

RECOMMENDATION  
HAWKESBURY NEPEAN  
CATCHMENT ACTION PLAN

November 2006





## RECOMMENDATION

# HAWKESBURY NEPEAN CATCHMENT ACTION PLAN

## Enquiries

Enquiries about this report should be directed to:

Tim Stubbs

Phone (02) 8227 4300

E-mail [Tim.Stubbs@nrc.nsw.gov.au](mailto:Tim.Stubbs@nrc.nsw.gov.au)

Postal address GPO Box 4206, Sydney NSW 2001

## List of acronyms

|     |  |
|-----|--|
| CAP | Catchment Action Plan                      |
| CMA | Catchment Management Authority             |
| DEC | Department of Environment and Conservation |
| DNR | Department of Natural Resources            |
| DPI | Department of Primary Industries           |
| JSC | Joint Steering Committee                   |
| NRC | Natural Resources Commission               |
| NRM | Natural Resource Management                |
| NSW | New South Wales                            |
| PVP | Property Vegetation Plan                   |

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Document No. DO6/2827

ISBN: 1 921050 24 1

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# 1 Introduction and overview

The Natural Resources Commission (NRC) has reviewed the Hawkesbury Nepean Catchment Action Plan (CAP) and recommends that this CAP be approved. The NRC further recommends that the Minister require the Catchment Management Authority to undertake a review of the Catchment Action Plan within 2 years of approval to incorporate its progress on the specific actions identified in this report.

CAPs are an important component of the new institutional model for delivering natural resource management (NRM) in NSW. Under this model, 13 Catchment Management Authorities (CMAs) are responsible for planning and investing in NRM within their catchments. Each CMA has developed a CAP to use as a 10-year strategic plan or 'investment portfolio' for NRM in its region. These CAPs should set clear directions for all NRM activities in their regions and should integrate other NRM plans, including regional strategies, water sharing plans and regional conservation plans. Ultimately, the CAPs should set the direction for an integrated, whole-of-government approach to achieving catchment and state-wide targets, and should become the primary vehicle for public and private investment in NRM.

The NRC is required to advise the Minister for Natural Resources on whether or not to approve the CAP prepared by each CMA. Specifically, the NRC must determine whether each CAP complies with the *Standard for Quality Natural Resource Management*<sup>1</sup> (the standard) and promotes the state-wide targets for NRM.<sup>2</sup>

In addition, the NRC agreed to consider whether each CAP fulfils other specific requirements nominated by the NSW Government and Joint Steering Committee (JSC).<sup>3</sup>

## 1.1 Overview of findings

The NRC's recommendation is based on its findings that the Hawkesbury Nepean CAP:

- demonstrates a high level of compliance with the standard at this point in time
- provides a high degree of confidence that the targets will promote the achievement of the state-wide targets over time.

The CAP also fulfils all legislative and most other specific government requirements, however many of the targets are not yet completely SMART.<sup>4</sup>

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<sup>1</sup> Natural Resources Commission (2005) *Standard for Quality Natural Resource Management*. Available at <<http://www.nrc.nsw.gov.au/module.aspx?id=3>>.

<sup>2</sup> Natural Resources Commission (2005) *Recommendations: state-wide standard and targets*. Available at <<http://www.nrc.nsw.gov.au/module.aspx?id=3>>.

<sup>3</sup> Including the priorities set by the Australian Government and NSW Government Natural Resource Management Joint Steering Committee, NSW Department of Natural Resources, NSW Department of Environment and Conservation and NSW Department of Primary Industries.

<sup>4</sup> 'Specific, Measurable, Achievable, Relevant and Timebound' (SMART), see below for further details.

The NRC believes that the Hawkesbury Nepean CMA can continue to refine its CAP and targets and successfully work with its community to implement the CAP as:

- it has reasonable plans to improve its compliance with the standard and increase its organisational capabilities
- the recommended actions will focus the CMA on the key areas that require improvement
- the NRC will periodically review the CMA's progress.

The NRC considers that to successfully implement the CAP, the Hawkesbury Nepean CMA will require support from the government. This support will be necessary to:

- enable the CMA to enhance its internal knowledge and information management systems
- develop an effective monitoring and evaluation program, given the limited funding available and historic lack of clarity on roles and responsibilities for monitoring and evaluation in NSW
- provide flexibility in funding cycles to improve the ability of the CMA to deliver NRM outcomes in priority areas
- coordinate NRM efforts in the catchment and achieve the targets, given the population pressures in the catchment and the complexity of NRM and land use planning arrangements in the region.

