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**RURAL AND REGIONAL AFFAIRS AND TRANSPORT REFERENCES
COMMITTEE**

**NATURAL RESOURCE MANAGEMENT AND CONSERVATION
CHALLENGES INQUIRY**

Australian Government response to recommendations

September 2010

The Australian Government has received the Final Report by the Rural and Regional Affairs and Transport References Committee into Natural Resource Management and Conservation Challenges.

The Government is committed to the continual improvement of the Caring for our Country initiative and its ability to deliver the best environmental and natural resource management outcomes for the people of Australia. This commitment is demonstrated, among other things, through the changes made to the Caring for our Country business plan 2010-11.

The 2010-11 business plan was developed after extensive consultation with stakeholders across Australia and includes a number of improvements such as; new and revised investment targets, clearer notional budgets for investment in the national priority areas, tailored and flexible investment approaches, and improved operational arrangements.

Response to Recommendations

Recommendation 1

The committee recommends that a more rigorous and comprehensive approach is taken to the identification of national priorities for inclusion in the Caring for our Country Business Plan. This process must include engaging regional and local expertise to ensure that targets established in the Business Plan are relevant at the regional and local level.

Response

The Government agrees with the need for a rigorous approach to the establishment of national priorities. The six Caring for our Country national priority areas identify the Australian Government's commitment to improve the most urgent environmental and sustainable resource management challenges Australia faces.

The Government recognises the benefits of engaging regional and local expertise to determine the more specific priorities of investment through the Caring for our Country business plans. Accordingly, the Government engaged widely with key stakeholders, including landholders and community groups, regional natural resource management organisations and non-government organisations and state/territory governments in development of investment targets and investment approaches for the 2010-11 business plan.

Key stakeholders will continue to be consulted and feedback on Caring for our Country will continue to contribute to the development of investment targets and investment approaches in framing future Caring for our Country business plans.

A review of Caring for our Country initiative is due to be completed by mid 2011. The review will involve an evaluation of the achievement of Caring for our Country targets and five-year outcomes to date. It will also examine the delivery of Caring for our Country to ensure it is capable of meeting emerging national resource management priorities. Engagement with regional bodies and the community will be an important part of this process.

Recommendation 2

The committee recommends that the Commonwealth Government continue to pursue bilateral agreements with state and territory governments to ensure greater investment in natural resource management and the continuation of natural resource management reform.

Response

The Australian Government agrees in principle with this recommendation. Caring for our Country is based on a commitment by the Australian Government to focus its expenditure and effort on national priorities in natural resource management. States also have responsibilities to ensure appropriate levels of resource management and environmental stewardship. Many Caring for our Country initiatives are delivered in partnership with State governments and agencies. To this end, bilateral agreements will continue to be pursued where relevant. The planned review of Caring for our Country will enable further exploration of the need for further reform of the national approach to natural resource management.

Recommendation 3

The committee recommends that the role of regional NRM organisations under Caring for our Country be more clearly defined and that a review be undertaken to assess the adequacy of support provided to regional NRM organisations in this regard. This review must consider the appropriate level of institutional support and base line funding necessary for regional NRM organisations to successfully undertake this role.

Response

The Australian Government agrees, noting that administrative arrangements for the establishment of regional NRM organisations vary between jurisdictions from institutional models with high levels of community empowerment to models where State government agencies retain full responsibility for all statutory functions.

The Government acknowledges these differences between jurisdictions and operates with each regional NRM organisation to accommodate specific needs. The Government continues to liaise with regional bodies through the National NRM Regions Working Group (the working group) and Regional Chairs Forum. The working group organises an annual forum and a bi-annual conference which the Australian Government fully supports to enable regional organisations to discuss emerging issues. The Australian Government actively participates in these events. The regions continue to play an important role in facilitating partnerships and developing collaborative projects which deliver Caring for our Country outcomes.

In terms of financial support, the Australian Government has committed a total of \$711 million in regional base-level funding to the 56 regional NRM organisations for the first five years of Caring for our Country.

Base-level allocations are determined to ensure that regional NRM organisations are resourced adequately to assist in delivering of Australian Government Caring for our Country outcomes.

State and territory governments also have a central role in supporting regional NRM organisations. They provide financial contributions to NRM regions to varying degrees, the levels of which are determined by State/Territory governments' individual circumstances.

'NRM Governance System Foundations and Principles' was a topic discussed at the 2010 National NRM Chairs forum and will contribute to ongoing evaluation of the role of NRM regional organisations.

This issue will be explored in the Review of Caring for our Country due to be completed by mid 2011.

Recommendation 4

The committee recommends that the Commonwealth Government consider avenues for providing clearer requirements and incentives to stakeholders to collaborate with a range of project partners on long-term landscape scale strategic planning and action.

Response

The Australian Government agrees with and is implementing this recommendation. Opportunities exist for proponents to work with and secure corporate sponsorship to enhance their funding bids and increase the outcomes under Caring for our Country. The Government is keen to support projects that are delivered by parties working together in partnerships where this adds value and more effectively delivers on our targets.

The Caring for our Country Business Plan 2010-11 provides specific guidance on partnerships between stakeholders in sections 1.4 - *Co-investment opportunities* and 1.5 - *Building Partnerships*.

Proposals underpinned by a strong partnership can capture a wide pool of knowledge and skills and bring together those particular networks of people and resources essential to the project's success.

