

26 September 2008

The Secretary
Senate Standing Committee on Rural
& Rural Affairs & Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam

Re: Namoi CMA Submission – Inquiry into Natural Resource Management and Conservation Challenges

Please find attached Namoi CMA's submission to the abovementioned inquiry.

Whilst we understand this submission is late, discussions with your office indicated that provided the submission was received by 30 September 2008 it would be considered.

Should the opportunity arise, Namoi CMA would also like to express its strong interest in meeting with the Senate Committee to further develop the thoughts expressed within our submission and respond to any queries that may arise from it.

Yours sincerely



Bruce Brown
General Manager
Namoi Catchment Management Authority



***Namoi Catchment Management Authority Response to Questions
Raised by the Senate Inquiry on Natural Resource Management and
Nature Conservation***

September 2008

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Appendix 1: "State of the Landcare Groups in the Namoi Catchment", April 2007

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1. Lessons learned

- i. the 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.

1.1 Landcare:

Landcare was a powerful engagement tool, capturing the imaginations of many and seeing the proliferation of groups across Australia. It represented a major statement from government at the State and Federal levels that change was required in Natural Resource Management (NRM) and that funding would be available. Notwithstanding this, Landcare did not deliver significant landscape change and failed to stop the continuing decline of landscape health. Perhaps it was unrealistic to expect that it would, and that it should always have been accepted as an engagement and awareness raising exercise.

Major problems with the Landcare model of NRM change practice are detailed below:

- ~ Thousands of small disconnected projects were funded with no framework used to pull actions and priorities together at a landscape or catchment scale. The exceptions to this were the few landscape scale projects funded either because the groups were based in areas where they were familiar with scale (large extensive grazing enterprises in the rangelands) or because the group involved was relatively visionary.
- ~ There was a failure to follow up on project milestones and this was supported by weak monitoring and evaluation capacity. In many cases it is difficult, if not impossible, to demonstrate that improvements took place.

Poor accountability for outcomes and poor monitoring and reporting were significant problems with the Landcare investment model.
- ~ Group dynamics tended to become the primary concern rather than learning about NRM and the environment. Many Landcare groups became 'hotbeds' for local rural politics. Many interested potential participants were actively excluded or felt unable to cope with the political nature of involvement.
- ~ Projects were limited to what a group could agree to as being worthwhile. There was little scope for individual projects to be included, and very good projects could be passed over because not enough people in the group thought them worthwhile. Additionally, there was a lack of oversight on the utilisation of funds and funding was frequently utilised on sub-optimal projects, a situation not helped by a lack of capacity to rank and prioritise projects.
- ~ Energy and effort were spent on maintaining the group rather than learning about and engaging in NRM. Groups needed to be "incorporated" so that they could manage money and carry the relevant insurances etc. Thus much of the available energy in rural communities was spent trying to administer "incorporation" requirements and managing the group rather than achieving good on-ground outcomes. Additionally, incorporation was costly, needed to be maintained and some groups lacked the financial skills to do this effectively.
- ~ Maintenance and support of groups was intensive, with Governments and umbrella groups spending considerable funds on providing co-ordination and facilitation support. As this support was systematically removed, NRM groups and Landcare generally fell into decline. This has been confirmed in the Namoi Catchment in the documented review "*Status of Landcare Groups in the Namoi Catchment*" undertaken for Namoi CMA by CIE (see Appendix 1).
- ~ NRM messages were frequently muddled. The Landcare model provided for groups to learn at their own pace and explore their own topics of interest. This was good practice in terms of

providing people the opportunity to engage in self-paced learning, however the downside was that many groups did not progress any further than reviewing matters of immediate concern to them such as short term productivity related issues.

- ~ The whole Landcare program failed to maximise outputs and as a result public monies were utilised sub-optimally.

Notwithstanding the above comments, there remains within the broad Landcare community many individuals with visionary and altruistic views on natural resource management who believe that education and awareness programs will deliver the designed outcomes.

1.2 NHT1:

NHT1 was plagued by similar problems to that experienced in the "Decade of Landcare":

- ~ Efforts were still fractured across many organisations and individuals. No cohesive landscape level plans were available to coordinate action.
- ~ Much of the NHT1 funding was spent supporting the burgeoning bureaucracy that was starting to build around NRM grant money. Centralised government agencies appeared to be the main beneficiaries of NHT1 funds with little link direct to regions and individuals and consequently limited on-ground activity occurred.
- ~ Accountability plus the monitoring and evaluation of outcomes from NHT 1 funding was similar to that experienced in the Landcare programs. Significant blocks of funding that were unable to be expended on expected outcomes were not returned to the Australian Government (AG), being retained by centralised State government agencies.
- ~ NHT1 is also considered to have failed to achieve landscape level change and stop the degradation of natural resources. However, once again no follow up on funded projects has occurred to establish the actual position.
- ~ NHT1 was entirely focussed on outputs (i.e. Numbers trained, km's of fencing, etc) with no framework for measuring outcomes.

1.3 NAP/NHT2:

The establishment of NAP/NHT2 was different, for the first time attempts were made to prioritise landscape elements and pull activity together under a regional plan. Regional delivery bodies were established and there was finally an acceptance that investment in NRM could be made via individual landholders as part of a contractual arrangement whilst contributing significantly to regional plans.

Other significant changes in NAP/NHT2 included a higher priority being placed on monitoring and evaluation activity and adaptive management. Notwithstanding this, funding for comprehensive monitoring and evaluation programs is extremely limited.

Clearly the approach of channelling most of the funding through regional delivery bodies has had the effect of coordinating action. The directions and priorities of regional delivery bodies may not have suited everybody, but at least there was some coordination and a plan with targets to work towards. An unfortunate by-product of this approach may have been the disempowerment of some community NRM groups that failed to understand how to make best use of their regional delivery body as both a funding agency and a potential partner in accessing external grants.

The real benefits of the regional delivery model approach to investment in landscape level change and changed NRM practice are only just being experienced. The recently completed NAP/NHT2 funding cycle has been instrumental in getting regional delivery bodies established and up and running. Much ground has been made in recognition of these entities, clients have learned what they stand for and how to access funding and technical resources. Additionally, other government agencies are starting to understand how to work with regional NRM entities. Further evidence illustrating the success of

regional bodies, in this case Namoi CMA, can be found in the "Attitudes and Awareness Benchmarking Study" (IPSOS, 2007) that can be made available to the Senate Inquiry (an excerpt from this study is included as Appendix 2).

Clearly there is a significant differential in the skill, capacity and effectiveness of individual regional delivery bodies. There are also significant differences in how they choose to organise themselves and operate. Their individual strengths and weakness are a reflection of the skill sets of their senior executive team and Board.

Furthermore, it is probably too early to establish what the real impact of investment via regional delivery models has been since project monitoring and evaluation information is only now coming to hand and funding is very limited.

1.4 Envirofund:

Envirofund has been rolled out in a similar manner to NHT1, with the exception that projects are checked by regional NRM bodies for both effectiveness and to avoid duplication. No monitoring and evaluation of individual projects was undertaken or was indeed contemplated.

1.5 Stewardship program

The issue of stewardship programs/payments is an interesting one and the logic behind rewarding good practice is sound. A problem occurs however in that stewardship programs risk rewarding land managers for reaching levels of legislative compliance or meeting their 'duty of care' obligation which becomes problematic from a public investment perspective. Stewardship programs that reward maintenance of natural resources above and beyond legislative obligations and what can be reasonably expected under a 'duty of care' are a worthwhile tool to include in the mix of incentive activity employed to achieve landscape change. Recent Stewardship programs funded by the Australian Government are actually rewarding landholders who are meeting the legislative requirements of State and Federal governments in regard to the maintenance of endangered ecological communities. For example, the literature supporting the Box Gum Grassy Woodland Project clearly states that activities land managers are required to undertake by law are not eligible for stewardship payments, however it must be remembered that the protection and maintenance of endangered ecosystems is a legislative requirement in the first place. Whilst it can be appreciated that improving the management of Box Gum Grassy Woodlands is a worthwhile outcome - is it sensible to use public money to invest in a rewards program for meeting legislative requirements?

A major issue with AG Stewardship Programs rolled out in the last 18 months has been the very short timelines involved and the circumventing of regional delivery processes in rolling out the programs.

2. *Building on previous programs*

- ii. 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,

The gestation period and establishment of the NSW CMA's in 2004 owes much to the fact that previous government involvement in NRM had a chequered history with some successes and failures. Previous government funding mechanisms whilst sizable in monetary terms had a tendency to be ad hoc and driven by the demands of small groups with no integrated approach to catchment wide planning and a resultant failure to achieve landscape change. Notwithstanding this, previous NRM funding has achieved improvements in knowledge of environmental and NRM issues especially in farming communities and this has provided fertile ground for the delivery of regional investment in NSW.

Many NSW CMA's have successfully positioned themselves in a very short period of time and owes much to the diversity that is created by catchment based entities government by boards and staffed by people who are actively engaged with the catchment community. Diversity will be the key to

success and communities need to become instrumental in guarding against gradual shifts back to 'command and control' structures used by centralised government agencies.

In the Namoi we have spent considerable time and resources in building our brand to the extent that staff are probably now well and truly familiar with comments about 'valuing our brand' which relates directly to valuing our client base and the relationships we have established.

Results from a major benchmarking study undertaken by IPSOS on NCMA's behalf provide some objective measure of our performance over the past 3 years. This study involved the use of focus groups and a cross-sectional telephone questionnaire involving 626 members of the catchment community. Of those surveyed 92% were aware of the NCMA, even in urban communities awareness was at 77%. Another result worth noting was that 64% of respondents viewed NCMA in a positive light (key excerpts of the IPSOS Report are included in Appendix 2).

In light of this information, the best way forward that builds on previous efforts, is to continue with the regional delivery model and thus provide some consistency in approach. Persisting with the regional delivery model for another 4-5 year cycle would maximise the opportunity for an increase in community ownership in NRM developments and outcomes. Additionally, it would provide a real chance of Catchment Action Plan (CAP) targets actually being achieved.

