

Chapter 3

National programs: achieving outcomes?

The Salinity program in one of its various forms has provided resources to give us hope that we can beat the salinity degradation of farmland and the loss of other rural assets and provides a chance for farmers, scientists and neighbours to work together to turn ideas into action that can at least mitigate the long term effects of salinity and at most develop saline groundwater as a productive resource.

Although this has not been a long-term project it does suggest the success of federal programs that seek to reduce the extent and economic impact of salinity in the Australian environment. Whether or not tangible success has yet been achieved, the program provides hope for success, opportunities to achieve that success and a recognition that the government is participating to helping solve our problems with salinity.¹

Overview of national programs

3.1 As discussed in the previous chapter, the key national programs initiated by the Commonwealth to tackle salinity and other natural resource management issues are the National Action Plan for Salinity and Water Quality (NAP), the Natural Heritage Trust (NHT) and the National Landcare Program (NLP).

3.2 The NAP is specifically directed at improving salinity and water quality conditions in the Australian environment and is the only program with the stated goal to combat salinity and water quality degradation problems across the nation. The NHT is focused on the protection and sustainable use of Australia's land, water and marine resources. The NLP's focus is on ensuring sustainable agriculture practices and providing support to landholders at the local level.²

3.3 These programs address salinity problems at various levels. The NAP and the NHT support programs at the regional scale characterised by relatively large level investments within the priority regional areas. The NLP provides support to landholders at the local level to undertake salinity mitigation work consistent with the priorities in the regional plan.³

Goal of the NAP

3.4 The goals of the NAP are to:

1 Mr Robert Cordover, *Submission 3*, p. 1

2 Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage, *Submission 24*, p. 1.

3 Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage, *Submission 24*, p. 1.

- Motivate and engage regional communities to use coordinated and targeted action.
- Prevent, stabilise and reverse trends in dryland salinity affecting the sustainability of production, the conservation of biological diversity and the viability of infrastructure.
- Improve water quality and secure reliable allocations for human uses, industry and the environment.

3.5 Key program design features of the NAP include:

- Targets and standards for natural resource management;
- Integrated catchment/regional management plans developed by the community and accredited jointly by the relevant governments;
- Capacity building for communities and landholders to assist them to develop and implement integrated catchment/regional plans, together with the provision of technical and scientific support and engineering innovations;
- An improved governance framework to secure the Commonwealth-State/Territory investments and community action in the long term, including property rights, pricing and regulatory reforms for water and land use;
- Clearly articulated roles for the Australian, State/Territory and local governments and the community to provide an effective, integrated and coherent framework to deliver and monitor implementation; and
- A public communication program to support widespread understanding to promote behavioural change and community support.⁴

Australian National Audit Office audit of NAP⁵

3.6 In 2004 the Australian National Audit Office (ANAO) undertook an audit 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. In developing the audit methodology, the ANAO took into account the six proposed elements to achieve lasting improvements for the NAP. These included: targets and standards; integrated management plans for catchments; capacity building; improved governance framework; clearly articulated roles; and a public communication program.

4 Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage, *Submission 24*, Attachment B.

5 The findings of this report are discussed throughout the following sections of this chapter and draw directly from material published in the Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005.

3.7 The audit methodology was based on a review of files and records along with interviews with staff from the federal agencies involved in implementing the program. Submissions were also sought from state and territory agencies and interested parties.⁶

3.8 The ANAO audit found that the NAP was viewed, in the main, as a well-designed program. However, the report made six recommendations. The findings of this report are discussed in the relevant sections later in this chapter.

Objectives of NHT

3.9 The NHT is focused on the protection and sustainable use of Australia's land, water and marine resources. The objectives of the NHT are to increase:

- Biodiversity conservation through the protection and restoration of terrestrial, freshwater, estuarine and marine ecosystems and habitat for native plants and animals.
- The sustainable use of natural resources by managing Australia's land, water and marine resources so as to improve the productivity and profitability of resource based industries.
- Community capacity building and institutional change through support for individuals, landholders, industry and communities with skills, knowledge, information and institutional frameworks to promote biodiversity conservation and sustainable resource use and management.⁷

3.10 Investments under NHT provide a broader coverage of land and water issues than the NAP by also addressing biodiversity and the sustainable use of natural resources. The NHT uses the regional delivery framework of the NAP to provide targeted investments to meet its goals. In addition, the NHT provides investments in activities that address state-wide and national issues. An example of this is the funding of the National Land and Water Resources Audit to provide a baseline of information to assess the effectiveness of land and water policies together with related programs.⁸ In a submission to the inquiry the Department of the Environment and Heritage set out the key program design features of NHT which included three major funding components:

- National/state investment in activities that have a broadscale, rather than a regional or local outcome, addressing activities occurring at a state-wide and national level;
- Regional delivery based on the model adopted for the NAP; and

6 Australian National Audit Office, *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17 2004-2005, p. 28.

7 Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage, *Submission 24*, p. 6.

8 Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage, *Submission 24*, p. 6.

- Local level investment through the Australian Government Envirofund, which invests in small-scale community group based activities under \$30,000.

3.11 Like the NAP, the regional component of the NHT allows for the provision of foundation funding to establish regional processes and priority action funding for high priority projects. Unlike the NAP, the NHT regional component includes a regional competitive component, which is nationally administered and requires no matching funding.⁹

Goals of the NLP

3.12 The NLP's focus is on ensuring sustainable agriculture practices and providing support to landholders at the local level. The investments under the NLP are consistent with the priorities identified in the accredited regional plans and investment strategies. The goals of the program are to assist in:

- Developing community, industry and governmental partnerships in the management of natural resources in Australia.
- Establishing institutional arrangements to develop and implement policies, programs and practices that will encourage sustainable use of natural resources in Australia.
- Enhancing the long term productivity of natural resources in Australia.
- Developing approaches to help resolve conflicts over access to natural resources in Australia.¹⁰

3.13 There are two components of the NLP: a community support component and a national component.

3.14 The following major conditions apply to NLP community support initiatives:

- Australian Government contributions are to be matched either in cash or in-kind by the States and Territories;
- Funding is to be directed to community and industry projects (including, where appropriate, local government).
- While payments are required to be made to the states, no project funding will be provided directly to State agencies.
- Where State agencies are involved in providing technical or other support, this will be determined by project proponents.

9 Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage, *Submission 24*, Attachment B.

10 Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage, *Submission 24*, p. 7.

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- Funding is to be provided for a portfolio of one-, two- or three-year projects with ongoing funding subject to progress and budget availability.¹¹
- 3.15 The NLP National component includes the following elements:
- Landcare Support: This includes funding for the National Landcare Facilitator, Landcare Awards, capacity building projects and support for major workshops and conferences.
 - Natural Resource Innovation: This includes grants to groups or individuals to investigate or test innovations that will contribute to improved NRM in primary production or processing.
 - State Landcare Coordinators: This element provides national support for a network of state landcare co-ordinators to provide strategic direction and support for landcare and primary industry volunteer movements to participate in sustainable resource use and management.
 - Sustainable Industry Initiatives: This includes investments in projects which assist industry to identify the NRM issues facing them nationally and provide the necessary frameworks and tools to assist addressing these issues, including information, training and best practice approaches to NRM.
 - Priority National Projects: This includes funding for projects in areas of high priority identified by the Australian Government. This includes investments in targeted research to address gaps in sustainable farming systems and encouraging closer links between landholders and scientific organisations.
 - Monitoring and Evaluation: This element provides funding for program evaluations and assessments in accordance with an established framework.¹²

Achievements under the national programs

3.16 The Committee was told that the goals of the three programs are long term. As discussed in Chapter 2, salinity is the result of complex interactions between biophysical and socioeconomic factors, which have taken considerable time to become evident in many landscapes¹³ and, consequently, programs aimed at addressing salinity must utilise long-term approaches:

The natural resource problems that confront Australia have developed over more than two hundred years of European settlement but the most pervasive impacts have only been broadly recognised in recent decades. National programs recognise that the task of repairing the natural resource base (where the benefits of so doing outweigh the costs) will take many decades

11 Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage, *Submission 24*, Attachment B.

12 Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage, *Submission 24*, Attachment B.

