

Thanks for the introduction John

I agree with Sarah's principles for a National NRM system

But within that National NRM system and internationally:

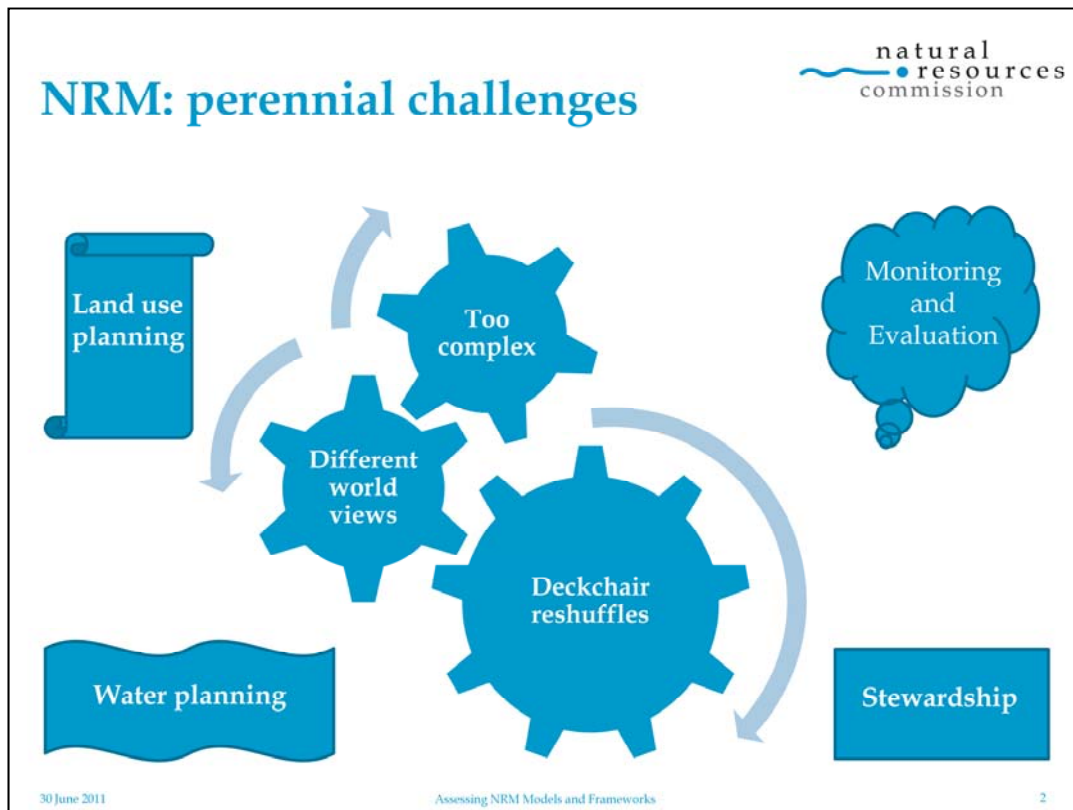
- wide variety of models and frameworks are used
- these vary to fit the historical circumstances of each jurisdiction
- and the bad news is there's no silver bullet – no ideal framework

So as leaders in the National NRM system:

- how do you choose which models and frameworks to use?
- how do you decided if the your NRM framework could be improved?
- more importantly when someone comes from another jurisdiction or a university recommends their models and frameworks, how do you choose whether those models and frameworks would work for your circumstances?

Today I want to use some case studies from NSW to illustrate three practical things that any NRM model or framework needs to do to be successful.

Because the key issue is whether a proposed model will work in practice



I want to start with a reminder of some of the perennial challenges in NRM

When I first started at the Natural Resources Commission, Di Bentley and some of our Victorian colleagues were kind enough to explain the field.

- Voluntary stewardship by landholders crucial given the diffuse nature of the problems and solutions
- But land use planning and other regulation also crucial
- And water planning was fundamental as well

But those parts of the puzzle often didn't line up – the parts didn't come together.

And Monitoring and evaluation was really hard in practice – it existed in theory only.

