

VALUING THE BENEFITS OF WATER SENSITIVE PROJECTS: AN APPLICATION TO TARRALLA CREEK RENATURALISATION

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TIME IS MONEY

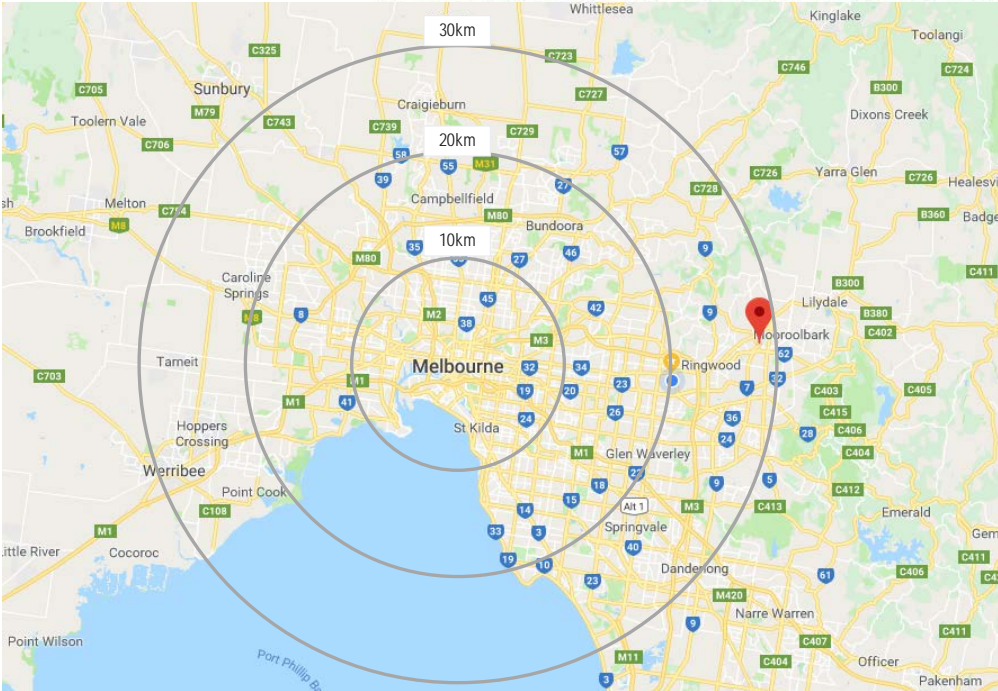
BENJAMIN FRANKLIN



CONTENT

1. Project Background & Drivers
2. Economic Evaluation Tools
3. Engagement Process
4. Next Steps







Project Drivers:

- Protect and enhance public green space
- Provide public health, environmental and economic benefits to the community