13 Centre for Salinity Assessment and Management, University of Sydney, *Submission 17*, p. 1.

and that changes to the natural resource condition may not become immediately obvious during the program life.¹⁴

3.17 The Centre for Salinity Assessment and Management, at the University of Sydney, submitted that the national programs have not been in place long enough to assess their effectiveness:

The time that has elapsed since the institution of these programs is too short to meaningfully assess their effectiveness as landscape remediation and management strategies.¹⁵

3.18 Similarly, the Local Government Association of Queensland noted that:

In relation to whether the goals of national programs to address salinity have been attained, in Queensland at least, there has been insufficient time to demonstrate the program's effectiveness as a result of the current phase of planning and implementation.¹⁶

Support for the National Programs

3.19 A number of witnesses applauded the goals of the national programs. Dr Ian Prosser from CSIRO told the committee:

The goals of the National Action Plan and the Natural Heritage Trust are laudable. They show continuous improvement in the way that salinity is being tackled in Australia. The central role of regional groups recognises that salinity occurs at a regional scale and recognises the need for priority setting. The framework of target setting and strategic investment plans has excellent potential, we believe, for addressing salinity in a much more effective way.¹⁷

3.20 The Pastoralist and Graziers Association submitted:

These national programs are of great benefit as they provide a gateway for the provision of advice on salinity management options for land managers through Landcare officers, as well as funding support through NHT and NAP, so that farmers are able to perform on ground conservation activities.¹⁸

Raising public awareness and involving communities

3.21 While the effects of national programs may not become evident in the landscape for a number of years, some submitters argued that the national programs

14 Land and Water Australia, *Submission 26*, p. 2.

15 Centre for Salinity Assessment and Management, University of Sydney, *Submission 17*, p. 1.

16 Local Government Association of Queensland, *Submission 8*, p. 1.

17 Dr Ian Prosser, CSIRO, *Committee Hansard*, 6 September 2005, p. 30.

18 Pastoralists and Graziers Association, *Submission 4*, p. 2.

have been very successful in raising public awareness to the threat and impact of salinity.¹⁹ The Australian Conservation Foundation argued:

The National Action Plan on Salinity & Water Quality has served at least one useful purpose: To draw community focus on dryland salinity as a major challenge to Australia's industry and environment, and one requiring a national effort.²⁰

3.22 The Pastoralists and Graziers Association believe that Landcare and NAP have raised community awareness of salinity to the point where land managers now see salinity as a much wider problem, beyond their own fence line:

Programs such as Landcare and NHT have increased the general awareness of salinity and prompted land managers to think about salinity in the wider perspective beyond their own fence line. This has led them to adapt their own management practises in an attempt to achieve wider benefits. This is an important step that will lead to the ultimate fulfilment of the goals of these national programs.²¹

3.23 Significantly, the CSIRO argued that the national programs have also resulted in a greater take-up of salinity science and technology at the CMA planning level:

The implementation of the National Action Plan/Natural Heritage Trust (NAP/NHT) has led to significant progress in the understanding at community level of the key processes that cause a deterioration in salinity and water quality as well as in the development of strategies and management practices to combat the land and water degradation resulting from them. It has also fostered a greater regional and community engagement in Natural Resources Management and considerable progress has been achieved in establishing processes to facilitate the uptake of science and technology in catchment management planning procedures.²²

3.24 Whilst the Committee was encouraged by the CSIRO's comments, evidence to the inquiry suggested the incorporation of salinity science into the regional planning process is still significantly under-developed. This is discussed in more detail in Chapter 5.

3.25 As outlined above, the national programs all have the key goal of motivating and enabling regional communities to use coordinated and targeted action to address the problems of salinity and water quality. The Committee has taken evidence that suggests this is happening in a generally successful way. Mr Peter Baker from the Bureau of Rural Sciences told the Committee:

19 Centre for Salinity Assessment and Management, University of Sydney, *Submission 17*, p. 1.

20 The Australian Conservation Foundation, *Submission 19*, p. 24.

21 Pastoralists and Graziers Association, *Submission 4*, p. 1.

22 CSIRO, *Submission 15*, p. 5.

One of the things that has been very important with this whole process is that all of this is being done with community groups. By and large, all of these projects that you have seen have been driven by the community. We have not gone in and said: 'You've got a salinity problem. We're here to fix it.' We have gone in and talked to them to find out what they believe the problem is and how we can best address their problem. That has been a critical component.²³

3.26 Clearly, the success of national programs, to a large degree, relies on communities and governments working together cooperatively. However, in a submission to the inquiry, the River Murray Catchment Water Management Board argued:

... this is not a fait accompli. This situation needs to be maintained otherwise communities will not continue to donate their time. Ensuring the community remains motivated and is able to be part of the solution to this long term problem requires long term or, more appropriately, indefinite support.²⁴

3.27 The need to provide appropriate support to build community commitment was also raised by the Centre for Salinity Assessment and Management at the University of Sydney:

Public funds allocated to CMAs are unlikely to be sufficient to solve the whole problem in a catchment, but should be applied to help build ownership and capacity, and prime the process for developing project-based solutions that attract additional stakeholders.²⁵

3.28 The River Murray Catchment Water Management Board went on to highlight the challenges faced in building the trust of the community in establishing effective working arrangements to tackle salinity and water quality problems:

- Perceived poor consultation or engagement in previous initiatives between Government and the community.
- Perceived lack of continuity in funding streams which results in winding back of programs, transition of staff and disconnection with community groups. When new funding streams become available and community groups are re-engaged, there is potential for community members to feel that their previous efforts have not been recognised. They can be easily frustrated by a process that may be asking them to, in a sense, re-invent the wheel and may be reluctant to donate their time again.
- Taking an active role in salinity and water quality management projects is not core business for many land-holders and they struggle to devote time to these

23 Mr Peter Baker, Integrated Water Sciences, Bureau of Rural Sciences, *Committee Hansard*, 6 September 2005, p. 6.

24 River Murray Catchment Water Management Board, *Submission 45*, p. 1.

25 Centre for Salinity Assessment and Management, *Submission 17*, p. 2.

activities. When growers do commit to being part of a project they can be easily overwhelmed by the amount of input that is requested from them subsequently. This needs to be carefully managed to ensure that effort and meaningful results are in balance and they don't become jaded by the process.²⁶

3.29 In Western Australia the Committee heard that the success of national programs depended upon the capacity of individuals and the flexibility of solutions to ensure that set goals are achievable:

Our observation, and in fact our analysis, is that there is still more to be done here. We need a reality check. If we run the policy instruments or options that are normally considered in an area like salinity, and that includes extension, incentives, penalties, engineering, regulation and so on, then we have to be confident that the options themselves can be adopted by those we are expecting to adopt it—that is, that it makes economic sense to do so, it is not causing other unintended consequences, and so on.²⁷

Examining the process

3.30 The Committee took evidence from a range of government organisations, agencies, academics, CMAs and community members who were generally very supportive of the NAP, the NHT and the NLP. However, submitters identified a number of issues which they felt in some way diminished the effectiveness of these national programs. These are discussed below.

3.31 The Committee notes that the NAP and the NHT are currently being reviewed by the administering departments. A total of 10 reviews are being, or have been, undertaken spanning a range of NRM issues including: biodiversity outcomes; governance arrangements; salinity outcomes; sustainable agriculture; sustainable coastal, estuarine and marine environments; the facilitator network; the NHT bilateral agreements; the effectiveness of the Envirofund; and the national investment stream (as distinct from the regional investment stream).²⁸

At February 2006, one of the reviews had been completed with the remaining nine due for completion between March and May 2006. As yet, a decision has not been made as to whether the review reports will be made publicly available.²⁹

26 River Murray Catchment Water Management Board, *Submission 45*, pp 1-2.

27 Mr Kevin Goss, Chief Executive Officer, CRC for Plant-Based Management of Dryland Salinity, *Committee Hansard*, 18 November 2005, p. 20.

28 Mr Gerry Smith, General Manager, Australian Government Natural Resource Management Team, *Estimates Hansard*, 1 November 2005, pp 177-178.

29 Mr Malcolm Forbes, First Assistant Secretary, Department of the Environment and Heritage, *Estimates Hansard*, 14 February 2006, p. 140.

Delays in signing the intergovernmental and bilateral agreements

3.32 Intergovernmental and bilateral agreements provide the basis for administering programs where there is a joint interest or involvement by different levels of government. Their purpose is to set out the objectives, administrative and accountability processes, and establish the respective roles and responsibilities of each level of government.³⁰

3.33 The introduction of the regional delivery model has experienced delays due to intergovernmental tensions over these agreements. The ANAO Audit report of the NAP noted that negotiating bi-lateral agreements has taken a significant period of time, due largely to differences around policy and matched funding levels. In turn, this has had 'flow-on effects' for the rollout of the program.³¹

3.34 In a similar vein, the Pastoralists and Graziers Association of Western Australia noted that political inaction was responsible for the delay in NAP funding reaching the ground and that this has had a 'knock on' effect to the development of regional strategies:

There has been little effect from the NAP in WA due to the WA Government delaying signing the bilateral agreement. There has also been a delay in the on ground use of these funds due to setbacks in the development of regional strategies and their associated investment plans, with the agricultural regions of WA awaiting approval of their investment plans and the rangelands yet to have their strategy submitted for accreditation.³²

3.35 The Western Australian Farmers Federation echoed these concerns over the bi-lateral negotiation process within WA:

Federal and State Government political posturing over funding arrangements for the National Action Plan for Salinity and Water Quality (NAP) and National Heritage Trust (NHT) has resulted in the State falling behind other States in the uptake of NAP and NHT funding, however, with these issues now in the past, WA Farmers is keen to see funding from federal programs "hit the ground"...

The late start to the most recent round of funding under federal government programs in WA makes it difficult to comment on the success or failure as catchment management authority investment plans are either in the final stages of approval and/or early stages of implementation.³³

30 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, p. 48.

