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CATCHMENT  
MANAGEMENT  
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**EAST GIPPSLAND  
CATCHMENT  
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The Secretary  
Senate Standing Committee on Rural and Regional Affairs and  
Transport  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear sir/madam

**Submission from the Victorian Catchment Management Authority Chairs  
Group to the Inquiry into Natural Resource Management and Conservation  
Challenges**

Please find attached a submission made on behalf of the Victorian CMA  
Chairs Group.

We would be pleased to discuss this submission with the Committee. Our  
Executive Officer, Danny O'Neill can be contacted on (03) 9557 0104 and  
can assist with arranging from representatives of the Chairs' Group to meet  
with the Committee.

Yours sincerely

**Joan Burns**  
Chair, CMA Chairs Group  
And Chair, Mallee CMA

# SENATE INQUIRY INTO NATURAL RESOURCES MANAGEMENT AND CONSERVATION CHALLENGES

## SUBMISSION BY VICTORIAN CATCHMENT MANAGEMENT AUTHORITIES CHAIRS' FORUM

12 August 2008

This submission is endorsed by the Chairs of Victoria's CMAs, which were established in 1997 as statutory authorities under two Acts of State parliament. The Chairs report to the Minister for Environment and Climate Change.

The CMAs' charter is comprehensively to plan, integrate and promote NRM health in catchments among all relevant agencies, organizations and individuals in both private and public sectors. The CMAs' role is mainly to broker government investment in NRM through other agents, in order to build community capacity, and to leverage investment. The CMAs are not landowners, nor do they have regulatory power, except in floodplains and waterways.

Except for the CMA covering Melbourne, the CMAs' remit covers all of the land and rivers in the state, and the coastal waters. Except for East Gippsland CMA, which is mostly public land, the other eight CMAs cover mostly private land, most of it cleared of native vegetation since European settlement. To foster NRM improvements on private land, wetlands and waterways, acquiescence and cooperation by landowners is essential. Equally, on public land, the same is true for the relevant government agencies.

To achieve such cooperation, CMAs are bound to respect those landowners' dual task of both protecting the natural resources on their land, while using the land sustainably to make a living.

Our submission lists the Inquiry's Terms of Reference in italics below, and responds to each in turn.

*LESSONS LEARNED from the successes and failures of three decades of Commonwealth investment in resource management including Landcare, the National Heritage Trust, The National Action Plan on Salinity and Water Quality, and other national programs*

- Victorian CMAs have existed for just over one decade, so our submission covers only that period.

### *Successes*

- In summary, successes are indicated chiefly by trends in **landscapes**, and **water quality**, and **community attitudes and behaviours**, partially summarized in two catchment condition reports (VCMC, 2002, 2007), and expanded on below. As well, the regional delivery of these programs has been

thoroughly audited, and strongly supported by investors, as endorsed by the **Natural Resources Ministerial Council (2006)**.

- **Landscape** changes from revegetation projects are most noticeable (and often commented upon) among those who regularly travel in the regions and who see rapid vertical growth in revegetation over time. Changes are less obvious on satellite imagery, because projects are often linear (as along streams) and scattered, and cover less area in the horizontal plane than the vertical.
- **Water quality** improvements are covered by Index of Stream Condition, measured twice so far, at five-yearly intervals (DSE, 2005). The downward trend in condition of waterways and wetlands over the last 200 hundred years appears to have been halted or at least slowed, despite prolonged drought conditions.
- Changes in **community attitudes and behaviours** are also more obvious to regional residents, and there is strong corroboration from longitudinal state-wide surveys (e.g. Scarlet Consulting) and regional landholder surveys (e.g. Curtis et al). In general, there is strong evidence that regional communities are increasingly aware of and active in promoting improved NRM. Farming practices have radically changed, particularly in regard to soil health. Urban communities' strong support for NRM was convincingly indicated by their ready acceptance of a 5 per cent levy on water bills to fund river and catchment improvements.
- The health of **Landcare** (and equivalent organizations) as a movement is also a good indicator of success, it being the foundation of the regional delivery model. A review of landcare in Victoria by Curtis and Cooke (2006) indicated a large and active movement, subject to changes over time. An earlier review of the national landcare program (DAFF, 2003) also yielded similar evidence of success.
- The growth, maturity and public acceptance of CMAs are another indicator of success, given that they started from scratch in 1997 with a radically new governance structure. Through regional partnerships, they have acquitted all government investment programs, each regularly and thoroughly audited, both financially and in governance terms (E.g. Keogh et al 2006 , *and mid-term audits of NHT, NAP, and Walter Turnbull governance review*)
- Another telling measure of success is revealed in the many and varied summaries of projects from around the country included in the recent **National NRM Knowledge Conference**, in Melbourne in April 2008 ([www.nrmknowledgeconference2008.com](http://www.nrmknowledgeconference2008.com)).
- Perhaps most telling of all is that the **ministerial council** in 2006 gave maximum support to the regional delivery model, particularly its role in integrating regional NRM outcomes on behalf of all investors (Ministerial Council, 2006, p4 )

