

## Chapter Two

### Three decades of investment in National Resource Management – learning from past success and failure

#### Introduction

2.1 In March 2008, the Commonwealth Government announced the establishment of Caring for our Country as the ongoing program for investment in environmental and sustainable resource management. At its launch, the program was described as "an Australian Government initiative that seeks to achieve an environment that is healthy, better protected, well-managed and resilient, and provides essential ecosystem services in a changing climate".<sup>1</sup>

2.2 Prior to March 2008, the Commonwealth Government invested in natural resource management (NRM) through a range of programs including the National Action Plan for Salinity and Water Quality (the NAP), the Natural Heritage Trust (the NHT) and the National Landcare Program.

2.3 In designing Caring for our Country, the government has indicated it is seeking to build on the knowledge and experience of the past, and argued that, while the program involves a new orientation:

...its design and implementation is being undertaken in a way that supports existing expertise, partnerships and landscape-scale approaches; addresses the weaknesses of past programs; and maintains and enhances the commitment and capacity of all stakeholders, including landholders.<sup>2</sup>

2.4 This emphasis on an evolutionary approach has characterised the design and operation of NRM programs in Australia since the 1990s. This chapter sets out some of the lessons learned from previous NRM programs, as a basis for the discussion of Caring for Our Country in Chapter 3. The chapter then sets out the evidence that the committee received in relation to the positive and negative aspects of these programs. The chapter concludes with an outline of the reviews of these programs conducted by the Ministerial Reference Group for Future NRM Programme Delivery and the Australian National Audit Office.

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1 Department of the Environment, Heritage and the Arts and Department of Agriculture, Fisheries and Forestry, *Caring for our Country: Business Plan 2009-2010*, November 2008, p. 3.

2 Department of Environment, Water, Heritage and the Arts and Department of Agriculture, Fisheries and Forestry, *Submission 37*, p. 2.

### ***National Landcare Program – 1992-1996***

2.5 The National Landcare Program (Landcare) was established in 1992 and replaced a range of existing programs, including the National Soil Conservation Program and the Federal Water Resources Assistance Program. The primary focus of Landcare was "sustainable agriculture and improved management of the natural resource base – soils, water and vegetation – at farm level".<sup>3</sup>

2.6 The three main components of the Landcare program were:

- **The Sustainable Industry Initiatives:** which worked in partnership with national industry groups to encourage sustainable and nationally consistent approaches to NRM.
- **Natural Resource Innovation Grants:** one-off grants to encourage people in farming, food aquaculture and forest industries to contribute to sustainable production. The grants were also intended to encourage improvement and adoption of best practice.
- **The National Landcare Program Sustainable Practices component (formerly known as Community Support):** which funded activities intended to increase the uptake of sustainable production and other NRM practices. The funding was also intended to assist natural resource managers to improve their skills and knowledge and improve the integration of NRM into management practices at the enterprise level.<sup>4</sup>

### ***Natural Heritage Trust 1996-97 to 2007-08***

2.7 The Natural Heritage Trust (NHT) was established under the *Natural Heritage Trust of Australia Act 1997*. NHT was to be a comprehensive, integrated program to conserve, repair and replenish Australia's natural capital infrastructure.<sup>5</sup> The NHT was established with a budget of \$1.35 billion over five years and had three overarching objectives:

- biodiversity conservation;
- sustainable use of natural resources; and
- community capacity building and institutional change.<sup>6</sup>

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3 Department of Agriculture, Fisheries and Forestry website [www.daff.gov.au/natural-resources/landcare/national\\_landcare\\_program](http://www.daff.gov.au/natural-resources/landcare/national_landcare_program), accessed 2 February 2009.

4 Department of Agriculture, Fisheries and Forestry website [www.daff.gov.au/natural-resources/landcare/national\\_landcare\\_program](http://www.daff.gov.au/natural-resources/landcare/national_landcare_program), accessed 2 February 2009.

5 *Natural Heritage Trust of Australia Act 1997*, section 3.

6 Department of Agriculture, Fisheries and Forestry website [www.nht.gov.au/nht/index.html](http://www.nht.gov.au/nht/index.html), accessed 2 February 2009.

2.8 In launching the NHT, the government acknowledged both the need for national leadership and the importance of the Commonwealth working cooperatively with state governments "to achieve effective outcomes in matters relating to environmental protection, natural resources management and sustainable agriculture".<sup>7</sup>

2.9 The NHT provided funding for environmental activities across the three tiers of government:

- national investment, delivered in accordance with the National Strategic Plan;
- regional investment, delivered in conjunction with the National Action Plan for Salinity and Water Quality; and
- local action, delivered through the Australian Government Envirofund (the Envirofund).<sup>8</sup>

2.10 A second phase of the Natural Heritage Trust, (NHT2), was launched in 2001 and extended the program until 2006-07. The government allocated \$1 billion for national, regional and local level NRM activities with the expectation that this funding would be matched by state and territory governments. A further \$300 million was committed in the 2004 Federal Budget to extend NHT2 until 30 June 2008.

2.11 Under NHT2 the three primary objectives of the NHT remained the same, however a regional delivery model was adopted as the framework for identifying priorities and coordinating actions. The committee notes that the decision to move to a regional delivery model was based in part on concerns arising from the mid-term review of the first phase of the NHT (NHT 1), which had identified concerns about the lack of planning and priority setting for biodiversity conservation.<sup>9</sup> The decision was also informed by two major policy papers – *Managing Natural Resources in Rural Australia for a Sustainable Future: A discussion paper for developing a national policy* and *The Management of Dryland Salinity: Future Strategic Directions*.<sup>10</sup>

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7 *Natural Heritage Trust of Australia Act 1997*, Preamble.

8 Department of Agriculture, Fisheries and Forestry website [www.nht.gov.au/nht/index.html](http://www.nht.gov.au/nht/index.html), accessed 2 February 2009.

9 Joint Team, *Mid-Term Review of the Natural Heritage Trust: Review of Administration*, November 1999, p. 5 referred to in Australian National Audit Office, Audit Report No. 21 2007-2008, *Regional Delivery Model for the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality*.

10 The first policy paper was prepared in 1999 by Commonwealth and state/territory agencies in consultation with a reference group of landholders, rural community leaders, scientists and industry and conservation groups. The second report was prepared in 2000 by the Standing Committee on Agriculture and Resource Management (Report No. 78, *The Management of Dryland Salinity: Future Strategic Directions*, DAFF Standing Committee of Agriculture and Resource Management, 2000).

2.12 In order to deliver funding at a regional level, Australia was divided into 56 community-based, regional NRM bodies. Each regional body was given responsibility for the preparation of a regional NRM plan, and the Commonwealth invested resources to assist in this process. Each NRM plan was required to outline:

- the specific NRM issues in the region;
- the actions required to address the issues identified; and
- the priority areas for action.<sup>11</sup>

2.13 The new regional structures comprised landowners, industries, non-government organisations, indigenous representatives, representatives from three levels of government and other interested parties. Each regional plan was lodged for accreditation by Commonwealth and state/territory governments according to a set of agreed criteria. Following accreditation of the plan, a regional investment strategy was put together, providing details of the funds required to implement the plan. NHT funds were invested in the priorities set out in the investment plan.

2.14 Activities funded at a national level included major resource assessment, research, industry strategies, and innovative management methods for NRM problems such as weed management.

2.15 At a local level, community groups were able to access smaller, individual grants (up to \$30,000) through the Envirofund. Funds could be used by individuals or groups to carry out work targeting local issues or to build their capacity to manage these issues. Projects were required to meet at least one of the NHT's stated priority areas, and be able to clearly demonstrate NRM benefits.