31 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, p. 18.

32 Pastoralists and Graziers Association, *Submission 4*, p. 1.

33 Western Australian Farmers Federation, *Submission 41*, p. 1.

3.36 Natural Resource Management South submitted:

The different politics between Australian and Tasmanian Governments have rendered this unnecessarily complex and politics appears to have got in the way of good regional outcomes.³⁴

3.37 The Australian Conservation Foundation argued that the multiplicity of government agencies involved in the bilateral agreements adds to the complexity and tensions in the implementation of these agreements at the community level:

The NAP/NHT2 Bilateral Agreements are being put into practice by a plethora of state and federal agencies, often resulting in mixed messages to communities, and proving to be a source of frustration to many stakeholders. Governments are undoubtedly more or less cooperating in many areas of NRM as a result of the NAP/NHT2, but even so it seems that many stakeholders, including some government agency staff with whom ACF has consulted, are frustrated by the intergovernmental tensions that persist even now.³⁵

3.38 All states and the Northern Territory have signed the bilateral agreement. The ACT agreement is still under negotiation.

3.39 In addition to concerns over the time taken to sign the bilateral agreements the Committee heard evidence which suggested that there was a need to fine-tune or streamline the agreement process. Minor variations to these agreements have to be signed off by four ministers. There is potential in this process for further lengthy delays in program administration. Mr Fishburn from the NSW Department of Natural Resources told the Committee:

We have given some advice in that regard to ask, ‘Is there any way we can become a little less bureaucratic in that regard and move those things through a little bit more cleanly—in other words, streamline them?’ That was probably one of our major points of concern in trying to streamline some of the arrangements so that things could happen more quickly on the ground... But quite a number of [variations] have occurred, and we have found we have had to go back to the sign-off by the four ministers—which, as you can well imagine, takes a serious amount of time.³⁶

3.40 The Australian Conservation Foundation submitted that no audit of party compliance with the Bilateral Agreements has yet been undertaken.³⁷ The Committee believes such an audit is timely. Further, the Committee believes that the audit process should include substantial community involvement, which would be convened on a state-by-state basis.

34 NRM South, *Submission 29*, p. 2.

35 Australian Conservation Foundation, *Submission 19*, p. 22.

36 Mr Geoff Fishburn, NSW Department of Natural Resources, *Committee Hansard*, 14 October 2005, p. 11.

37 Australian Conservation Foundation, *Submission 19*, p. 22.

Delays in the accreditation process

3.41 As discussed in Chapter 4, under the IGA it was agreed that all regional plans would be required to undergo accreditation against nationally agreed criteria. It was initially intended that the national criteria would be developed by the Australian and state/territory governments by February 2001.

3.42 However, as reported in the ANAO audit of the NAP, the criteria for the accreditation of NRM plans were not endorsed until May 2002.³⁸ Coupled with the protracted time-frame for many regional bodies to develop their regional plans (discussed in Chapter 4), and the delays in signing the bi-lateral agreements discussed above, the Committee notes that the delays in developing and implementing the accreditation process may impact on the overall eight-year timeframe for the NAP.

Funding

3.43 The NAP was agreed in November 2000 as a joint initiative between the Australian Government and state and territory Governments, involving expenditure of \$1.4 billion over the next seven years. The Australian Government's contribution was estimated at up to \$700 million over this period with the states/territories matching this amount. The NAP is delivered jointly with the states/territories through regional bodies who are responsible for the natural resource management plans and investment strategies.

3.44 All regional strategies and investment plans are assessed and approved at a state level before funding is approved from the NAP and NHT programs. Each state has a Joint Steering Committee made up of Australian Government and state government representatives and in some states community representatives are members. This Joint Steering Committee is supported by a State Investment Committee (committee names may vary across the states) and in some states a technical advisory group as well.³⁹

3.45 The NHT was set up by the Australian Government in 1997 to increase investment in environmental protection. Initially \$1.25 billion was provided, supported by funding generated from the sale of Telstra. In the 2001 Federal Budget, the Government announced an additional \$1 billion for the Trust, extending the funding for five more years. The Natural Heritage Trust received a further \$300 million in the 2004 Federal Budget, extending the funding until 2007-2008 making it a \$3 billion investment.

The Australian Government has committed \$3 billion in the Natural Heritage Trust (NHT) and the \$1.4 billion National Action Plan for Salinity

38 Australian National Audit Office (ANAO), *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-05, p. 63.

39 Natural Resource Management Website, <http://www.nrm.gov.au/state/index.html> (accessed 21 March 2006).

and Water Quality (NAP). These programs are underpinned by a partnership between all levels of government, and regional natural resource management (NRM) organisations.⁴⁰

3.46 During the inquiry the Committee heard a number of concerns from land managers and CMA around issues of funding. Key issues included the need for longer funding cycles, certainty in continuation of funding and the need to ensure funds were better targeted. In Wagga Wagga Mr Robert Green highlight a number of these funding issues:

One of the major worries in accessing funding—and I suppose you hear it across all walks of life and in all areas—is the guarantee of ongoing funding. We have a major issue here in this council area now of trying to fund existing programs, let alone take on new programs, and I think that is a fairly universal thing with local government. I think it would be universally accepted that this local regionalised action and regionalised funding is the way to go, and certainly through the catchment management authorities and local government. If we look at those 220 that I referred to, probably half a dozen are the same size as Wagga. Wagga has the staffing to be able to handle things, but if you take a little council like Coolamon where is the expertise? The engineer is probably the authority on natural resource management, and some people would say that is a bit of a conflict of interest. How do we actually get the expertise, the people and whatever in those smaller council areas to generate on a pro rata scale what we have done in Wagga?

It seems to me that, if we have a 15-year strategy, we should be pre-empting and funding programs for 15 years. Politically that does not sit too well, but we need those big funds... It is a huge problem. The funding is inadequate, and it is going to be an increasing problem right across the country and certainly in this catchment.⁴¹

Longer funding cycles for programs

3.47 Regional investment strategies are the key financial mechanism for enabling regions to address salinity and water quality issues. They are designed to be based on the accredited regional NRM plans that provide much of the scientific and economic rigour for guiding investment priorities. The original intention of the NAP was to have three-year investment cycles with payments made on the achievement of milestones.

3.48 However, the ANAO report found that funding commitments to June 2004 from investor agencies have tended to be for relatively short, 12-18 month periods.⁴² Short funding cycles were introduced as an interim measure to accommodate delays in

40 Department of Agriculture, Fisheries and Forestry and the Department of Environment and Heritage, *Submission 24*, Attachment I, p. 3.

41 Mr Robert Green, *Committee Hansard*, 10 February 2006, p. 10.

42 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, p. 73.

accrediting regional plans. Short funding cycles was highlighted in a significant amount of the evidence as being an issue of concern. The Committee heard evidence which suggests that these short funding cycles are detrimental, as salinity is a long-term issue that needs long-term programs:

Salinity is a long term issue, and the perception that short term funding will "fix" the problem is unrealistic.⁴³

3.49 The Australian Conservation Foundation made a broader point about the impacts of short program time-frames on investment security and community goodwill:

An additional problem with NRM programmes appears to be the uncertainty generated by their usually short time-frames, compounded by Australia's relatively short election cycle and the fact that federal election timing is subject to Government discretion. Both community goodwill and investment security can be compromised.⁴⁴

3.50 The inability of CMAs and other regional bodies to retain experienced staff because of the uncertainty of funding their position from year to year was raised by a number of witnesses. In South Australia the Committee was told:

I think that is the same across the nation. I heard the chairs of all the NRM bodies raising that issue as well. That is because of the three- to five-year funding cycles, and holding good staff in three- to five-year funding cycles is an issue. In the research field, it has been an issue for a long time. It is a matter of the way we do our budgeting and fund these programs.⁴⁵

3.51 The ANAO audit report of the NAP considered that given the progress in establishing regional structures and investment strategies, there was now scope to seek a commitment from the remaining states/territories and regions for three-year investment cycles as originally intended. Additionally, the report noted that the focus of programs on large scale, strategic initiatives and the five to ten year time frames lends itself to longer-term funding. The ANAO recommended that:

... the Departments of Agriculture, Fisheries and Forestry and Environment and Heritage, consult with the relevant State and Territory agencies, and regional bodies, as part of a concerted effort to introduce three year funding arrangements (as originally proposed) as soon as practicable.⁴⁶

3.52 The Committee notes that the two Departments responded to this recommendation explaining that delays in introducing three-year funding cycles were

43 Central West Catchment Management Authority, *Submission 9*, p. 2.

44 Australian Conservation Foundation, *Submission 19*, p. 24.

45 Mr Roger Wickes, South Australian Department of Water, Land and Biodiversity Conservation, *Committee Hansard*, 16 November 2005, p 8.