ECONOMIC EVALUATION TOOLS



CRC for
Water Sensitive Cities



INFFEWS Value Tool

Industry Note
Project IPR2



CRC for
Water Sensitive Cities



INFFEWS Benefit: Cost Analysis Tool

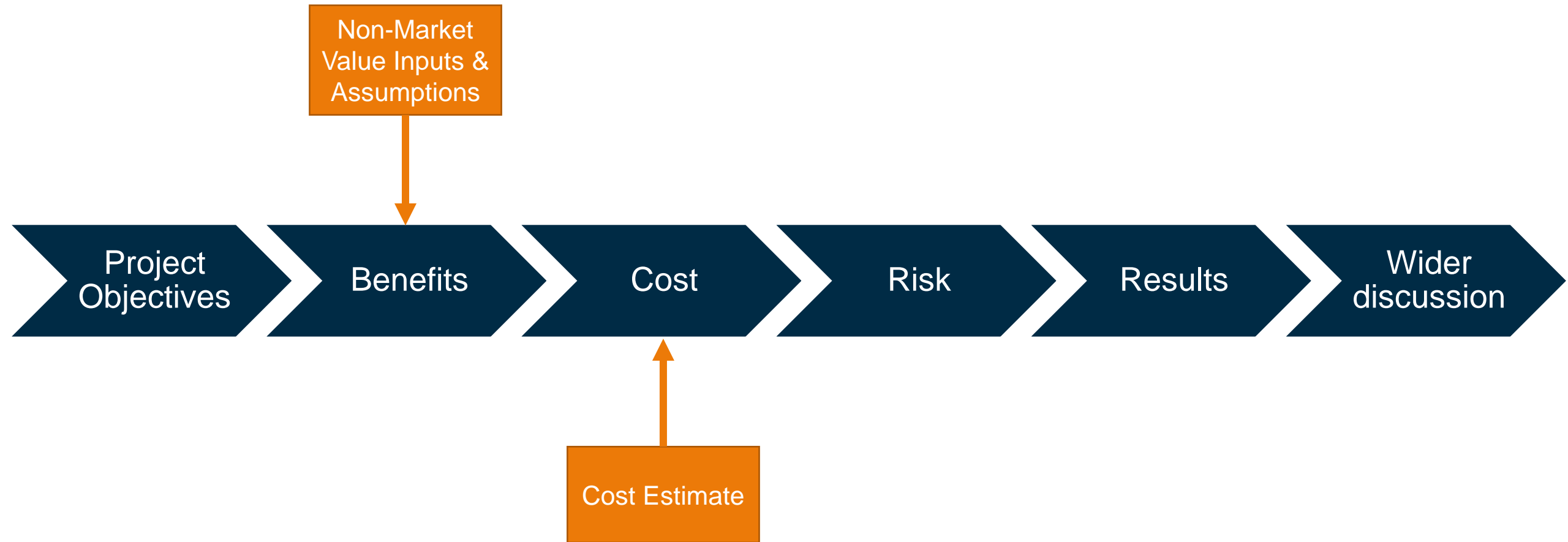
Industry Note
Project IPR2



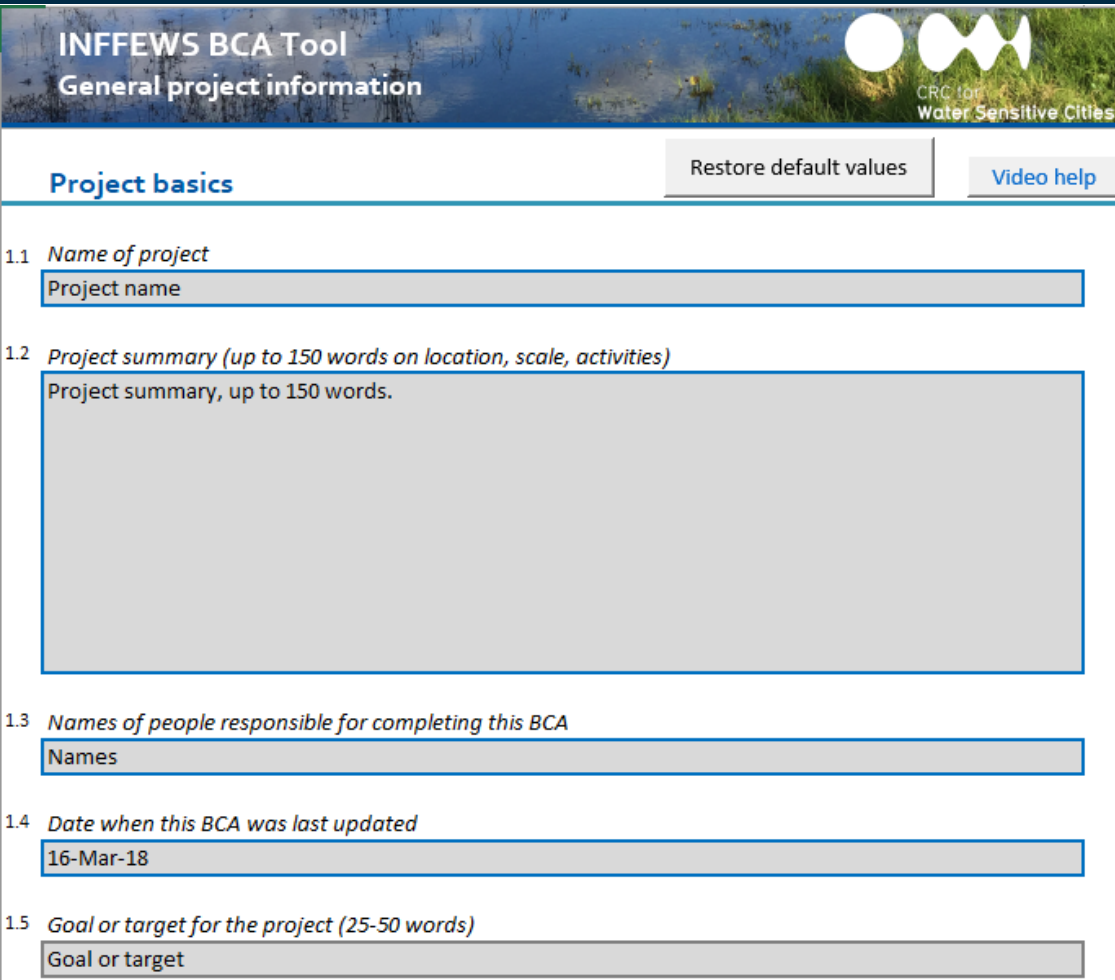
HEALTH BENEFITS FROM WATER CENTRIC LIVEABLE COMMUNITIES

A REPORT PREPARED FOR THE WATER SERVICES
ASSOCIATION OF AUSTRALIA (WSAA)

THE DISCUSSION PROCESS



GETTING EVERYONE ON THE SAME PAGE



The screenshot shows the 'General project information' section of the 'INFEWS BCA Tool'. The header features a background image of a pond with reeds and a logo for 'CRC for Water Sensitive Cities'. Below the header, there's a 'Project basics' tab and two buttons: 'Restore default values' and 'Video help'. The form contains five numbered sections, each with a text input field:

- 1.1 *Name of project*: Project name
- 1.2 *Project summary (up to 150 words on location, scale, activities)*: Project summary, up to 150 words.
- 1.3 *Names of people responsible for completing this BCA*: Names
- 1.4 *Date when this BCA was last updated*: 16-Mar-18
- 1.5 *Goal or target for the project (25-50 words)*: Goal or target

- Clear project objectives
- Project activities
- Understand impacts on the community with and without the project



Improved
Amenity

Improved
waterway health

Reduced
Nitrogen
Discharge

Potable Water
Savings

Improved health
from access to
greenspace

Increase in
biodiversity

Improved health
from active