2.16 The committee notes the view that the continued development of the work of Catchment Management Authorities (that is NRM bodies) and emphasis on a whole-of-catchment approach to NRM under NHT has been vital to maintaining gains in land management areas such as nutrient management, soil stability, improving native vegetation cover and ongoing weed control efforts.<sup>12</sup>

### ***National Action Plan for Salinity and Water Quality (NAP) – 2000-01 to 2007-08***

2.17 The National Action Plan for Salinity and Water Quality (NAP) was established by the Council of Australian Governments (COAG) in November 2000 as a jointly administered and delivered exercise between the states and the Commonwealth. NAP was established with an agreed expenditure of \$1.4 billion over

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11 Australian Local Government Association website  
[www.alga.asn.au/policy/environment/nrm/nht/nht.php](http://www.alga.asn.au/policy/environment/nrm/nht/nht.php), accessed 2 February 2009.

12 Wellington Shire Council, *Submission 10*, p. 1.

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seven years. The Commonwealth contribution of \$700 million was required to be matched by state and territory governments.<sup>13</sup>

2.18 The NAP was delivered by identified lead agencies responsible for specific aspects of NRM in each of the states and territories (often with links to other state agencies). At the federal level, the Department of Agriculture Fisheries and Forestry (DAFF) and the Department of Environment and Heritage (DEH) shared joint responsibility for program delivery.

2.19 The goals of the NAP included:

- to motivate and enable regional communities to use coordinated and targeted action to prevent, stabilise and reverse trends in dryland salinity affecting the sustainability of production;
- to conserve biological diversity and the viability of infrastructure; and
- to improve water quality and secure reliable allocations for human uses, industry and the environment.

2.20 The NAP also outlined a number of strategies designed to manage salinity and water quality problems in key catchments and regions, including:

- setting regional targets for water quality and salinity;
- helping regional communities develop and implement integrated regional/catchment NRM plans;
- providing regional communities with advice and information for developing and implementing integrated management plans;
- introducing changes to secure property rights for water, improving water pricing, and establishing effective controls on land-clearing in salinity risk areas;
- clearly defining how partnerships can work effectively to address salinity and water quality; and
- coordinating decision-making across governments.<sup>14</sup>

2.21 The NAP targeted the 21 regions most affected by salinity and water quality problems (NAP Priority Regions). These regions were defined based on dryland salinity risk or hazard assessments undertaken during the first phase of the NHT and reported by the National Land and Water Resources Audit in 2000. The NAP Priority

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13 Australian National Audit Office, Audit Report No. 17, 2004-05 Performance Audit, *The Administration of the National Action Plan for Salinity and Water Quality*, p. 13 and Department of Agriculture, Fisheries and Forestry website [www.napswq.gov.au/napswq/index.html](http://www.napswq.gov.au/napswq/index.html), accessed 2 February 2009.

14 Department of Agriculture, Fisheries and Forestry website [www.napswq.gov.au/napswq/index.html](http://www.napswq.gov.au/napswq/index.html), accessed 2 February 2009.

Regions were also defined by the catchment boundaries that included the areas identified as high risk.

2.22 The NAP was not extended past June 2008 and its focus was subsumed within the Caring for our Country program, however, the committee notes, that salinity and water quality has not been identified as a national priority

### **Discussion of previous programs**

2.23 As was noted in paragraph 2.3, in developing Caring for our Country, the government has indicated that it is seeking to build on the knowledge and experience of the past. With that objective in mind, the committee sought feedback on the positive and negative aspects of Landcare, NHT1, NHT2 and NAP.

2.24 The submissions received by the committee expressed a variety of views in relation to the lessons learned. There were a number of common themes that came across in the evidence, however, including:

- the merit of maintaining commitment to and investment in a regional delivery model;
- the importance of developing cooperation and partnerships between stakeholders;
- the need to continue to build capacity within communities
- the need for improved scientific knowledge (to assist in the development of a more detailed understanding of the landscape and the environment);
- the need to develop improved mechanisms for monitoring and evaluating individual projects and programs generally;
- the need for improved accountability; and
- the need for more reliable funding mechanisms.

### ***Regional approach to planning and management***

2.25 The committee received a considerable number of submissions which specifically addressed issues in relation to the regional delivery model. Most organisations, groups and individuals were supportive of the regional approach. It was argued that the model offered significant benefits, particularly in relation to planning, management and the development of partnerships, and it led to more focused outcomes.<sup>15</sup> Submitters emphasised the ability of the regional model to achieve integrated NRM outcomes, establish links with local government and other key

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15 See, for example, *Submission 19*, South West Catchments Council; *Submission 42*, Professor David Pannell and *Submission 57*, South Australian Government.

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stakeholders and to achieve better investment value through one-on-one negotiations between regional NRM staff and individual resource managers.<sup>16</sup>

2.26 The Northern Gulf Resource Management Group (NGRMG) noted that one of the key benefits of the regional approach has been "the bringing together of all the stakeholders/players around the one table and over time the development of trust, constructive working partnerships and more effective and efficient use of resources".<sup>17</sup> This view was supported by South Coast Natural Resource Management.<sup>18</sup>

2.27 The NGRMG also suggested that some of the benefits of the regional approach had been unintended. In the Northern Gulf, these benefits have included:

- the skills and resources which now reside within regional NRM bodies being used for wider community benefits, for example, the spatial imagery purchased and processed for NRM management is also of considerable value to Emergency Services and the Police; and
- regional NRM body staff and operations located in remote and regional Australia have become important contributors to the social and economic capital of these communities.<sup>19</sup>

2.28 However, the committee notes that the lack of national coordination of regional NRM bodies often meant the experience of seeking support from regional NRM groups was problematic. For example, the Winemakers' Federation of Australia (WFA) argued that the lack of national coordination of regional NRM bodies meant that it was necessary to approach each individual NRM body and made it difficult to align national industry initiatives with regional priorities.<sup>20</sup>

2.29 The WFA acknowledged that there are some positive partnerships between regional wine industry bodies and regional NRM groups, which are working well within the current structure. However, as a result of its experience, the WFA regards the role of regional NRM bodies as being best suited to regional monitoring and reporting of biophysical conditions, and assisting volunteer organisations to undertake 'public good' works.<sup>21</sup>

2.30 Growcom has also found the experience of having to negotiate with a number of individual regional NRM groups in relation to incentive programs for fruit and vegetable growers costly and time consuming. Growcom has found that contract

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16 *Submission 45*, Murray Catchment Management Authority, p. 1; *Submission 15*, Northern Gulf Resource Management Group, p. 5.

17 *Submission 15*, Northern Gulf Resource Management Group, p. 5.

18 *Submission 16*, South Coast Natural Resource Management, p. 3.

19 *Submission 15*, Northern Gulf Resource Management Group, pp 5-6.

20 *Submission 14*, Winemakers' Federation of Australia, p. 3.