46 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, p. 73.

due to the need for regional bodies to strengthen their financial and governance capacity before taking on the task of managing large funds. The Departments will continue to work with state agencies to encourage regions in longer-term planning and development of three-year investment strategies.⁴⁷

3.53 The Australian Conservation Foundation went further to argue the need for funding cycles longer than three years:

By securing a seven year (initially) programme (the NAP), and later bringing the timing of both the NHT2 and the National Landcare Program into line with the NAP, the Australian Government has probably taken the edge off the problem. However, given the sorts of timeframes needed for many environmental investments to show real benefits, for research and adaptive management to yield results, as well as for diverse regional stakeholders to reach accord on NRM directions and decisions, government would do well to seriously consider a longer period again. Bipartisan agreement on programme duration and basic elements of design would also help to generate a sense of security for the community and industry.⁴⁸

Funding security beyond 2008

3.54 Funding under NAP and NHT runs until 2007-08. As yet no decision has been made as to funding arrangements beyond this date. However, the Committee was told that the NRM Ministerial Council has commenced a process to examine what will happen after the 2007-08 fiscal year. The federal minister has appointed a reference panel but the process will need joint Commonwealth-state reassessment.⁴⁹

3.55 In South Australia the Committee was again told that the issue of NAP funding beyond another 18 months to two years was currently being addressed through the ministerial council environment. Mr Roger Wickes from the South Australian Department of Water, Land and Biodiversity Conservation told the Committee that ultimately the decision of funding beyond 2007-08 was a political one:

We are looking at what the forward programs might be and we are on a committee looking at that. It would be good for the community if we had some ideas on those over the next 12 months because of the forward budgeting, particularly with the NRM group plans. But I guess that is for our political masters to decide.⁵⁰

47 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, p. 103.

48 Australian Conservation Foundation, *Submission 19*, pp 24-25.

49 Mr Fred Tromp, Director, NRM and Salinity, Department of Environment, Western Australian Government, *Committee Hansard*, 18 November 2005, p. 10.

50 Mr Roger Wickes, South Australian Department of Water, Land and Biodiversity Conservation, *Committee Hansard* 16 November 2005, pp 9-10.

3.56 The Committee heard evidence that highlighted the need for continuity of funding for the successful regional delivery of NRM programs through the NAP and NHT, especially in regard to the maintenance and long-term development of community capacity.

The issue of funding continuity is certainly a key issue there... it is a very long-term problem and there are concerns that the major plan which is driving us in the country does not seem to be funded on a continuing basis; it has been an accident of circumstance, of sale of assets and so on. There is a need, certainly, to have greater continuity of funding guaranteed at some level.⁵¹

3.57 The North Central CMA in Victoria supported the argument that the success of current national programs will depend to a large degree on the extension of current funding and government attention to this matter:

The future success of salinity management in Victoria depends on further funding from initiatives such as NAP, NHT and State investment. The scale and significance of the issue is massive and therefore a significant and sustained investment is justified. The year 2007-08 is the last year of the NAP, and the issue of future funding urgently needs the attention of Governments.⁵²

3.58 NRM South, Tasmania, highlighted the fact that the benefits of funding under NAP may only become apparent after a second or extended period of funding:

Salinity and its manifestation in the landscape are complex issues and require long-term and regionally relevant solutions. NAP is an important program, which should be extended if it is to achieve its potential. Indeed, it is probable that in Tasmania, the real benefits from investment in salinity mitigation will only be felt during a second term for the program.⁵³

3.59 Along these lines, Mr Watts from the Australian Conservation Foundation commented, 'this is not a problem that will go away in a hurry' and argued there is a need for commitment in the long-term. He noted that compared with other areas of key national interest, public investment in salinity and environmental issues more broadly 'rate second or third'.⁵⁴

3.60 The issue of consistent funding levels over time to support community involvement was raised by Mr Daniel Meldrum from the River Murray Catchment Water Management Board:

51 Mr Fred Tromp, Director, NRM and Salinity, Department of Environment, Western Australian Government, *Committee Hansard*, 18 November 2005, p. 8.

52 North Central Catchment Management Authority, *Submission 39*, p. 2.

53 Natural Resource Management South, *Submission 29*, p. 2.

54 Mr Corey Watts, Acting Manager, Land and Water Program, ACF, *Committee Hansard*, 28 February 2006, p. 26.

The way the national action plan has unfolded is that we had quite high investment in the early years. In the last few months we have developed the draft investment strategies for 2006-08, and the investment is dropping off quite significantly. One of the consequences of that is that the community involvement that built up in the first few years of having access to the funding is now under threat. As the funding drops off, the ability to continue the same degree of support with those community groups is diminished. I think we need some degree of consistency over a period of time. We are talking about a long-term problem that needs to be managed well over a number of years, not just in fits and starts.⁵⁵

3.61 The issue of varied levels of funding over the funding cycle was also made by Mr Greg Bugden of the Murrumbidgee CMA:

We currently have three years of funding which we have to disburse in 18 months and we have been told that the NAP funding may not be as great in the year 2007-08. There is going to be a reduction of funding. So we are getting these peaks and troughs. We need to flatten it out so we can plan. We have contractual arrangements with the two land and water management plans which are looking at accelerating funding in that critical period to catch up in relation to previous funding that was not allocated.⁵⁶

3.62 Councillor Robartson from the Western Australia Local Government Association argued the need for continued funding to provide program security to local government:

[T]he association calls for long-term commitment from the Australian and state governments in relation to continuing the funding of NRM programs and their delivery via the regional model. These sorts of commitments are likely to provide security for local government involvement.⁵⁷

3.63 The Regional Implementation Working Group for NRM's report *Regional Delivery of NRM – Moving Forward* of March 2005 also argued the need for a smooth transition between program cycles in order to maintain the momentum established under the current NHT and NAP funding period:

Experience in applying delivery arrangements for the National Action Plan and the second stage of the Natural Heritage Trust has underlined the importance of early planning to achieve a smooth transition between programs. With NAP and NHT funding concluding in 2007-08, replacement program arrangements and funding need be clear by the end of 2005-06 to maintain momentum. To allow sufficient time for policy consideration, program design and community and stakeholder

55 Mr Daniel Meldrum, Senior Project Officer, Salinity and Water Use, River Murray Catchment Water Management Board, *Committee Hansard*, 16 November 2005, p. 52.

56 Mr Gregory Bugden, Murrumbidgee Catchment management Authority, *Committee Hansard*, 10 February 2006, p. 27.

57 Councillor Clive Robartson, *Committee Hansard*, 18 November 2005, p. 76.

consultation, governments, regional bodies and the community need to consider the shape of future NRM programs during 2005.⁵⁸

3.64 Mr Malcolm Forbes from the Department of the Environment and Heritage told the Committee that the Government was 'acutely aware' that the NAP and NHT2 concluded in June 2008 and is actively looking at future arrangements.⁵⁹

3.65 During Additional Estimates in February 2006, the Minister the Hon. Senator Ian Campbell indicated that the continuation of NAP and NHT was currently being examined by the Government through a number of reviews. As noted above, 10 reviews of different aspects of NRM are currently underway or completed. The Minister highlighted the Keogh review:

[The Keogh Report] in particular is going to provide advice to the government which will feed into decisions on the whole structure of NRM and the NAP. I think some people are saying to put the two programs together and others want to keep them apart. Others are saying to scrap the whole lot and start again. It will be a big decision. That advice will feed into that decision making. I am expressing some reservations because they are incredibly important decisions. They are great programs... I think one of the most important decisions I and the government will make in the next 12 months is how we will deliver that huge amount of money effectively. It will guide the cabinet decision. So I think the Keogh report is likely to make a good contribution to the public debate on that.⁶⁰

3.66 The Committee is encouraged by the Minister's comments but stresses that the issue of funding beyond 2007-08 will need to be addressed by governments in the near future.

Targeting funding, and rigorous investment planning

3.67 Witnesses generally acknowledged that the level of funding for NRM was an issue. Government agencies and CMAs are forced to make strategic decisions about what programs they will maintain, often at the expense of others:

I know that it is always crass for agencies to appear before committees such as this and lament their budgets, so I will not do that. But our corporation has had a static appropriation for about the last 14 years and the only way the board has been able to invest in new areas of research ... has been to discontinue work that we have been funding for 10 years.⁶¹

58 Department of Agriculture, Fisheries and Forestry and the Department of Environment and Heritage, *Submission 24*, Attachment I, p. 5.

59 Mr Malcolm Forbes, First Assistant Secretary, Department of the Environment and Heritage, *Committee Hansard*, 28 February 2006, p. 37.

60 Senator the Hon. Ian Campbell, *Additional Estimates Committee Hansard*, 14 February 2006, p. 140.

61 Mr Andrew Campbell, Land & Water Australia, *Committee Hansard*, 6 September 2005, p. 24.

3.68 The Committee recognises that the problem of salinity is considerable and that the resources needed to combat it may exceed that able to be allocated from government budgets. All stakeholders involved in salinity management will be required to make strategic decisions around the allocation of resources and accept that there will be trade-offs in decisions made.