A consistent approach would include the provision of ongoing support for the implementation of CAP's (NSW) or regional delivery plans. Support could include a continuation of channelling funding through regional delivery bodies or referring funding programs to regional delivery plans to facilitate integration with CAP's.

More thought must be given to resourcing regional delivery bodies to enable them to monitor and evaluate their investments and continue to maintain and develop staff skills. This will ensure that they can secure key staff, maintain NRM planning capacity and effective/efficient on-ground investment activity.

A key requirement to building on the work of previous funding rounds is ensuring that regional delivery bodies have the funding and stability to provide continuing support for on-ground investments made under previous NRM investment programs plus effective monitoring and evaluation.

Furthermore detailed commentary is contained in Appendix 3 ("Government Intervention – Paradise Lost or Found?", paper delivered to the Namoi Landscape Management and State Landcare Forum, 26-27 October 2007).

3. Costs and Benefits of the Regional Approach

- iii. the overall costs and benefits of a regional approach to planning and management of Australia's catchments, coasts and other natural resources,

3.1 Benefits:

Significant benefits are associated with the regional delivery approach, these include:

- ~ Catchments/regions are an appropriate scale to provide meaningful landscape change and develop plans that take in community expectations.
- ~ The regional model provides for governance arrangements that are managed by Boards drawn from catchment/regional communities.
- ~ A regional delivery approach is the first step towards devolving responsibility for NRM outcomes to the communities that live and work in catchments/regions. Having the community involved and taking responsibility for solutions to NRM problems is essential if real progress is to be made on natural resource management.

- ~ The NRM investment models developed under the regional delivery models are diverse; ranging from very significant devolved grant activities at one end, to more investment banking approaches at the other. An appropriate model or 'mix of methods' can be developed by each regional delivery body in response to the prevailing local conditions, community needs and the environmental issues at hand.
- ~ Benefits will not be able to be quantified until more information from on-going monitoring and evaluation activity is forthcoming. Clearly this cannot occur unless regional resources are in place.

Quantitative information regarding outputs achieved by NCMA can be made available to the Senate Inquiry.

3.2 Costs:

In many areas the change to a regional delivery approach saw diminished community action as investment in NRM became more commercially orientated. It can be argued that this was a natural consequence of the decline in community energy and enthusiasm – all groups have "use by dates" and rise and fall and are recreated depending on the NRM issues of the day. See previous comments made at the end of Section 1.1 of this submission.

Whilst the actual costs of the regional model (both recurrent and investment dollars) are significant, this has to be considered in the light of the extensive investment contributions of entities partnering with the catchment/regional body in on-ground investment activity. We have chosen not to include this information in this document but are happy to do so upon request.

4. *The need for a strategic approach*

- iv. the need for a long-term strategic approach to natural resource management (NRM) at the national level,

The need for a long-term strategic approach to natural resource management at the national level is arguably more important than ever. Significant risk to Australia's natural resources is posed by climate change impacts. Clearly the better condition our natural resources are in prior to climate change impacts being felt, the more likely it is that the changes can be absorbed by the relevant ecosystems. Significantly the adaptive capacity of industries, individuals and communities is likely to be the most significant factor in mitigating against the worst impacts of climate change.

The AG remains the major beneficiary of the major high growth tax revenue streams. This in essence means that it is best placed to provide the significant investment dollars to achieve landscape change, improved practices and community attitudes. It can be argued that a national level strategic approach should be limited to the setting of major strategic priorities and parameters with regional entities (supported by their communities) undertaking investment in line with these.

In NSW the CAP's provide a targeted and strategic approach to NRM at the regional scale over a 10-15 year timeframe. If funding could be tied to the timeframe of the regional plan, or at least "securitised" over 3-5 year time periods, regional NRM capacity would be maintained with investment decision making focused on landscape change over the longer term in line with catchment/regional plan targets.

5. *Impacts of changes to funding arrangements under Caring for our Country*

- v. 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.

Whilst the Caring for our Country program goes to some length to ensure that regional delivery bodies remain an effective part of the national approach to NRM, it remains uncertain whether the program provisions are adequate. The interim year in Caring for our Country has been particularly difficult as the competitive bid process is not operating in full and a one year funding cycle is not ideal given it can lead to ad hoc decision making and project implementation processes.

The Caring for our Country program presents significant uncertainty for regional delivery bodies and their staff and client base as they struggle to understand what the future of the Program will mean for them in an environment of little information and the apparent significant competition from State government agencies for competitive funds. Additionally, there has been a disconnect between AG and State NRM funding programs.

Many regional delivery bodies will be attempting to move quickly into a new framework where AG and State government funding becomes a smaller percentage of the funding they receive to maintain their operations in case they are left unviable under the Caring for our Country funding arrangements. Whilst on the surface this may be laudable it may mean that these bodies become a captive of private sector funds providers and that critical elements of the catchment or regional plan cannot be satisfied.

It is also clear is that the capacity/capability built up by regional NRM entities during previous funding rounds may not be able to be maintained. The resultant impact is that programs may not be able to be continued with proper monitoring and evaluation leading to a resultant loss of community confidence in the ability of the catchment/regional body to deliver solutions on NRM issues.

Regional NRM bodies have a skill set that provides a capacity to deliver on investment projects and community NRM education. Additionally, this skill set is regionally based and not divorced from the community and its aspirations.

6. *Contribution of Caring for Our Country to meeting Australia's NRM needs*

- vi. the extent to which the Caring for our Country program represents a comprehensive approach to meeting Australia's future NRM needs.

In essence it is difficult to comment on how comprehensive the current Caring for our Country program is given the current interim nature of the program, the current disconnect which exists with the NSW NRM program and the still evolving nature of the reporting required by the AG.

The following provides a commentary on operational issues arising from the Caring for our Country program.

- ~ Project business cycle: Annual funding cycles with no security of future additional funding drives the delivery of outputs and outcomes that can only be achieved within a twelve month timeframe. This scenario excludes projects with longer implementation cycles such as those requiring knowledge development and community consultation as pre-requisites to prioritised on-ground management change. Rarely is an NRM project business cycle aligned with a financial year. The result is lost opportunities for the AG as NRM issues requiring longer project cycles are not addressed. Flexibility is required via a framework that delivers secured investment for the life of the specific project cycle. Additionally, this will enable staff tenure to be aligned with project duration/completion.
- ~ Regional Delivery Model: The AG has proposed a competitive model that could create a risk of overlap and ad hoc delivery at the regional level. For example, sub catchment groups or State agencies may try to deliver similar projects to the regional NRM organisation in the specific catchment, or possibly, deliver projects not aligned with the CAP/regional NRM strategic plan. As a result, regional friction and incompatibility can occur in addition to the creation of investment inefficiencies through overlapping projects and contracting individual/organisations with poor project delivery capacity and/or contract systems.

The delivery of the Envirofund Program is an example of where regional bodies had no input into project selection, implementation quality or monitoring. The result is a lost genre of NRM

investment where resource condition baselines were not measured making reporting on outcomes from the investment unclaimable.

The regional model provides a framework where the AG can be confident that projects are delivered to a high standard with a strong emphasis on output and outcome reporting. Strong cost efficiencies would result for the AG by regionalising project management and reporting and standardising outcome reporting through the regional NRM network.

- ~ Timeline Management: At least 6 months notice is required for regional NRM organisations to develop investment plans for the following financial year. This allows relevant approvals and contracting to occur facilitating project implementation from the beginning of the financial period. This scenario where head agreements are not finalised until several months into the contracting period is unacceptable and rushed implementation results in significant milestone variations. Head agreements need to be approved at least 3 months prior to the beginning of the contracting period to allow for staff consolidation and security.

7. *Concluding Remarks*

On broader NRM issues it is becoming increasingly apparent that given the AG's increased role in water across the Murray Darling Basin there exists a real risk that the integration of water, land and vegetation at the landscape level could be seriously eroded.

Importantly, in the Murray Darling Basin the next logical planning tier is at the catchment level (26 surface water catchments in the Basin). To retain the cohesion of resources at the landscape level, it could quite sensibly be argued that it makes more sense for the NSW CMA's that are geographically part of the Basin to be statutory entities under AG auspices rather than the State. Alternatively, and at the very least, the AG's Murray Darling Basin legislation should formally recognise these CMA's and the obvious roles they currently play in NRM management across the NSW part of the Basin.

Appendix 1

“State of the Landcare Groups in the Namoi Catchment, April 2007”

CIE study undertaken for Namoi CMA

Appendix 2

“Namoi Catchment Management Authority Stakeholder and Community Benchmarking Study”

IPSOS, 2007

Appendix 3

“Government Intervention – Paradise Lost or Found”

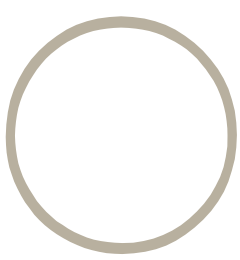
**B.M. Brown, Paper Delivered to the
Namoi Landscape Management & State Landcare
Forum, 26-27 October 2007**



Appendix 1: State of Landcare Groups in the Namoi Catchment



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*State of landcare
groups in the
Namoi Catchment*



Prepared for

Namoi Catchment Management Authority

*Centre for International Economics
Canberra & Sydney*

APRIL 2007

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Introduction

In the past 15 years, Australia's approach to managing its natural resources has undergone significant changes. It experienced the Decade of Landcare (1990-2000), two rounds of Natural Heritage Trust (NHT), and – more recently – the transition to a regional natural resource management (NRM) delivery model built around catchments. Throughout these changes and approaches, the governments (at all levels) and communities have featured critically.

Each initiative has brought opportunities and challenges to all involved. New government bodies were created, such as Catchment Management Authorities (CMAs); agencies underwent restructuring. With each change came revised priorities and plans. Community groups had to learn new ways of accessing information, support and resources.

Consistently, community-based groups, such as Landcare, are recognised as essential partners to governments in achieving on-ground NRM outcomes. However, the current state of Landcare groups and the amount of resources required to engage and support them in the current institutional arrangements is not well understood.