21 *Submission 14*, Winemakers' Federation of Australia, p. 3.

negotiations covering the management, delivery and reporting of incentive programs are often protracted, resulting in delays in access to funding<sup>22</sup>

2.31 In Growcom's experience, the ability of regional NRM groups to successfully promote incentive programs and engage industry sectors also varies greatly. Growcom suggested that:

... government would receive greater cost-effective outcomes and greater environmental benefits by working with key grower organisations such as Growcom who have state wide reach to the industry through an effective extension network. Growcom is well positioned and experienced to deliver services to growers through proven industry NRM programs in close partnership with the regional NRM groups.<sup>23</sup>

2.32 However, the NFF highlighted what it saw as the advantages of developing industry/regional group partnerships. They argued that regional NRM groups have "extraordinary capacity to prepare and lodge submissions, the governance arrangements to administer projects, and the monitoring and reporting frameworks to report on project deliverables and financial acquittal".<sup>24</sup> NFF stated that they were well placed to work with industry and regional NRM groups to draw together regional interest groups, put together large projects for funding approval and manage project implementation.<sup>25</sup>

2.33 The committee heard evidence that, given the significant investment in the regional model, there was benefit in maintaining and improving upon it. Professor Pannell told the committee that while he had not been a supporter of the regional model when it came in, there had now been significant investment in the model:

... as in skills, networks, information and so on, and even though it has not worked particularly well, it is a smaller step to make it work well now than it was when they first brought it in. It is feasible to keep it in place, take it seriously and make it operate better.<sup>26</sup>

2.34 Professor Pannell said that the reason the regional approach has not worked well to date is because it has "not been given the incentives, support and carrot and sticks that it needs to operate well".<sup>27</sup>

2.35 The CSIRO also noted that the regional model has met with varying levels of success, but offered a model for capitalising on those aspects of the regional model

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22 *Submission 65*, Growcom, p. 15.

23 *Submission 65*, Growcom, p. 15.

24 *Submission 44*, National Farmers' Federation, p. 12.

25 *Submission 44*, National Farmers' Federation, p. 12.

26 Professor David Pannell, *Committee Hansard*, 10 October 2009, p. 6.

27 Professor Pannell, *Committee Hansard*, 10 October 2009, p. 6.



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that were more successful, including regional networks and enhancing these through greater involvement by local government.<sup>28</sup>

2.36 Some witnesses stressed that it was important to remember that the regional approach to natural resource management is a relatively new concept. The Western Australian Department of Agriculture and Food submitted that:

Up-scaling from local to regional scale to deal with environmental problems that need to be defined and managed at a broader scale (landscape, catchment or region-wide) has not been without its difficulties, and further work on developing capacity at regional level of governance and accountability, management, planning and community engagement at regional level is needed.<sup>29</sup>

2.37 Mr Malcolm Petrie, representing the Local Government Association of Queensland (LGAQ), also noted that regional bodies are relatively new and suggested that four years is a relatively short time frame for an organisation to get their corporate governance in place. However, the LGAQ noted that during the period they have been established:

... they have progressed significantly with the support of both the Australian and state government and ... have a significant role to play in providing strategic direction and coordination for a host of stakeholders.<sup>30</sup>

2.38 The Murray Catchment Management Authority (the Authority) also conceded that, as new institutions, Catchment Management Authorities are not perfect, but are showing signs of improvement. The Authority acknowledged that there has been some alienation of Landcare groups, and the involvement of the urban community has also diminished, but suggested that the way to address these deficiencies is to expand the functions of Catchment Management Authorities (CMAs) by providing appropriate resources, rather than reducing their scope.<sup>31</sup>

### ***Cooperation between stakeholders***

2.39 The Fitzroy Basin Association argued that one of the primary successes of the NHT and NAP programs was in moving communities, landholders, conservation and indigenous sectors, Commonwealth and state agencies and local government, toward an integrated and strategic approach at the regional level.<sup>32</sup>

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28 *Submission 50*, CSIRO, pp 8-10.

29 *Submission 46*, Department of Agriculture and Food, Western Australia, p. 5.

30 Mr Malcolm Petrie, Local Government Association of Queensland, *Committee Hansard*, 17 October 2008, p. 103.

31 *Submission 45*, Murray Catchment Management Authority, p. 1.

32 *Submission 25*, Fitzroy Basin Association Inc, p. 2.

2.40 The Queensland Regional NRM Groups Collective (the Collective) also identified improved relationships and cooperation between stakeholders as one of the important lessons learned. The Collective argued that regional bodies have facilitated improved relationships between stakeholders (often with different agendas) and that these improved relationships have resulted in more effective partnerships. More effective partnerships have, in turn, delivered positive NRM outcomes in a more integrated and efficient manner. The Collective also pointed to the pool of expertise in NRM delivery which now exists in regional bodies and partnering organisations.<sup>33</sup>

2.41 Ms Joan Burns, Chair of the Victorian Catchment Management Authority Chairs Group (VCMACG) argued that NRM is about partnerships rather than boundaries. Ms Burns told the committee that whilst there are a range of boundaries, including water authority boundaries and government department boundaries, it is actually "about partnerships and how you work within your catchment to get these synergies happening ...".<sup>34</sup>

2.42 Ms Burns also told the committee that, in addition to partnerships within the community, the VCMACG is involved in a number of tri-state projects:

We work with New South Wales and South Australia. We have about 200 programs going with them at the moment. There are a lot of tri-state and interstate committees. You work well with you neighbours depending upon the need and what the project is hoping to achieve.<sup>35</sup>

2.43 The committee also received evidence which outlined the types of problems that can arise when there is a lack of cooperation between organisations.

2.44 The Western Australian Local Government Association (WALGA), for example, pointed to a lack of cooperation between the Commonwealth and the Western Australian state government, and raised the issue of the current institutional arrangements between these two stakeholders. It was argued that these arrangements are seen as a "relatively ineffective method of ensuring that NRM outcomes are delivered on the ground",<sup>36</sup> and the Western Australian Government, through its internal processes:

... has utilised the bi-lateral process as a mechanism to absolve itself of investing the core funding required for NRM at the level that many in the community would reasonably expect, particularly given the dimension of

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33 *Submission 41*, Queensland Regional NRM Groups Collective, p. 4.

34 Ms Joan Burns, Victorian Catchment Management Authority Chairs Group, *Committee Hansard*, 17 October 2008, p. 56.

35 Ms Joan Burns, Victorian Catchment Management Authority Chairs Group, *Committee Hansard*, 17 October 2008, p. 56. See also Mr Malcolm Petrie, Policy Advisor, Local Government Association of Queensland, *Committee Hansard*, 17 October 2009, p. 56.

36 *Submission 36*, Western Australian Local Government Association, p. 2.

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the jurisdiction, its international biodiversity hotspot and several other hotspots recognised at the national and state level.<sup>37</sup>

2.45 WALGA also argued that it was a lack of state government cooperation and involvement that had resulted in a lack of adequate funding for processes to capture important ecological data, or to fund the purchase of appropriate information systems to access the data.<sup>38</sup>

2.46 Another benefit of the previous programs has been the increase in community awareness regarding NRM issues. For example, the Wellington Shire Council told the committee that the Landcare program has raised the level of community awareness and understanding around the need for improved NRM. In its submission to the inquiry the Shire Council said:

The Landcare networks have allowed land managers and NRM agency staff to form productive partnerships whose work can be seen across rural landscapes, as eroded gullies and weed infested waterways have been fenced off and revegetated, and wildlife corridor linkages have been established through the planting of thousands of windbreaks.<sup>39</sup>

2.47 Submitters also told the committee of the community good will that had been engendered through programs such as Landcare and the significance of this continued goodwill for the successful delivery of outcomes.<sup>40</sup>

### ***Scientific knowledge and expertise***

2.48 The committee received a number of submissions which pointed to the importance of having good scientific knowledge and ready access to baseline data.<sup>41</sup> In his submission, Mr Bernard Powell, a soil scientist with experience in the National Soil Conservation Program, Landcare groups and regional NRM bodies, told the committee that:

Successful NRM is based on good science and demonstrated technology and this should form the basis for agreement amongst government and stakeholders of the way forward. If landholders are not convinced of the scientific facts and merits of a particular solution, there will be limited uptake.<sup>42</sup>

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37 *Submission 36*, Western Australian Local Government Association, p. 2.

38 *Submission 36*, Western Australian Local Government Association, p. 2.

39 *Submission 10*, Wellington Shire Council, p. 1.

