



RECOMMENDATION
WESTERN CATCHMENT
ACTION PLAN

September 2006



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Enquiries

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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
NRC	Natural Resources Commission
NRM	Natural Resource Management
NSW	New South Wales
PVP	Property Vegetation Plan

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1 Introduction and overview

The Natural Resources Commission (NRC) has reviewed the Western Catchment Plan¹ and recommends that this plan be approved. The NRC further recommends that the Minister require the CMA to undertake a review of the Catchment Action Plan within 18 months 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*² (the standard) and promotes the state-wide targets for NRM.³

In addition, the NRC agreed to consider whether each CAP fulfils other specific requirements nominated by the NSW Government and Joint Steering Committee (JSC).⁴

1.1 Overview of findings

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

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

The CAP fulfils all legislative and most other specific government requirements, but does not adequately address all Investor Preferences. In addition many of the targets are not yet completely SMART⁵.

¹ Please note that the Western CMA calls this plan a Catchment Plan to avoid confusion with the Murray-Darling Basin Cap on extractions. However, in this report we have referred to it as a Catchment Action Plan (CAP).

² Natural Resources Commission (2005) *Standard for Quality Natural Resource Management*. Available at <<http://www.nrc.nsw.gov.au/module.aspx?id=3>>.

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

⁴ 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.

⁵ 'Specific, Measurable, Achievable, Relevant and Timebound' (SMART), see below for further details.

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

- it has good 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 Western CMA will require support from the government. This support will be necessary to:

- 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
- enable the CMA to enhance its internal knowledge and information management systems
- provide flexibility in funding programs to improve the ability of the CMA to deliver NRM outcomes in priority areas
- ensure the CMA has the resources it needs to operate at full capacity, given the difficulty it has experienced in attracting additional staff to 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 Western Catchment Action Plan without alteration.⁶

The NRC further recommends that the Minister require the CMA⁷ to undertake a review of the Catchment Action Plan within 18 months of approval to incorporate its progress on the following actions:

- a) developing and implementing a robust overarching business system to coordinate the processes the CMA is currently using or developing, and increase its ability to comply with the standard
- b) completing the development of its processes for gathering knowledge and ensure that these processes identify and fill knowledge gaps and inform decision-making and priority-setting
- c) ensuring that checklists and protocols being developed by the CMA for assessing opportunities for collaboration assess the costs and benefits and identify the risks of these opportunities
- d) developing and implementing its proposed *Risk Strategy* and ensure that this strategy provides a comprehensive system for identifying, assessing and managing risks at all levels within the CMA
- e) completing the development and implementation of its proposed *Monitoring, Evaluation and Reporting Plan*⁸

⁶ Under Section 23 (1) of the *Catchment Management Authorities Act 2003*.

⁷ Under Section 26 (1) of the *Catchment Management Authorities Act 2003*.

⁸ The development of the Monitoring, Evaluation and Reporting Plan 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

- f) applying the standard to develop a framework for transparent decision-making and investment priority-setting
- g) clarifying how the CMA considered each of the JSC's Investor Preferences when developing the CAP, especially those related to the management of wetlands and threatened species.

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 years of approval.⁹ To support this, the NRC will require a letter from the CMA to report their progress on the actions on a 6-monthly basis.¹⁰ 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 Western 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 recommendations with the CMA and relevant government agencies; evaluating the final Western CAP, supporting documents, and plans for improvement with relevant agencies; and finalising this advice.

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.¹¹ In May 2005 the NSW Government adopted the standard and a set of state-wide

Natural Resource Management (NRM) Standards and Targets. Available at <http://www.nrm.gov.au/publications/standards/index/html>.

⁹ Under Section 13 (c) of the *Natural Resources Commission Act 2003*.

¹⁰ Under Section 16 (3) of the *Natural Resources Commission Act 2003*.

¹¹ These 21 Catchment Blueprints were developed in 2002 by advisory Catchment Management Boards.

targets for NRM.¹² 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 Western CAP with regard to the Western 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

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

- Chapter 2 sets out the NRC's assessment of the Western CAP against all requirements
- Chapter 3 sets out the NRC's assessment of whether the Western CMA will improve its CAP and its compliance with the standard and likelihood of promoting the state-wide targets over time.

¹² 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 Western CAP to determine whether it is a good strategic plan that complies with the standard and will guide the Western CMA to promote the state-wide targets. In particular, it:

- examined the process the Western 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 Western CAP has some elements of a good strategic plan. The NRC found that the Western CMA followed a reasonable process to develop the CAP and that the CAP demonstrates a reasonable level of compliance with the standard for this point in time. The NRC has some confidence that it will promote the state-wide targets.