3.69 In light of the limited funding available, a number of witnesses highlighted the need for a more strategic approach to funding to make funds available to support goal-setting types of research. Mr Tromp from the Western Australian Department of Environment told the Committee:

...in this state, in an investment sense, with both Commonwealth and state government agreement we are keeping some of the investment potential for the NAP in a strategic reserve component where we can also address statewide strategic issues.⁶²

3.70 Witnesses argued that allocation of national program funding needs to be based on more rigorous investment planning to get the most out of the funds available. The Western Australian Farmers Federation argued the need for increased emphasis on research and development in determining funding priorities:

The Federation also considers that there needs to be an increased emphasis on research and development in the future determination of funding priorities, as we clearly do not have all the answers. There is also a need for lateral thinking in the development of future strategies e.g. the use of salinised land as a resource rather than a threat, for the development of aquaculture industries, salt-land pastures, salt harvesting and desalination industries.⁶³

3.71 It was also argued that a more rigorous approach would avoid the tendency to spend all funds by the end of a financial year regardless of the merits of the investment. The CRC for Plant-based Management of Dryland Salinity noted that:

the measure of achievement should not be “dollars out the door by 30 June” but the level of confidence that investment will realize maximum impact over time, in the face of changing economic and environmental conditions.⁶⁴

3.72 Mr Alex Campbell from the CRC for Plant Based Management of Dryland Salinity outlined the Salinity Investment Framework 3 (SIF3), which is currently being trialled in the south coast region of WA and in the North Central region of Victoria. The framework is designed to guide better investment. SIF3 is discussed in detail in Chapter 7.

62 Mr Fred Tromp, Director, NRM and Salinity, Department of Environment, Western Australian Government, *Committee Hansard*, 18 November 2005, p. 9.

63 The Western Australian Farmers Federation, *Submission 41*, p. 2.

64 CRC for Plant-based Management of Dryland Salinity, *Submission 18*, p. 1.

3.73 Concerns were raised that a lack of thorough analysis with regard to regional investment and program funding has meant that funding originally allocated for salinity management is being used on other water management issues:

I think it would be fair to say that perhaps not enough of that particular money is being spent on dealing with salinity as an issue, given that NAP was originally for salinity and water quality. There has been a very strong emphasis on the water quality component and perhaps not enough on the salinity, and the strategic reserve, which currently represents 20 per cent of the investment in the glass jar, is a key tool for achieving that.⁶⁵

Transparency of funding decisions

3.74 The process by which funding priorities are decided under NAP was raised in the evidence to this inquiry. Without access to NAP funding CMAs are unable to adequately address salinity in the catchment or region.

Despite many submissions and representations going back over a number of years, the Hunter has been excluded from NAP funding. As with all the coast, we have not received any of the national action plan funding. We have small amounts of funding under the Natural Heritage Trust, a little bit from the National Landcare Program and a little more state salt action money. It has really only allowed us to do small-scale subcatchment studies and works. We have not really been able to get a full understanding of the underlying sources of salinity and the transportation systems. They are the real gaps that we have at the moment.⁶⁶

3.75 The Committee took evidence from some CMAs who questioned the openness and fairness of the Department in setting funding priorities. The Hunter-Central Rivers CMA submitted:

The CMA finds it difficult to comprehend why the CMA region, and specifically the Hunter catchment, does not warrant listing as a priority catchment in the NAP. Salinity data for the Hunter and its economic impact on rural industries, including mining, power generation, viticulture, and beef and dairy production is well documented. Salinity levels in the Hunter are already in excess of future target levels in most of the priority area identified by the NAP and there is evidence that they are continuing to rise.⁶⁷

3.76 The CRC for Plant-based Management of Dryland Salinity argued the need for a more transparent and rigorous approach to funding allocation decisions:

65 Mr Fred Tromp, Director, NRM and Salinity, Department of Environment, Western Australian Government, *Committee Hansard*, 18 November 2005, p. 9.

66 Ms Sharon Vernon, Program Manager, Hunter-Central Rivers Catchment Management Authority, *Committee Hansard* 14 October 2005, p. 51.

67 Hunter-Central Rivers Catchment Management Authority, *Submission 2*, p. 1.

A more rigorous approach to determining the relative allocation of funding to different regions is required, and it should understand the inherent differences in regions across Australia. Some are water supply catchments at risk from river salinity where the 'catchment management' approach is quite appropriate given externalities around the shared, high-value resources at risk. Typically this is the province of catchment management authorities (CMAs). Other regions, typically the drier zones, don't have a 'connected resource at risk' and rational decision-making will be dominated by on-farm benefits and costs, or in the case of conservation areas and rural towns, onsite benefits and costs. In all cases, the funds allocation among regions should follow rigorous assessment of assets at risk, net benefits of actions and confidence in realizing those outcomes.⁶⁸

3.77 The ANAO audit of the NAP found that the assessment process of funding priorities would have been improved through documentation outlining a comparative analysis of needs. While agencies had initiated a comparative analysis, it was not completed and the file records did not explain how the agencies 'weighted' regional priorities and needs in order to demonstrate consistency and fairness in setting funding priorities. The audit found that documentation explains particular reasons for some individual decisions. While noting the protracted nature of the negotiations, the documentation did not explain the relative merits of selected regions on a comparative basis and did not provide sufficient assurance that all those regions selected were necessarily those 'most affected'.⁶⁹ Consequently, the report recommend that:

The Departments of Agriculture, Fisheries and Forestry and Environment and Heritage ensure that, in all future policy processes involving the allocation of public funds to selected regions or areas of need, analysis is documented to demonstrate the comparative assessment of needs as a basis for policy decisions.⁷⁰

3.78 When asked about the prioritising of NAP regions, Mr Mike Lee from the Department of Agriculture, Fisheries and Forestry explained that:

The prioritisation was done at the time in terms of the appreciation of the pressing issues at hand in relation to salinity and water quality. It is true that some areas of significant salinity hazard were not included, including Western Sydney and some area of the Hunter. But, of necessity, the action plan looked at the most pressing combinations of issues.⁷¹

3.79 The Committee appreciates that the allocation of limited resources is always a difficult task and that inevitably hard decisions must be made. However, in light of the

68 CRC for Plant-based Management of Dryland Salinity, *Submission 18*, p. 1.

69 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, p. 37.

70 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, p. 38.

71 Mr Mike Lee, *Committee Hansard*, 6 September 2005, p. 8.

ANAO findings, it is difficult for the Committee to have complete confidence that the regions 'most affected' were also the regions selected under the NAP. As will be discussed in Chapter 6, the Committee is particularly concerned that insufficient attention was given to the problem of urban salinity in the prioritisation process.

The Governance Framework

3.80 One of the principal design features of the NAP is an 'improved governance framework' to underpin government investment and community action and achieve regulatory reforms for water and land management.

3.81 The Committee received evidence that suggested more needs to be done to ensure effective regulation of land management – specifically, land clearing.

3.82 Mr Watts from the Australian Conservation Council told the Committee:
the major driver of secondary salinisation in the Australian landscape is the clearing of native vegetation. So the first port of call is to prevent the problem before it arises, to end broadscale ad hoc clearing of native vegetation ...⁷²

3.83 Hunter-Central Rivers CMA, NSW, questioned the regulatory will of local government to responsibly exercise its regulatory powers in relation to urban development. The CMA argued that, at times, local government is either unaware of salinity issues when re-zoning for urban development in rural areas or simply ignores the issue failing to exercise its regulatory powers:

Local Government provides the leadership for urban development in rural areas. There are examples in the CMA region where local government is re-zoning saline impacted or potentially saline areas for urban development. This action is undertaken sometimes without knowledge of the salinity issue and sometimes with knowledge, where land availability is limited. Whilst the longer-term impacts of salinity on the built and natural environment as a result of urbanisation are generally understood, there appears to be little regulatory will to limit this future impact.⁷³

3.84 The Australian Conservation Foundation (ACF) observed that local government involvement in NRM was patchy rather than systemic despite measures introduced to encourage more widespread engagement:

Local government support for sustainable land use still seems largely contingent on local political will, local resources and initiative, as well as persuasion from and good working relations with regional bodies. Despite ALGA's position on the Ministerial Council, and some measure of

72 Mr Corey Watts, Acting Manager, Land and Water Program, ACF, *Committee Hansard*, 28 February 2006, p. 25.

73 Hunter-Central Rivers CMA, *Submission 2*, pp 2-3.

information provision, direction, resources and incentives from the national level for proactive NRM are not evident.⁷⁴

3.85 ACF put forward a specific recommendation aimed at remedying this issue, which involves enshrining local government involvement in legislation:

That CoAG agrees to a schedule for reform of local government legislation, such that all local municipalities are obliged to align their decision-making with the principles and priorities of ecosystem management.⁷⁵

3.86 When asked what could be done at a federal level to encourage responsible use of planning powers in relation to urban development, Mr Forbes from the Department of the Environment and Heritage explained that this was largely a state responsibility:

