRADING (National MBI Pilot)

Central Queensland University, Fitzroy River Central Queensland

Issue

The Fitzroy River 's water quality is impacted by both point and non-point sources, including irrigation, grazing, dryland farming, industry and urban sources.

Approach

This project is exploring the potential use of cap-and-trade pollution permits as well as modelling the potential supply of offset actions from landholders to improve water quality. Unlike other laboratory projects, this project uses choice experiments. Choice experiments involve people being given sets of alternatives and making decisions about which alternative best suits them. For instance, the willingness of irrigation farmers to buy/implement offsets as regulatory standards are progressively tightened will be assessed, as compared to the cost of on-farm actions.

Market Friction (making markets work better)

Market friction mechanisms work to improve the functioning of an existing market (this may include developing a new market to interact with the target market). They achieve this by providing more information to the market, or facilitating private investment in NRM oriented activities. Market friction mechanisms address information and externality market failures.

These MBIs include market approaches to reduce uncertainty and risk (e.g. insurance), leverage private NRM investment and differentiate products.



Market Approaches to Uncertainty and Risk

Land managers face a number of environmental and climatic risks that if managed poorly could lead to environmental degradation. Examples of environmental and climatic risks include drought, flood, hail, pests, disease, weeds, soil acidification and salinity. Similarly, investment in actions that deliver commercial and NRM outcomes is not implemented because of perceptions of high financial risk.

Better risk management has the potential to reduce environmental impacts and improve the viability of agricultural operations. A number of studies are currently exploring the potential for better risk management techniques to deliver improved NRM outcomes. Techniques being considered are:

- Improved information on the benefits of innovative practices;
- Insurance against financial loss; and
- Improved financial practices.

MBIs in Action: Examples

INCREASING THE ADOPTION OF SUSTAINABLE FARMING PRACTICES (National MBI Pilot)

South Australian Department of Water Land and Biodiversity Conservation, CSIRO, EconSearch Pty Ltd and QBE Mercantile Mutual, Northern Murray Mallee, SA

Issue

The risks associated with the adoption of new cropping systems are perceived to be slowing uptake. Also, insurance companies have been traditionally unwilling to offer NRM oriented insurance products.

Approach

This pilot is testing the potential for a privately delivered conservation insurance scheme. The insurance mechanism would be designed to encourage farmers to adopt more sustainable cropping system (as developed by the Mallee Sustainable Farming Project). Successful development and delivery of an insurance product may result in the increased adoption of sustainable cropping systems and development of other conservation insurance products by the broader insurance industry. The pilot is also investigating the role for government in a conservation insurance mechanism.



Leveraging Private NRM Investment

The recognition that many NRM activities could deliver a commercial benefit has motivated the concept of leveraging private investment to complement public investment. Commercial benefits can include improved:

- productivity;
- market access;
- environmentally friendly produce; and
- public perception.

Leveraging private investment can be achieved by:

- establishing links between investors and farmers;
- creating financial intermediaries to facilitate links; and
- gap funding non-commercial or near commercial activities that may deliver NRM outcomes (this involves the use of a price based MBI).

Leveraging private investment can be a cost-effective measure as it has the potential to deliver significantly greater outcomes per dollar of public monies spent. In turn this may free up public funding for alternative purposes.



MBIs in Action: Examples

CREATING POSITIVE LAND USE CHANGE WITH A NRM LEVERAGE FUND (National MBI Pilot)

Greening Australia, Australia-wide

Issue

Investigating whether commercial and NRM activities can be complementary, and thereby deliver NRM outcomes at lower cost.

Approach

This pilot is establishing a non-profit fund for leveraging greater 'public good' NRM outcomes. The fund will be supported by an initial 'seed' investment by the community. The fund is using financial strategies including:

- underwriting commercial finance;
- risk sharing;
- equity investments;
- NRM business advice; and
- brokering business partnerships to deliver NRM outcomes for the community.

COMMERCIAL AND ENVIRONMENTAL FORESTRY (CEF)

CSIRO, Australian Government Department of Agriculture Fisheries and Forestry and Goulburn-Broken Catchment Management Authority, Department of Primary Industries Victoria, the Murray Darling Basin Commission and the National Association of Forest Industries.