The Namoi Catchment Management Authority ('the CMA') commissioned the Centre for International Economics (CIE) to undertake a study of Landcare groups in its catchment. The study's primary objective is to provide an accurate picture of Landcare groups so to help the CMA make more professional and objective decisions on how to relate to Landcare groups and form better expectations of what Landcare groups can realistically deliver.

Updating the Landcare group information

The CMA provided CIE with an initial list of approximately 90 Landcare groups. CIE endeavoured to contact all groups on this list to:

identify the current status of each group (that is, active or inactive);

update contact information for each group; and

understand the reasons for the group's reported level of activity.

Status of Landcare groups

Contacting Landcare groups was difficult. Over the course of four weeks, CIE made approximately three attempts to reach each Landcare group (during January and February 2007). CIE called during business hours, early evenings and weekends. In the end, CIE was able to contact only 38 per cent of the groups.

0.1 Summary of responses

Status	Number	Per cent
Unable to contact	48	52
Successfully contacted	35	38
Information updated by CMA staff	9	10
Total	92	100

Source: The CIE.

Based on our efforts and feedback from CMA representatives, only a few Landcare groups appear to be active in the catchment. CIE confirmed 11 groups are still active. The extent of their activity is highly variable. Several are currently in 'caretaker' mode largely due to the drought. These active groups represent over a quarter of the groups that were contacted and around 12 per cent of the total list. Table 2.2 summarises the status of landcare groups.

0.2 Status of Landcare groups

Status	Number	Per cent
Active	11	12
Inactive	34	37
Unconfirmed	47	51
Total	92	100

Source: The CIE.

Surveying Landcare groups

In addition to updating the CMA's list of Landcare groups, CIE also conducted a brief survey to understand the state of each group and the reasons for its level of activity.

CIE adopted a two-stage approach to recruiting Landcare group representatives to participate in a telephone interview. Initial contact with the Landcare representative involved confirming contact details and group's status (that is, active or inactive) and recruiting the individual to participate in the survey. If the representative agreed, CIE then scheduled a convenient time for the survey.

Response rate

Of the 35 Landcare groups that CIE was able to contact, only 15 individuals agreed to schedule a time to complete the short, ten-minute telephone interview. Despite this process, only eight individuals completed the survey, representing 9 per cent of the total list of Landcare groups (or 23 percent of all contacted Landcare groups). Table 3.1 summarises the results.

0.1 Summary of responses

Status	Number	Per cent
Declined to participate in the survey	20	57
Agreed to participate, but unable to reach at the scheduled time	7	20
Successfully completed the survey	8	23
Total	35	100

Source: The CIE.

The lack of willingness to participate in a brief survey was surprising. Individuals that belonged to an inactive Landcare group were substantially less likely to participate. All individuals that

declined to participate in the survey were members of groups that had stopped meeting several years ago. In contrast, all contacted individuals that are members of a currently operating Landcare group were willing to participate in the survey. However, not all of them were available at the scheduled time for the interview.

By the status of the Landcare group, table 3.2 summarises the willingness of those contacted to participate in the survey.

0.2 Willingness to participate in the survey

<i>Status of the contacted Landcare groups</i>	<i>Willing to take the survey</i>		<i>Not willing to take the survey</i>		<i>Total</i>	
	<i>Number</i>	<i>Per cent</i>	<i>Number</i>	<i>Per cent</i>	<i>Number</i>	<i>Per cent</i>
Active	9	100	0	0	9	100
Inactive	5	20	20	80	25	100
Unconfirmed	1	100	0	57	1	100
Total	15	43	20	0	35	100

Source: The CIE.

Key findings

Interpreting findings

As noted, the participation rate was low. Less than half of those contacted were willing to participate in the survey (that is, 15 out of 35). The successful completion rate was even lower. Of those that scheduled a time to participate, 8 of 15 eventually completed the survey.

Given the low response rate, the results should be treated as indicative at best. The respondents are not representative of the total list of Landcare groups. Those willing to take the survey tended to be part of a Landcare group that was still active (or in caretaker mode) and/or personally engaged and interested in NRM issues beyond the group's activities.

Emerging common themes

Despite the limitations in making generalisations, some common themes did emerge. These common themes, based on the responses of eight Landcare representatives, are presented below.

Of the active groups, several appear to be struggling with maintaining enthusiasm. They largely cited the drought as a reason for the waning level of activity. Very few identified the movement towards a regional NRM delivery model or the establishment of CMAs as a reason for the decline in their group's activities.

- Two of the five active groups are currently in 'caretaker' mode, with limited or no meetings and on-ground works.

Three of the eight groups (or about one-third) are no longer active. They reported that they stopped operating between two and five years ago. Many noted that the main reason for being inactive is that the group accomplished its objectives.

Of the groups contacted most undertook NRM works on lands owned by its members (private property).

The average size of a Landcare group was around 10 members, with:

- the smallest group consisting of 5 members; and
- the largest group consisting of around 28 members and the only one reported to undertake projects on both public and private land.

Most groups were established in the 1990s. However, one group reported starting up in the mid-1980s. The most recent group was established in 2001.

All of the groups were incorporated. The most frequently cited reason was to access funding. However, another motivating factor was to access public liability insurance.

Only one group had not received a grant or other public funding. The amount of funding that each group received varied.

One group reported that not being able to fully expend grants was preventing it from 'officially' ceasing to exist.

Most groups felt that their greatest accomplishment was successfully addressing an NRM problem through on-ground works and that their accomplishments had been sustained.

Most of the groups reported having no interaction with the CMA — or any other regional management body. At the same time, most had received assistance from a Landcare coordinator or NRM facilitator. They felt that the assistance they received was important (or essential).

Appendixes A and B provide summaries of responses to the telephone survey.

Role of Landcare groups

The number of Landcare groups could be significantly over estimated

The estimates of Landcare groups across Australia are quite high and reported to be steadily growing. Over the decade since 1995, Landcare groups in NSW alone had more than doubled (from 799 to 1809 groups).¹

In the Namoi region, nearly 100 Landcare groups are believed to exist. However, this study was able to confirm that only around 10 per cent of this estimate is currently active. This relatively low percentage of active Landcare groups calls into question the frequently cited, large numbers. More significantly, it suggests their potential role in delivering substantial on-ground improvements could be overstated.

Maintaining engagement is important

The Landcare groups that CIE contacted are generally made up of a small number of people. Nearly all of their projects can be found on private, rural properties. Many of them came together in response to an immediate NRM issue that had (or could have had) adversely impacted on their properties. Once the issue had been addressed, these groups stopped formally meeting.

At the same time, the enthusiasm of individuals in currently active Landcare groups was transparent in their willingness to participate in the survey and their responses. This trait is consistent with how NRM bodies around Australia characterise community groups, such as Landcare.

¹ www.landcarensw.org

The lack of willingness on the behalf of individuals who were part of inactive Landcare groups was surprising. It did not accord with experiences reported by CMAs and other NRM bodies regarding their engagement efforts and interactions with community groups. This dynamic suggests that maintaining the engagement of community groups is important. It also suggests that once that engagement is lost, 're-enlisting' individuals and groups could prove difficult.

Access to funding and other resources

All of the groups interviewed were incorporated. Many were advised to go down this path in order to access grants or public liability insurance.

Nearly all of the Landcare groups received funding from government bodies. However, the importance of the funding did not appear essential. Instead the key driver to their activity seems to be the seriousness of the NRM issue to their properties. Several individuals noted that members contributed significantly to project costs by contributing money, time, equipment, etc.

All of the inactive groups reported having expended all of their funding. Three of the five active groups had not fully spent all of their monies. However, this residual balance was preventing only one Landcare group from officially ceasing to exist.

Appendixes

Inactive Landcare groups – survey responses

Tables A.1 to A.3 summarise survey responses from members of inactive Landcare groups. The tables reflect the main topics that were addressed by the survey questions. These topic areas are:

general background on the group, such as how long it operated, when it stopped meeting, the focus of its activities;

sources of government grants and other external funding; and

interaction with government bodies and general views of the role Landcare groups can play in delivering NRM outcomes.

0.1 Background and activities

Question	Group A	Group B	Group C
<i>How long since group operated?</i>	3 years	2 years	4-5 years
<i>Year group was formed</i>	2001	1993	1998
<i>Number of members</i>	7	7 or 8	5
<i>Frequency of meetings</i>	Intensive at times; then more informally "over the fence"	Not often b/c of drought; meet 'now & again'	Every 3 months
<i>Focus of activities</i>	Streambank control - reduce willow population & some riparian fencing	Remnant vegetation & gully erosion	River health - cleared weeds and trees
<i>Location of on-ground works</i>	Rural – private most of work on members' land	Rural – private most of work on members' land	Rural – private most of work on members' land
<i>Most important achievement</i>	On-ground solution to NRM problem	On-ground solution to NRM problem	On-ground solution to NRM problem
<i>Have achievements been sustained?</i>	Yes	Yes	Yes
<i>Why did the group stop meeting?</i>	Achieved what they set out to do; no major problem to motivate continuing	Problem mostly sorted out struggling with drought	Achieved what they set out to do; no major problem to motivate continuing
<i>Would additional resources have helped?</i>	Yes	Don't know	No
<i>What kind of resources?</i>	Funding in a timely manner to coincide with when most sensible to undertake work		

Source: The CIE.

0.2 Access to grants and other sources of funding

Question	Group A	Group B	Group C
<i>Incorporated?</i>	Yes	Yes	Yes
<i>Year incorporated</i>	2001 or 2002	Few years later	1999
<i>Reason for incorporation</i>	To access NHT funding	To access grants	Don't know
<i>Has the group received funding?</i>	Yes	Yes	No
<i>Source</i>	NHT	Directly from government	n/a
<i>Amount</i>	~\$6-7k	~\$28K	n/a
<i>Has funding been fully expended?</i>	Yes	Yes	n/a

Source: The CIE.