The NRC is also satisfied that the CAP fulfils all legislative and most other specific government requirements, but does not adequately address all Investor Preferences. In addition many of the targets are not yet completely SMART.

The NRC identified some areas of the CAP that require improvement to more fully comply with the standard, including collection and use of knowledge, risk management, monitoring and evaluation, and information management. It also identified that the CMA needs to develop a framework for transparent decision-making and investment priority-setting. However, it believes that the Western CMA will refine the CAP over time to address these areas. The CMA has demonstrated that it has good plans in place to achieve improvement. These plans indicate that the CMA is developing a comprehensive monitoring and evaluation system that will encourage continual improvement, both in the CAP document and its implementation. In addition, the actions the NRC has recommended will help the Western 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 Western 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 Western CMA's plans for improvement and the NRC's recommended actions are discussed in Chapter 3.

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 Western 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 reasonable 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 Western 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 reasonably expect from a more mature organisation.

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

- **Blueprint evaluation:** The CMA evaluated the existing Catchment Blueprint for the Western region to develop an initial set of draft CAP targets that reflected the basic intent of the Blueprint targets.
- **Agency technical review:** The CMA undertook a two-day Technical Review Workshop with representatives from government agencies to review its initial CAP targets. The CMA and the agency representatives debated the technical validity of the targets, how they would be monitored and evaluated, and their compliance with the SMART¹³ criteria. They then refined the list of targets.
- **Community consultation:** The CMA sent a summary of the plan to all catchment postal addresses and held community meetings at 14 locations across the catchment. These meetings explained and discussed the CAP targets, current CMA funding and native vegetation reforms, and included a question and answer session. They also provided attendees with an opportunity to rate their level of agreement with targets. The CMA then further refined the draft CAP targets in response to this feedback.
- **Local government and Aboriginal consultation:** The CMA specifically invited representatives from local government to the community consultation sessions, but their input was low. Aboriginal representation at the community consultation was also low.

¹³ This is a 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>.

Therefore, the CMA undertook targeted consultation with Community Working Groups to try to engage these stakeholders.

The CAP also states that this plan was developed with regard to the standard and the state-wide targets.¹⁴

Table 2.1 summarises the NRC’s assessment of the Western 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 Western CAP development process against the standard

Component	Assessment of process against this component	Selected evidence
Collection and use of knowledge	<p>The CAP suggests that the CMA followed a structured process for the collection and use of knowledge, based on agency technical review and community consultation.</p> <p>The next step for the CMA is to continue to broaden its knowledge base so it reflects best available knowledge and develop frameworks for decision-making and priority-setting to ensure the knowledge gathered is always used effectively and transparently.</p>	<ul style="list-style-type: none"> ▪ The CMA used the existing Blueprint as the starting point for CAP development. ▪ The CMA undertook a two-day technical review of the targets with agency representatives. ▪ The CMA consulted community including local government and Aboriginal groups. ▪ The CMA considered existing natural resource management strategies, protocols, legislation and plans.
Determination of scale	<p>The CAP provides evidence that the CMA considered spatial, temporal and institutional scale when developing the CAP. It also demonstrates a good understanding of scale issues and provides the reader with an appreciation of these issues.</p> <p>The next step for the CMA is to develop its business systems to assist in identifying optimal scale, including frameworks for decision-making and priority-setting.</p>	<ul style="list-style-type: none"> ▪ The <i>Timeframes for the Catchment Plan</i> chapter acknowledges the time scale involved in implementing actions and observing change. ▪ The theme sections within the <i>Catchment and Management Targets</i> chapter and <i>Appendix 3</i> describe the multiple environmental benefits and flow on impacts of targets. ▪ The <i>Area of Program Operations</i> section and <i>State of the Catchment</i> chapter demonstrate an understanding of the spatial variation across the catchment in resource condition and pressures on resource condition.
Opportunities for collaboration	<p>The CAP provides confidence that the CMA has considered opportunities for collaboration, to maximise gains and deliver multiple benefits when developing the CAP.</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, and to ensure this information informs</p>	<ul style="list-style-type: none"> ▪ The <i>Institutional Links within the catchment</i> chapter describes the roles and activities of a variety of NRM institutions in the catchment and how the CMA is currently collaborating with these groups and how it plans to in the future. ▪ The <i>Opportunities for Collaboration</i> chapter identifies the process the CMA proposes to adopt to engage external

¹⁴ Western CMA (2006) *Western Catchment Plan*, p.10.

