

Dear Professor Newman,

Please find some information following, in regard to our Markets for Ecosystems Services project. It may be appropriate for inclusion in the State Sustainability Strategy.

In November 2002 the Blackwood Basin Group, in conjunction with CSIRO, signed a 3 year contract to look into and develop possible markets for ecosystem services within the Blackwood region.

Stuart Whitten and Dave Shelton, from CSIRO Canberra, are heading up the Nation wide project. The Blackwood is one of a number of pilots occurring nationally.

Dave Shelton and Stuart Whitten visited the Blackwood in November 2002 and the following 5 ideas emerged from the community consultation process:

1. Review of current Blackwood Basin Group Incentives Program. This is a relatively "safe" option as a pilot and would examine alternative sources of funds to contribute to the landcare works currently underway, and whether the current systems could be adjusted to become more efficient.
2. Exploring new markets for biodiversity protection. This would examine philanthropic markets, cost sharing, property rights, covenanting, revolving funds etc. – but there was probably already a lot of this stuff happening already.
3. Nutrient allocation in management of waterways – possibly in the Lower Blackwood. This idea needs to be developed further and may explore offset-type trading, where farming practices polluting part of the system (eg. Nutrient enrichment of waterways) could pay to fix up other parts of the system. This could work in an area where regulation of landowners was a threat, but not an immediate possibility. Ross George thought that this could be a good pilot project to explore as there were a number of new agricultural developments in the Lower Blackwood, there were good planning documents, high biodiversity values, and there was some threat of regulation of farmers in the area by agencies.
4. Examining the cost effectiveness of paying farmers to harvest fresh water to reduce demand on scheme water. This project would need a lot more exploration to determine its feasibility – especially with respect to the cost-effectiveness of engineering to harvest fresh water.
5. Protection of road infrastructure by tree planting in strategic areas. This project idea would explore the feasibility of planting trees in strategic areas near roadsides, to limit/ slow down the negative effects of salinity and rising ground water to infrastructure. There was some discussion as to the amount of mapping data available, a suggestion to speak to Jerome Goh of Main Roads, and various ideas, including that salt sensitive trees could be planted as an early indicator of salinity.

These are simply ideas at this stage and will be developed further over the following months. Stuart Whitten will return to the Blackwood in February 2003 to workshop and evaluate the ideas further and narrow the choice down to 2 or 3, one of which will be developed to an advanced state during the 3 year lifetime of the project.

Further information on the project/s can be found at <http://www.ecosystemsproject.org/html/markets/index.htm>

Inclusion of [a summary] this information could possibly apply to Chapter 5, Sustainable use of Natural Resources, Sustainable Agriculture – Actions Underway.

Please contact me for any further information.

Regards,
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