0.3 Interaction with the CMA and other government bodies

Question	Group A	Group B	Group C
<i>Assistance from facilitator/coordinator/govn't agency?</i>	Yes (not sure of the persons position - maybe fisheries or then DNR)	Yes - from Liverpool Plains Mgmt Committee	Yes
<i>Type of assistance</i>	Compliance with regulations	Visited sites, assisted with grant applications	Technical assistance on how to undertake work
<i>Importance of assistance?</i>	Mostly 'got in the way'	Important	
<i>Interaction with a regional catchment body?</i>	No	No	No
<i>Has movement towards CMAs & regional NRM delivery impacted on landcare groups?</i>	No	Don't know	Don't know
<i>Has the role of landcare groups changed over time?</i>	Don't know	Need to look to other activities since original problem sorted out	Don't know
<i>How can CMAs better support groups such as yours?</i>	Needs to provide 'practical' assistance and funding	No suggestions	No suggestions
<i>Can community groups play an important role in assisting CMA in achieving NRM outcomes?</i>	Don't know	Don't know	Don't know
<i>Other comments?</i>	CMA should be more 'user friendly' taking more whole of catchment view; being realistic about when work can be done; & coordinating across all the relevant government bodies (e.g. local council, DNR, fisheries, State Water)	Feels that currently the group is struggling. Needs help to keep people engaged, but the group doesn't do outreach.	Group of irrigators that got together to address an issue. Some moved away. Others felt the problem had been addressed - no need to do more

Source: The CIE.

Active Landcare groups – survey responses

Table B.1 to B.3 summarise survey responses from members of active Landcare groups. To the extent possible, members of active Landcare groups answered the similar questions. These tables reflect the questionnaires main topics:

general background on the group, such as how long it operated, when it stopped meeting, the focus of its activities;

sources of government grants and other external funding; and

interaction with government bodies and general views of the role Landcare groups can play in delivering NRM outcomes.

0.1 Background and activities

Question	Group A	Group B	Group C	Group D	Group E
<i>Year group was formed</i>	1998	early 90s	mid-80s	1992	1993
<i>Number of members</i>	12	15	7	28	12
<i>Frequency of meetings</i>	Every 3 months - more if there's a specific issue	Every 3 months	Irregularly (has not met in 2 years)	Twice a year group has been in caretaker mode for 2yrs during drought	2-3 times a year
<i>Focus of activities</i>	River care tree planting; feral animal control	Tree planting; fencing off remnant vegetation; social for farmers to meet and talk about problems	Addressing & understanding salinity	Manage riparian zones	River care but based on needs of each farm
<i>Location of on-ground works</i>	Rural – private	Rural – private	Rural – private most of work on members' land	Rural: 4 private & 1 public; has trouble finding participants	Rural: private & public
<i>Most important achievement</i>	On-ground solution to NRM problem	Originally focused on environment but is now a support group through the drought	On-ground solution to NRM problem & capacity building skills	On-ground solution to NRM problem	On-ground solution to NRM problem
<i>Have achievements been sustained?</i>	Yes	No	Yes	Somewhat	Yes

Source: The CIE.

0.2 Access to grants and other sources of funding

Question	Group A	Group B	Group C	Group D	Group E
<i>Incorporated?</i>	Yes	Yes	Yes	Yes	Yes
<i>Year incorporated</i>	1998	Don't know	2001 or 2002	1998	1999
<i>Reason for incorporation</i>	To access government funding	Not sure. Could have been to access grants	To receive funding	Access public liability insurance feels group shouldn't have been advised to become incorporated	For insurance and to access funding
<i>Has the group received funding?</i>	Yes	Yes	Yes	Yes	Yes
<i>Source of funding</i>	NHT	Envirofund	NHT plus State & Fed funding	Envirofund	NHT & Fisheries
<i>Amount</i>	\$18k (one-off when group was formed)	~\$20k over 5 yrs	'hundreds of thousands of dollars' over 10 yrs	~\$30k over 15 yrs	<\$40k over 14 years
<i>Has funding been fully expended?</i>	Yes	Yes	No	No	No
<i>Additional comments</i>			Money is not stopping the group from officially ceasing operations	Money is preventing group from officially ceasing. Does not have 'quorum'	Money is not stopping the group from officially ceasing operations

Source: The CIE.

0.3 Interaction with the CMA and other government bodies

Question	Group A	Group B	Group C	Group D	Group E
<i>Assistance from facilitator/coordinator /government agency?</i>	Yes – Landcare Coordinator, but not any more	Yes – Landcare coordinator in the past but not now	Yes – NRM facilitator in the past	Yes - Landcare coordinator and NRM facilitator	Yes – Landcare coordinator, but not in the last 2 yrs
<i>Type of assistance</i>	Preparing grant applications & sharing information	Organised meetings; providing latest information & general support & encouragement	Organised meetings & events	Technical assistance & accessing grants	Preparing grant applications & providing information
<i>Importance of assistance?</i>	Essential to the group operating	Important	Important	Important	Essential
<i>Interaction with a regional catchment body?</i>	No	No	No	Yes – represented the group for the CMA	No
<i>Has movement towards CMAs & regional NRM delivery impacted on landcare groups?</i>	Yes not as much information is provided to Landcare groups	Yes haven't been able to source support & information from Landcare coordinator	No	No	Yes no help for the group since the coordinator was taken away
<i>Has the role of Landcare groups changed over time?</i>	Yes responsibility is being take away from Landcare groups	Yes previously members were more enthusiastic; now they're struggling with drought; Landcare movement has broken down & no one to keep the group functioning	Yes initially in learning phase; now group is less interested in sharing knowledge	Yes originally project based, now information based; Landcare is about ideas with individuals complementing each other rather than a community approach	Yes some members have lost interest; cost of insurance has made it difficult; people don't have time; w/ no help from coordinator it's difficult to keep going
<i>How can CMAs better support groups such as yours?</i>	Provide information on what the CMA is doing and where it is headed	Initiate assistance; provide support & encouragement to the group	Occasionally call to provide update	No suggestions	No specific suggestions
<i>Can community groups play an important role in assisting CMA in achieving NRM outcomes? How?</i>	Yes assist in communication & awareness; delivery training support; recommend landuse & practice changes; deliver on-ground improvements	Yes assist in communication & awareness; delivery training support; recommend landuse & practice changes; deliver on-ground improvements	Yes assist in communication & awareness; delivery training support; recommend landuse & practice changes; deliver on-ground improvements	Yes deliver education & training support	Yes assist in communication & awareness; delivery training support; recommend landuse & practice changes; deliver on-ground improvements
<i>Other comments?</i>	Sharing information is very useful	Group was very active when a Landcare coordinator was available. In the past, the group was a very good support group - met & discussed problems and agreed to actions	Cultural change is important	Doesn't know what the solution is for keeping enthusiasm up; rural landholders have hard time understanding overlap of CMA with government departments (e.g. management of waterways & flood plains)	CMAs should use Landcare groups more

CIE.

Appendix 2 – Extracts from Namoi CMA Stakeholder and Community Benchmarking Study.

Appendix 3 – Government Intervention – Paradise Lost or Found?



Research Highlights: Namoi Catchment Management Authority Stakeholder & Community Benchmarking Study 2007

RESEARCH OVERVIEW

Namoi Catchment Management Authority (CMA) places considerable importance on engaging with stakeholders in delivering fundamental change in land use practices and enhancing natural resources within the catchment. The Namoi CMA management team wanted to measure and benchmark:

- Stakeholder and community attitudes and perceptions of Namoi CMA.
- The impact Namoi CMA is having across the catchment.
- Current land management practices being undertaken to address key NRM issues.

The independent research involved a catchment-wide comprehensive three stage methodology, involving in-depth interviews and workshops with over 50 people, and 680 telephone interviews.

The research outcomes will guide the development of effective strategies to enhance the relevance and value of Namoi CMA's activities and initiatives, to ultimately meet the needs and expectations of stakeholders and the catchment community. Ipsos was engaged to undertake a comprehensive benchmarking research study among its diverse stakeholders and the catchment community – following are some of the highlights.

This research is seen as a very positive stakeholder engagement exercise

This is particularly given that, in the current climate, it is generally perceived that 'the government' is not respecting the views of the broader community, and thought to be often paying 'lip service' to the consultation processes on issues that affect livelihoods.

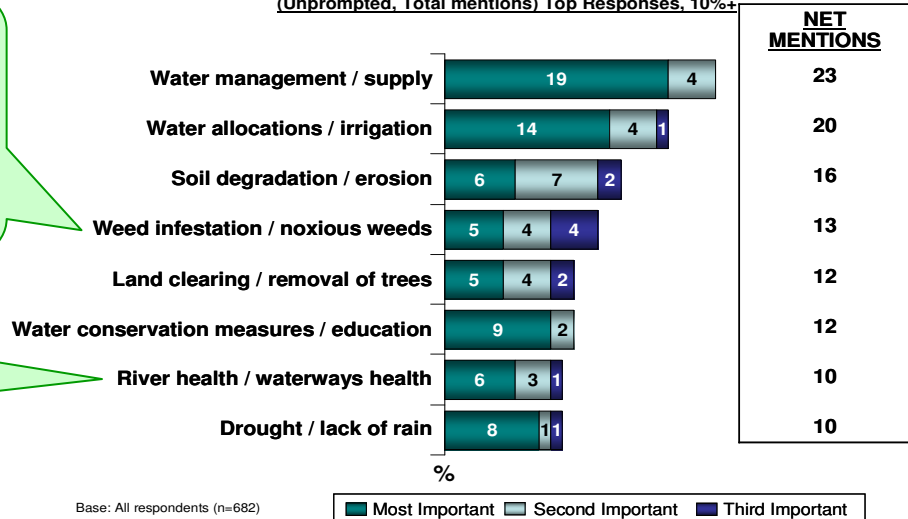
This research project is highly praised. However, there is an expectation that the feedback given will be reported back to stakeholders in a timely manner, and ultimately, result in the implementation of practical and meaningful actions addressing

important catchment issues. Most can see the potential value in Namoi CMA and want the organisation to succeed, so long as it takes on board stakeholder advice and doesn't try to do it alone.