## 1.2 NRC's recommendation

In accordance with Section 13 (b) of the *Natural Resources Commission Act 2003*, the NRC recommends that the Minister approve the Hawkesbury Nepean Catchment Action Plan without alteration.<sup>5</sup>

The NRC further recommends that the Minister require the CMA<sup>6</sup> to undertake a review of the Catchment Action Plan within 2 years of approval to incorporate its progress on the following actions:

- a) applying the standard to continue to develop processes for transparent decision-making and priority-setting, at all levels of the CMA
- b) continuing to develop and implement processes for accessing best available knowledge from a broad range of sources and to systematically identify and fill knowledge gaps
- c) continuing to develop and implement the *Collaboration Strategy*, including mechanisms to assess costs, benefits and risks of partnerships and a stakeholder analysis
- d) continuing to develop the *Risk Management Strategy* and ensure that this strategy provides a comprehensive system for identifying, assessing and managing risks at all levels within the CMA

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<sup>5</sup> Under Section 23 (1) of the *Catchment Management Authorities Act 2003*.

<sup>6</sup> Under Section 26 (1) of the *Catchment Management Authorities Act 2003*.

- e) developing and implementing the proposed *Monitoring and Evaluation Strategy*<sup>7</sup> to further refine and improve targets
- f) maintaining and enhancing links between the CMA and local government as a key part of supporting the integration of natural resource management and local planning.

Successful completion of these actions should enable the CMA to prepare and publish a revised CAP that will more fully comply with the standard and significantly increase the likelihood of the CAP promoting achievement of the state-wide targets.

The NRC will undertake an audit within 2.5 years of approval.<sup>8</sup> To support this, the NRC will require a letter from the CMA to report their progress on the actions on a 6-monthly basis.<sup>9</sup> If reasonable progress in completing the recommended actions is not evident from these letters, the NRC will consider bringing the audit forward.

### 1.3 Process used to develop this advice

The NRC developed its recommendation using a rigorous process developed in consultation with NSW Government agencies and the JSC, and subsequently endorsed by the CMA Chairs. The process included:

- identifying the needs of all government stakeholders and developing a single process to meet all of these needs
- meeting with the Hawkesbury Nepean CMA to help it prepare for the CAP review, and undertaking a formal review of the CMA's business systems (the 'Systems Review') to identify what changes to these systems were needed to comply with the standard
- providing follow-up support to the CMA to help it make the necessary changes to its business systems
- evaluating the draft CAP and supporting documents for compliance with the standard, likelihood of promoting achievement of the state-wide targets, and fulfilment of NSW legislative requirements and other government requirements
- discussing the NRC's initial findings and recommendation with the CMA and relevant government agencies; evaluating the final Hawkesbury Nepean CAP, supporting documents, and plans for improvement with relevant agencies; and finalising this advice.

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<sup>7</sup> The continued development of the Monitoring and Evaluation Strategy should ensure the CMA develops targets which are more 'Specific, Measurable, Achievable, Relevant and Timebound' (SMART). See Natural Resource Management Ministerial Council (2002) National Framework for Natural Resource Management (NRM) Standards and Targets. Available at <http://www.nrm.gov.au/publications/standards/index/html>.

<sup>8</sup> Under Section 13 (c) of the *Natural Resources Commission Act 2003*.

<sup>9</sup> Under Section 16 (3) of the *Natural Resources Commission Act 2003*.



In evaluating all CMAs' CAPs and formulating its advice, the NRC took into account that the CMAs are relatively new organisations, and that many aspects of the new institutional model for NRM are still developing. When the CMAs were established in late 2003, they were responsible for implementing on-ground activities in accordance with pre-existing Catchment Blueprints.<sup>10</sup> In May 2005 the NSW Government adopted the standard and a set of state-wide targets for NRM.<sup>11</sup> The CMAs have been required to modify their operations according to the new standard, and to develop their CAPs in accordance with this.

The NRC also acknowledges that there will be variations between the CMAs' CAPs. This is because the new institutional model promotes regional decision-making and allows flexibility and innovation. It is also due to the fact that each CMA is at a different stage of organisational development. Given this, the NRC assessed the Hawkesbury Nepean CAP with regard to the Hawkesbury Nepean CMA's unique characteristics and current stage of development. Over time, application of the standard should underpin continuous improvement in all CMAs and their CAPs.