Component	Assessment of process against this component	Selected evidence
	<p>decision-making and priority-setting in a robust and transparent manner.</p>	<p>parties in collaboration.</p> <ul style="list-style-type: none"> ▪ <i>Appendix 3</i> identifies key collaborators for each target.
<p>Community engagement</p>	<p>The CAP explains how the CMA engaged the community in CAP development, and made particular effort to engage local government and the Aboriginal community. The CAP also indicates that the CMA has developed a <i>Community Education and Support Strategy</i>.</p>	<ul style="list-style-type: none"> ▪ The <i>Consultation Processes</i> chapter details how the community was engaged during each of the key phases of the CAP development process and outlines community responses to the catchment targets and the subsequent modification of targets. ▪ <i>Appendix 8</i> provides further detail on the outcomes of this consultation.
<p>Risk management</p>	<p>The CAP provides evidence that the CMA considered risk in the development process. It identifies risks to success for each target but does not mention strategies for managing these risks. The CAP also includes a generic risk assessment developed for all CMAs, which identifies risks associated with CAP implementation and measures to minimise or control these risks.</p> <p>The next step for the CMA is to integrate the risks identified in the CAP into a <i>Risk Strategy</i>.</p>	<ul style="list-style-type: none"> ▪ <i>Appendix 6</i> contains a draft risk assessment table based on the work done by Deloitte. ▪ <i>Appendix 3</i> outlines environmental and institutional risks to achieving the targets. ▪ The <i>Risk Assessment</i> chapter indicates that the CMA intends to develop its own risk management approach and this will be used to develop and inform the first review of the CAP.
<p>Monitoring and evaluation</p>	<p>The CAP describes the CMA's plans to develop a <i>Monitoring, Evaluation and Reporting Plan (MERP)</i>. The CAP states that this plan will become active in late 2006.</p> <p>The CAP also indicates that until the state-wide monitoring and evaluation arrangements are finalised, the MERP will not be able to operate to its maximum capacity.</p>	<ul style="list-style-type: none"> ▪ The <i>Monitoring and Evaluation</i> chapter explains that the CMA is currently developing a MERP that will be critical in evaluating its performance against targets, adaptive management, communicating the condition of natural resources and demonstrating accountability for CMA activities. ▪ <i>Appendix 3</i> identifies performance indicators for all targets.
<p>Information management</p>	<p>The CAP provides some evidence that the CMA has information management systems in place.</p> <p>However, the quality of the referencing is poor; readers would find it difficult to access additional relevant information from these references.</p>	<ul style="list-style-type: none"> ▪ The CAP contains a comprehensive <i>Glossary</i> and list of acronyms. ▪ The <i>Further Information</i> chapter provides contact details for obtaining further information from the CMA. The website will be the key reference point for future information as it is developed.

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.¹⁵

The NRC has some confidence that the Western CAP targets will promote the state-wide targets. The NRC assessed the sets of CAP targets and found that they meet some of the above requirements. The CMA followed a reasonable process to develop the targets which demonstrated a reasonable level of compliance with the standard for this point in time. The CMA has good plans in place that will enable the CMA to improve its CAP over time, including developing a *Monitoring, Evaluation and Reporting Plan* (MERP) by the end of 2006.

The NRC found that some targets are measurable. Most include units of measurement and target levels. Most also have timeframes for implementation, but some do not and it is not clear why this is the case (particularly targets in the *Community* theme). *Appendix 3* provides variable but generally useful information on key performance indicators and knowledge gaps for all themes except the *Community* theme. Baseline data is not provided for any of the targets. The *Evaluation and Review of the Catchment Plan* section recognises this, and notes that the CMA depends on agency support to gather this data. The lack of baseline information will make it difficult to monitor progress and prioritise activities.

The CAP contains some supporting information for most targets to explain why they are relevant and achievable. The CAP's *Foreword* states that the Western CMA's Board and staff are confident the targets focus "on the natural resource management areas that most need attention and these targets are agreed to by the catchment community". However, the CAP does not clearly explain if and how the areas that "most need attention" were re-evaluated since the development of the Catchment Blueprint, or how they were prioritised. The main body of the CAP describes the *State of the Catchment* and includes maps that show priority regions that are loosely linked to targets. *Appendix 3* contains tables and explanatory text for some targets which covers the rationale for target levels, supporting references, risks to achieving targets, and identifies collaborative arrangements that will contribute to the achievability of targets, such as the cross border arrangements with Queensland agencies for measuring water quality targets. However, the level of detail and quality of the information in this appendix is inconsistent. Strategies to manage risks are not identified, and the links between the supporting information

¹⁵ 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>

and target levels is not always evident. In addition, the references in this appendix are not always appropriately cited or included in *Appendix 4 – References*. This makes it difficult to establish the achievability of all the targets.