From the local government perspective, the zoning is strictly a state and local government responsibility. It is not a federal responsibility. Where there can be an intersection—if you like, where a stick could be raised because we tend to sit with a carrot in our hand rather than a stick—is in regard to the EPBC Act, but only in relation to an individual project which could arise out of a particular zoning, not the zoning itself.⁷⁶

3.87 Mr Lee, Department of Agriculture, Fisheries and Forestry, added to these remarks assuring the Committee that it was anticipated regional bodies and local government would better collaborate and coordinate on planning as the regional delivery approach evolves. He further noted that work is being undertaken to improve integration between regional and local government processes:

... as this process matures, the accredited natural resource management plans are being more widely recognised as a source of information. Various states are exploring options to give them some sort of recognition in their planning processes. Our hope and expectation is that over time these accredited regional plans will play a greater part in the normal planning processes of local government. Local government in most cases is an active partner in the regional bodies, with lots of local government representatives directly on the bodies. We are also working with local government associations across the country and with the national association to increase the links between local government and regional processes as well. The expectation we have is that, as I said, over time these natural resource plans will have a bigger impact on advising and informing local planning schemes and a very large communication role in relation to the salinity hazard in particular.⁷⁷

74 Australian Conservation Foundation, *Submission 19*, p. 51.

75 Australian Conservation Foundation, *Submission 19*, p. 12.

76 Mr Malcolm Forbes, *Committee Hansard*, 6 September 2005, p. 16.

77 Mr Mike Lee, *Committee Hansard*, 6 September 2005, p. 16.

3.88 Focusing on the NHT, the Conservation Council of Western Australia submitted that in regard to clearing of native vegetation in agricultural regions the goals of the national programs are not currently being met. They submitted that:

applications for clearing permit proposals are not meeting the terms of the Natural Heritage Trust of Australia Act 1997, Section 10, which states: “the Primary Objective of the National Vegetation Initiative is to reverse the long-term decline in the extent and quality of Australia’s native vegetation cover by:

- conserving remnant native vegetation; and
- conserving Australia’s biodiversity; and
- restoring, by means of revegetation, the environmental values and productive capacity of Australia’s degraded land and water.⁷⁸

3.89 The Conservation Council of Western Australia argued the need for NHT funding to be made available to ascertain if the national commitments, stated in The National Strategy for the Conservation of Australia’s Biological Diversity to ‘arrest and reverse the decline of remnant native vegetation’ are being met.⁷⁹

3.90 The Committee notes that in NSW there have been concerns raised in media reports about extensive illegal land clearing in the state and the ineffective regulation of this. The NSW Audit Office will conduct a performance audit of the regulation of native vegetation clearing in late 2006.

Clearly articulated roles

3.91 A further and related design feature of the NAP is:

Clearly articulated roles for the Australian, State/Territory and local governments and the community to provide an effective, integrated and coherent framework to deliver and monitor implementation.⁸⁰

3.92 The Regional Implementation Working Group Report on the regional model⁸¹ outlined the roles & responsibilities identified by COAG when the regional model was introduced:

78 Conservation Council of Western Australia, *Submission 11*, p. 2.

79 Conservation Council of Western Australia, *Submission 11*, p. 2.

80 Department of Agriculture, Fisheries and Forestry and Department of the Environment and Heritage, *Submission 24*, Attachment B, p. 1.

81 The Regional Implementation Working Group for NRM was established by the NRM Ministerial Council to examine regional delivery. In 2004 the Regional Implementation Working Group held a Community Forum, which gave the chairs of all regional organisations an opportunity to convey their views on the progress of the regional model and areas for improvement to the NRM Ministerial Council. The findings of this Forum were presented in the report, *Regional Delivery of NRM – Moving Forward*, in March 2005. The report was submitted to the Inquiry as an attachment to Submission 24.

The Australian Government

- provides strategic leadership to achieve longer-term improvements in natural resources in the national interest
- invests in national responsibilities and encourages a national approach to nationally significant areas

State and Territory Governments

- exercise primary legislative and regulatory responsibility for NRM within their jurisdictions
- establish infrastructure and invest in sustainable management
- manage large areas of land significant for natural resource and environmental management

Local Governments

- support NRM by providing local services, infrastructure and land use planning
- manage large areas of land significant for natural resource and environmental management

Regional Organisations

- liaise with the community to identify priorities in planning, investment strategies and targets
- coordinate investments and implement activities
- monitor and evaluate progress and report against targets at the regional scale

Community Groups

- engage with other groups and with regional organisations in identifying priorities and negotiate
- pathways contributing to NRM objectives
- take action at a local level consistent with delivering broader NRM objectives
- report on local progress⁸²

3.93 The report noted that for integrated delivery to be achieved clarification of roles and responsibilities is required. However, while the Community Forum 'sought clarification of roles and responsibilities and greater devolvement of functions',⁸³ the Regional Implementation Working Group cautioned against introducing more prescriptive roles than those outlined above, arguing it could be at the expense of flexibility. The Working Group concluded that:

82 Department of Agriculture, Fisheries and Forestry and Department of the Environment and Heritage, *Submission 24*, Attachment I, p. 8.

83 Department of Agriculture, Fisheries and Forestry and Department of the Environment and Heritage, *Submission 24*, Attachment I, p. 9.

The call by the Community Forum to clarify roles may be associated with the request for less micro-management by national and state/territory governments (and greater policy alignment). Progressive devolution can grow with increased confidence by governments in improved governance and accountability on the part of regional organisations.⁸⁴

3.94 However, it was clear from evidence received that there is still some way to go to achieve clarity around roles and responsibilities of the different stakeholder groups. The main area of concern was raised by local government groups, who reported the blurring of boundaries between local government and regional bodies.

3.95 Councillor Clive Robartson from the Western Australian Local Government Association (WALGA) argued that the roles and responsibilities between all levels of government should be clarified:

There are signs and examples where local governments are getting involved as a partner to regional NRM but a cooperative strategic approach system for a number of stakeholders, including NRM regions, state agencies and NGOs, is needed. The approach, we think, needs to be one that better defines the roles and responsibilities of the various levels of government and the related capacity, legislative, technical and resourcing gaps and also an approach that relates this information around roles and responsibilities to address salinity priorities in the regions.⁸⁵

3.96 The Australian Local Government Association (ALGA) highlighted the need for certainty of roles and responsibilities in terms of the legislative powers afforded to local government and the regional bodies. The ALGA argued that granting legislative powers to regional bodies would: increase community perception that regional organisations form another bureaucratic layer; confuse the boundaries between local government and regional roles and responsibilities; and under-utilise the benefits that local government can bring to salinity management:

There is already concern in the community that the catchment organisations are just another form of government, and providing them with legislative powers is likely to increase that criticism. In addition, one of the guiding principles of the NAP is to have clear and defined roles and responsibilities of all parties. Granting legislative powers to regional organisations will blur these lines further.

ALGA considers the potential benefits that local government can bring to the table have not been effectively tapped into. Local government has primary responsibility for land use planning in most states. Land use and development activities can have an impact on salinity – for example through vegetation removal, by earthworks that may alter local drainage patterns, or by land uses that may affect the amount of water entering the

84 Department of Agriculture, Fisheries and Forestry and Department of the Environment and Heritage, *Submission 24*, Attachment I, p. 11.

85 Western Australian Local Government Association, *Committee Hansard*, 18 November 2005, p. 76.

watertable. In addition, urban development can exacerbate salinity through increasing groundwater recharge from run off, increased watering of gardens and altering drainage flows and levels. Having local governments and catchment organisations working together means there is no need to introduce legislative powers to catchment organisations, which are not a level of government.⁸⁶

3.97 The ALGA drew attention to concerns raised in the House of Representatives Report that local government was not adequately supported by other levels of government:

The inquiry also noted that ‘local governments were often not supported by other tiers of government’. It noted councils' significant ability to influence change through planning at the local scale and suggested that ‘local government perhaps is a more effective instrument of bringing about change than Catchment Management Authorities’. There is no evidence to date to suggest that any action has occurred to improve the support provided to local government since the release of the report.⁸⁷

3.98 Similarly, the Local Government Association of Queensland submitted that:

... the Association believes that there are already extensive legislative powers available in Queensland to achieve sustainable environmental and natural resource management outcomes. Therefore, the Association would be opposed to moves from any other sphere of government that would usurp or diminish Council planning powers, or see non elected groups override Local Government's legitimate autonomy or decision-making role.⁸⁸

3.99 Mr Nathan Malin from the Western Australian Local Government Association (WALGA) told the Committee that discussion with local government colleagues from other states revealed concern about the overlap of legislatively based responsibilities:

To go back to your question about the NRM regions being non-statutory or having that sort of incorporated model that we have here, and similar to Queensland, I have been speaking to some colleagues in local government associations in other states. They have issues in terms of forming that partnership between local government and a statutory CMA. There are issues where there are legislative roles for a regional group matching that in with local government's traditional areas of responsibility.⁸⁹

Monitoring progress towards program goals

3.100 The Committee was told that:

86 ALGA, *Submission 13*, p. 3.

87 ALGA, *Submission 13*, p. 4.

88 Local Government Association of Qld, *Submission 8*, p. 3.

89 Mr Nathan Malin, *Committee Hansard*, 18 November 2005, p. 83.

Under the regional model Australian, State/Territory, local government and regional organisation NRM processes are combined with the focus being on the strategic rather than the tactical, to purchase outcomes not projects. Monitoring, evaluation and reporting is becoming a higher priority to demonstrate progress towards resource condition targets against the investments directed towards those targets.⁹⁰

3.101 As required by the Intergovernmental Agreement (IGA), agencies have put in place a national monitoring and evaluation framework for NRM programs. This framework provides a structure to monitor and evaluate both program performance and natural resource conditions.