And there was a negative dynamic at the core of the field:

- Inherent complexity of natural and social systems made the field very hard
- widely different world views on what was important and how to do it
- which inevitably led to lots of conflict and little consensus and progress, and
- and just as progress was happening, governments would lose confidence and reshuffle the deckchairs
- setting those in the field back 18 months as they struggled to reengage communities

And I think you would agree with me that these challenges remain current across Australia, and any NRM model or framework needs to deal with them.

So how are we going in NSW?

- **Regional model is delivering**
 - community is engaged
 - on-ground results strong
 - adaptive management improving
 - innovative thinking - resilience
 - greater policy alignment needed

- **Stability and adaptation for 7 years**
 - an efficiency review
 - 5 year legislative review
 - Caring for our Country policy shift
 - change of government

2010 PROGRESS REPORT

PROGRESS TOWARDS HEALTHY RESILIENT LANDSCAPES IMPLEMENTING THE STANDARD, TARGETS AND CATCHMENT ACTION PLANS



So, seven years on how are we going in NSW? Why do I think there are some lessons of value there to share?

Our Progress Report for 2005 to 2010 sets out how the regional model is delivering:

- community engagement is strong
- on-ground projects are delivering good results, even in the drought
- adaptive management as year on year the CMAs' performance improves
- innovation in the form of new ways of working, like resilience thinking in catchment planning, but also linking catchment and land use planning
- And there are early signs of a push to better align State government NRM policies

But perhaps more importantly, the model is getting stronger over time, and is progressively working through solving some perennial challenges

- CMAs have passed a Treasury efficiency review with no change
- their 5 year legislative review maintained the status quo
- their have not been put off by the Aust Government's NHT 2 to CfoC shift
- And they are thriving after a change of government in NSW
- And they look like getting some more significant role in the Basin Plan

So what is making a difference? and how does that inform the right NRM models and frameworks?

Three key features

For any NRM model or framework to work well, it needs to:

- 1. Encourage innovation**
- 2. Build trust through collaboration**
- 3. Solve problems progressively as we learn**

I'm going to argue that any NRM model or framework needs to do three practical things to be effective.

In my view an effective NRM model or framework need to do three things well:

1. it needs to strongly encourage innovation
2. it needs to build trust through collaboration
3. it needs to solve problems progressively as we learn from experience

And these apply at different scales, from tools to guide NRM activities in the paddock, right up to State and National policy frameworks

Over the last 7 years, these three features have arisen time and time again:

- Innovation gives new solutions to old, intractable problems
- Trust makes the transactions costs of collaborate manageable
- Ongoing problem solving helps untangle 'wicked' public policy problems – the solutions require experimentation to find, and are often only apparent in hindsight

To illustrate how focussing on these three practical things has helped us choose the right frameworks, I'd like to now take you through a couple of case studies from NSW

Case Study 1 Standards, target, CAPs and audits

Expected approach

- Technical BPM standards
- State-wide SMART targets
- Catchment Action Plans
- Audits of compliance

Reality

- System too complex
- Too many targets
- Too many plans
- Needed support

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5

Our first task at NRC in 2004 was to develop standards and state-wide targets which CMAs would comply with in new Catchment Action Plans, and later to audit and report on their results

The expectation was for rigid technical BPM standards imposed on CMA, and very specific state-wide targets again imposed on CMAs and communities.

In reality, we found

- the system was too complex to impose a common set of technical standards
- there were already far too many targets – the issue was alignment of them
- there were already too many plans – the issue was again alignment
- CMAs' overriding need was for support in solving systemic obstacles

So it was clear the model of technical standards and specific state targets wasn't going to cut the mustard.