40 *Submission 12*, Tasmanian Farmers and Graziers Association and *Submission 13*, South Gippsland Landcare Network.

41 See, for example, *Submission 50*, CSIRO, p. 3; *Submission 11*, Mr Bernard Powell, p. 2; *Submission 18*; WWF-Australia and Humane Society International; *Submission 34*, Greening Australia, p. 3 and *Submission 36*, Western Australian Local Government Association, p. 3.

42 *Submission 11*, Mr Bernard Powell, p. 2.

2.49 Greening Australia's submission argued that earlier NRM programs had generally focused on output and activity and were not necessarily linked in a practical way to science-based outcomes. It also pointed to past problems in relation to baseline data, and argued that:

Poor availability of baseline datasets and the continuing inability of the States and Commonwealth to provide meaningful national datasets at a scale that relate to most conservation actions, handicaps analysis of what is required and what has been achieved. For example, vegetation mapping is not consistent across states and soil mapping is not available at a scale where it is of any use to landholders or practitioners.<sup>43</sup>

2.50 In addition to maintaining useable data, Greening Australia argued that there is also a requirement to increase investment in research and development; "to expand the science, determine priorities and improve environmental assessment and reporting".<sup>44</sup> They also urged a greater level of cooperation across NRM regions and recommended the development of standard methodologies and systems for monitoring, planning, on-ground works, as well as governance and administration:

This will save 56 separate organizations from having to develop these instruments independently. It will also be conducive to the aggregation of data nationally.<sup>45</sup>

2.51 A joint submission from WWF-Australia and the Humane Society International (WWF and HSI) raised the problems associated with accessing scientific data, and argued that one of the significant shortfalls identified under NHT1 and NHT2 was the failure to generate data that was useable and that could also be made available to national data systems.<sup>46</sup>

2.52 Other submitters emphasised the importance of scientific and technical expertise of NRM agency staff. The Wellington Shire Council stated that "there has always been, and continues to be, a need for coordination, direction and technical input and advice from agency staff, as this is considered vital to continue the impetus of the Landcare system".<sup>47</sup>

2.53 Mr Powell also expressed concerns about insufficient focus being placed on the training requirements for NRM professionals, and the resultant loss of scientific knowledge:

With baby boomer staff approaching retirement there is a real threat of the scientific and corporate knowledge gap compromising the whole program of Commonwealth investment. In particular, investment in soil science

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43 *Submission 34*, Greening Australia, p. 3.

44 *Submission 34*, Greening Australia, p. 3.

45 *Submission 34*, Greening Australia, p. 5.

46 *Submission 18*, WWF-Australia and Humane Society International, p. 7.

47 *Submission 10*, Wellington Shire Council, p. 1.

training is at its lowest ebb and this sort of Australian specific knowledge is hard won over many years of experience. It cannot be imported from overseas and will take some years to recover from, even if we started investing in such training tomorrow.<sup>48</sup>

2.54 This view was shared by the Western Australian Department of Agriculture and Food, who noted that with the recent levels of mining and resources activity in Western Australia over recent years, maintaining technical and scientific capacity across all levels had been difficult. The Department argued that:

The cycle of training NRM officers to a point where their skills are attractive to other (higher paying) employers is disruptive and demoralising to regional communities.<sup>49</sup>

### ***Building and maintaining capacity***

2.55 The committee also heard that in order to capitalise on existing networks and projects and to maintain commitment, it is important to build on the knowledge, experience and goodwill of all people currently involved in NRM. The committee notes the submission of the South Australian Government that "continuing to support the implementation of these regional NRM processes and plans is an effective way of maintaining momentum and building on the knowledge and experience gained".<sup>50</sup>

2.56 The Blackwood Basin Group, for example, stressed the importance of maintaining investment in existing capacity and argued that by investing in local people, the knowledge and networks naturally follow. They argued that there was a need to:

... acknowledge that local groups have their own tried and tested methods of community engagement and project management, many systems which have been running longer than the regional system has. Projects and programs should not be too restrictive in their requirements in these areas, giving flexibility for current local working systems to still be used.<sup>51</sup>

2.57 The NFF stressed the importance of NRM staff in developing and maintaining community involvement in NRM issues through continued support for program coordinators. The NFF stated that the relationship between NRM coordinators and the community, together with the knowledge, capacity and a level of trust built up over the course of projects is "critical" to the success of programs like Landcare. The NFF submitted that there was considerable value in retaining program coordinators in the regions where they could apply their local knowledge directly to on-ground activities. The NFF argued that a lack of long-term funding and a lack of ongoing commitment

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48 *Submission 11*, Mr Bernard Powell, p. 2.

49 *Submission 46*, Department of Agriculture and Food, Western Australia, p. 4.

50 *Submission 57*, South Australian Government, p. 6.

51 *Submission 9*, Blackwood Basin Group, pp 2-3.

will result in experienced and respected staff choosing to seek more secure employment opportunities.<sup>52</sup>

2.58 The South Gippsland Landcare Network (SGLN), also submitted that the sustained combined efforts of Landcare's local community leaders, community based Landcare Coordinators and Facilitators, who work directly with, and support, rural communities, and individual landholders, had been central to the success of such programs.<sup>53</sup>

2.59 The Collective expressed similar sentiments in relation to the importance of community involvement. They stated that, in terms of delivering natural resource management, no amount of legislation, regulation or government intervention would provide the natural resource management results required, or meet the current challenges being faced. Mr Andrew Drysdale, CEO of the Collective, told the committee that:

At present, our research shows that land managers, farmers, graziers and local governments are contributing \$3 for every dollar that comes in and is injected through various programs. That is more the issue that I think we need to face – 'we' being governments, communities and organisations like ours. It is about how we keep our communities engaged and mobilised.<sup>54</sup>

2.60 Other submitters emphasised the importance of supporting the attraction and retention of well-trained staff.<sup>55</sup> The Fitzroy Basin Association argued that, whilst NRM funding programs should not be viewed as employment programs, it is important to acknowledge that facilitation of change cannot happen without people. The Association drew attention to the fact that in a tight employment market, one year contracts do not assist organisations to either recruit or retain staff, and further argued that their statement in this regard:

... is not about keeping people employed, it is about finding, building, growing and retaining the skills required to deliver outcomes. When the government announces a commitment to improving education standards, or reducing hospital waiting times, there is never any question that this will require teachers and doctors – nrm is no different.<sup>56</sup>

2.61 WWF and HSI told the committee that "scientific and technical capacity, particularly to guide project development and assessment, is still limited within many

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52 *Submission 44*, National Farmers' Federation, pp 7-8.

53 *Submission 13*, South Gippsland Landcare Network, p. 1.

54 Mr A. Drysdale (Queensland Regional Natural Resource Management Groups Collective), *Committee Hansard*, 17 October 2008, p. 71.

55 See, for example, *Submission 15*, Northern Gulf Resource Management Group; *Submission 8*, Mr Murray Cooper; *Submission 10*, Wellington Shire Council; *Submission 13*, South Gippsland Landcare Network and *Submission 31*, Ms Cathy Trembath.

56 *Submission 25*, Fitzroy Basin Association Inc, p. 3.

regions."<sup>57</sup> The submission identified the need for mechanisms to further enhance this capacity, and suggested that this could be done by supporting the existing capacity (which is often state-based), or through building capacity within communities.<sup>58</sup>

2.62 The Blackwood Basin Group also supported the need for provision of formal training and career development programs for NRM staff. They stressed the importance of retaining the skills and knowledge of both paid and volunteer staff and submitted that this could be facilitated through:

... an accredited training program, and transferability of employment benefits between employers in the NRM industry. This helps to encourage skilled people to stay in the industry, by giving them good career pathways.<sup>59</sup>

### ***Monitoring and evaluation, and accountability***

2.63 The committee received a significant amount of evidence in relation to the need to improve monitoring and evaluation mechanisms, in addition to improving levels of accountability generally.