3.102 The Natural Resource Management Ministerial Council agreed to the National Monitoring & Evaluation Framework in August 2002. The Framework is established through bilateral agreements between the Australian and state/territory governments. The *Funding Principles for Monitoring, Evaluating and Reporting Activities* requires regions to establish targets using existing state/territory datasets or, where these do not exist, to develop monitoring programs ensuring that these are suitable to state/territory datasets.⁹¹

3.103 The NAP, the NHT and the community support element of the NLP provide for investments to be made through accredited regional management plans, which identify immediate and longer term resource condition targets. Investments are then directed towards these targets. The Monitoring and Evaluation Framework ensures the assessment of progress of all investments against nationally agreed categories of outputs and nationally agreed indicators.

3.104 The submission from the Departments of Agriculture, Fisheries and Forestry and Environment and Heritage sets out the *Funding Principles for Monitoring, Evaluation and Reporting Activities* under the NAP and NHT:

- Investment proposals which address resource condition targets must include a monitoring, evaluation and reporting component.
- The monitoring and reporting component must utilise existing monitoring wherever possible. Investment by the program could support new and additional monitoring requirements which, following consideration of an appropriate cost/benefit analysis, would be fully funded as part of the investment proposal.
- Monitoring and reporting components of investment proposals must be consistent with the State/Territory requirements for the relevant core indicator.

90 Department of Agriculture, Fisheries and Forestry and the Department of Environment and Heritage, *Submission 24*, Attachment I, p. 6.

91 Department of Agriculture, Fisheries and Forestry and the Department of Environment and Heritage, *Submission 24*, Attachment I, p. 14.

- Each State/Territory would aim to have a medium to long term strategy for the maintenance and development of the indicators in the core set.⁹²

3.105 Monitoring at the regional level involves the collection of quarterly financial reports, as well as half yearly and annual financial and progress reports. Regions have three years from the signing of the bilateral agreement to establish sufficient data to set targets.

3.106 The ANAO report of the NAP found that regional bodies were developing their own management information systems, complicating the performance information and financial reporting process and resulting in inevitable variation and lack of consistency for management purposes. It was argued that without consistent measures, reports by regions could not be aggregated to provide a summary.

3.107 The ANAO also found some confusion in regard to the expectations of Australian and state/territory agencies in this area. The regions commented that the co-ordination of performance information had been an issue for them. Further there was a perception at the regional level that the current system was overly complicated, onerous, and prescriptive. Consequently, the ANAO considers that, in a program with so many stakeholders that ultimately rely on regional bodies to provide performance information, it would have been useful to develop a consistent, integrated system:

The ANAO recommends that the Departments of Agriculture, Fisheries and Forestry and Environment and Heritage in consultation with other service providers (including State/Territory agencies) consider implementing an integrated approach to quality assurance for, and the standardisation of, financial and performance data outputs across regions.⁹³

3.108 Mr Bugden from the Murrumbidgee CMA also highlighted the difficulty from CMAs to meet a range of reports required for different levels of government:

On the financial reporting we have different masters. We are reporting to the state and the Australian government and ministers. They are asking for different types of reports and it takes a lot of time and energy to prepare those.⁹⁴

3.109 The Departments indicated to the ANAO that the Australian Government is working with state/territory governments to develop an information system for data access and management at the regional level.⁹⁵

92 Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage, *Submission 24*, Attachment I, pp 14-15.

93 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, p. 91.

94 Mr Gregory Bugden, Murrumbidgee Catchment management Authority, *Committee Hansard*, 10 February 2006, p. 26.

95 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, p. 104.

Monitoring natural resource conditions

3.110 In regional New South Wales the Committee heard that there was a need to streamline the monitoring of natural resources:

I think there is opportunity to improve the monitoring of natural resources and the reporting on their current state. You have local government, state governments and Australian government interests and research organisations. My personal view is that, if we could pool that in a better way, we would be better able to report on progress or otherwise of the state of natural resources. That would assist us in reporting to government on progress or otherwise.⁹⁶

3.111 Current national programs have recognised the difficulty of tracking and reporting progress on natural resource condition change. They have, therefore, incorporated a series of short and longer-term targets and outcomes to reflect assumptions that specified actions will lead to improvements in resource condition in the long-term.⁹⁷

3.112 Dr Ian Prosser from the CSIRO noted that progress was being made towards meeting the goals of the NHT and the NAP. However it was unlikely, in his view, that the end-of-valley salinity targets were being met by the current investments because monitoring and evaluation was inadequate.

Significant resources are put into monitoring and evaluation, but the long time scale of salinity and its sensitivity to climate variations—the particular weather conditions from one year to the next—make it a very difficult situation to monitor and evaluate. It requires the use of predictive models that can look long into the future to evaluate whether the actions being taken today are going to meet targets for the future.⁹⁸

3.113 The Regional Implementation Working Group for NRM's report *Regional Delivery of NRM – Moving Forward*, March 2005, also noted the difficulty of monitoring and achieving changes in resource conditions. However, the working group did note that regional groups were accountable for implementation and delivery of programs for which funding has been provided and are required to report progress against management action targets with continued investment linked to the achievement of these targets:

While regions are responsible for identifying monitoring processes and ensuring ongoing reporting of progress, regions are not directly accountable for changes in resource condition where there is a lack of major scientific

96 Mr John Francis, Murrumbidgee Catchment Management Authority, *Committee Hansard*, 10 February 2006, p. 26.

97 Land & Water Australia, *Submission 26*, p. 2.

98 Dr Ian Prosser, CSIRO, *Committee Hansard*, 6 September 2005, p. 31.

certainty or there are significant external factors over which the participants have little or no control.⁹⁹

- 3.114 Land & Water Australia, argue that to be effective the framework will require:
- a robust suite of decision-making techniques and modelling tools to refine the targets that regional groups are expected to develop; and
 - considerable investment in data collection, analysis and reporting to maximise its value in demonstrating trends in salinity and natural resource issues over time.¹⁰⁰

Regional boundaries

3.115 Fifty-six regions have been identified across Australia for the purposes of determining natural resource management and sustainable agriculture priorities. The boundaries for each region have been established by agreement between Commonwealth and state/territory Governments.

3.116 The original assessment for selection of the NAP priority regions was made by the Australian Government. This assessment was based on National Land and Water Resources Audit data which included information about regions significantly affected by salinity and water quality and regions where there is potential for cost effective preventative action. States and territories were consulted about what would be the priority regions under the NAP.

3.117 The regional boundaries for the NHT extension have been agreed between the Australian Government and each of the state and territory governments and are specified in each NHT Bilateral Agreement between the Commonwealth and each State or Territory. In most cases, regions are based on catchments or bioregions and, where possible, these regions are consistent with those established for the NAP.¹⁰¹

3.118 In the majority of cases regional boundaries for the two programs are aligned. The ANAO audit report of NAP found that 57% of respondents felt that regional boundaries worked well.¹⁰² However, the Committee received evidence which highlighted the difficulty for CMAs if NAP boundaries do not incorporate perceived key areas. NRM South, Tasmania, argued that the boundaries of the Tasmanian NAP, which spans two NRM regions, are to some extent arbitrary:

99 Department of Agriculture, Fisheries and Forestry and the Department of Environment and Heritage, *Submission 24*, Attachment I, p. 14.

100 Land & Water Australia, *Submission 26*, p. 2.

101 Australian Government, Natural Resource Management website, <http://www.nrm.gov.au/about-regions/index.html#boundaries> (accessed 12 January 2006).

102 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, Appendix 1.

Although ostensibly reflecting those catchments in Tasmania that combine both salinity and water quality issues, they are essentially arbitrary. A number of areas with quite severe salinity problems (many parts of the Derwent Valley and King Island) are excluded. Tasmania's catchment profile is very complex and, for example, the Derwent Catchment as a whole has not been included, though subcatchments have been. In the development of the NAP, the Tasmanian Government and Tasmanian community requested that the whole of Tasmania be considered a NAP region. This would have eliminated the present anomalies. Alternatively, it may have been more appropriate to allocate the whole of the settled parts of Tasmania to the NAP region.¹⁰³

3.119 NRM South went on to argue that the arbitrary nature of the boundary makes it harder to raise awareness about the extent of salinity and its potential economic impacts. Further, the involvement of two regions in planning for implementation of NAP in Tasmania has put additional pressures on the regions. The cross-regional collaboration is useful but systems need to be sensitive to the additional time that this requires.¹⁰⁴

3.120 In their submission the Local Government Association of Queensland highlighted the problem of the regional boundaries not mapping local government areas, specifically noting 'confusion over regional boundaries with some councils included in 3 different regions'.¹⁰⁵

3.121 The Committee appreciates that the lack of congruence between regional boundaries and local government boundaries may mean that local councils are required to work with more than one regional body. However, the regional boundaries are principally determined by catchment boundaries, which the Committee believes is the appropriate alignment for natural resource management.