## 1.4 Structure of this document

The rest of this document explains the NRC's recommendation in more detail:

- Chapter 2 sets out the NRC's assessment of the CAP against all requirements
- Chapter 3 sets out the NRC's assessment of whether the Hawkesbury Nepean CMA will improve its CAP and its compliance with the standard and likelihood of promoting the state-wide targets over time
- Chapter 4 sets out the NRC's recommendation and actions to focus the CMA on the key areas that require improvement, and outlines how the NRC proposes to monitor progress.

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<sup>10</sup> These 21 Catchment Blueprints were developed in 2002 by advisory Catchment Management Boards.

<sup>11</sup> Natural Resources Commission (2005) *Recommendations: state-wide standard and targets*. Available at <http://www.nrc.nsw.gov.au/module.aspx?id=3>.

## 2 NRC's assessment of the CAP

The NRC assessed the Hawkesbury Nepean CAP to determine whether it is a good strategic plan that complies with the standard and will guide the Hawkesbury Nepean CMA in promoting achievement of the state-wide targets. In particular, it:

- examined the process the Hawkesbury Nepean CMA used to develop the CAP, and the resulting CAP, and evaluated these against the standard
- assessed the CAP targets to determine whether they promote achievement of the state-wide targets
- assessed whether the CAP fulfils NSW legislative requirements and reflects other specific government requirements.

Overall, the NRC considers that the Hawkesbury Nepean CAP contains some elements of a good strategic plan. The NRC found that the Hawkesbury Nepean CMA followed a reasonable process to develop the CAP. The CAP demonstrates a high level of compliance with the standard for this point in time. The NRC has a high degree of confidence that it will promote the state-wide targets.

It is also satisfied that the CAP fulfils all legislative and most of the other government requirements, however many of the targets are not yet completely SMART.

The NRC has identified some areas of the CAP that require improvement to more fully comply with the standard and promote achievement of the state-wide targets, including monitoring and evaluation, risk management, knowledge management and collaboration. It also identified that the CMA needs to improve its priority-setting and decision-making systems. The NRC believes that the Hawkesbury Nepean CMA will be able to refine the CAP and CAP targets over time, to address these areas. The CMA has demonstrated that it has reasonable plans in place to achieve improvement. In addition, the actions recommended by the NRC will help the Hawkesbury Nepean CMA to focus on the key areas requiring improvement.

The sections below discuss in detail the NRC's assessment of the process used to develop the Hawkesbury Nepean CAP, whether the targets within this CAP will promote achievement of the state-wide targets, and whether the CAP fulfils the legislative requirements and reflects other specific government requirements.

The Hawkesbury Nepean CMA's plans for improvement are discussed in Chapter 3 and the NRC's recommended actions are outlined in Chapter 4.

### 2.1 Is the CAP consistent with the state-wide standard?

A CAP that is developed in accordance with the standard and state-wide targets should contain clear priorities that were determined using a rigorous and transparent process. The NRC evaluated CAPs against the following question to test this requirement:

- Was the CAP developed using a rigorous and transparent process?

The standard contains seven interdependent components which, when applied properly and together, should help CMAs make rigorous and transparent decisions and prioritise their NRM activities in a way that leads to sensible and integrated NRM outcomes at all scales.

Proper application of the standard in developing a CAP should help CMAs to:

- use the best available information
- take appropriate account of scale issues to maximise the net benefit of investments
- capture opportunities for collaboration to maximise gains
- engage the community in a meaningful way
- effectively manage risks
- establish monitoring and evaluation systems
- effectively manage information.

The NRC examined the process the Hawkesbury Nepean CMA used to develop its CAP, and evaluated this process and the resulting CAP against the standard. The NRC found that the process was reasonable, and that the CAP demonstrates a high level of compliance with the seven components of the standard. However, some aspects of the CMA's decision-making and prioritisation for the CAP were not completely transparent. The NRC's assessment takes into account the fact that the Hawkesbury Nepean CMA is a relatively new organisation operating within a new regional model for NRM. Given this, the NRC does not expect the same level of compliance with the standard that it might expect from a more mature organisation.

The Hawkesbury Nepean CAP describes the process the CMA used in developing the CAP, including the following key phases:

- **Reviewing the Hawkesbury Nepean Catchment Blueprint:** The CMA used the existing (Hawkesbury Lower Nepean Catchment and Warragamba Catchment) Blueprint targets as its starting point. It held 'theme team' meetings, involving the community, local government, state agencies and CMA staff, to assess the Blueprint targets and develop a draft set of CAP targets.
- **Consulting with the community:** The CMA conducted community meetings, forums and workshops to present the draft CAP targets and seek feedback from its stakeholders and the wider community. It used the feedback it obtained on the draft CAP targets to refine them.
- **Finalising the CAP and submitting it to the Minister and NRC:** The CMA Board refined the CAP in response to the feedback and then submitted it to the Minister for Natural Resources and the NRC.