We decided to work closely with CMAs and regional stakeholders to work out what standards and targets would actually add value

Framework to support innovation

- Resilient landscapes and communities - state-wide targets
- Standard to promote innovation and quality
- Catchment Action Plans as the integrating mechanism
- Ongoing audits of performance and lessons learned



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6

So this is the NSW framework to support innovation in NRM – based on Regional innovation - with rigour and accountability

1. Resilient landscapes and communities - state-wide targets
2. Standard for Quality Natural Resources Management (adaptive cycle)
 - use best available information in a structured and transparent way
 - work at right scales to integrate multiple outcomes
 - collaborate to maximise net gains and multiple benefits
 - engage the community in planning, implementing and reviewing goals
 - manage risks
 - monitor to show performance and improve practice
 - manage information to meet user needs and transparency
3. Catchment Action Plans as a way of integrating everyone's actions
 - CMAs use the standard to develop more detailed targets
 - we review the plans and recommend accreditation by Government
4. Ongoing public audits of performance and lessons learned

Practical reflections

- Pilot process with CMAs over 12 months
- Trust issue: from Blueprints to catchment action plans
- Innovation issue : ensure quality without prescription
- Key problem: getting one view from governments

Pilot process with CMAs and later agencies over a 12 month period . Workshops to test our ideas on standards for complex systems

What was the trust issue?

- community trust very low because government had rejected regional vegetation plans, Catchment Blueprint plans, etc
- Catchment Action Plans serve to integrate previous plans and rebuild trust
- broad, thematic state-wide targets would help to orientate pre-existing targets and ask CMAs to use the standard to realign those targets over time

What was the innovation issue?

- saw we could build on the knowledge and innovation at lower scales – share it
- but perspective was lacking , so standards need to provide strategic perspective
- the standards is a quality assurance framework that adapts to any task or scale
- gives a common language to help parties work together across different scales

What was the key problem to be solved?

- there were many, and some would have to wait, but
- the key problem was getting one voice from many government masters
- so we helped get all governments on the same page when approving the CAPs
- and we advise on each CMAs' capacity to make ongoing improvements

Case Study 2 How to report on Progress?

Expected approach

- MER (I) programs
- State-wide monitoring
- Regional monitoring
- Hard data
- Compliance focus

Reality

- Australian National Audit Office reports
- Little useful data at scale
- Needed evaluations
- Needed practical advice

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8

Another major task was to work out practical ways of auditing and reporting on how effective the new approach was.

The expectation was that we'd use biophysical monitoring programs at state and regional scales to demonstrate results using hard data.

In reality, we found

- that approach was not working– ANAO reports were setting us back by (I would argue unjustifiably) undermining confidence in the model
- there was little useful data at State scale, and patchy data in regions
- in practice what was really needed was meaningful evaluations (qualitative)
- CMAs and government needed practical advice on overcoming obstacles

So it was clear the model of data rich, MERI programs wasn't practical.

Again we decided to work closely with CMAs and agencies to work out what model and framework for reporting on progress would actually work

Audits and Reporting Framework

- Audits use multiple levels and lines of evidence
- Funding based on NRM priorities and performance
- Reports on performance, improvements and lessons
- Suggested actions for CMAs, agencies and governments



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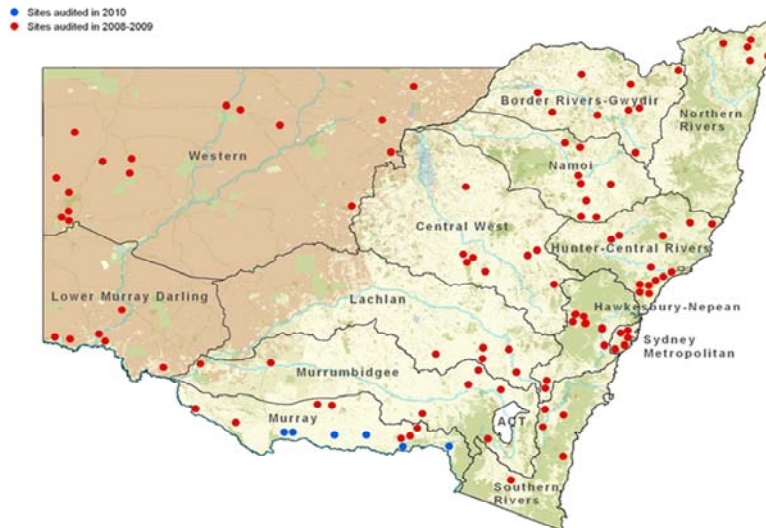
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So this is the NSW framework to audit and report on progress in NRM.