Congruence between programs, initiatives, and agencies

3.122 The coordination of programs and the establishment of links between agencies are important to avoid duplication of effort and to maximise achievable outcomes and program effectiveness. As discussed previously, there are a range of programs and institutions that address salinity and water quality management – the NAP, the NHT, the Basin Salinity Management Strategy (BSMS), the Murray-Darling Basin Commission and the Great Barrier Marine Park Authority. The ANAO Audit Report noted that there has been 'extensive consultation' between relevant agencies in order to achieve a coordinated approach.¹⁰⁶

103 NRM South, *Submission 29*, pp 1-2.

104 NRM South, *Submission 29*, pp 1-2.

105 Local Govt Association of Queensland, *Submission 8*, p. 2.

106 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, p. 52.

3.123 The ANAO performance audit of NAP found that various measures have been put in place by agencies to coordinate the NAP with existing Australian Government initiatives, including the NHT. In particular, the NAP and the NHT are jointly delivered through block funding based on a single accredited regional NRM plan for each region. Further, monitoring and evaluation processes, communications strategies and capacity building strategies are integrated for the two initiatives. There has also been improved coordination through the joint delivery arrangements implemented between DAFF and DEH.¹⁰⁷

3.124 The Committee heard evidence that also pointed to strong congruency between the NAP and NHT. The Avon Catchment Authority submitted:

The financial support available through the National Action Plan for Salinity and Water Quality (NAP) and the Natural Heritage Trust (NHT) is highly effective and highly targeted at regional priorities for salinity management. Both programs are integrated with the regional strategic and investment planning process and have enough scope to enable effective salinity management programs to be developed and implemented.¹⁰⁸

3.125 The Committee also heard evidence which suggested that NAP and NHT are so well integrated that there was grounds to consider merging the two programs:

The NAP has probably served this purpose reasonably well, but there no longer appears to be any substantive reason why the landscape management aspects (at least) of the NAPSWQ and NHT2 should remain separate.

The two programmes are already largely interdependent, rely on the same regional delivery model and are managed by the same joint federal joint NRM team. Indeed, senior government agency officers involved in managing NAP/NHT2 tend to refer to these programmes as ‘two sides of the one coin.’ The programmes’ fusion would contribute to time and monetary cost-savings at all levels, including at the level of the regional natural resource manager who, at present, has to deal with two sets of paperwork.¹⁰⁹

3.126 Further, The Australian Conservation Foundation went on to argue that a merging of NAP and NHT2 would help to reduce confusion in the community, and further focus attention on a genuinely integrated approach to NRM to deliver good environmental and other public interest outcomes.¹¹⁰

3.127 However, while the Committee heard of the high levels of coordination and congruency between NAP and NHT, this was not the case across other NRM

107 Australian National Audit Office Report *The Administration of the National Action Plan for Salinity and Water Quality*, Audit Report No. 17, 2004-2005, p. 52.

108 Avon Catchment Council, *Submission 42*, p. 2.

109 Australian Conservation Foundation, *Submission 19*, p. 24.

110 Australian Conservation Foundation, *Submission 19*, p. 24.

initiatives or across different levels of government. The Local Government Association of Queensland noted that in a recent Queensland Government review of NRM arrangements:

The range of NRM related programs continue to be fragmented and uncoordinated from a whole-of-government perspective... the core business of Queensland State agencies was not well aligned to provide a high level of integrated support and advice to regional bodies. In particular, there was consistent recognition of the need for clearer alignment of regional NRM planning with regional growth management frameworks available under IPA.¹¹¹

3.128 In regard to congruency between NRM programs, the Committee was told that the National Landcare Program (NLP) sits outside the strategic regional process and does not integrate effectively with regional strategic and investment planning:

It is recognised that economic driver identification and industry development will be effective levers in encouraging the vast majority of land managers to tackle salinity and as such the NLP has significant opportunities to assist in this process. Utilisation of the existing focus of the NLP would be highly valuable in assisting salinity management, if the Program's investment timeline and priorities were integrated with NAP and NHT and regional investment planning. Examples of effective NLP investment in regards to salinity management would be to identify genuine market drivers for Environmental Management Systems adoption and development of effective and integrated salinity management systems at the farm scale.¹¹²

3.129 The need for better alignment and explicit linkages between the Basin Salinity Management Strategy (BSMS) and the NAP and NHT programs was raised. Mr Leslie Roberts, from the Murray-Darling Basin Commission told the Committee:

There is already immediately a linkage between the NHT, the regional catchment authorities, the NAP program and the Basin Salinity Management Strategy through the involvement of the jurisdictions in the commission and as signatories to the Basin Salinity Management Strategy and under the obligations of schedule C to the agreement. So there is already that level of linkage there. What has been happening in the commission recently is a further discussion with the jurisdictions about how we had better get into those regional plans the science that is going to link that investment to the valley targets. That is the part that we are really trying to focus attention on. You need to have that linkage so it comes through in the monitoring and reporting framework for all those activities, linked in to the Basin Salinity Management Strategy.¹¹³

111 Local Government Association of Queensland, *Submission 8*, p. 2.

112 Avon Catchment Council, *Submission 42*, p. 2.

113 Mr Leslie Roberts, Natural Resource Management, Murray-Darling Basin Commission, *Committee Hansard* 6 September 2005, p. 44.

3.130 The Murray-Darling Basin Commission suggested that clear linkages between the BSMS and the NAP and NHT programs be established to better achieve salinity targets. Further, the Murray-Darling Basin Commission's submission recommended that:

The inquiry may like to consider the means of ensuring that the NAP & NHT deliver on shared outcomes of the BSMS.¹¹⁴

3.131 In response to this, Mr Mike Lee, General Manager, Australian Government Natural Resource Management Team, Department of Agriculture, Fisheries and Forestry, told the Committee:

In the accreditation process for the regional plans it was required that the targets embedded in the plans had to recognise and be consonant with broader arrangements, particularly the salinity targets, and the regional plans were required to be consistent with the Murray-Darling Basin salinity strategy. We understand that to be the case with the targets that are currently in the basin statement blueprints and catchment plans. Also, I would like to advise that, amongst the series of national evaluations that we are conducting in cooperation with the states and the regions, we do have an evaluation entitled 'Salinity outcomes for regional investment'. That national evaluation is looking at the expected outcomes. One of the things that we will be looking at is what we can see in terms of the coverage of and the adequacy of the target structures that relate to salinity across the various plans, trying to put the bigger picture together to see what it looks like at the regional, state, basin and national levels in terms of the coverage, the basis for a portfolio of investments and the likely expected outcomes. So we will have a better picture after that process of how the salinity targets across the various basin states actually integrate towards the basin strategy. We will be involving the Murray-Darling Basin Commission in that process as well.¹¹⁵

3.132 The CRC for Plant-Based Management for Dryland Salinity also highlighted the effectiveness of the BSMS approach to the selection of realistic targets.

The process adopted for end-of-valley targets under the Murray-Darling Basin Salinity Management Strategy gives some pointers – sufficient trend data and analysis, consultation around an interim target, and independent assessment and accreditation of the tools needed to estimate the economic impact of salinity management actions “in the river”. The range of targets needs to be sufficient to underpin accountability; it is not necessary to have a target for every catchment objective.¹¹⁶

114 Murray-Darling Basin Commission, *Submission 21*, p. 3.

115 Mr Mike Lee, Natural Resource Management Division, Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 6 September 2005, p. 11.

116 CRC for Plant-Based Management for Dryland Salinity, *Submission 18*, p. 1.

Conclusion

3.133 Overall, the Committee received very little evidence to make categorical assessments on whether the goals of the national programs had been attained. The Committee agrees with submitters who observed that it was still too early in the process to comment on the success or otherwise of these programs. However, the Committee was made aware of a number of issues which detracted - or which may in the future detract - from the effective contribution that the national programs will make to salinity management.

3.134 Undoubtedly, NRM programs are a very positive step in the right direction. However, it is important that commitment to these programs is maintained to build on the advances made by NAP and NHT. As the Australian Conservation Foundation argued:

While a welcome initiative, Australia's flagship NRM programmes – the NAP and NHT2 - are not properly equipped to tackle the challenge of landscape decline without a major refit and a lot more horsepower. In the three and a half years since the NAP commenced, there have been some welcome environmental advances and outcomes. Overwhelmingly, however, progress has been slow and piecemeal, and the major sustainability challenges facing the future of our rural landscapes remain unresolved.¹¹⁷

117 Australian Conservation Foundation, *Submission 19*, p. 60.