### **Challenges**

- In summary, the main challenges have been in not having an agreed set of investment **goals and outcomes**, with measurable **indicators**; the consequent **micromanagement** of projects by central government, rather than **devolving responsibility** to regions. Other challenges include: **transition** from one national program to another; **alignment of planning** between CMAs and local

government; and lack of engagement with **national NGOs** (despite good engagement at the regional level). These matters are discussed further below:

- The lack of measurable **goals and outcome indicators** was highlighted by the Auditor- General (ANAO, 2008), and was foreshadowed by CMAs much earlier (e.g. Greig, 2004). Though much has been done on measuring outputs and outcomes (like ISC) these were insufficient to inspire confidence that investment had auditable pay-offs.
- By default, NRM investment was controlled by **micromanagement** at central government level. Projects proposed and delivered by regional bodies and their partners had to be approved centrally, and acquitted within the financial year to meet annual reporting requirements, notwithstanding the exigencies of seasonal conditions on the ground.
- As the sector has matured over time, such micromanagement has been relaxed considerably, through three-year forward funding, and aggregation of projects. But it still falls a long way short of **devolving responsibility to regions** for delivering and reporting on agreed outcomes in line with regional catchment strategies and corporate plans. Nor does it take the necessary long-term view.
- The **transition** from NHT1 to NHT2 caused major disruptions to regional delivery, mainly because confidence, morale, employment and momentum faded during the funding gap. (It can be argued that the survival of CMAs despite these disruptions is itself a measure of resilience, and therefore success.)
- **Alignment of planning** between regional bodies and local government has been identified as a challenge individually and by VCMC (2002, 2007), as well as collectively by regional bodies at their annual Community Forum with the Ministerial Council, and steps are being taken to redress that issue. In the meantime, land development decisions too often occur that have deleterious but avoidable NRM impacts.
- National environmental **NGOs** have not been as closely engaged by regional bodies as they might have been. This is as much due to communications failure, as to any disagreement about priorities. Regional bodies are just beginning to find their collective national voice, and are now taking steps to engage with national NGOs. By contrast, at the regional level, active partnerships with NGOs are very common.

***BUILDING ON EXPERIENCE.*** *How we can best build on the knowledge and experience gained from these programs to capitalise on existing networks and projects, and maintain commitment and momentum among land-holders*

- In summary, the main items to build on past experience include: **governance standards**; an **independent NRM commission** (at national and/or state level); and specifying **goals outcomes and indicators**. As well, engagement between CMAs and **NGOs** should continue to be strengthened. Moreover, CMAs need to continue to **devolve responsibility and authority** to their own partners in landcare and equivalent groups. Further discussion follows:
- **Governance standards** specifically recognizing the dual public-private domain of CMAs should be introduced, rather than continuing with models derived from either public or private sectors. A good start has been made by Lockwood et al (2008).

- An **independent NRM commission** should be created, reporting directly to parliament, to set and monitor governance and quality assurance standards for CMAs, and to audit their investment plans and performance on behalf of investors, and to provide longevity in the sector. The concept could be applied at both state and national levels. The National Water Commission is a useful starting point for such a proposal.
- NRM investment strategies should specify measurable **goals, outcomes and indicators** that are agreed by government investors and CMAs as delivery agents. The proposal by Wentworth Group (2008) is a good start in this area, and work by VCMC is also under way.
- CMAs need to continue their search for engagement with **NGOs**, to foster mutual understanding and opportunities for collaboration in common goals.
- Regional delivery works best when central investors have confidence in the governance and reporting of regional bodies. **Devolution of responsibility and authority** to regions could then follow. CMAs should continue to emulate that same principle in their engagement with regional partners in landcare and equivalent organizations.

***COSTS AND BENEFITS.** The overall costs and benefits of a regional approach to planning and management of Australia's catchments, coasts and other natural resources*

### **Benefits**

- In summary, the main benefits of regional delivery relate to **effectiveness, leverage, and cultural change**, as discussed below:
- Regional delivery is more **effective** than central control, mainly because regional bodies have local knowledge about sites and personnel, so that projects can be chosen with a higher chance of being acquitted successfully. In Victoria, history shows that regional delivery of NRM on private land has been more effective than the central delivery that preceded it.
- Regional delivery also **leverages investment** by engaging co-investors (resource managers and volunteers) whose contributions roughly treble the original investment amount (e.g. DAFF, 2003).
- Perhaps more importantly, by bringing about **cultural change** in resource management and other NRM practices, regional delivery results in **long-term** or even permanent improvements in NRM.

