

# Biodiversity Impact Bond

November 2020

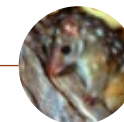




# Outcomes for Priority Species

The Agreed Projects will deliver dramatic improvement in the trajectories of up to 10 of the 20 “priority” mammals listed in the Australian Government’s Threatened Species Strategy

Threatened Species	Current Status	# Agreed Projects delivering Viable Populations
Mala	No remnant mainland populations. All remaining pop’s are in feral predator-free areas/ islands	2
Numbat	Highly restricted and fragmented remnant populations, total estimated size < 2,000 individuals	5
Golden Bandicoot	Once widespread, now close to extinction on mainland Australia; persists on feral predator-free islands	4
Central Rock Rat	Restricted to four small remnant populations, vulnerable to wildfire and feral cats	1
Greater Bilby	Restricted to only part of former range; populations are fragmented and continuing to decline	7
Brush-tailed Bettong (Woylie)	Restricted to remnant populations, has experienced a recent major decline	7
Black-footed Rock-wallaby	Restricted to remnant populations	2
Western Quoll	Restricted to remnant populations	7
Kangaroo Island Dunnart	Restricted to Kangaroo Island, small declining populations, <b>severely impacted by recent bushfires</b>	1
Western Ring-Tailed Possum	Small fragmented declining populations	1





## Outcomes for Other Threatened Species

The Agreed Projects will also deliver “viable populations” for 17 other threatened species

Threatened Species	Current Status	Projects
Northern Quoll	In steep decline across its range	1
Kowari	Highly restricted remnant distribution, in decline	1
Red-tailed Phascogale	Restricted to remnant woodlands SW WA and reintroduced pop's	5
Western Barred Bandicoot	Restricted to two remnant island populations and reintroduced populations	6
Burrowing Bettong	Restricted to three remnant island populations and two reintroduced populations	7
Northern Bettong	Restricted to two populations, <2000 individuals	1
Bridled Nailtail Wallaby	Restricted to one remnant population and AWC reintroduced population	2
Banded Hare-Wallaby	Restricted to two remnant island populations and reintroduced populations	2
Koala	Queensland, NSW and ACT populations in decline <b>Severely impacted by recent bushfires</b>	1

Threatened Species	Current Status	Projects
Dibbler	Once regarded as extinct, current classified “endangered”	2
Quokka	Restricted, fragmented distribution, in decline	1
Dusky Hopping-mouse	Highly restricted remnant distribution	2
Plains Mouse	Highly restricted remnant distribution	4
Shark Bay Mouse	Restricted to one remnant island pop'n and reintroduced pop's	5
Greater Stick-nest Rat	Restricted to one remnant island pop'n and reintroduced pop's	4
Heath Mouse	Currently classified as “near threatened”	2
Long footed Potoroo	Restricted distribution, small fragmented populations, <b>Severely impacted by recent bushfires</b>	1



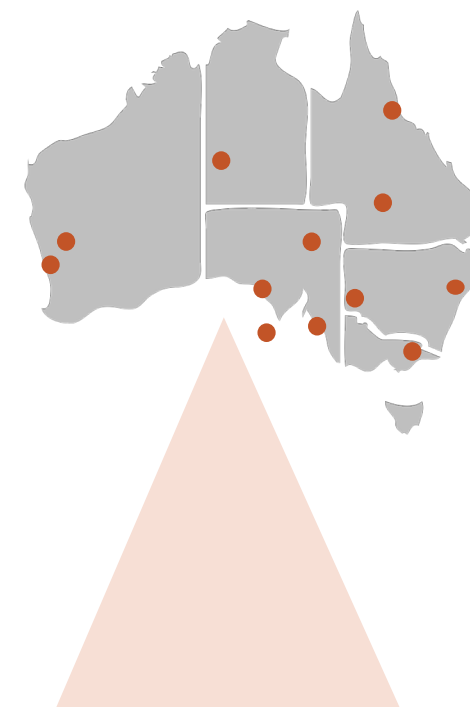
## The delivery of the Agreed Projects will deliver material and immediate economic benefit to affected areas and communities

**The BIB will deliver long-term positive economic outcomes (in excess of the quantum invested) to communities across various phases**