The CAP provides good explanation of the way the management targets will contribute to achievement of the catchment targets, and how the catchment targets will contribute to the state-wide targets. The section *How on-ground works relate to Catchment Targets* illustrates the logical hierarchy of the targets, and links individual projects and landscape management programs to the catchment and state-wide targets. The chapter *Catchment and Management Targets* and *Appendix 3* illustrate the relationship between the management targets and catchment targets, and a table within this section shows the links between the catchment targets and the state-wide targets. In addition, some management targets are confused with resource condition targets.

The NRC considers that the completion and implementation of the MERP will assist in making the targets more relevant and achievable over time. The MERP will be based on the program logic design and will provide “a framework for the collation, analysis and reporting of evidence of progress towards achieving organisational and project objectives”.

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 assessed the Western CAP against each of these requirements and priorities. It found that the CAP fulfils all legislative requirements (see Table 2.2) and reflects most other government requirements. However the CAP does not adequately address all Investor Preferences (see Table 2.3). In addition, the CAP targets are not completely SMART at this stage, but as Section 2.2 discussed, the NRC believes that the Western CMA will work towards improving the 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	<p>The NRC considers that the Western CAP and the Western CMA's systems that underpin it, meet the requirements for biodiversity certification.</p> <p>The biodiversity theme details the High Conservation Value Areas program (P50), the water theme details the aquatic habitat program (P46) and the land and vegetation theme details the pests program (P43).</p> <p>Plans to implement actions for biodiversity conservation are detailed in the biodiversity theme for the High Conservation Value Areas program, the water theme for the aquatic habitat program and the land and vegetation theme for the pests program (P50, 46, 43 respectively).</p> <p>The CMA has targets that address biodiversity conservation (P46, 49-50) and has a <i>Community Education and Support Strategy</i> to engage others (P51).</p>
Environmental planning instruments and other natural resource plans	<p>In formulating its CAP, the Western CMA has considered the provisions of environmental planning instruments and other natural resource plans that apply in the catchment. For example, the CAP details where specific attention to provisions of the Native Vegetation Act was paid in developing targets, and addresses the relationship between the CAP and Water Sharing Plans.</p>
Environmental Water Trust Fund	<p>Not applicable.</p>

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

State/national priority	Finding
JSC Investor Preferences	<i>Appendix 5</i> of the CAP depicts the relationship between targets in each theme and Investor Preferences. However, the CAP does not adequately address some Investor Preferences, including those related to the management of threats to wetlands and threatened species.
SMART targets	As Section 2.2 indicated, not all the management and catchment targets are specific, measurable, achievable, relevant and timebound (SMART) at this stage. The CMA has indicated that information gaps in some areas have restricted its ability to make targets SMART. Work to fill these gaps combined with the implementation of the proposed MERP should ensure the targets become more SMART over time.
Native vegetation management priorities and programs	The NRC considers that the native vegetation management priorities and targets are consistent with the <i>Native Vegetation Act 2003</i> . Section 5.2 of the CAP states that that Western CMA "...paid specific attention to the provisions of the Native Vegetation Act when developing...targets. In particular, the objects of the Act will be considered when developing projects within key program areas. Several targets are designed to foster activities that will give effect to the objects of the Act. Similarly, the Property Vegetation Plan process will be used wherever appropriate to deliver funding and track on-ground outcomes." Catchment Target 1 and Management Target 2 are consistent with the Act "maintain /improve".
Salinity targets	The NRC considers that the targets in the CAP are consistent with the NSW and MDBC Salinity Strategies. The CAP identifies that the CMA was guided by the NSW Salinity Strategy in the development of the targets. It states that the MDBC Salinity Strategy doesn't specify targets for the Darling River and that the State salinity target will suffice in absence of any other recommendation from MDBC. The Salt Load Catchment Target has been deleted from the previous version of the CAP after Board consideration. The CAP states that the salt load is irrelevant in the Darling River given dilution factors.
National framework for NRM Standards and Targets	The NRC considers that the targets in the CAP are consistent with the 'National Matters for Targets' (specified in the <i>National Framework for NRM Standards and Targets</i>) that are relevant to the Western region.
Blueprint evaluation	The CAP indicates that it is significantly based on the Blueprint. The CMA evaluated and refined the Blueprint targets to develop the draft CAP targets as the first step in CAP development, although the process for this is not described. It then undertook a technical review and community consultation to further refine these targets.
NSW Government Statements of Intent	Not applicable.