Table 2.1 summarises the NRC's assessment of the Hawkesbury Nepean CAP development process and the resulting CAP against the components of the standard. The table also lists selected evidence to support this assessment.

**Table 2.1: NRC assessment of the CAP development process against the standard**

| Component                       | Assessment of process against this component  | Evidence   |
|---------------------------------|---|--|
| Collection and use of knowledge | <p>The CAP provides some confidence that the CMA used best available knowledge and information to inform decisions in a structured manner. It also contains useful information to support the targets and justify the target levels.</p> <p>The CAP does not identify knowledge gaps associated with targets.</p> <p>The CMA needs to ensure it continually accesses best available knowledge from a broad range of sources and systematically identifies and addresses knowledge gaps.</p> | <ul style="list-style-type: none"> <li>▪ <i>Section 1</i> describes major issues in the catchment and includes state-pressure-response tables.</li> <li>▪ <i>Section 3</i> describes the CAP development process, including how theme teams used knowledge and information, including community input, to develop targets. However, some aspects of the described process are not completely transparent.</li> <li>▪ Each theme section specifies '<i>data informing the target</i>'.</li> </ul>   |
| Determination of scale          | <p>The CAP indicates that some elements of spatial, temporal and institutional scale were considered through the theme teams. However, it is not clear whether optimal scale was determined for each management target.</p> <p>The next step for the CMA is to improve its decision-making and priority-setting processes which should help to improve determination of optimal scale.</p>  | <ul style="list-style-type: none"> <li>▪ <i>Section 2</i> of the CAP describes the role and function of the CMA and other government organisations with NRM responsibilities in the catchment.</li> <li>▪ <i>Section 8</i> depicts groupings of subcatchments (subregions) that share common issues or physical characteristics.</li> <li>▪ The <i>project initiation form</i> in <i>Appendix 10</i> shows how scale is considered when initiating a new project.</li> <li>▪ The CAP depicts the functional links between resource condition and management targets for each theme.</li> <li>▪ Some CAP targets identify shorter term targets as steps towards achieving the longer term targets.</li> </ul> |
| Opportunities for collaboration | <p>The CAP provides confidence that the CMA considered opportunities for collaboration in developing the CAP and will continue to explore new opportunities for collaboration to implement the CAP and achieve its NRM goals.</p> <p>The next step for the CMA is to develop a process for systematically analysing the costs and benefits of collaboration with existing and potential partners.</p>   | <ul style="list-style-type: none"> <li>▪ <i>Section 8</i> shows partnership projects and locations for each theme area.</li> <li>▪ <i>Section 9</i> describes the roles and activities of a variety of NRM institutions, groups and organisations in the catchment, and indicates that the CMA will seek to identify new collaborators and build on existing partnerships.</li> <li>▪ The CAP identifies complementary targets that the CMA considers are principally the responsibility of other stakeholders to implement. However, the stakeholder group considered responsible for these targets is not always identified.</li> </ul>  |