Caring for our Country has three national coordinators who work at the national level with key Indigenous stakeholders and non-government organisations to improve engagement and broker partnerships that deliver Caring for our Country outcomes. Each coordinator has a specific target engagement area - Business and Industry, Local Government and Indigenous.

Recommendation 5

The committee recommends that the evaluation method for competitive bid applications be modified to give greater consideration to the likelihood of projects achieving defined and measurable environmental outcomes.

Response

The Australian Government agrees with and is implementing this recommendation. The Caring for our Country business plan 2010-11 and competitive bid assessment process was extensively reviewed as a result of significant stakeholder feedback, including recommendations from the Committee.

The contribution that proposals make to the Caring for our Country business plan targets form a very important part of the assessment process. Proposals must demonstrate the ability to make clear and measurable achievements against targets. In addition the assessment process will take into account the following:

- proponents' demonstrated capacity to deliver results
- proponents' demonstrated technical feasibility
- relevance of proposed activities to chosen targets
- proponents' level of engagement with relevant stakeholders
- the scale and degree of proposed intervention
- potential to raise community awareness and enhance skills
- that the proposal is based on the best available science at the time and builds on the collective knowledge of what works best
- the public or broader community benefit derived from the project
- risk level of activities not being able to proceed and risk mitigation plan, and
- overall value for money.

Recommendation 6

The committee recommends that the funding model for Caring for our Country be reviewed and consideration be given to increasing the level of overall funding.

Response

Decisions relating to changes to the Caring for our Country funding model and the overall level of funding are made by Government in the context of its overall Budget priorities. The Government has, through the 2010-11 Budget, maintained its commitment to investing more than \$2 billion over the first five years of Caring for our Country.

To help deliver its strategic goal, Caring for our Country investments in each financial year are focused through annual business plans, which define the investment targets for priority areas, and particular investment approaches to achieve these targets. These investment approaches are subject to a process of ongoing improvement to reduce administrative overheads.

Targets for the 2010-11 business plan were developed following a review of targets, which incorporated direct feedback from stakeholders on the previous business plan. This review was undertaken to ensure the continuing relevance of targets to the five year outcomes and the overall strategic goal for Caring for our Country.

For example, the 2010-11 business plan incorporates new investment approaches including Open Call (co-investment) and expression of interest (EOI), and continues the existing regional base-level investment and Community Action Grant investment streams. The co-investment and EOI approaches are designed to focus on specified and significant environmental, agriculture and fisheries issues.

Further opportunities to refine the funding approach will be examined as part of the scheduled review.

Recommendation 7

The committee recommends that the application process be reviewed and that avenues for reducing the costs involved in submitting applications be considered, including the lodgement of expressions of interest.

Response

The Australian Government agrees with and is implementing this recommendation. The application process for the Caring for our Country business plan 2010-11 has been redesigned, taking into account public comments. A streamlined, fully automated online application process is now available for the majority of Caring for our Country components (including open call, regional base-level expressions of interest, and sustainable practices expressions of interest). The new online application forms are easy to navigate and include a large number of drop-down menus. Improved support arrangements have also been included, such as embedded help functions and links to additional information.

These new arrangements simplify and reduce transaction costs associated with the preparation of applications. Section 2 of the business plan clearly identifies for each target what the Government is looking to invest in and provides guidance when developing proposals. Applicant feedback in response to these new arrangements has been positive.

An Expression of Interest (EOI) approach has also been applied to allow for greater negotiation for proposals - for example for the Sustainable Practices larger scale proposals with a value of between \$300 000 and \$1.5 million.

The Community Action Grants program aims to reduce administrative burden to applicants by streamlining the funding process from application to project acquittal. Examples of this streamlined process include an entirely online application requiring no attachments; a short and simple funding deed by which proponents are contracted; and, a straightforward acquittals process.

Recommendation 8

The committee recommends that a framework be established to provide consistent support and feedback to all applicants for funding under Caring for our Country.

Response

The Australian Government agrees to this recommendation. The Government has established avenues for providing feedback and support services at all stages of the roll out of the 2010-11 business plan, including through:

- Public information sessions on the 2010-11 business plan held in all capital cities and a number of major regional centres in January-February 2010
- Improved web-based support documentation (available also in hard copy for those who require it)
- A 1800 number and email help and support facilities
- Australian Government facilitators in all states and territories.

Recommendation 9

The committee recommends that the NRM Ministerial Council convene a working group to develop a framework and generic criteria which would form the basis for an ongoing process of audit of the condition of Australia's natural resources. The development of the framework and criteria must involve close liaison with departments and agencies involved in natural resource management at the Commonwealth, state and territory and local level and Commonwealth, state and territory audit offices.

Response

The Australian Government agrees in principle with this recommendation and acknowledges the need to establish a better system of environmental monitoring. In response to the ideas raised at the *Australia 2020* Summit, and supported by the recent *Independent review of the Environment Protection and Biodiversity Conservation Act 1999*, the Australian Government announced in the 2010-11 Budget the establishment of a National Plan for Environmental Information. The plan establishes the path for the delivery of a set of credible national environmental accounts. This initiative will coordinate and prioritise the way the Australian Government collects, manages and uses environmental information. It will improve the coordination and consistency of environmental information across jurisdictions.

Examination of the ongoing evaluation and monitoring of Caring for our Country and achievements against its five-year outcomes will be included in the review of the initiative scheduled for completion by July 2011.