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

The NRC assessed whether the Western 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 good plans in place to improve compliance against each component of the standard 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 the 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 Western 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 good plans and processes in place for improving its CAP and the CAP's compliance with the standard. It notes that many of these plans are explained in the CAP, so that they are clear to investors and the broader community.

Table 3.1 summarises the NRC's assessment of the Western CMA's plans to improve its business systems and 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 18 months. In addition, it believes the CMA should give particular attention to improving collection and use of knowledge, monitoring and evaluation, risk management and information management. The CMA should also develop a framework for transparent decision-making and investment priority-setting. Improvements in these areas will be crucial to the ongoing success of the CMA as an organisation.

Table 3.1: NRC assessment of the Western CMA's plans to improve

Component	Plans to improve
Overall	<ul style="list-style-type: none"> ▪ The CMA is developing <i>Operational Guidelines</i> to guide staff in implementing processes. ▪ The CMA has developed and plans to implement a <i>Project Plan</i> template, to ensure project managers consider all components of the standard throughout a project. This template will include a <i>Project Pro-forma</i> to guide project managers and help ensure that they consider all components of the standard when initiating a project.
Collection and use of knowledge	<ul style="list-style-type: none"> ▪ The CMA is working with a consultant to develop a web-based knowledge system, and setting up processes to ensure continual improvement in knowledge and learning from experience. ▪ The CMA is developing a range of fact sheets and a 'Knowledge Champions' program for staff to pursue speciality knowledge in theme areas as part of their work plans. It is also developing operational guidelines to help Knowledge Champions share their knowledge with the rest of the CMA. ▪ The CMA has several projects underway to fill data gaps, including the <i>Lower Balonne Scoping Study</i> and the <i>Western CMA Pest Animal and Weed Project</i>.
Determination of scale	<ul style="list-style-type: none"> ▪ The CMA is placing a strong emphasis on requiring applications for funding and contracts to have an explanation of scale issues.
Opportunities for collaboration	<ul style="list-style-type: none"> ▪ The CMA is establishing a protocol to ensure that cost sharing arrangements or collaborative projects are clearly defined and recorded.
Community engagement	<ul style="list-style-type: none"> ▪ The CMA is developing a staff <i>M&E Plan</i> as part of the <i>Community Education and Support Strategy</i> that will require staff to evaluate the success of community engagement. ▪ The <i>Project Pro-forma</i> will guide staff to develop communication strategies where required on projects. ▪ The CMA is developing a database of NRM networks across NSW and will ensure that it has access to these networks. ▪ The CMA is developing a <i>Community Engagement Strategy</i>.
Risk management	<ul style="list-style-type: none"> ▪ The CMA is considering developing a risk management process that will expand on work done by Deloitte in developing a generic risk assessment for all CMAs, and is planning to hold a risk workshop for all staff to consider the concepts and requirements for risk management.
Monitoring and evaluation	<ul style="list-style-type: none"> ▪ The CMA is developing a <i>Monitoring, Evaluation and Reporting Plan</i> that will become operational in the second half of 2006 and will cover performance indicators and attributes that will need to be monitored by the CMA, monitoring requirements for the CAP, gaps in monitoring systems, roles and responsibilities as well as processes for evaluating, reporting and capacity building. ▪ The <i>Project development/management checklist</i> will include triggers to ensure adaptive management is considered at all stages of project development and implementation, and that project debriefs are undertaken to identify lessons learnt.
Information management	<ul style="list-style-type: none"> ▪ The CMA is developing a file management system and web-based information system, investigating databases for project management, and developing guidelines for information delivery to ensure consistency in information. ▪ The CMA is identifying staff roles and responsibilities in regards to information management to include in work plans and circulate to all staff.