| Component                 | Assessment of process against this component   | Evidence   |
|---------------------------|--|--|
| Community engagement      | <p>The CAP explains that community engagement is a high priority for the CMA and that the targets in the <i>Community and Partnerships</i> theme underpin all of the programs delivered by the CMA. The CAP outlines how community preferences were considered in development of the CAP and the ongoing role of the community in implementation and monitoring and evaluation of the CAP.</p>   | <ul style="list-style-type: none"> <li>▪ <i>Section 3</i> describes the process of community consultation in CAP development.</li> <li>▪ <i>Appendix 4</i> summarises issues raised during community meetings and considered by the CMA.</li> <li>▪ The CMA intends to incorporate community monitoring into its monitoring and reporting processes and the theme teams will evaluate project outcomes annually.</li> </ul>  |
| Risk Management           | <p>The CMA has identified key strategic risks to implementation of the CAP and proposed management strategies for these risks.</p> <p>The next step for the CMA is to continue to develop its <i>Risk Management Strategy</i> to ensure risks at all levels, including those associated with management targets are assessed, prioritised and managed.</p>   | <ul style="list-style-type: none"> <li>▪ <i>Section 10</i> provides a summary of risks to the successful implementation of the CAP and actions by the CMA to manage this risk.</li> <li>▪ The <i>project initiation form</i> in <i>Appendix 10</i> shows how risk is considered when initiating a new project.</li> </ul>  |
| Monitoring and evaluation | <p>The CAP describes the CMA's approach to monitoring and evaluation across the range of activities, actions and targets and includes a management target to develop a <i>Monitoring and Evaluation Strategy</i>.</p> <p>Specific and measurable performance indicators are identified for most management targets.</p> <p>The next step is for the CMA to develop and implement the proposed <i>Monitoring and Evaluation Strategy</i> to further refine and improve targets.</p> | <ul style="list-style-type: none"> <li>▪ <i>Section 11</i> describes the CMA's approach to monitoring and evaluation, including a Weight of Evidence process that uses multiple lines and levels of evidence to evaluate the level of condition change achieved.</li> <li>▪ <i>Section 11</i> describes the importance of monitoring and evaluation for adaptive management.</li> <li>▪ CAP theme teams will evaluate project outcomes annually. The CAP states that the CMA will review the CAP at least every 5 years.</li> </ul>  |
| Information management    | <p>The CAP suggests that available information was used and managed in an appropriate manner during CAP development.</p>   | <ul style="list-style-type: none"> <li>▪ References and cross-references between different sections are consistent throughout the CAP.</li> <li>▪ <i>Section 11</i> describes the CMA's information management tools – Hawkesbury Information Management System and the Land Management Data-base - and how it will share information with the community and stakeholders.</li> <li>▪ The CMA will provide information to the community and stakeholders on programs and progress towards CAP targets through annual community meetings, regular newsletters and through its website.</li> </ul> |

## 2.2 Are the CAP targets likely to promote the state-wide targets?

For the management and catchment targets within a CAP to promote the achievement of the state-wide targets they need to:

- have been developed using a rigorous and transparent process that was compliant with the standard
- provide a basis for assessing performance, which means they need to be measurable (including having timeframes, units of measure, clear target levels, and performance indicators)
- be supported by information that demonstrates that they are relevant and achievable
- demonstrate linkages between the different sets of targets, which means that management targets should clearly contribute to catchment targets and catchment targets should clearly contribute to the state-wide targets.<sup>12</sup>

The NRC has a high degree of confidence that the Hawkesbury Nepean CAP targets will promote the state-wide targets. The NRC assessed the sets of CAP targets and found that they meet most of the above requirements. The CMA followed a reasonable process to develop the targets which demonstrated a high level of compliance with the standard for this point in time. The CMA also has plans in place that will enable the CMA to improve its targets over time, including developing and implementing a *Monitoring and Evaluation Strategy*.

The NRC found that most of the targets in the CAP will provide a basis for assessing performance. Most of the management targets include measurable performance indicators however, the catchment targets do not. Some performance indicators specified will not be appropriate to provide information on progress towards the targets, especially in the *Community and Partnerships* theme. Many of the targets include units of measure, quantified target levels and timeframes for achievement. However, many do not have baselines clearly identified and there is some ambiguity and overlap between some of the targets. The CAP indicates that the CMA has plans in place to develop a *Monitoring and Evaluation Strategy* that, if supported by state-level monitoring and evaluation, should address these gaps, provide credible information to measure progress towards the targets and allow the CMA to refine and improve the CAP targets.

Most of the targets include useful supporting information to explain why they are achievable and relevant. Each management target includes a section describing the '*basis for target amounts*'. The CAP also includes an assessment of the overall risks to successful implementation of the CAP, but does not clearly indicate specific risks to achieving individual targets.

The CAP provides some supporting information to explain the relationships between the CAP targets and the state-wide targets. For example, it summarises the relationship between management targets, catchment targets and state-wide targets in a table for each theme. The relationships depicted are logical. However, the NRC considers that the CMA will be better able to describe and demonstrate the relationships between targets at all scales once it has developed its proposed *Monitoring and Evaluation Strategy*.

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<sup>12</sup> These characteristics of targets correspond to the requirement of the Australian and NSW Government Joint Steering Committee that targets be 'Specific, Measurable, Achievable, Relevant and Timebound' (SMART). See Natural Resource Management Ministerial Council (2002) National Framework for Natural Resource Management (NRM) Standards and Targets. Available at <http://www.nrm.gov.au/publications/standards/index/html>.