Issue

This project is investigating whether government funds can be cost-effectively invested to leverage private investment in forestry for commercial and environmental outcomes.

Approach

CEF is investigating the potential to simultaneously combine NRM outcomes (for instance salinity and biodiversity) with commercial necessities (appropriate rate of return on investment) through a shared public/private investment in forestry plantations. The project is particularly looking at regions where low-medium rainfall means a commercial return from forestry is not possible. The project is initially focusing on the South West Goulburn Broken catchment; however, it is developing tools that aim (more generally) to inform government and commercial investors, particularly focusing on reducing risk.

Product Differentiation

If a farmer can demonstrate that they have produced a product in a manner that looks after the natural resource base, this may generate opportunities to differentiate the product in the market and potentially provide market access and/or a commercial premium. This is often referred to as eco-labelling and it typically relies on an environmental management system (EMS) or environmental assurance program to demonstrate improved practices.

When a market values a more resource friendly product a price premium may result, with a subsequent win-win for the land manager and the environment.



MBIs in Action: Examples

ENVIRONMENTAL LABELLING IN THE PASTORAL INDUSTRIES (EMS National Pilot Project)

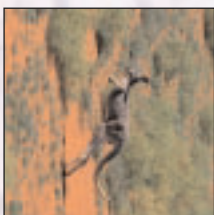
Queensland Department of Primary Industries, Western Queensland

Issue

The benefits of differentiating products in the market place according to the quality of the NRM associated with production are as yet unclear, that is, whether markets are willing to pay a premium for more sustainably produced goods.

Approach

This project, funded under the Australian Governments Environmental Management Systems (EMS) National Pilot Program, is investigating the potential of EMS to form a foundation for a produce differentiating eco-label for the pastoral industries of Western Queensland. This will be achieved by trialing the introduction of an EMS on 30 farms and creating links between the program participants and markets. Benefits to the producer could include continued or improved market access and potentially market premiums.



Some Australian MBI Projects

Project Details

Project	Type	Instrument	Region	NRM Issues Targeted				Contact Organisation
				Water	Salinity	Biodiversity	Other	
BushTender	Price	Auction	Victoria			X		Victorian Department of Primary Industries
Land Management Tenders	Price	Auction	Liverpool Plains, New South Wales	X	X	X		Liverpool Plains Land Management Committee
Establishing Landscape Corridors	Price	Auction	Burdekin-Fitzroy, Queensland (Southern Desert Uplands)			X		Desert Up-lands Build Up and Diversity Committee
Multiple-outcome auction of land-use change	Price	Auction	Goulburn-Broken Catchment, Victoria	X	X	X		Victorian Department of Primary Industries
TARGET	Price	Auction	Central-West, New South Wales	X	X	X		NSW Department of Infrastructure Planning and Natural Resources
Catchment Care	Price	Auction	Mt Lofty Ranges, South Australia	X		X		Onkaparinga Catchment Management Board
Auction for Landscape Recovery	Price	Auction	Avon Catchment, Western Australia		X	X		World Wide Fund for Nature
CarbonTender	Price	Auction	Gippsland, Victoria		X	X		Victorian Department of Sustainability and Environment
Environmental Services Scheme	Price	Auction	New South Wales	X	X	X		NSW Department of Infrastructure Planning and Natural Resources
Envirofund	Price	Subsidies	Australia-wide	X	X	X		