### **Costs**

- Costs of regional delivery relate to **transaction costs, and risks**.
- Whether **transaction costs** are higher under regional as against central delivery depends on the governance arrangements. Theoretically, costs will be lower under regional delivery, as long as responsibility and authority are devolved, and outcomes are agreed and reported on (as recommended above.) Under the current system of micromanagement, transaction costs are higher than necessary, because of the long chain of command.
- **Risks** under regional delivery should be no higher than under central delivery, again provided suitable governance rules are in place. Central delivery invites

higher risks of failure to acquit projects on-ground, because of lack of local knowledge of sites and personnel.

**STRATEGIC APPROACH.** *The need for a long-term strategic approach to natural resource management (NRM) at the national level*

- Climate change amply demonstrates that the **economy and society ultimately depend on a healthy environment**. It follows that the NRM sector should be treated by government in the same way as other sectors - such as water supply, and human health, for example – with a long-term strategic approach. Otherwise, the rapid deterioration in NRM since European settlement can be expected to continue its downward trend, with foreseeable consequences for both economy and society (e.g. Diamond, 2005).
- A long-term strategic approach to NRM implies the need for an agreed **vision, stable funding, appropriate institutional arrangements, and innovation** in NRM so that society and the economy can live within the environment's capacity. This task will be easier if community **capacity** is built simultaneously.
- Two **visions** for NRM have been put forward that illustrate the usefulness of this as a strategic starting point (Williams, 2008; VCMC, 2007). Contrasted with present reality, such visions if agreed can be a rallying point for the long-term task at hand, and form the basis for collective action. They also make clear that NRM is not subject to quick-fix solutions.
- It follows that like water supply and human health, NRM should be granted **stable funding** from tax revenues, rather than the piece-meal and *ad hoc* approach currently adopted.
- This would enable appropriate **institutional arrangements** to be formed (as recommended above) which in turn should result in effective and cost-efficient delivery of NRM outcomes, long-term.
- It would also allow investment in research and extension of **innovations** in NRM that yield more resource-effective protection of and production from natural resources.
- All of this will be easier if the community willingly works in concert with government, so building their **capacity** for the task will be highly desirable.

**ENGAGEMENT CAPACITY OF REGIONAL BODIES** *The capacity of regional NRM groups, catchment management organisations and other national conservation networks to engage land managers, resource users and the wider community to deliver on-the-ground NRM outcomes as a result of the recent changes to funding arrangements under the Caring for our Country program*

- Our submission refers only to CMAs, and offers no view as to the relative capacity of “other national conservation networks”.
- We submit that having been established specifically for the purpose, CMAs have a natural and **demonstrated capacity to engage** land managers, resource managers and the wider community. The evidence can be found in CMAs' annual reports, which list the range and number of partners involved in acquitting projects funded by government investment, and the community education and engagement activities undertaken as a matter of daily business.

- We acknowledge that such engagement is not yet comprehensive or perfect, but submit that **community-based CMA boards** monitor the situation closely and constantly, and take corrective action when engagement is unsatisfactory. That is one of the main reasons for having community-based boards.
- Under the Caring for our Country program, CMAs will share government investment funding with other delivery agents, so CMAs' **engagement capacity will diminish proportionately**. Whether that will be compensated by other delivery agents we cannot say.
- What can be said is that if projects by other delivery agents are not integrated with those brokered by CMAs, then the **potential on-ground outcomes will be diminished, and much harder to audit**. This point was reinforced by the Ministerial Council (2006).

***COMPREHENSIVE APPROACH.** The extent to which the Caring for our Country program represents a comprehensive approach to meeting Australia's future NRM needs.*

- We believe it is too early to give an opinion on this question.
- What we can say is that most NRM problems arise because of past human interventions - particularly land-clearing, extraction of natural resources, and pollution – and that **rectifying the source** is more effective than working on the symptoms. Similarly, **prevention is more cost-effective than cure**, so identifying incipient problems, and nipping them in the bud, is good investment practice.
- The sources of NRM problems are usually systemic, widespread, and diffuse, while symptoms and well-developed problems are often localized. **Regional bodies are well placed to identify incipient problems, and apply effort at both sources and symptoms.**

### ***IN SUMMARY***

- Chairs are happy to continue working cooperatively and constructively with the Caring for our Country program, and hope that it can build on the strengths of the regional delivery model, which are listed in this submission.
- Chairs believe that with the cooperation of many landowners and other partners, CMAs have been successful in achieving NRM and community improvements on behalf of government and stakeholders.
- Their strategies and plans (again done with partners) have provided a mechanism for integrating NRM at a regional level, while providing for state and national priorities.
- CMAs have demonstrated their governance arrangements and accountabilities through many robust audits.
- Chairs believe that all recipients of NRM funding should be required to meet the same governance and accountability standards.
- CMAs capacity to engage landowners and communities in NRM will be diminished in proportion to funding reductions.
- But it is too early to say whether Caring for our Country represents a comprehensive approach to NRM delivery.

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