



19 November 2020

Mr Ted O'Brien, MP
Chair
House of Representatives Standing Committee on the Environment and Energy
Department of the House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Standing Committee,

Australian Wildlife Conservancy/Government/Private Sector Partnership Proposal

I am writing to you in relation to Australian Wildlife Conservancy's (AWC) proposal to partner with the Australian Government to deliver a globally significant conservation project which will provide a measurable response in the conservation outcomes of up to 27 threatened species whilst also generating employment in regional and rural communities.

AWC has been engaging in ongoing discussions with government in relation to this Proposal. The Proposal will utilise is an innovative 10 year \$50 million Biodiversity Impact Bond (BIB) which will be invested in by Australian superannuation funds (First State Superannuation) and be matched dollar for dollar by philanthropic contributions to AWC, resulting in projects with a total value of circa \$100 million. Importantly, the Proposal will deliver circa \$100 million of projects but will have no impact on the Federal Budget over the forward estimates.

AWC's Proposal directly addresses:

- conservation outcomes;
- bushfire recovery support and economic stimulus in regional and remote communities; and
- commercial outcomes including risk transfer.

Conservation Outcomes

- This project will support species under threat across Australia, and also within the fire impact zones of South East Australia (potentially, Kangaroo Island, East Gippsland and East Coast Forests).
- The partnership will improve the trajectories of up to 27 species listed as part of the Government's Threatened Species Strategy including up to 10 on the "priority list" – providing a cost effective outcome for policy objectives.
- AWC is Australia's leading private conservation group and the only non-government organisation to have carried out nearly 400 translocations involving 20 mammal species, including 12 nationally threatened mammal species.
- AWC is the only organisation to have established multiple large (1,000 ha+) fenced predator free areas on mainland Australia.

Bushfire Recovery and Economic Stimulus

- The Proposal leverages AWC committing \$50 million in philanthropic contributions – doubling the value of the projects to circa \$100 million.
- The Proposal will provide immediate economic stimulus (in excess of the quantum spent) and species reintroductions in regional and remote communities directly impacted by the bushfires in Eastern Australia and by the fall in tourism as a result of COVID-19. AWC estimates that the \$50 million BIB would generate over \$150 million of economic value, including generating more than 30 new permanent roles and over 60 short-term positions.
- The Department of Finance has confirmed that the BIB when implemented, will not be included in the Government's current (cash) budget or forward estimates.

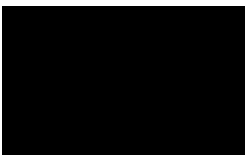
Commercial Outcomes including Risk Transfer

- The Government would wholly transfer risk and accountability for defined, objectively measured outcomes (i.e. Fenced Areas, Cleared Fenced Areas and establishment of Viable Populations) to a world-class operator in AWC.
- Bond terms would be structured to leverage the proven expertise of AWC, meaning risk to Government is low.
- The Proposal is cost effective as it costs less than a grant mechanism, with clearer outcomes and accountability.
- The returns available under the BIB are 100% outcome based with an effective cost to Government of between 0% and 3%*p.a. wholly dependent on outcomes achieved.
- The total cost to Government is significantly less than if Government provided a grant to fund \$100 million of similar projects.
- AWC (with its advisors) has been working on the BIB structure and terms for nearly two years.
- AWC has drafted a detailed Term Sheet which has been reviewed by First State Superannuation who has indicated it is comfortable with the structure and terms and would be interested to subscribe for the whole BIB. This remains true despite the impact of COVID-19.
- Macquarie and King & Wood Mallesons estimate that it would take two months to document and commence drawdowns on the bond.

AWC has a proven track record in partnering with Government on a range of projects including Yampi Sound Training Area (Department of Defence), Pilliga and Mallee Cliffs National Parks - Reintroduction of Locally Extinct Mammal Species (NSW Government). This project provides a mechanism to unlock significant institutional support for conservation programs and supports the Government's Threatened Species Strategy in relation to 'Building Partnerships'.

Please see attached a condensed version of our Proposal. The full Proposal which has been presented to various members of Government, provides further detail in relation to the bond, the proposed projects and measurable outcomes and is available on request.

Yours sincerely



Tim Allard
Chief Executive Officer
Australian Wildlife Conservancy

**to be agreed*