There is an understanding that the work of Namoi CMA may take some time to take effect and have an impact, since environmental change takes time and are exacerbated by current drought conditions. However, the importance of demonstrating that progress is being made cannot be underestimated as an on-going engagement and trust building approach.

Three Most Important Environmental Issues in the Region

(Unprompted, Total mentions) Top Responses, 10%+



*"The weeds are taking over and we don't have enough resources (financial and manpower) to control them."
(Primary Producer, Gunnedah)*

*"Not enough water flowing to keep [rivers] clean."
(Town Resident, Tamworth)*



Research Highlights: Namoi Catchment Management Authority Stakeholder & Community Benchmarking Study 2007

Stakeholders believe Namoi Catchment is unique and differs significantly across the catchment

The Namoi Catchment covers a massive area, with stakeholders highlighting many differences amongst communities, agriculture and natural resource management. Many believe that local solutions are required to address local issues, challenges and environments.

The environmental issue of most concern across the Namoi Catchment is water (Net 66%), followed by issues surrounding land management (Net 56%), mining and energy (Net 13%) and global warming and air pollution (Net 11%).

The Namoi community is divided on whether the region's natural resources are in good shape (agreement at 57%). Residents in the Liverpool Plains (77%) and primary producers (65%) are more likely to agree than hobby farmers (53%) or Tamworth residents (45%).

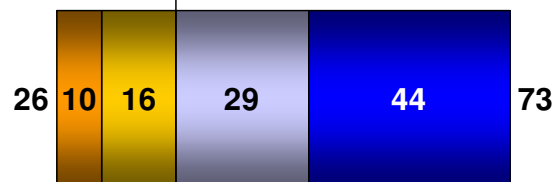
There is a strong recognition of the pivotal role farmers play in managing the region's natural resources and need for ongoing assistance in undertaking on-property conservation activities that benefit the general community.

Level of Agreement to Statements

Farmers should receive financial assistance for conservation activities on their land that benefit the general community (n=469)



Farmers know what is best for the NR on their farms & should be left to implement their own strategies (n=456)



■ Disagree a lot
 ■ Disagree a little
 ■ Agree a little
 ■ Agree a lot

Base: All respondents (Primary Producers and Hobby Farmers asked random 3) Don't knows not shown
 Q13. Please tell me whether you AGREE or DISAGREE with each of the following statements in relation to environmental issues and actions that could be taken.

Stakeholders involved in the initial qualitative research stage understood the importance of addressing NRM at the catchment level, however there was a strong feeling that State and catchment regulation, policy, and Namoi CMA objectives are too broad brush, and do not offer enough flexibility to cater for the diversity within the catchment. Many stakeholders felt left out and dictated to on what is best for the catchment and their region. They expressed a desire for greater collaboration.





Research Highlights: Namoi Catchment Management Authority Stakeholder & Community Benchmarking Study 2007

Very high awareness of the Namoi CMA brand exists

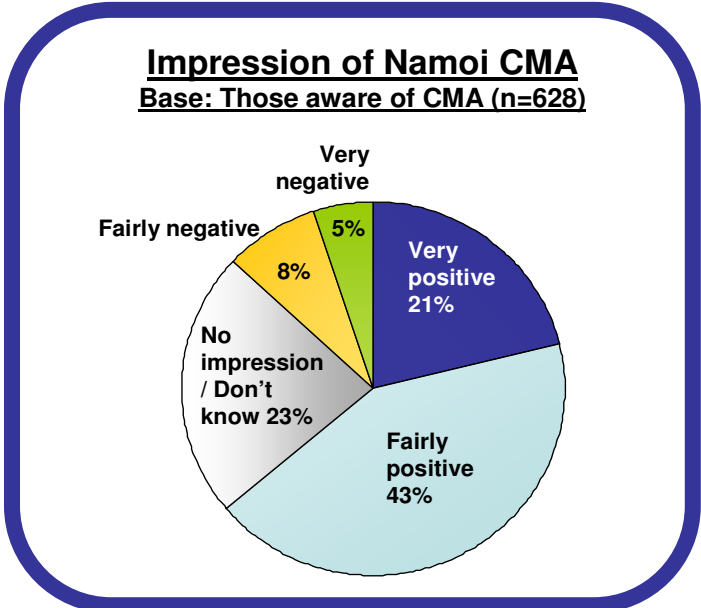
Almost all Namoi residents have heard of Namoi CMA (92%), indicating that efforts to be known across the entire catchment have been successful. Awareness levels were highest amongst primary producers (97%) and lowest amongst town residents (77%).

Almost two thirds of Namoi residents surveyed (64%) have positive impressions of Namoi CMA, driven by a perceived positive and visible community presence and active engagement.

Positive impressions are highest among those who have had contact with Namoi CMA (75% compared with 50% for those who have not had contact). Many town residents (46%) claim to not know Namoi CMA well enough to have an impression of them.

Reasons for unfavourable impressions (although limited) reflect a lack of awareness of where funding dollars are being spent and an overall scepticism towards government. This shows a need for a greater transparency in the decision-making-process and increased on-going community consultation.

Favourable attitudes towards Namoi CMA place the organisation in a strong position to develop itself as an NRM leader. However, amongst those stakeholders involved in the initial qualitative research stage, there is an expectation that they will not do it alone, rather that they will continue to develop strong and effective collaborations with relevant organisations and groups on an on-going basis to effectively address important NRM issues.



Key Findings by Key Target Audience

Primary Producers...

Overall, the results found that those more actively engaged in NRM tend to be the more progressive producers who have a documented whole farm plan, follow industry accredited Best Management Practice (BMP) and use a rural adviser. They are also more likely to have encouraged others in the community to change or improve their environmental behaviour.

One third of primary producers surveyed claim to use a rural adviser and about half of these are paying for advice, highlighting the influence change agents have on land management decisions. The quality of advice has been a major barrier for adopting new NRM practices, methods and technologies.

Overall, there is a strong desire for simple and practical land management information and advice that demonstrates clear outcomes 'on the ground'.

Hobby Farmers...

In general, engagement in NRM activities has been low and hobby farmers have not traditionally received NRM funding, nor do they intend to in the future (86% unlikely to apply for funding in next 2 years). In addition, half of those interviewed claim that the quality of NRM advice has been a major barrier for adopting new technologies, practices or methods for addressing NRM issues.

However, the majority of hobby farmers want to know how to become involved in NRM activities, what Namoi CMA can offer and how to access information and funding.



Research Highlights: Namoi Catchment Management Authority Stakeholder & Community Benchmarking Study 2007

Key Findings by Key Target Audience (cont.)

Town Residents...

The need for water conservation measures and education is high on the minds of town residents. There is a deep concern that the towns will run out of water, prompting a concerted effort to 'do their bit' around the home to conserve water. Current and future personal impacts are driving a desire to improve their environmental behaviour.

Strategies that ensure the long-term sustainability of natural resources have strong support, even if it means short-term sacrifices. However, many would need convincing if it meant the sacrifices would affect them personally.

Environmental efforts undertaken by residents are closely linked to water conservation and energy efficiency, although much more guidance is needed, since most are only doing one or two things to reduce and conserve. In addition, many (60%) are confused about what else they can do to help the environment and are uncertain about the value and impact of current options.

As a result, a significant proportion would be receptive to further information about what else they can do to personally help. There is also a desire for more education on global warming and what can be done to reduce the impacts.

Summary of Recommendations

- Increase awareness and understanding of Namoi CMA charter by clarifying role, boundaries of responsibilities and how different or complementary to activities of other groups and agencies.
- More effectively communicate the short and longer term NRM priorities and targets for the catchment, providing evidence for how they have been developed, who developed them, and supporting data. Indicate what is hoped to be achieved and over what period.
- Being seen to be more effective in making progress and achieving positive outcomes for the catchment by promoting the good news stories that involve real people and real outcomes. Changes that are small, or even reflect a backward or unexpected outcomes, should still be reported with an explanation of why and where to from here.
- Continue to keep the catchment community well informed on Namoi CMA initiatives, activities, progress made (especially at a local level), staff credentials profiling, and how they are working with other agencies or groups to achieve mutually beneficial outcomes.
- Acknowledge that landholders are already engaged in NRM and environmental stewardship, and that the community recognises their valuable contribution.
- Recognise that landholders are not all the same and that tailored strategies are required.
- Acknowledge and utilise the technical and research expertise available across the catchment and share resources to deliver common objectives.
- Provide information in a variety of ways to ensure it is accessible and appropriate to all relevant stakeholders. Where possible, ask stakeholders how they would like to receive the information.
- Have a more visible 'shop front' in towns, one which is distanced from government.

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GOVERNMENT INTERVENTION – PARADISE LOST OR FOUND?

**Paper delivered to the Namoi Landscape Management &
State Landcare Forum, 26-27 October 2007**

**Bruce Brown
General Manager
Namoi Catchment Management Authority**

1. Introduction

Given the embryonic nature of NRM policy frameworks, management arrangements and funding mechanisms there have been significant and frequent changes in both the structure and roles of catchment management bodies across Australia, especially over the past 5 years.

This paper provides a commentary on broader government interventions but concentrates on the regional NRM model and the risks to its success going forward.

2. Regional Natural Resource Management Structures

While most states have reviewed their NRM arrangements since 2000, the models each state has developed vary significantly from community based non-statutory entities to those with statutory functions and reporting requirements (Table 1). Additionally regional NRM bodies have been given a plethora of names.