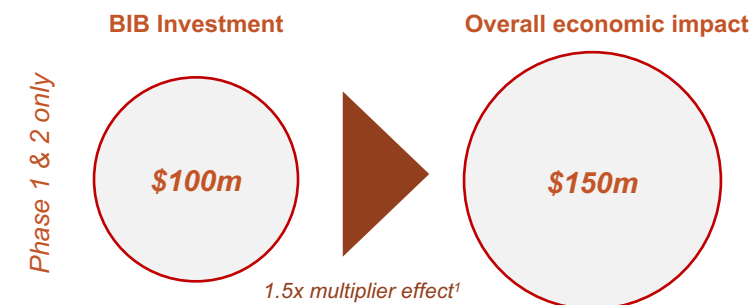
- The Agreed Projects are geographically diverse being spread across 6 States and Territories including bush fire effected areas in Victoria and South Australia including Kangaroo Island
- Of the \$100m allocated to the Agreed Projects, approximately \$26.7m will be spent within the first 4 years on the purchase of fencing materials and associated equipment
- Beyond this investment in fencing materials and equipment, the Agreed Projects will benefit regional communities through:
  - The creation of an estimated **43 permanent new jobs** all in regional communities including jobs in Land Management, Ecology and other supporting roles – jobs relate to the first 9 identified projects;
  - A further **34 short term positions** will be created through various phases of the projects such as feral eradication, species translocations etc
  - In addition, use of regional contractors for ongoing construction and maintenance means the Projects will stimulate a further 60 jobs
  - Purchase of materials from local suppliers
  - Increased tourism and education programs
  - Opportunities for regional indigenous communities (refer to page 11 for further information)
- Deliver benefits to the Australian and global scientific community though:
  - construct field research centres
  - publicly available results through scientific literature and various media
  - Interest by media in a globally significant conservation program



**Enhanced overall benefit to communities from a positive local multiplier effect**



**Illustrative economic impact**



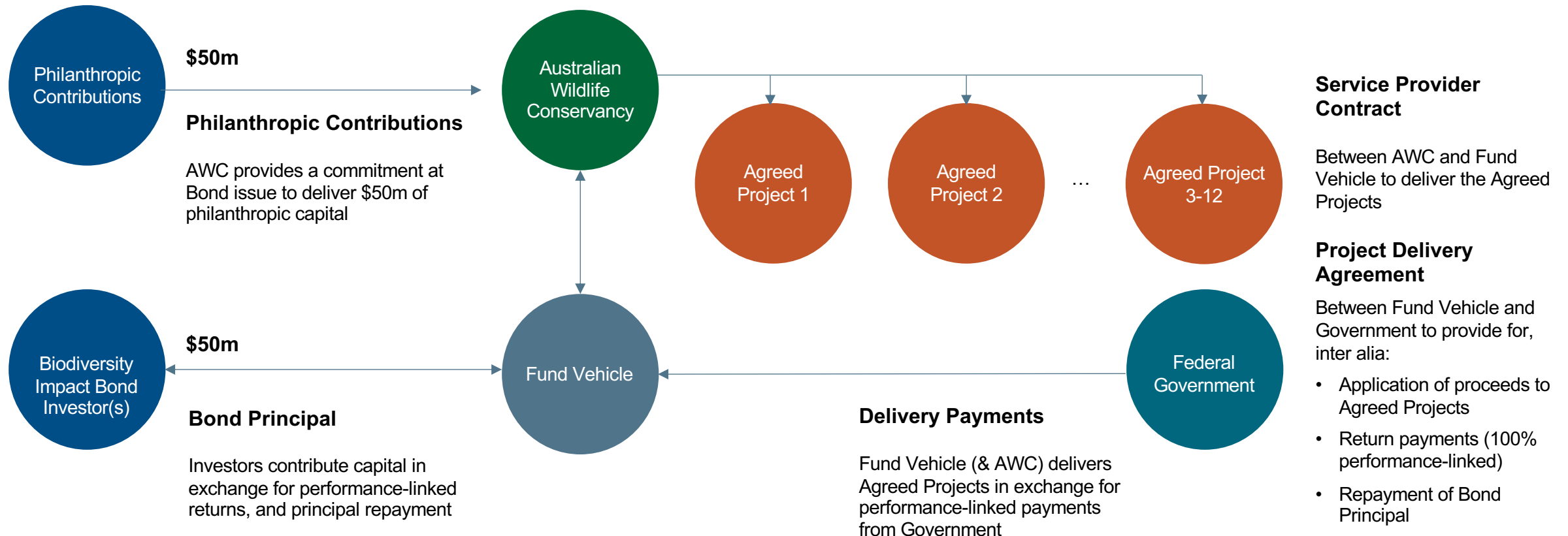
1. Multipliers calculated based on Reserve Bank of Australia's Research Paper "Estimating Marginal Propensities to Consume in Australia Using Micro Data" which estimates a marginal propensity to consume between 0.2 and 0.4, implying a multiplier between 1.25x and 1.67x



# Proposed Biodiversity Impact Bond Structure

Australian Wildlife Conservancy would deliver conservation projects utilising funding from philanthropic contributors and from the issue of a biodiversity impact bond to wholesale investor(s)

## Proposed Fund Structure





## Grant vs Bond

The Bond structure has numerous benefits over the traditional provision of grant funding

	Grant	Bond
Delivery risk is transferred to expert private sector operator	✓	✓
Innovative – accessing vast pool of superannuation funds	✗	✓
Catalyse a philanthropic raise	✗	✓
Total value of projects delivered	\$50m	\$100m
Effective cost of funding	10 Year Government Bond Rate	0% – 2%
Outcome based payments/accountability	✗	✓
Included in cash budget	Yes	No – not until 2030
Liquid (ie capable of being traded)	✓	✗
Capacity to be replicated across other environmental projects	n/a	✓