## 2.3 Does the CAP meet other government requirements?

CAPs need to fulfil a range of legislative requirements, including those under the *Catchment Management Authorities Act 2003*, the *Native Vegetation Act 2003* and the *Threatened Species Conservation Act 1995*. CAPs also need to reflect other specific requirements nominated by the NSW Government and JSC.

The NRC has assessed the Hawkesbury Nepean CAP against each of these requirements and priorities. It found that the CAP satisfactorily fulfils all legislative requirements (see Table 2.2) and most other government requirements (see Table 2.3). The management and catchment targets included in the CAP are not completely SMART at this stage, but as Section 2.2 discussed, the NRC believes that the Hawkesbury Nepean CMA will work towards improving its targets over time.

In developing its findings, the NRC has consulted with the Department of Natural Resources, Department of Environment and Conservation, the Department of Primary Industries and the JSC.

**Table 2.2: NRC assessment of the CAP against legislative requirements**

| Legislative requirement   | Finding   |
|---|---|
| Biodiversity certification  | The NRC considers that the CAP, and the CMA's systems that underpin it, meet the requirements for biodiversity certification.<br><br>Plans to implement actions for biodiversity conservation are detailed in the biodiversity and river health themes which contain targets for both aquatic and terrestrial habitats. The CMA has systems in place to engage others in biodiversity conservation, for example the CAP identifies existing partners in the catchment and emphasises the importance of collaborators for achieving NRM goals. |
| Environmental planning instruments and other natural resource plans | The CAP lists key legislation and policies for NRM ( <i>Appendix 2</i> ). <i>Section 2</i> describes other strategies and plans that influence CAP development and implementation. The CAP notes that 'in developing the CAP, the HNCMA has given due consideration to existing strategies and plans'.<br><br>The CMA regularly consults with the Local Government Advisory Group, representing 21 councils.  |
| Environmental Water Trust Fund                                      | The CMA has not established an Environmental Water Trust Fund.  |

**Table 2.3: NRC assessment of the CAP against state and national priorities**

| State/national priority                              | Finding   |
|--|---|
| JSC Investor Preferences                             | The CAP clearly describes how the CMA has addressed all relevant Investor Preferences. The table in <i>Appendix 3</i> of the CAP depicts the alignment between the relevant targets and actions in each theme and the Investor Preferences.   |
| SMART targets  | Many of the targets in the CAP are not completely SMART, largely because of a lack of baseline data. However, as <i>Section 2.2</i> indicates, the NRC considers that implementation of the proposed <i>Monitoring and Evaluation Strategy</i> is likely to improve the CMA's ability to measure its performance against targets. |
| Native vegetation management priorities and programs | The NRC considers that the native vegetation management priorities and targets in the CAP are consistent with the <i>Native Vegetation Act 2003</i> . The CAP identifies native vegetation extent and condition management, and threatened species conservation as priorities.  |
| Salinity targets                                     | The NRC considers that the CAP's soil and land theme targets are consistent with the NSW Salinity Strategy.   |
| National framework for NRM standards and targets     | The NRC considers that the CAP targets are consistent with all ten of the National Matters for Targets, as specified in the National Framework for NRM Standards and Targets.   |
| Blueprint evaluation                                 | The CMA established theme teams which evaluated two Blueprints to develop CAP targets. The CMA consulted widely to gain new knowledge and information to identify further issues. <i>Section 3</i> describes the Blueprint evaluations and CAP development process.   |
| NSW Government Statements of Intent                  | The CAP refers to the <i>Hawkesbury Nepean Statement of Joint Intent</i> and supports the achievement of its objectives.  |



### **3 NRC's assessment of the CMA's capacity to improve the CAP over time**

The NRC assessed whether the Hawkesbury Nepean CMA will continue to improve its CAP's compliance with the standard and likelihood of promoting achievement of the state-wide targets. The NRC believes that the CMA will continue to improve, for the following reasons:

- the CMA has demonstrated that it has reasonable plans in place to improve compliance against each component of the standard, to refine the catchment and management targets, and to increase its organisational capabilities
- the actions the NRC has recommended will encourage the CMA to focus on the key areas that require improvement and will promote accountability to the NRC, other CMAs, investors and the broader NSW community
- the NRC will regularly review the CMA's progress of these recommended actions, which will provide an additional incentive for the CMA to address key issues and demonstrate progress within reasonable timeframes.