Table 1: Comparison of Regional NRM Bodies Across the Australian States

State	Title of Regional Bodies (number of)	Statutory Status	Legal Responsibilities of Regional NRM Bodies*	Key State Agency Managing the Relationship
NSW	Catchment Management Authorities (13)	Statutory	Support development and implementation of Property Vegetation Plans under the <i>Native Vegetation Act 2003</i>	Department of Environment & Climate Change
VIC	Catchment Management Authorities (10)	Statutory	Responsible for beds, bank and floodplain of river and the <i>Catchment and Land Protection Act 1994</i>	Department of Sustainability and Environment (DSE)
WA	Regional NRM Groups or Catchment Councils (6)	Non-statutory	N/A	Department of Agriculture and Food (DAF)
SA	Regional NRM Boards (8)	Statutory	Comprehensive statutory powers for planning and managing natural resources, particularly water allocation planning and ensuring compliance for soil conservation, pest plants and animals and biodiversity.	Department of Water, Land and Biodiversity Conservation (DWLBC)
QLD	Regional "committees", "groups" and "associations" (14)	Non-Statutory	N/A	Department of Natural Resources and Water (DNRW)
TAS	Regional Natural Resource Management Committees	Statutory	Limited: develop and implement regional strategies, nominate member to NRM Council, report annually to Parliament.	Department of Primary Industries and Water (DPIW)

* All regional NRM bodies in all States have a responsibility to develop a Catchment/Regional Action Plan

Source: *Regional Natural Resource Management Arrangements for Australian States, Pannei et al, 2007*

Notwithstanding this, the one responsibility common to all entities is the development of a catchment or regional NRM plan. In NSW the 13 Catchment Management Authorities are formally constituted under the Catchment Management Authorities Act 2003 and were established during the first half of 2004. They have accountable, skill-based boards drawn from the local catchment community which report to the NSW Minister for Environment & Climate Change.

The activities of CMAs include the development of Catchment Action Plans and related investment strategies plus management of NRM investment programs utilising NHT and NAP funds. They also have statutory responsibilities under the Native Vegetation Act 2003 which include PVPs and related incentive programmes.

The Natural Resources Commission (NRC) advises the NSW Government regarding NRM targets and standards and this provides the umbrella for the approval and auditing of CAPs.

Whilst a number of NSW state agencies provide technical advice and service support to the CMAs the major entity involved currently is DECC.

3. Comments on the NRM Regulatory Process

Whilst NSW CMA's regulatory role is restricted to the Native Vegetation Act (2003) in NSW, I believe it is important to comment on a number of broader issues relating to natural resource management policy intentions. Clearly these intentions will fail if the goals are not clear, concise and measurable. NRM policy intentions which do not address socio-economic and industry sustainability outcomes and the equitable distribution of costs depending on the public/private benefit matrix associated with the policy will almost inevitably lead on to a range of equity issues and matters relating to property rights especially when focusing on native vegetation issues.

The first response quite frequently of bureaucrats to an NRM problem/issue is to regulate without establishing the reasons for the market failure. Additionally, in most cases the socio-economic equity considerations are only analysed after the legislation is in place and some of the impacts become known. In summary, legislative/regulatory efficiency revolves around the behavioural change sought whilst minimising the associated costs and equity issues.

A recent study commissioned by the Australian Farm Institute and Land & Water Australia entitled "Developing a Good Regulatory Practice Model for Environmental Regulations Impacting on Farmers" noted that there is a scarcity of resources needed to achieve good NRM outcomes in regard to both regulatory and non-regulatory interventions. The study also notes that existing structures add to the problem by fragmenting the utilisation of these resources.

The Report poses the question; What works better: regulation, market instruments or voluntarism? Whilst the inevitable answer to this question is a package using the "horses for courses" methodology successful outcomes can only be achieved when these mechanisms are linked with institutional efficiency and adequate resources.

4. The NSW Regional NRM Model

The NSW CMA's gestation period and establishment in 2004 owes much to fact that previous government involvement in NRM involved a chequered history with some successes and failures. In some cases, the emphasis was more on processes than strong NRM outcomes.

Previous government funding mechanisms whilst sizable in monetary terms had a tendency to be ad hoc and driven by the demands of small groups with no integrated approach to catchment wide planning and a resultant failure to achieve landscape change. Notwithstanding this, previous NRM funding has achieved improvements in knowledge of environmental and NRM issues especially in farming communities and this has provided fertile ground for CMA investment programmes across NSW.

So in essence some governments almost fell into the regional NRM model as a result of historic policy shortcomings. Perhaps there was a realisation that Albert Einstein was correct when he said; "One cannot solve a problem with the same thinking that created it".

The fact that the NSW CMAs have in the majority of cases successfully positioned themselves in such a short period of time owes much to the diversity that is created by catchment based entities governed by boards and staffed by people who are actively engaged with catchment communities.

A quick review of the Catchment Action Plans developed by the 13 NSW CMAs illustrates this diversity. Very clearly they have been developed taking into account the different demography, resource base, environmental issues and communities that are unique to individual catchments. This is a far cry from the highly centralised "command and control" agency structures that existed prior to the formation of the CMAs.

The NRM investment models developed by the CMAs are also diverse; ranging from very significant devolved grant activities at one end to more investment banking approaches at the other. This raises the inevitable question about which model is better. The answer of course is that each model will be successful provided it has taken into account consideration of the prevailing local conditions, environmental issues and catchment community needs.

Clearly diversity will I believe be the key to success and both CMAs and catchment communities need to guard against any gradual shift back to "command and control" structures which have been found wanting in the past. Notwithstanding this CMA success/failure can only be measured over the longer term.

In the Namoi we have spent considerable time and resources in building our brand to the extent that my staff are probably now well and truly over my comments about "valuing our brand" which relates directly to valuing our client base and relationships we have established.

Why is "branding" important? In essence it is the quality of any entities' products and service offerings that drives brand value. High value brands have developed a reputation for the delivery of quality products and/or services supported by a skilled client focused workforce. It does however also mean that there is an expectation all future products/services will have the same high level of quality/integrity.

We have recently received the draft results from a major benchmarking study undertaken by IPSOS on our behalf to provide some objective measure of our performance over the past 3 years. This study involved the use of focus groups and a cross-sectional telephone questionnaire involving 626 members of the catchment community. I confess I was surprised at the results – some 92% of those surveyed were aware of NCMA and even in urban communities awareness was at 77%.

Table 2 details the responses received when respondents were asked for their impression of NCMA;

Table 2: Impression of Namoi CMA (IPSOS, 2007)

Very Positive	21%
Fairly Positive	43%
No Impression/Don't Know*	24%
Fairly Negative	8%
Very Negative	4%
Total Responses	100%

*Mainly urban residents

Source: "Namoi CMA Stakeholder & Community Benchmarking Study" IPSOS 2007

Whilst we have a long way to go in developing strong and lasting relationships, it was pleasing for a relatively new organisation that brand recognition and awareness was so high. Additionally, the study has enabled us to build a considerable database that will assist our future engagement activities.

Going forward we also need to be cognisant of a wide range of risks that can impact on or threaten the viability of the brand in the Namoi and in other catchments across NSW.

5. Risks that Pose a Threat to the Success of the Regional NRM Model and Related Investment Activities.

The risks that may limit the success of the regional NRM model are wide ranging with many of them beyond the immediate control of the CMAs especially at the individual level.

5.1. Climate Change Impacts

Interestingly, while there is no great body of literature in Australia on climate change impacts on the economy, investment and industry etc a massive body of work exists in the USA. One quote which sums up business thinking in the USA is provided below;

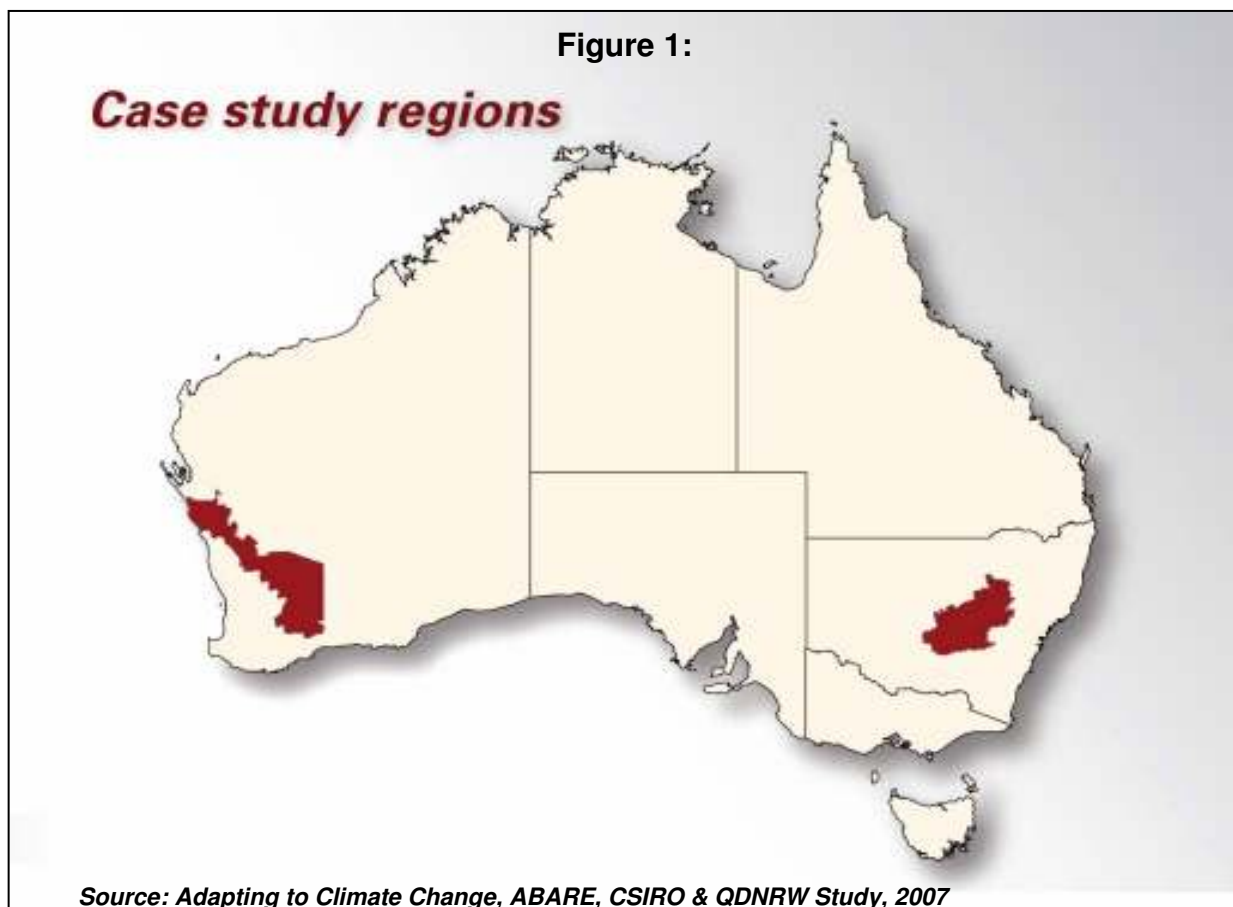
"Climate Change is a tectonic force likely to reshape markets in the same way as globalisation and the ageing".