1. Performance audits are based on multiple lines of evidence
 - success of projects on the ground
 - quality of business systems for picking and delivering projects
 - stakeholders and community views on success
 - resource condition monitoring as it becomes available
2. A funding model that transparently considers priorities and performance
3. Audits provide advice on performance, but also on case studies of success, and nature of any external obstacles to improvement
4. Suggested actions for CMAs, but also actions for NRM agencies and governments a whole beyond NRM to support better performance.

I'll take you quite quickly through the next few slides from our 2010 Progress Report to show you what this looks like in practice.

Audits of CMA projects



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10

NRC audited over 100 projects including :

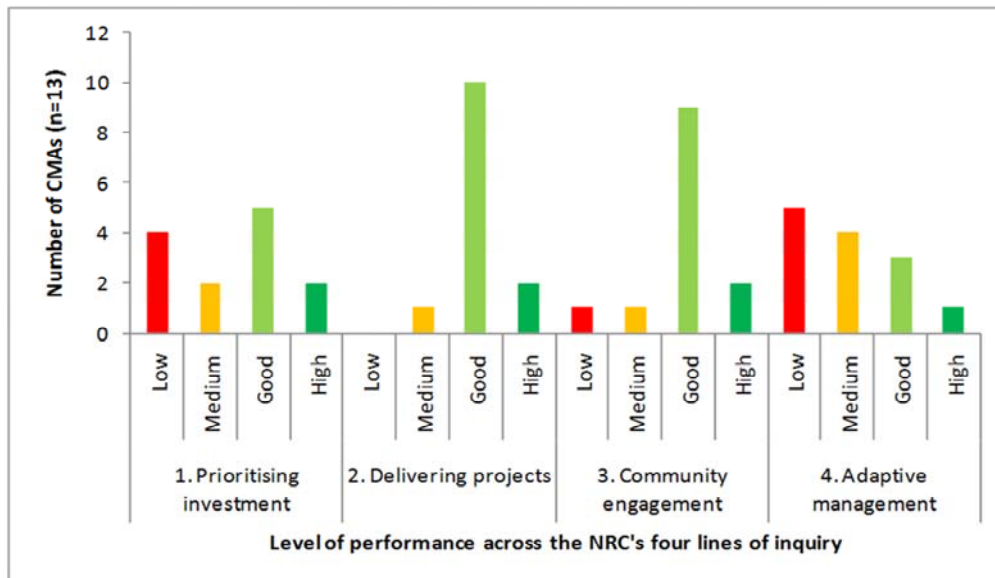
- inspecting the sites
- reviewing project data and files, and
- interviewing landholders and third parties

Overall the projects were delivering:

- 90 % of projects had strong program logic and achieved intended outputs
- 50% of those had achieved a resource condition outcome, even in drought

And importantly, Governments gained a lot of confidence from this practical on-ground assessment of project outcomes.

Audits of CMAs businesses



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11

We also audited the quality of CMAs business systems used to:

1. Prioritise their investments and select those projects – were they doing the right projects?
2. How well the projects were managed and delivered on the ground
3. How landholders and the community were engaged in contributing to projects and whether they had a sufficient understanding of and commitment to the project to see it through in future years
4. Whether the CMA was learning and sharing lessons from it's activities

And importantly, where we identified that performance wasn't as strong in:

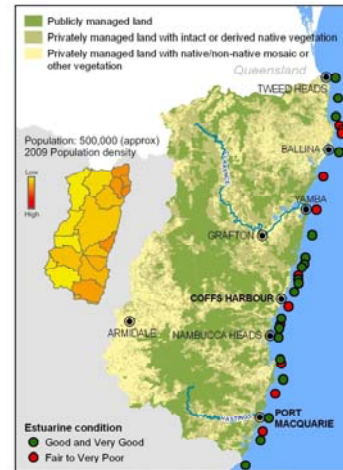
- Prioritising investments and
- Adaptively managing,

we examined whether this was being caused by weaknesses internal to the CMA, or because of external obstacles such as conflicting objectives imposed by NSW or Australian Government policies.