#### **3.1 The CMA's plans to improve the CAP**

The NRC has assessed the Hawkesbury Nepean CMA's plans for improving the CAP over time, based on its discussions with the CMA during the CAP review process and its evaluation of the CAP. The NRC is satisfied that the CMA has reasonable plans and processes in place for improving its CAP, the CAP's compliance with the standard and promotion of the state-wide targets.

Table 3.1 summarises the NRC's assessment of the Hawkesbury Nepean CMA's plans to improve its CAP against each component of the standard. The NRC believes it is important that the CMA implements, reviews and refines all of these plans and processes, and then updates the CAP within 2 years. In addition, it believes the CMA should give particular attention to improving monitoring and evaluation, risk management, strategic approaches to knowledge management and collaboration, and continuing to develop and improve its priority-setting and decision-making systems. Improvements in these areas will be crucial to the ongoing success of the CMA as an organisation.

**Table 3.1: NRC's assessment of the Hawkesbury Nepean CMA's plans to improve**

| Component                       | Plans to improve   |
|---------------------------------|--|
| Collection and use of knowledge | <ul style="list-style-type: none"> <li>▪ The CMA is incorporating a <i>Knowledge Register</i> into the Hawkesbury Information Management System to identify and record knowledge gaps.</li> <li>▪ Knowledge managers are responsible for reviewing knowledge and acting to fill gaps.</li> <li>▪ Expert panels will meet annually to peer review and verify that best available knowledge is being utilised in decision-making.</li> </ul> |
| Determination of scale          | <ul style="list-style-type: none"> <li>▪ The CMA has developed a <i>project initiation form</i> to ensure scale is considered in its projects and operations.</li> </ul>   |
| Opportunities for collaboration | <ul style="list-style-type: none"> <li>▪ The CMA is developing a <i>Collaboration Strategy</i> to identify and target collaboration opportunities for implementation of the CAP, including in the private sector.</li> </ul>   |
| Community engagement            | <ul style="list-style-type: none"> <li>▪ The CMA is developing a <i>Communication Strategy</i> to meaningfully engage the community in planning, implementation and review of its policies and programs. This will include developing a stakeholder database and mechanisms for encouraging and receiving community feedback.</li> </ul>   |
| Risk management                 | <ul style="list-style-type: none"> <li>▪ The CMA has developed a <i>project initiation form</i> to ensure risks associated with its projects are considered.</li> <li>▪ The CMA is developing a <i>Risk Management Strategy</i> based on AS4360 to identify and manage risks at organisational and project levels.</li> </ul>  |
| Monitoring and evaluation       | <ul style="list-style-type: none"> <li>▪ The CMA is developing a <i>Monitoring and Evaluation Strategy</i> to inform review of targets and actions and support evaluation of CAP implementation. It will also support reporting on progress to the community and key stakeholders.</li> <li>▪ The CMA will incorporate community monitoring into its programs.</li> </ul>  |
| Information management          | <ul style="list-style-type: none"> <li>▪ The CMA is developing an <i>Information Management Strategy</i>.</li> <li>▪ The CMA is beginning to spatially record details of all internal and external projects through the Land Management Database.</li> </ul>   |

## 4 NRC's recommendation

In accordance with Section 13 (b) of the *Natural Resources Commission Act 2003*, the NRC recommends that the Minister approve the Hawkesbury Nepean Catchment Action Plan without alteration.<sup>13</sup>

The NRC further recommends that the Minister require the CMA<sup>14</sup> to undertake a review of the Catchment Action Plan within 2 years of approval to incorporate its progress on the following actions:

- a) applying the standard to continue to develop processes for transparent decision-making and priority-setting, at all levels of the CMA
- b) continuing to develop and implement processes for accessing best available knowledge from a broad range of sources and to systematically identify and fill knowledge gaps
- c) continuing to develop and implement the *Collaboration Strategy*, including mechanisms to assess costs, benefits and risks of partnerships and a stakeholder analysis
- d) continuing to develop the *Risk Management Strategy* and ensure that this strategy provides a comprehensive system for identifying, assessing and managing risks at all levels within the CMA
- e) developing and implementing the proposed *Monitoring and Evaluation Strategy*<sup>15</sup> to further refine and improve targets
- f) maintaining and enhancing links between the CMA and local government as a key part of supporting the integration of natural resource management and local planning.

The NRC considers that this approach will allow the Hawkesbury Nepean CMA to 'get on with business', while also ensuring continuous improvement in the CAP document and implementation. The above actions are discussed in detail below.