Source: "The Business of Climate Change", Lehman Bros 2006.

Closer to home, it is becoming increasingly clear that climate change can and will impact on the NRM investment portfolios of CMAs and the risk management strategies that are adopted. Clearly climate change has the potential to provide for significant shifts in both agricultural systems and their geographic locations. Additionally, it will also place great pressure on water supplies and on the viability of native vegetation communities.

A recent ABARE, CSIRO, QDNRW study serves to highlight the impact of climate change on the agricultural sector across Australia over the period to 2030. This study focused on the WA wheatbelt and Central West NSW and excludes the irrigation industries (see Figure 1).

The key assumptions included a temperature increase of 0.9°C and whilst it provided for low and high rainfall scenarios the low rainfall figures utilised were -2% – -5% on the current average for the WA wheatbelt and 0% – -2% for the Central West NSW. More recent scientific studies would suggest that these temperature and rainfall assumptions are very conservative.

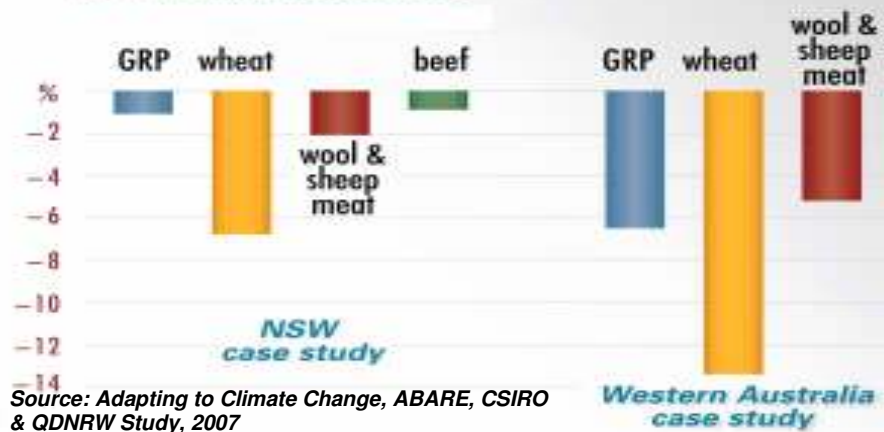


Whilst the changes in agricultural industry productivity demonstrated by the model are illustrated in Figure 2, the impacts in WA are much more severe. Figure 3 looks at the impacts in terms of Gross Regional Product (GRP). The study assumes an adaptive response to climate change impacts via productivity growth in excess of 2.3% pa which is the average achieved by Australian agriculture over 30 years to 2004/05 and assesses this impact on Gross Regional Product (Figure 4).

Whilst adaptive capacity is influenced by a range of factors including farmer educational level, income and the diversity of on and off-farm income sources, the critical factor in the differential performance of both regions is the lack of diversity of income sources in the WA wheatbelt.

Figure 2:

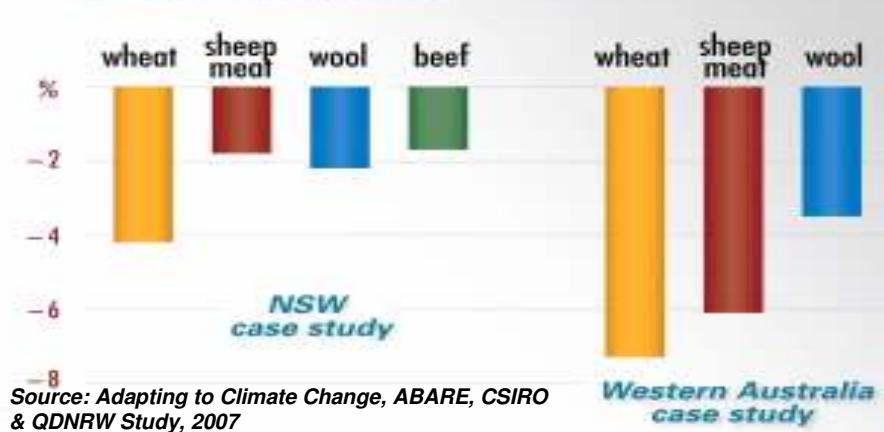
**Regional economic impacts at 2030
– low rainfall scenario**



Source: *Adapting to Climate Change*, ABARE, CSIRO & QDNRW Study, 2007

Figure 3:

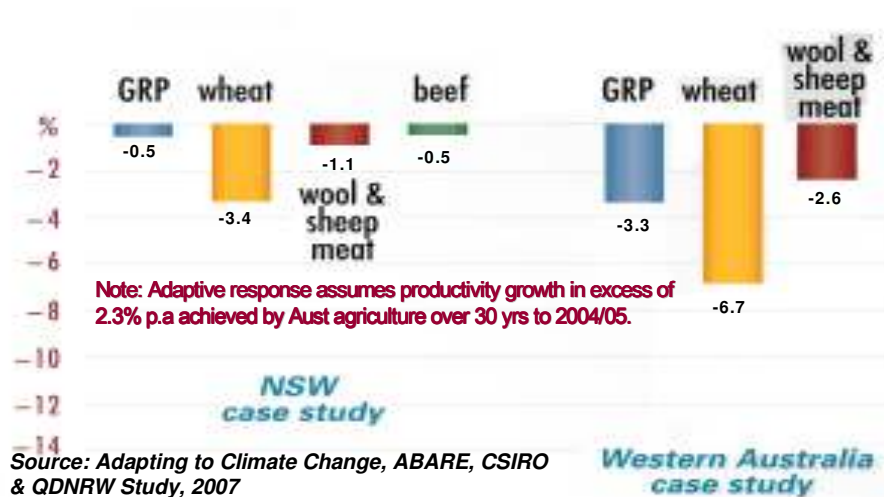
**Change in productivity, 2004-05 to 2030
– low rainfall scenario**



Source: *Adapting to Climate Change*, ABARE, CSIRO & QDNRW Study, 2007

Figure 4:

**Regional economic impacts at 2030
-Low rainfall scenario
-Assumes adaptive response to climate change**



Source: *Adapting to Climate Change*, ABARE, CSIRO & QDNRW Study, 2007

5.2. Farm Sector Financial Performance

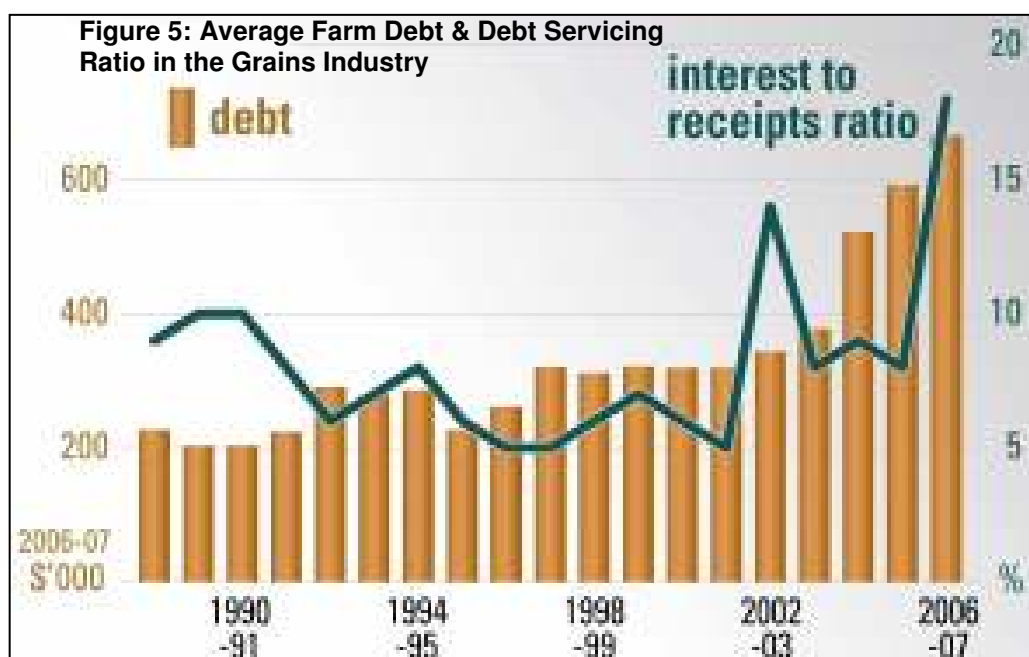
Climate change could impact heavily on a farm sector that is already beset by increased “dualism” caused by the fact that productivity growth and profitability is not spread evenly across all industries and individual businesses. In the case of long term productivity growth it is confined to the top 50% of farm businesses and varies significantly between industries (cropping 3.6% pa, sheep 0.6% pa).

The position on the distribution of broad acre industry profitability is no better:

- 80% of broad acre farm businesses are generating 48% of agricultural output and reduced aggregate industry profitability by around 49%.
- The remaining 20% generated 52% of the output and virtually all of the profits.