And we then made public recommendations on actions by the CMA and governments

Narrative of regional context

- Catchment snapshots
- Values and challenges
- Landscape condition
- CMA investment profile
- Planning and NRM strategies



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12

We also did some work to put the CMAs' contributions in their proper context and get them to help tell the story of what was going on in each region.

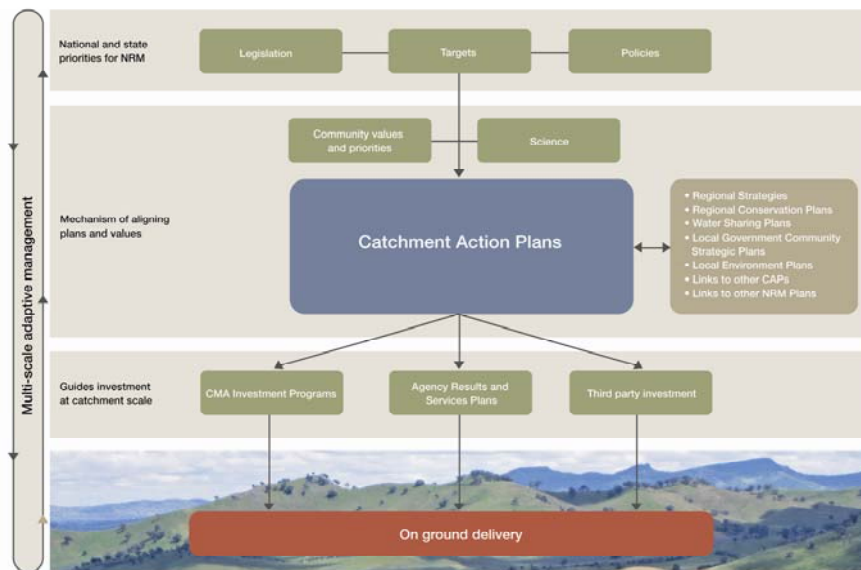
And we tried to keep these to one page, with a focus on telling the narrative of what's going on in that region and how the CMA is working in that context.

These catchment snapshots combine the available information from:

- CMA investment plans on key values and challenges
- CMA monitoring programs on the impact they are having
- state-wide monitoring programs to give the regional context
- other NRM programs being run by agencies in the region
- statutory planning actions in the region to show what else is happening

Government has found this level of contextual information valuable.

Advice to integrate the parts



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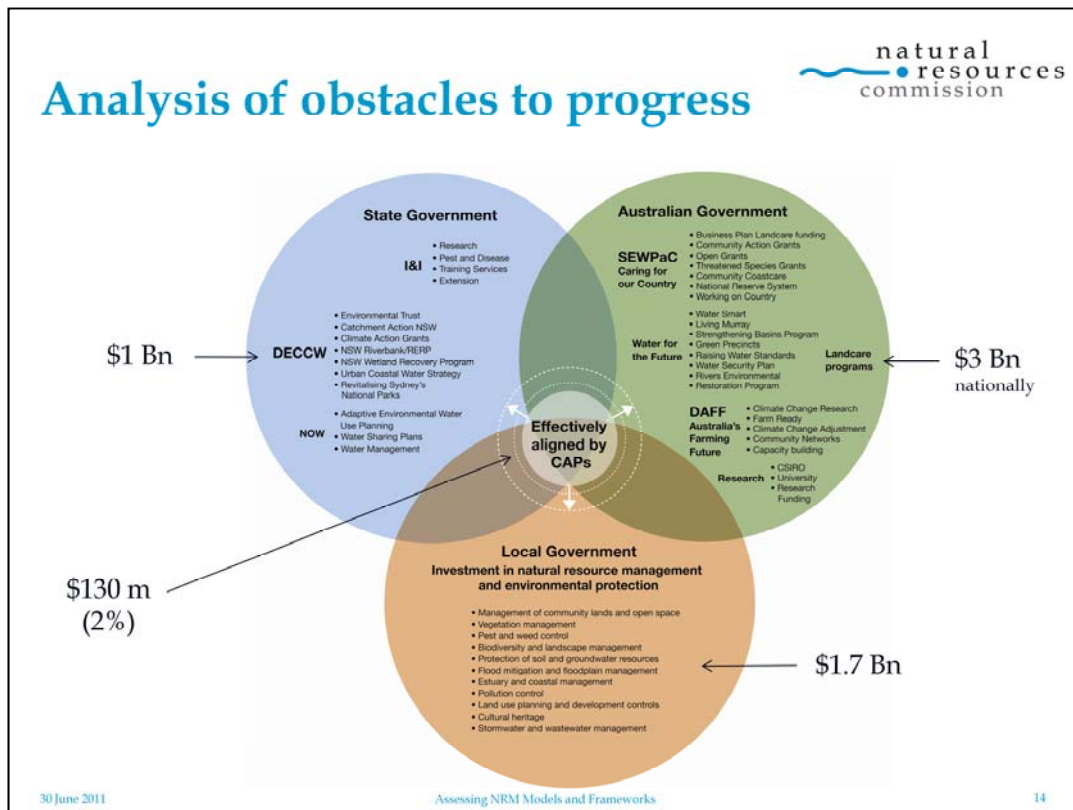
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13