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Market Based Instruments

Price-based

Quantity-based

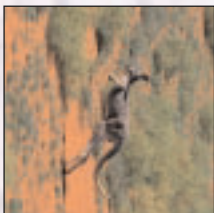
Market Friction

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Project Details

Project	Type	Instrument	Region	NRM Issues Targeted				Contact Organisation
				Water	Salinity	Biodiversity	Other	
Landcare and Water facilities deductions	Price	Tax	Australia-wide	X	X	X		Australian Government Departments of Agriculture Fisheries and Forestry and the Environment and Heritage
Conservation Covenants	Price	Taxes/Rebates	Australia-wide		X	X		Australian Government Departments of Agriculture, Fisheries and Forestry and the Environment and Heritage
Water Trading	Price	Cap and Trade	Most Regulated Rivers	X	X			Australian Government Department of the Environment and Heritage
Hunter Salinity Trading Scheme	Quantity	Cap and Trade	Hunter Valley, New South Wales	X	X			Australian Government Department of Agriculture, Fisheries and Forestry
Tradeable Net Recharge Contracts	Quantity	Cap and Trade	Colleambally Irrigation Area, New South Wales	X	X			NSW Department of Environment and Conservation
Cap and Trade for Salinity	Quantity	Cap and Trade	Lower Murray	X	X			CSIRO Sustainable Ecosystems
Recharge Credit Trading	Quantity	Cap and Trade	Lachlan Murrumbidgee, New South Wales		X			Victorian Department of Primary Industries
Creating the potential for Offset Trading	Quantity	Offsets/Cap and Trade	Emerald Irrigation Area/ Lower Fitzroy River, Queensland	X	X		X	CSIRO Land and Water
Green Offsets	Quantity	Offsets	New South Wales	X	X			Central Queensland University
Biodiversity Offsets	Quantity	Offsets	South Australia			X		New South Wales Department of Environment and Conservation

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Project Details

Project	Type	Instrument	Region	NRM Issues Targeted				Contact Organisation
				Water	Salinity	Biodiversity	Other	
Commercial and Environmental Forestry	Market Friction	Leveraging Private Investment	Goulburn-Broken Catchment, Victoria	X	X	X	X	Australian Government Department of Agriculture, Fisheries and Forestry
Conservation Insurance	Market Friction	Risk Management	Lower Murray, South Australia	X	X		X	South Australian Department of Water, Land and Biodiversity Conservation
Greenbank	Market Friction	Leveraging Private Investment	Australia	X	X	X	X	Greening Australia
Pastoral Eco-labelling	Market Friction	Product Differentiation	Queensland	X	X	X		Queensland Department of Primary Industries and Fisheries

Market Based Instruments

Price-based

Quantity-based

Market Friction

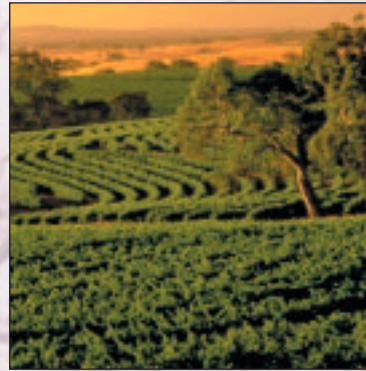
Notes

Want more MBI information?

Visit the website

**National Action Plan for Salinity and Water
Quality National MBI Pilots Program**

www.napswq.gov.au/about/mbi/index.html



Contact the Australian Government

**Department of Agriculture, Fisheries
and Forestry**

Ph: (02) 6272 3933

www.daff.gov.au

**Department of the Environment and
Heritage**

Ph: (02) 6274 1111

www.deh.gov.au

Contact your State Government

**NSW Department of Environment and
Conservation**

Ph: (02) 9995 5000

www.dec.nsw.gov.au

Agriculture Western Australia

Ph: (08) 9368 3333

www.agric.wa.gov.au

**NSW Department of Infrastructure,
Planning and Natural Resources**

Ph: (02) 9762 8044

www.dipnr.nsw.gov.au

**South Australian Department of Water,
Land and Biodiversity Conservation**

Ph: (08) 8463 6800

www.dwlbc.sa.gov.au

**Victorian Department of Primary
Industries**

Ph: 136 186

www.dpi.vic.gov.au

**Tasmanian Department of Primary
Industries, Water and Environment**

Ph: 1300 368 550

www.dpiwe.tas.gov.au

**Victorian Department of Sustainability
and Environment**

Phone: 136 186

www.dse.vic.gov.au

**Northern Territory Department of
Infrastructure, Planning and Environment**

Ph: (08) 8999 5511

www.ipe.nt.gov.au

**Queensland Department of Primary
Industries and Fisheries**

Ph: 132 523

www.dpi.qld.gov.au

Environment ACT

Ph: (02) 6207 9777

www.environment.act.gov.au