recreation

Increased
Community
Activation &
Participation

Improved access
to Sustainable
Transport options

EXAMPLE BENEFIT: ECOLOGICAL IMPROVEMENT – STREAM HEALTH

Measure	Value	Payment
Willingness-to-pay	\$88 per household	Annual
32,000 = Croydon Population		
2.4 = Average Household Size		
\$1.2M of benefit generated per year		

EXAMPLE BENEFIT: IMPROVED AMENITY

Measure	Value	Payment
% changes in property prices from proximity to a wetland per affected house	0.14%	Once-off
\$770,000 = Croydon Median House Price		
1886 Houses Impacted by future wetland within 400m radius		
\$1.8M of benefit generated		



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OVERALL BCA RESULTS

Benefits (present value)	\$19.4M
Costs (present value)	\$15.5M
Net Present Value (NPV)	\$3.9M
Benefit: Cost Ratio (BCR)	1.25

WHAT IS THE VALUE TO DIFFERENT STAKEHOLDERS?

Benefit	Total PV	 Melbourne Water	 Maroondah City Council	 Yarra Valley Water	Potential other partners
Improved stream health	\$16.4M	?	?	?	?
Improved human health	\$1.3M	?	?	?	?
Improved amenity	\$1.8M	?	?	?	?
Reduced Nitrogen to Port Phillip Bay	\$2.9M	?	?	?	?
Drinking Water Savings	\$0.4M	?	?	?	?

WHAT DOES THIS MEAN FOR YWW?



KEY POINTS

- BCAs can be used as a process to facilitate discussions
- Many tools can be used but these tools are user-friendly and robust
- Monetised benefits can help realise the value of projects
- We all have an increasing role to play but clear benefits can provide links back to organisational priorities