2.64 In its submission, the Yarram Yarram Landcare Group argued that the close monitoring and evaluation of projects and programs is of critical importance to facilitate community based activism and stewardship. The group stated that:

Investment programs that lack direction and accountability with regard to M&E have in the past, been the missing element in obtaining a better understanding of the causal relationships between community based NRM outputs and priority outcomes as described in Regional Catchment Strategies and other management plans.<sup>60</sup>

2.65 The Yarrum Yarrum Group also argued that, in regard to monitoring and evaluation, there is a definite need for more accountability – particularly when funding programs. The Group suggested that more responsibility also needs to be placed on NRM agencies to provide monitoring and evaluation programs that facilitate better decision making and sound investment. It was also seen as important to ensure that investment is well placed to allow scientific processes to underpin any monitoring and evaluation.<sup>61</sup>

2.66 WWF and HSI argued that monitoring programs have frequently been viewed as a 'cost' rather than an 'investment' and were, therefore, poorly implemented under the first two phases of NHT. The groups' submission asserted that the "importance of

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57 *Submission 18*, WWF-Australia and Humane Society International, p. 6.

58 *Submission 18*, WWF-Australia and Humane Society International, p. 6.

59 *Submission 9*, Blackwood Basin Group, p. 2.

60 *Submission 6*, Yarram Yarran Landcare Network, p. 1.

61 *Submission 6*, Yarram Yarran Landcare Network, p. 1.

monitoring and evaluation to science, and program planning and evaluation, cannot be overstated" and recommended that:

... a comprehensive and nationally-consistent regional monitoring and evaluation system for NRM programs is established to record changes in baseline bioregional assessment findings and to inform Resource Condition Reports.<sup>62</sup>

2.67 The Collective also stressed the importance of effective monitoring and evaluation of NRM activities and argued that the Commonwealth should take more responsibility for improving the coordination of monitoring and evaluation activities. The Collective also suggested that investment in better spatial resource condition monitoring would allow for a time captured sequence of resource condition trends. Its reasoning being, that this would in turn allow land managers to better manage their natural resources and governments to monitor the effectiveness of their investment.<sup>63</sup>

2.68 The issue of monitoring and evaluation of NRM projects has also been raised in formal reviews of NRM programs and is discussed in the next section of this chapter.

### ***Reliable funding mechanisms***

2.69 A significant number of submissions stressed the importance of organisations having access to a reliable source and level of funding.<sup>64</sup>

2.70 In raising the importance of the Commonwealth's commitment to long-term investment in NRM, Growcom used the example of the Reef Rescue partnership. It was argued that the partnership, which had been developed through the collaboration of the Queensland state industry groups and the reef NRM regions, was a model all partners were keen to continue. Growcom had recently been advised, however, that funding for this sort of collaborative process was for the 'transition year' only and that ongoing funding for the partnership had not been guaranteed. Growcom argued that terminating funding in this way "puts strain on all organisations involved as with only one year funding (or perhaps six months) truly strategic and comprehensive approaches are not obtainable".<sup>65</sup>

2.71 The Fitzroy Basin Association argued that one of the most important lessons learned was "that short term program based funding is not an efficient or effective way to improve the health of our natural resources".<sup>66</sup>

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62 *Submission 18*, WWF-Australia and Humane Society International, p. 7.

63 *Submission 41*, Queensland Regional NRM Groups Collective, p. 5.

64 See, for example, *Submission 1*, Mr R. Ryan; *Submission 4*, Ms Dawn Marotti, Arawata Landcare Group; *Submission 5*, Woodend and Five Mile Creek Landcare Group; *Submission 9*, The Blackwood Basin Group and *Submission 35*, The Western Australian Farmers' Federation.

65 *Submission 65*, Growcom, p. 17.

66 *Submission 25*, Fitzroy Basin Association Inc, p. 3.



2.72 The Tasmanian Farmers and Graziers Association (TFGA) also argued that NRM programs should have longevity and that one of the weaknesses of many NRM programs has been the uncertainty created by variable funding arrangements. The TFGA went as far as to suggest that:

A far better arrangement would be for NRM funding to be a permanent budget line item, excluded from the electoral cycle, program name changes and politician partisanship.<sup>67</sup>

2.73 The NHT sought to facilitate improved working relationships between the Commonwealth and state governments through bilateral agreements which outlined the governance, financial management, monitoring and reporting responsibilities of each party. In addition to encouraging signatories to work toward the development of complementary policies and programs, the agreements stressed the importance of all levels of government working in partnership with the community. Rural communities in particular were identified as having a key role to play in the ecologically sustainable management of Australia's natural resources.

2.74 While access to a reliable source of funding is important, the committee also received a submission indicating that the assessment of funding applications needs to be improved. Mr Bernard Powell told the committee that, while locally based Landcare groups have been effective in many cases, their funding success has often resulted from their ability to submit good funding applications rather than the relative priority of their proposals.<sup>68</sup>

### ***The need for a long-term, strategic approach to NRM***

2.75 The committee received a considerable amount of evidence in support of the need for a long-term, strategic approach to natural resource management. Submissions argued that the need for a long-term approach must be supported by long-term funding, at both the federal and state level.<sup>69</sup>

2.76 The National Farmers' Federation (NFF) indicated that it has been a keen supporter of a longer term, strategic approach to NRM, and argued that, whilst the NAP and NHT programs had sought to operate according to a longer term approach, their efforts had been constrained by federal budgets and three year election cycles. The NFF also argued that with incumbent governments unable to commit funds on behalf of future governments, there is a real need to find funding mechanisms that go beyond annual budgets and three year funding rounds.<sup>70</sup>

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67 *Submission 12*, Tasmanian Farmers and Graziers' Association, p. 1.

68 *Submission 11*, Mr Bernard Powell, p. 1.

69 See, for example, *Submission 13*, South Gippsland Landcare Network; *Submission 58*, Namoi Catchment Management Authority and *Submission 65*, Growcom, p. 3.

70 *Submission 44*, National Farmers' Federation, p. 10.

2.77 The Wonyip Landcare Group also argued that natural resource management (specifically Landcare) should be bi-partisan and non-political. The group submitted that:

Projects may run for 10-20 years to see any definitive outcomes and should be evaluated on their merit by scientific experts and not by politicians.

...

It is a waste of funds to start a project and then stop funding before a conclusion or outcome is achieved, ie. the early salinity investigations in the Murray River Basin a decade or so ago.<sup>71</sup>

2.78 The South Australian Government submitted that the primary benefits of long-term, sustainable funding include: a level of certainty which allows groups to pursue regional priorities and focus on delivering significant long-term outcomes and the ability to recruit and retain well qualified staff over the long-term.<sup>72</sup>

2.79 The SA Government stated that that the development of future natural resource management programs at a national level should:

- recognise that it is more cost effective to prevent damage than repair it;
- implement program structures that address strategic NRM issues in an integrated manner, whilst providing sufficient flexibility to accommodate regional variability;
- identify, protect and rehabilitate high value NRM assets;
- address emerging issues (such as climate change);
- employ decision-making that is based on the best available scientific and socio-economic information and advice, and
- provide for timely review of this information and advice.<sup>73</sup>

2.80 The Queensland Regional Natural Resource Management Groups Collective is also strongly supportive of a long-term strategic approach at the national level, suggesting that it should include:

- **State of the Environment Reporting** that would link regional, state and national reporting.
- **An integrated national, state, and regional framework** that would include national priorities targets and budgets, state plans targets and budgets, and regional plans.
- **Accountability** addressing the Australian National Audit Office (ANAO) concerns in relation to vertically integrated monitoring,

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71 *Submission 7*, Wonyip Landcare Group, p. 2.