We have then extended the analysis to recommend solutions to some of the problems of the day

For example, how CAPs could also serve to integrate the implementation of statutory plans such as Regional Strategies and Water Sharing Plans on the ground.

Again, this model is gaining more traction within Government.



And we then provided some advice to Government on the issue of funding

We did a high level analysis of government funding on NRM-related issues

- there is about \$5.7 Billion spent annually by the all governments combined (Including \$3 billion of AG funding spent nationally)
- only about \$130 million (or 2%) of that is aligned through accredited regional Catchment Action Plans.

So not really the case that NRM isn't well funded . We just don't link it up well.

Significant scope to better coordinate

Needs a shared view of how best to promote resilient landscapes and communities in each region.

Practical reflections

- Pilot processes with CMAs & agencies over 2 years
- Trust issue: gaining CMA support on role of audit
- Innovation issue: evaluating different CMA approaches
- Key problems: lack of MER data; removing obstacles; \$

Pilot process with CMAs and agencies over 2 years - harder so took longer.

Trust issue:

- past audits by National and State governments hadn't helped anyone
- crucial trust issue was getting CMAs to view audits as useful - did systems reviews, gap analysis, extension support, then eventually audits
- need to tell the story and explain the context – create the landscape narrative
- rigorous audits have built trust between CMAs and State government

Innovation issue:

- crucial to consistently evaluate a diversity of regional circumstances /approaches
- we used the standard to set the evaluation criteria
- we used pilots with CMAs to (re) calibrate performance expectations

Key problems:

- reporting on progress without comprehensive data sets - program logic means you need to evaluate projects, programs, outputs, etc
- CMAs' performance was only part of the story – recommendations to Government on how to remove obstacles to greater success
- funding was seen as linked to how well you played the bidding game (not success) - linking performance to funding has helped simplify NSW priorities

Practical aspects of effective NRM models and frameworks

- 1. Must encourage innovation**
- 2. Must build trust through collaboration**
- 3. Must solve problems progressively as we learn**

So in summary, while I'd argue there is no silver bullet of an ideal NRM framework there are three practical things any successful NRM framework must do:

First , the proposed model or framework must encourage innovation

- Amazing innovation happens if you create space for it
- Does the approach give freedom to innovate at the right scale?
- Does it encourage participants to tackle the unresolved issues?

Second , it must build trust

- Does the approach address the key issues affecting stakeholders' trust?
- Is the approach fair from as many perspectives as you can imagine?
- Does the approach tell the landscape narrative and contextual story?
- Does it help build trust between scales ? - often the hardest to build

Lastly, it must have mechanisms to progressively solve problems

- Are there mechanisms to build capacity and learning over time?
- Does it help to build capacity one scale below – this is where most easily lost
- Can the approach solve the key problems at each scale of governance?

In conclusion, when some snake oil salesman comes to you with a new NRM model or framework, I hope you can use these three practical criteria to help decide whether it will work for you or not.

Questions?

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I will leave it there.

And I look forward to any questions.