- a) should encourage the CMA to build on its existing decision-making processes and to make them more robust, transparent and consistent with the standard. This should help the CMA to clearly record, communicate and justify its future decisions about prioritisation of issues, targets, management actions, priority investment regions and approaches to investment delivery. It should also help the CMA to make its consideration of scale issues more explicit and to identify the optimal scale for its activities.
- b) should ensure the CMA improves its processes for gathering best available knowledge from a broad range of sources, including educational and research institutions. It is important the CMA refines these processes and ensures that it identifies and fills knowledge gaps. It is also important that the CMA uses knowledge gathered through these processes to inform decision-making and priority-setting.

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<sup>13</sup> Under Section 23 (1) of the *Catchment Management Authorities Act 2003*.

<sup>14</sup> Under Section 26 (1) of the *Catchment Management Authorities Act 2003*.

<sup>15</sup> The continued development of the Monitoring and Evaluation Strategy should ensure the CMA develops targets which are more 'Specific, Measurable, Achievable, Relevant and Timebound' (SMART). See Natural Resource Management Ministerial Council (2002) National Framework for Natural Resource Management (NRM) Standards and Targets. Available at <http://www.nrm.gov.au/publications/standards/index/html>.

- c) should encourage the CMA to continue developing its *Collaboration Strategy*. It is important that the CMA establishes effective means for continuing to engage and collaborate with existing and potential partners through CAP implementation and review phases. In particular, it should include a mechanism to evaluate potential partnerships on the basis of risks, costs and benefits, so that partnerships contribute to maximising gains and minimising costs.
- d) should assist the CMA to systematically identify, assess, prioritise and manage risks at all levels of its business, including Board strategic decision-making, target prioritisation, investment program planning, and project planning and implementation. It should encompass the risks listed in the CAP, identify those associated with individual targets, and ensure that these risks are reviewed and managed as part of an ongoing risk management process. By developing a systematic process to effectively identify and manage risk, the CMA will be more able to avoid significant mistakes/failures and to provide confidence to stakeholders and investors.
- e) should assist the CMA to clearly map the catchment priorities, the catchment and management targets that deliver on these priorities, the relationships and assumptions between these targets, and the monitoring and evaluation required to show progress. Development of this strategy should help the CMA to obtain the information necessary to refine targets - including making targets more measurable, reducing ambiguity and overlaps and developing more appropriate performance indicators - and better demonstrating that they are relevant and achievable, thereby improving promotion of the state-wide targets.
- f) should encourage the CMA to continue to build relationships with local government to maximise integration of the CAP and local planning instruments. Local government will play a key role in the achievement of CAP targets and the CMA needs effective mechanisms for working collaboratively with local government.

#### **4.1 How should the CMA demonstrate progress?**

The NRC will require the Hawkesbury Nepean CMA to report 6-monthly, in a letter, on its progress in undertaking the actions detailed above. This will require the CMA to assess and report on its own progress at regular intervals.

This kind of regular self-assessment is important for the CMA's own adaptive management, and will also create opportunities for it to seek guidance or support where necessary.

#### **4.2 How will progress be monitored?**

Regular review of the CMA's progress should assist the CMA in achieving and demonstrating continuous improvement. It should also highlight any additional obstacles to the CMA's progress. In addition, it should provide investors with increased confidence as they move beyond 2008/09 and into the next funding cycle.

The NRC will:

- require the Hawkesbury Nepean CMA to report 6-monthly, in a letter to the NRC, on its progress in taking the actions listed in this chapter
- undertake an audit if progress in taking the actions is not adequate
- audit the effectiveness of the implementation of the most recent version of the Hawkesbury Nepean CAP within 2.5 years of the date of approval
- undertake a mid-term review of this CAP in 2011. This will be a formal audit of the CMA's compliance with the standard and promotion of the state-wide targets.

### **4.3 What can the government do to support this CMA?**

The NRC considers that to successfully implement the CAP, the Hawkesbury Nepean CMA will require support from the government to:

- enable the CMA to enhance its internal knowledge and information management systems
- develop an effective monitoring and evaluation program, given the limited funding available and historic lack of clarity on roles and responsibilities for monitoring and evaluation in NSW
- provide flexibility in funding cycles to improve the ability of the CMA to deliver NRM outcomes in priority areas
- coordinate NRM efforts in the catchment and achieve the targets, given the population pressures in the catchment and the complexity of NRM and land use planning arrangements in the region.

These issues are also relevant to other CMAs, and are more fully explained in the NRC's consolidated report on all CAPs.