72 *Submission 57*, South Australian Government, p. 8.

73 *Submission 57*, South Australian Government, p. 8.

evaluation and reporting (MER) ranging from Management Action Targets (MATs) at the regional level to Resource Condition Targets at the state and national level.

Establish an integrated, publicly accessible national remote sensing and data capture system.

- **Partnerships and Bilaterals** including integration of recurrent funding with other programs for example climate and water and bilateral agreements with the states which encompass the roles and responsibilities of national, state and local governments and regional NRM bodies, state and regional plans.
- **Establishment of a National Environmental Accord** that creates a national, integrated environment program.<sup>74</sup>

## Evaluations and reviews

2.81 Since the introduction of these NRM programs, a number of evaluations and reviews have been undertaken. This section of the report sets out the findings and recommendations of six of those evaluations. The government has indicated that the comments made by various individuals and groups, and the recommendations outlined in a number of these reports, were taken into consideration during the design and implementation of the Caring for our Country program.<sup>75</sup> In Chapter 3 of this report the committee assesses Caring for our Country against the findings and recommendations of these evaluations and reviews.

### *1996-97 – ANAO Report – Commonwealth NRM and Environment Programs*

2.82 In 1996-97, prior to the introduction of NHT, the Australian National Audit Office (ANAO) examined a range of relevant NRM programs. The ANAO review raised concerns regarding the measurement of outputs and monitoring and evaluation. The ANAO review acknowledged that some work was being done by agencies in an attempt to measure outputs. On the whole, however, accounting was limited to specific items such as increases in the number of Landcare groups or the quantity of fencing erected to protect vegetation. The ANAO's report noted that, generally, agencies are still "unable to indicate in any detail the outcomes that had been achieved from any of the programs examined."<sup>76</sup>

2.83 The ANAO also reported at the time that Commonwealth NRM and environment programs "fell short of identified better practice in terms of monitoring

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74 *Submission 41*, Queensland Regional Natural Resource Management Groups Collective, pp 6-7.

75 *Submission 37*, Department of Environment, Water, Heritage and the Arts and Department of Agriculture, Fisheries and Forestry, p. 8.

76 Australian National Audit Office, *Commonwealth NRM and Environment Programs*, Audit Report No. 36, 1996-97, p. 3.

and evaluation of projects and reporting of outcomes."<sup>77</sup> The ANAO also made specific suggestions in relation to the reporting framework being established under the then draft Partnership Agreements between the Commonwealth and the states and territories for purposes of the intended NHT program. The ANAO argued that any performance reporting framework should:

- identify appropriate mechanisms for Commonwealth and state/territory monitoring and evaluation of projects and programs;
- allow the relevant parties to evaluate the extent to which actions or activities of governments and project proponents result in progress against NHT objectives; and
- provide for audits to ensure that agreed monitoring and evaluation measures would be effective.<sup>78</sup>

2.84 The ANAO's report also argued that, in terms of accountability:

- agencies had the scope and capability to make significant improvements to the performance and financial accountability of the programs examined; and
- less resources should be devoted to input controls and greater attention should be given to essential program-level financial and performance monitoring, evaluation and reporting.<sup>79</sup>

2.85 The ANAO concluded that:

- there were significant problems in relation to duplication of projects, and groups/agencies/organisations were not clear of their respective responsibilities for project outputs and outcomes;<sup>80</sup>
- program objectives were broad and difficult to measure across all programs;<sup>81</sup> and
- there needed to be a single, comprehensive management information system for collecting and collating data, which allows information to be processed and reported on in a customised format.<sup>82</sup>

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77 Australian National Audit Office, *Commonwealth NRM and Environment Programs*, Audit Report No. 36, 1996-97, p. 69.

78 Australian National Audit Office, *Commonwealth NRM and Environment Programs*, Audit Report No. 36, 1996-97, p. 70.

79 Australian National Audit Office, *Performance Information for Commonwealth Financial Assistance under the Natural Heritage Trust*, Audit Report No. 43, 2000-01, June 2001, p. 40.

80 Australian National Audit Office, *Commonwealth NRM and Environment Programs*, Audit Report No. 36, 1996-97, p. 27.

81 Australian National Audit Office, *Commonwealth NRM and Environment Programs*, Audit Report No. 36, 1996-97, p. 24.

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***ANAO Report – 2000-01 – Performance Information for Commonwealth Financial Assistance under the Natural Heritage Trust***

2.86 In June 2001, the ANAO released the findings of an audit conducted to examine:

- the performance information used to support the administration of the \$1.5 billion in Commonwealth financial assistance under the NHT; and
- compliance with legislative requirements for performance monitoring and reporting.<sup>83</sup>

2.87 The ANAO's review determined that administering agencies had been giving monitoring and evaluation increased priority, and concluded that the results of the renewed monitoring and evaluation process should provide the basis for the design of future environment and NRM programs.

2.88 The ANAO's report acknowledged that with the large number of people and organisations involved in the delivery of NHT, it can be a challenge to demonstrate the achievement of outcomes. At the same time, however, the report argued that "the complexity of delivery arrangements does not absolve Commonwealth agencies from their responsibility to demonstrate accountability to the Parliament."<sup>84</sup>

2.89 The ANAO suggested that a joint Commonwealth/state body could provide joint monitoring and reporting mechanisms to strengthen performance measurement and accountability for both levels of government. It was further noted that a cooperative approach could:

- lead to the enhancement of base data;
- contribute to improved performance targets; and
- provide up-to-date environmental information, which would assist in both the development of policy and program management.<sup>85</sup>

2.90 Based on its review, the ANAO made a number of recommendations, several of which made specific suggestions in relation to the importance of:

- the outputs from NHT programs being used to develop baseline data and challenging (but achievable) targets, prior to the implementation of new programs;

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82 Australian National Audit Office, *Commonwealth NRM and Environment Programs*, Audit Report No. 36, 1996-97, p. 24.

83 Australian National Audit Office, *Performance Information for Commonwealth Financial Assistance under the Natural Heritage Trust*, Audit Report No. 43, 2000-2001, p. 11.

84 Australian National Audit Office, *Performance Information for Commonwealth Financial Assistance under the Natural Heritage Trust*, Audit Report No. 43, 2000-01, p. 79.

85 Australian National Audit Office, *Performance Information for Commonwealth Financial Assistance under the Natural Heritage Trust*, Audit Report No. 43, 2000-01, p. 89.

- administering agencies developing a consistent approach to data validation and providing greater assistance to ensure the accuracy and validity of output and outcome data;
- administering agencies implementing performance measures as an integral part of accountability arrangements for the NHT and future NRM programs;
- administering agencies monitoring medium term performance, including the management of program risks;
- the development of performance indicators and data-sharing protocols to ensure improvements continue to be made to baseline data; and
- the development of methods to more closely link strategies and inputs with program achievements.<sup>86</sup>

***ANAO Report – 2004-05 – The Administration of the National Action Plan for Salinity and Water Quality***

2.91 The objective of the ANAO's audit of the administration of the NAP was to:

... examine and report on the planning and corporate governance for the new regional delivery model of the NAP program, jointly administered by the Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage (the Agencies).<sup>87</sup>

2.92 The ANAO's report acknowledged that significant progress had been made in reaching agreements between governments and introducing a new regional delivery model. The report noted, however, that it had taken almost four years for this progress to be achieved and argued that if longer-term outcomes for salinity and water quality were to be achieved:

For the remaining four years of the program, close attention must be paid to building on recent research initiatives and actively encouraging regions to put in place measures that are well targeted and appropriate for the formidable challenges being presented to the NAP regions of Australia.<sup>88</sup>

2.93 The report also noted that significant investment in the NAP only commenced in the 2003-04 financial year, and pointed to delays in funding reaching the regions following approval and payment into state accounts. It was suggested that moving towards three-year funding agreements across all states and territories "should assist in

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86 Australian National Audit Office, *Performance Information for Commonwealth Financial Assistance under the Natural Heritage Trust*, Audit Report No. 43, 2000-01, pp 28-30.