3.2 NRC's recommendation

In accordance with Section 13 (b) of the *Natural Resources Commission Act 2003*, the NRC recommends that the Minister approve the Western Catchment Action Plan without alteration.¹⁶

The NRC further recommends that the Minister require the CMA¹⁷ to undertake a review of the Catchment Action Plan within 18 months of approval to incorporate its progress on the following actions:

- a) developing and implementing a robust overarching business system to coordinate the processes the CMA is currently using or developing, and increase its ability to comply with the standard
- b) completing the development of its processes for gathering knowledge and ensure that these processes identify and fill knowledge gaps and inform decision-making and priority-setting
- c) ensuring that checklists and protocols being developed by the CMA for assessing opportunities for collaboration assess the costs and benefits and identify the risks of these opportunities
- d) developing and implementing its proposed *Risk Strategy* and ensure that this strategy provides a comprehensive system for identifying, assessing and managing risks at all levels within the CMA
- e) completing the development and implementation of its proposed *Monitoring, Evaluation and Reporting Plan*¹⁸
- f) applying the standard to develop a framework for transparent decision-making and investment priority-setting
- g) clarifying how the CMA considered each of the JSC's Investor Preferences when developing the CAP, especially those related to the management of wetlands and threatened species.

The NRC considers that this approach will allow the Western 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 Western CMA to develop an overarching business system. This system should coordinate the processes the CMA is currently using and developing. This will ensure that these lists and processes are used effectively and so improve compliance with the standard. Once the overarching system is complete, the CMA will be better placed to improve the underdeveloped areas of the CAP and to implement it efficiently. In particular, the overarching system should enable the CMA to manage information effectively, identify the optimal scale for investment in complex situations, and to effectively evaluate the costs and benefits of all potential collaborations. Robust business systems should include a framework for transparent decision-making and priority-setting.

¹⁶ Under Section 23 (1) of the *Catchment Management Authorities Act 2003*.

¹⁷ Under Section 26 (1) of the *Catchment Management Authorities Act 2003*.

¹⁸ The development of the Monitoring, Evaluation and Reporting Plan 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>.

b) should ensure the Western CMA completes the development of its processes for gathering knowledge, including its proposed 'Knowledge Champions' program. It is important the CMA completes and implements this program, and ensures that it identifies and fills knowledge gaps. It is also important that the CMA ensures that knowledge gathered by this program informs decision-making and priority-setting.

c) should encourage the Western CMA to ensure that the processes it is developing to assess opportunities for collaboration include assessing the costs and benefits and identifying the risks of potential collaboration. It is also important that the information gained through these processes is used to inform decision-making and priority-setting.

d) should ensure that all risks are identified, managed and reviewed. This strategy should encompass the risks listed in the CAP, and ensure that these risks are reviewed and managed as part of an ongoing process. Once completed, the CMA should apply the strategy to all its activities at all levels.

e) should ensure that the Western CMA completes the development of its proposed *Monitoring, Evaluation and Reporting Plan*. This plan should help the CMA identify 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 the plan should help the CMA to obtain the information necessary to refine targets - including making targets more measurable and better demonstrating that they are relevant and achievable, thereby improving promotion of the state-wide targets. It should also help the CMA improve targets by clarifying the difference between catchment targets, management targets and management actions, and by reducing the complexity of some targets which may contain multiple outcomes or outputs. Implementation of this plan will allow the CMA to directly link investment to priorities and monitoring of targets, and will provide investors with a clear picture of CMA expenditure and progress. It will also support continual improvement and adaptive management within the CMA.

f) 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 NRM investment. The CMA should consider the range of existing tools and collaborate with other CMAs, state agencies and research organisation to determine an appropriate framework. Once completed, the improved processes should help the CMA to make its consideration of scale issues more explicit and to identify the optimal scale for its activities.

g) should ensure the CMA clarifies how it considered each of the JSC's Investor Preferences when developing the CAP, especially those related to the management of wetlands and threatened species. The CMA could also clarify the types of activities it will undertake to deliver on the Investor Preferences. The NRC communicated this requirement to all CMAs and highlighted it in the findings and recommendations on the Western CMA's draft CAP.

3.3 How should the CMA demonstrate progress?

The NRC will require the Western 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.

3.4 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 Western CMA to report 6-monthly, in a letter to the NRC, on its progress in taking the actions listed in Section 3.2
- 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 Western CAP within 2 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.

3.5 What can the government do to support this CMA?

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

- 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
- enable the CMA to enhance its internal knowledge and information management systems
- provide flexibility in funding programs to improve the ability of the CMA to deliver NRM outcomes in priority areas
- ensure the CMA has the resources it needs to operate at full capacity, given the difficulty it has experienced in attracting additional staff to the region.

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