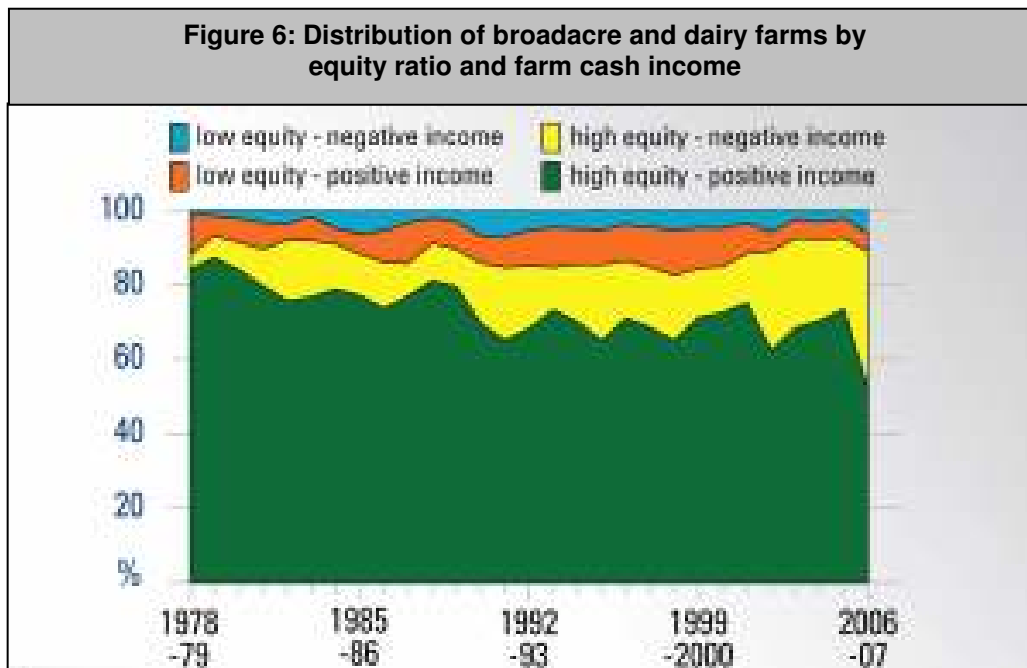
Source: Australasian Agribusiness Services, “Financial Performance of Broadacre Australian Agriculture”

More worrying given ongoing drought conditions is the continuing rise in farm sector debt in both nominal and real terms plus the erosion in debt servicing capacity. Figure 5 illustrates these critical movements in the grains industry for the average farm.



Source: Farm Sector Performance, ABARE Outlook, 2007

Whilst some may dismiss the significance of the debt and debt servicing trends given the very significant increase in rural land values over the past decade a review of movements in farm business equity levels is also concerning (see Figure 6)



Source: Farm Sector Performance, ABARE Outlook, 2007

Significantly there has been a substantial reduction in the equity levels of “high equity-positive cash income” farm businesses. Additionally, we are also witnessing a reduction in farm business liquidity and perhaps this is best demonstrated by the reduction in the agricultural sectors Farm Management Deposit (FMD) holdings – in the twelve months to September 2006 these fell from \$2.8b to \$2.2b (down 22%) and FMDs have continued to erode over the past year.

Given the abovementioned trends, some of the NRM investment models seeking to determine the public and private benefits (Environmental Benefits Index) in allocating funding to projects may have more limited use as the farm sector investable surpluses available to match public funding become more restricted. This then raises a range of equity questions. For example, should CMAs develop different investment models for the top and bottom farm sector qualities? This is another of the difficult questions that CMAs will have to confront going forward.

At the same time there is growing evidence that the broader community demands for environmental outcomes and related regulations do impact on farm cost structures and can accelerate structural adjustment pressures. The property right arguments detailed by farmer representative bodies arose from the fact that farmers believe they are bearing a disproportionate share of costs whilst the lion’s share of the benefits flow to society as a whole.

The property right issue has become particularly apparent across a number of areas of western NSW given the cessation of broadacre clearing brought on initially by the COAG agreement between the AG and states that spelt out an end to broadacre clearing and the subsequent establishment of the NSW Native Vegetation Act. Primary producers have argued quite logically that the Act has impacted on their ability to respond to cost price pressures via enterprise change from grazing to cropping and placed farm viability at risk.

Additionally, a strong argument can be put that governments have applied property right principles differentially between urban and rural communities. On equity grounds, it should be axiomatic that where there is an erosion in farm business property rights brought on by society demands for environmental outcomes market value compensation mechanisms should be put in place.

5.3. Funding Constraints/Cutbacks

A substantial risk for CMAs is that having positioned themselves as NRM investors and raised the level of demand for their services is that future funding arrangements begin to dry up and/or do not meet expectations. Cross jurisdictional battles between the AG and state governments over NRM funding could leave regional NRM bodies badly disadvantaged. One impact is that they suffer irreparable damage to their brands which will inevitably lessen the capacity of CMAs to deliver strong NRM outcomes.

Leaving aside the politics, state governments regardless of their financial creditability are more financially constrained than the AG given that the latter has access to high growth tax revenues whereas the states are dependent on lower growth revenues. Thus when it comes to matching AG funded NRM programmes the states are constrained by their own budget positions. Additionally, at the AG level it is relatively easy currently to find funds for NRM programmes when budget surpluses have existed for ten of the last eleven years.

5.3.1 Some Important Macro Economic Factors Going Forward

Going forward there are some ominous clouds on the horizon for NRM and environmental funding and the organisations which dispense these funds. Today's productivity growth is tomorrow's economic growth (and budget surpluses), so subsequently productivity figures take on a real sense of importance. In Australia, the productivity boom of the 1990s has been replaced by a productivity crash down from 2.1% pa in the 1990s to an average of 1.5% pa in this decade but just 0.6% pa over the past 3 years.

In recent years we have ignored three prime drivers of productivity growth – significant and sensible investment in infrastructure and education plus reduced business regulation.

These recent productivity growth figures have been camouflaged by a buoyant economy driven by the mining boom however, and as we all know mining booms do not last forever.

Given the productivity figures contained in the AG's "Intergenerational Report", Australia's economic growth will slow appreciably from 2010 onwards. This will be occurring in tandem with the adverse economic impact of an ageing population.

So what does all of this mean for NRM investment? In essence it means more pressure on government budgets going forward and potentially reduced funding for the environment as expenditure on "ageing population" programmes rise over time.

Subsequently, CMAs and other similar bodies will almost certainly need to look at the development of "self funded" investment programmes. Importantly, and whilst still very embryonic this process is starting to occur. For example, a number of CMAs have established Environmental Trusts which will seek funding from non-traditional sources. This process will need to gather increased momentum if current NRM funding levels are to be maintained going forward.

5.4. CMAs Developing too Narrow a Focus

Catchment managers are, given the nature of their role, almost duty bound to engage with the broad cross section of catchment communities – urban, rural, industry, local government, indigenous etc. This requires balanced cross-sectional engagement and investment activities. Additionally, it also means that CMAs will have to engage in broad policy debate in support of community expectations. Given the nature of the existing water, planning and urban sustainability debates this will place great strain on existing CMA resources.

Notwithstanding this, there are real dangers where CMAs see their role primarily as a dispenser of investment funds pre-dominantly to the rural sector since other segments of the community will feel disenfranchised.

CMAs and regional NRM entities, despite their limited resources, must be able to demonstrate that they are “across” the broader issues that concern their catchment or regional communities.

Inevitably there will on occasion be friction with other entities as forward thinking CMAs flex their muscle and/or creativity on broader catchment community issues which intersect with both State and AG policy settings.

5.5. Distinguishing Between Investment and Compliance Activities

Importantly, the CMAs are statutory entities and not state government agencies. This should give them direct Ministerial access and the capacity to communicate catchment community issues, fears, desires etc.

There are also grave risks to the success of the CMA brand where there is a failure to adequately distinguish and/or separate engagement/investment from regulatory/compliance activities. In making this observation I remain aware of the CMA’s regulatory responsibilities under the NSW Native Vegetation Act. Stakeholders, especially primary producers need to be confident in the separation of the abovementioned powers for CMAs to be successful.

CMAs must guard across the propensity of agencies to drop difficult issues in their laps on the excuse that they have “coal face” representation whilst not involving them initially in the policy settings. Even some consultation activities, especially on water issues have the capacity to badly impact on the community standing of CMAs. From experience, I know the difficulties that confronted Namoi CMA in consulting on the Achieving Sustainable Groundwater Entitlements (ASGE) Programme, especially given the number of groundwater zones in the Namoi and the differential impacts of the Programme. We were however able to demonstrate our bonafides to the irrigation community in actively lobbying the AG to change the taxation mechanisms on ASGE payments from being subject to income tax to being assessed under the capital gains tax net. After a lengthy debate Namoi CMA and others were able to win the battle and additionally gain an extra \$25m to complement the then existing ASGE Programme package. This at least served to lessen the adjustment pain groundwater entitlement holders are going through.

6. Concluding Comments

Whilst I have in this paper fleshed out the current NRM framework that governments have put in place I hope also that it has covered off at least briefly many of the issues and risks confronting catchment and regional entities charged with delivering NRM programmes.

Societies, including catchment communities, are naturally very comfortable with institutions that ignore the early warning signs of approaching or potential problems and the need for change management. Change managers are often considered alarmist or reactionary.

Notwithstanding this, regional NRM bodies need to continue to focus on achieving triple bottom line outcomes – improved NRM outcomes, industry sustainability and good socio-economic outcomes. These entities to be successful must:

- Remain cognisant of the social and economic environment of the regional/catchment community.
- Develop innovative investment and engagement programmes to satisfy triple bottom line outcomes. This may involve second and third best solutions, but better than no solution.
- Maintain a flexibility in their NRM approaches that allow for the incorporation of new scientific information.
- Develop strong and innovative partnerships capable of adjusting to and changing with the needs of a dynamic environment.
- Look to develop innovative NRM investment vehicles that are not dependant on government funding.

On the question of “Government NRM Intervention – Paradise Lost or Gained?” – the jury still remains “out” on any definitive answer. However, it could be argued that the regional NRM delivery model simply has to be successful as it is our best chance of achieving significant landscape change and the devolution of NRM responsibilities to individuals and entities in catchment communities.