87 Australian National Audit Office, *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-05, p. 13.

88 Australian National Audit Office, *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-05, p. 15.

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expediting the program and removing some of the bottlenecks in decision-making and program expenditure".<sup>89</sup>

2.94 It was noted that the monitoring and reporting framework for NAP was generally sound. However, because of delays in establishing the framework, performance reporting had been based on estimates rather than on actual performance. It was argued that:

Greater attention to ensuring a consistent quality of actual performance outputs should be a high priority for the remainder of the program. It will be particularly important to report over time on the extent to which concentrated action under the program has led to significant land or water use change.<sup>90</sup>

2.95 The report acknowledged that the delivery of NAP through regional bodies was a new and evolving process for agencies, and it was noted that there had been some opportunity for the Agencies to consider program risks and corporate governance arrangements. The joint delivery approach of the agencies had also demonstrated the advantages of presenting a simplified 'face of government' to clients. In terms of managing program risks, however, the report concluded that:

... at the regional level, strong and concerted action by all stakeholders is required if the program risks are to be effectively managed. In particular, there are substantial residual risks in small, newly established, community-based bodies having primary responsibility for delivering challenging outcomes and managing substantial allocations of Australian Government funds.<sup>91</sup>

### ***The Keogh Report – 2006***

2.96 With funding for both the NAP and NHT programs due to cease in June 2008, in 2005 the Natural Heritage Ministerial Board commissioned an independent reference group, chaired by Mr Kim Keogh (the Reference Group), to give consideration to the future of NRM programs.

2.97 The Reference Group was tasked with reviewing the regional delivery of the government's NRM programs and providing independent advice on:

- the strengths and weaknesses of current NRM programs' regional delivery arrangements;

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89 Australian National Audit Office, *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-05, p. 17.

90 Australian National Audit Office, *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-05, p. 17.

91 Australian National Audit Office, *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-05, p. 18.

- improving the effective delivery of NRM programs regionally, including possible actions to streamline processes; and
- enhancing regional community engagement in NRM, including through involvement of local government, Landcare groups, volunteers and other stakeholders.<sup>92</sup>

2.98 The Reference Group undertook targeted consultations with a range of key stakeholders associated with the regional delivery of NRM programs across Australia, including: regional NRM bodies, sub-catchment groups, industry groups, local government, community groups, Indigenous community members, Landcare groups and state and territory governments.<sup>93</sup>

2.99 The report of the Reference Group (the Keogh Report) was released in March 2006 and contained 28 recommendations relating to areas such as government support for NRM, community engagement, improvements to delivery, communication and capacity building, as well as information and knowledge, and monitoring and evaluation.<sup>94</sup> The key conclusions can be summarised as follows:

- there is strong community support for continuing the regional delivery of NRM across Australia;
- the past five years have seen a giant shift in Australia's approach to NRM with greater emphasis on regional priorities;
- significant human capital, time and financial resources have gone into building the necessary links between communities, industry and government for the successful regional delivery of NRM programs;
- some key sectors, such as the primary industry sector and local government, are yet to be wholly engaged; and
- security of funding is an essential ingredient to the long-term success of NRM.
- a commitment by the Commonwealth Government to continue funding the regional delivery of NRM programmes would be welcomed.<sup>95</sup>

2.100 One of the most significant findings of the Keogh Report was the overwhelming support for the regional delivery of NRM across Australia.<sup>96</sup> Feedback

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92 Ministerial Reference Group for Future NRM Programme Delivery, *Review of Arrangements for Regional Delivery of NRM Programmes*, March 2006, p. 5.

93 Ministerial Reference Group for Future NRM Programme Delivery, *Review of Arrangement for Regional Delivery of NRM Programmes*, March 2006, p. 14.

94 Ministerial Reference Group for Future NRM Programme Delivery, *Review of Arrangement for Regional Delivery of NRM Programmes*, March 2006, pp 9-12.

95 Ministerial Reference Group for Future NRM Programme Delivery, *Review of Arrangement for Regional Delivery of NRM Programmes*, March 2006, p. 13.



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from stakeholders indicated that, compared with the way in which previous programs and projects were managed, the regional delivery approach had resulted in a greater level of professionalism and strategic thinking. It had also "led to an increased understanding of natural resources by both those directly involved and the general community".<sup>97</sup>

2.101 The Keogh Report concluded that the regional NRM model has been successful in leveraging volunteer effort and providing good value for money by accessing volunteer labour. The report notes that the Australian Landcare Council estimates the value of this volunteer contribution to be worth more than three times that provided through formal investor funding.<sup>98</sup>

2.102 Stakeholders did, however, also raise concerns about a number of issues relating to the regional delivery model, including:

- **Problems with the way in which investment was delivered.** The Keogh Report identified delays in the distribution of approved funding, a lack of flexibility in spending funds (to allow for any unforeseen delays in projects) and inconsistency in investment allocations.
- **NRM programs being delivered outside the regional model.** Stakeholders cited the examples of the National Landcare Program and Community Water Grants as types of "outside delivery" which led to confusion in communities, particularly as groups tried to work out where to seek funding, and frustration for regional bodies trying to deliver strategic outcomes against a range of competing mechanisms.
- **Problems obtaining sufficient baseline data and underpinning science for regional target-setting.** It was argued by stakeholders that this lack of information contributed to a level of inconsistency in the way projects were designed and monitored.<sup>99</sup>

***ANAO Report – 2006-07 – The Conservation and Protection of National Threatened Species and Ecological Communities***

2.103 The ANAO's 2006-07 audit was primarily designed to report on the range of measures to protect and conserve threatened species and ecological communities in

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96 Ministerial Reference Group for Future NRM Programme Delivery, *Review of Arrangement for Regional Delivery of NRM Programmes*, March 2006, p. 6.

97 Ministerial Reference Group for Future NRM Programme Delivery, *Review of Arrangement for Regional Delivery of NRM Programmes*, March 2006, p. 23.

98 Ministerial Reference Group for Future NRM Programme Delivery, *Review of Arrangement for Regional Delivery of NRM Programmes*, March 2006, p. 6.

99 *Submission 37*, Department of Environment, Water, Heritage and the Arts and Department of Agriculture, Fisheries and Forestry, p. 11 and Ministerial Reference Group for Future NRM Programme Delivery, *Review of Arrangement for Regional Delivery of NRM Programmes*, March 2006, pp 5-8.

Australia. Within the range of measures reviewed was the implementation of recovery actions and conservation through programs such as the NHT.<sup>100</sup>

2.104 The report outlined the level of Commonwealth investment in biodiversity conservation actions and those projects supported by NHT which impact on threatened species and ecological communities – approximately \$251 million between 2002 and 2006.

2.105 The ANAO reported that the administering agency's evaluation of the program had found that there was a "lack of standard, meaningful and quantified monitoring and evaluation systems for the national investment stream".<sup>101</sup> The ANAO agreed with this conclusion and noted that this had:

Limited the capacity of the department to report to Parliament on the extent to which NHT initiatives, funded at the national level, have contributed to program objectives.<sup>102</sup>

***ANAO Report – 2007-08 – Regional Delivery Model for the National Heritage Trust and the National Action Plan for Salinity and Water Quality***

2.106 In February 2008, the ANAO released the report of an audit in relation to the regional delivery model for NHT and NAP. The purpose of the audit was to assess and report on the administration of the regional delivery of NHT2 and the NAP. Both administering departments were included in the audit which focused on:

- the implementation of the regional delivery arrangements;
- governance and financial management for regional delivery; and
- monitoring, evaluation and report on the programs' performance.<sup>103</sup>

2.107 The ANAO's report noted that the move to a regional delivery model had been based on consideration of the views of a range of stakeholders and the lessons learned from the program evaluations conducted by the administering departments.<sup>104</sup> The report also noted that the rationale for regional delivery was that it could be more strategic and more results-focused at a regional level and that:

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100 Australian National Audit Office, Audit Report No. 31, 2006-07, *The Conservation and Protection of National Threatened Species and Ecological Communities*, Audit Brochure, p. 3.

101 Australian National Audit Office, Audit Report No. 31, 2006-07, *The Conservation and Protection of National Threatened Species and Ecological Communities*, Audit Brochure, p. 9.

102 Australian National Audit Office, Audit Report No. 31, 2006-07, *The Conservation and Protection of National Threatened Species and Ecological Communities*, Audit Brochure, p. 9.

103 Australian National Audit Office, Audit Report No. 21, 2007-08, *Regional Delivery Model for the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality*, pp 14-15.

104 Australian National Audit Office, Audit Report No. 21, 2007-08, *Regional Delivery Model for the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality*, Audit Brochure, p. 4.

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This was supported by well designed bilateral agreements between the Australian Government and the States/Territories and a comprehensive planning and accreditation process based on the 'best available' science. Given the scale of the NRM challenges across Australia and past experiences, it was a reasonable model in the circumstances.<sup>105</sup>

2.108 The ANAO stated that progress in implementing improvements in administration following ANAO Report No. 17 2004-05 had "been comprehensive and well focused on significant risks".<sup>106</sup> The report also noted that whilst there was evidence to indicate that the Commonwealth had been well supported by state and territory governments and regional bodies in improving administration, there were still a number of issues that needed to be addressed, including:

- significant areas of non-compliance by state agencies with the bilateral agreements that would require attention leading into the proposed next phase of NHT ( NHT3);
- it was not possible to report meaningfully on the extent to which the program outputs contribute to the outputs sought by government;
- there is an absence of consistently validated data, and a lack of agreement on performance indicators and intermediate outcomes, which limits the quality of the reporting process; and
- performance measurement has been an ongoing issue covered by three previous ANAO audits since 1997-98 and should be a priority for attention in the lead up to NHT3.<sup>107</sup>

2.109 In relation to the implementation of regional delivery, the ANAO found that:

- Regional delivery was well supported by stakeholders, including Australian and state and territory Ministers at the time and underpinned by consultation and a comprehensive risk management plan. However, guidance as to whether certain actions will deliver value for money over the longer term needs to be strengthened. The ANAO also noted concerns about the absence of information on costs and benefits of treatment actions
- Bilateral agreements were generally well designed and provide a good basis for collaboration between Australian state and territory agencies as well as regional bodies. The ANAO highlighted that greater consistency across agreements would be desirable.

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105 Australian National Audit Office, Audit Report No. 21, 2007-08, *Regional Delivery Model for the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality*, p. 15.

106 Australian National Audit Office, Audit Report No. 31, 2006-07, *The Conservation and Protection of National Threatened Species and Ecological Communities*, Audit Brochure, p. 4.

107 Australian National Audit Office, Audit Report No. 21, 2007-08, *Regional Delivery Model for the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality*, p. 16.

- There were significant limitations in regional plans, though the ANAO did recognise that these plans were based on best available information at the time.
- Regional investment strategy approvals are documented and based on merit. Further work is required to demonstrate the contribution of investments toward ultimate targets and outcomes.

2.110 In terms of NRM governance arrangements the ANAO found:

- Governance arrangements had been subject to substantial review and improvement since raised in the 2004-05 ANAO audit. Improvements included: formalising arrangements, independent evaluation and development of a regional governance checklist.
- Significant delays in payments continue to be an ongoing issue, impacting on the implementation of programs. ANAO noted the need for stronger monitoring to manage and mitigate the risk of payments being delayed to the regions and funds accumulating in State/Territory Accounts
- Breaches of the bilateral agreements were identified and ANAO recommended action to ensure that appropriate controls are put in place to achieve greater consistency and compliance with bilateral agreements.

2.111 In relation to monitoring, evaluation and reporting the ANAO recommended the development and implementation of a performance management framework that includes core performance indicators to measure actual results and consistent business rules for the collection and collation of performance data.

### **Committee comment**

2.112 Having considered the range of observations arising from both formal reviews and evidence to the committee, the committee is satisfied that a number of clear lessons can be drawn from previous NRM program experience:

#### ***Regional delivery model***

2.113 There is significant support for regional delivery method for NRM and it is widely considered to provide a useful platform for future NRM programs:

- the regional model has been successful in building working partnerships, facilitating engagement and building capacity among stakeholders;
- it has resulted in a high level of professionalism and strategic thinking and increased awareness of NRM issues across all sectors; and
- the model would benefit from some national coordination to enable better integration of regional, state and national priorities.

2.114 The committee considers that one of the key strengths of the regional delivery model is its effectiveness in providing 'bottom-up' input in relation to the

identification of NRM issues and practical initiatives to address them. Given the size of the Australian continent, it is clear that no single NRM initiative is likely to be capable of effectively addressing issues across the diversity of landscapes. The regional delivery model offers a means of ensuring initiatives are capable of practical implementation at the regional and local level.

### ***Stakeholder engagement***

2.115 Consultation with and cooperation between stakeholders at all levels is vital to the successful long-term delivery of NRM projects.

- there has been a significant investment of human capital, time and financial resources in NRM projects at all levels that needs to be acknowledged and respected.
- there is a need to continue to build and maintain capacity, particularly at the local, community level.
- current bilateral agreements are well designed and provide a good basis for collaboration.

2.116 The committee notes the significance of adopting a highly integrated approach to NRM issues, particularly across the three tiers of government: Commonwealth, state and local. The committee also notes the evidence received regarding the need to strengthen the current institutional arrangements between the Commonwealth and each state to ensure the states are fully engaged in supporting NRM initiatives, both financially and institutionally, and to ensure continued collaboration on NRM projects across state boundaries.

### ***Effective monitoring, evaluation and reporting***

2.117 While there have been improvements in monitoring and evaluation, further attention on key areas will enhance the delivery of NRM programs, including:

- greater consistency in accountability and governance;
- a meaningful and consistent approach to monitoring and evaluation, including a closer link between strategies, inputs and program achievements;
- baseline data and underlying science needs to be captured to inform target setting and contribute to an understanding of condition of NRM resources.

2.118 The committee is mindful that the ANAO audits of previous NRM programs have focussed on the administration of those programs by the relevant Commonwealth departments and as such, have tended to consider the delivery arrangements for these programs from the perspective of financial accountability, governance and management. While these are all extremely important elements in the administration of Commonwealth funds, the committee also notes the evidence presented to the committee regarding the need for monitoring and evaluation of NRM programs to also

capture data which will contribute to a greater understanding of the condition of NRM resources over time. The committee notes the view that the collection of such data would facilitate better management of natural resources, more comprehensive evaluation of the effectiveness of investment in NRM initiatives and provide a more science based platform for longer-term, strategic NRM planning.

***Long-term secure funding***

2.119 To achieve long-term success a long-term strategy is required which is underpinned by a long-term commitment to provide secure funding.

2.120 In the next chapter the committee considers how Caring for our Country has responded to the lessons learned from previous programs.