

## FUTURE NRM ARRANGEMENTS - SUMMARY OF ISSUES TO BE CONSIDERED:

### Response from Victorian Catchment Management Council (VCMC)

#### Issues

#### 1. Achievements of the current programs and the lessons learned from them

- *How effective have the current programs been in meeting their objectives, and what have been the key achievements and shortfalls of current arrangements?*

The very significant investment through the National Action Plan for Salinity and Water Quality (NAP) and the Natural Heritage Trust (NHT) by the Australian and Victoria Governments is of the order of magnitude which is required to deal with the 'assets at risk' defined by natural resource managers throughout Victoria. However, it should be noted that in the Council's report on catchment condition and management, *The health of our catchments > a Victorian report card 2002*, the response to the question 'Are we making a difference?' was 'Yes, but not enough'.

While recognising the achievements of these programs, VCMC considers that the momentum generated so far must at least be maintained or, better, enhanced. At the landscape scale, it will take decades to demonstrate that 150 years of degradation has been first halted and then improved. The Australian and Victoria Governments need to continue to invest, with recognition that quick results are unrealistic in many areas of NRM, and also that effectiveness is sometimes difficult to assess in the absence of clear and valid targets.

One of the many lessons learnt is that there must be commitment to long-term investment in long-term outcomes. The leverage that the current programs have attracted in terms of investment by individuals and communities is a major success story. Other achievements range from direct NRM improvements on the small scale to more sustainable land and water management practices and better-informed and more active local NRM bodies.

Regional delivery of NRM through the catchment management framework in Victoria has been an effective means of achieving outcomes. Despite some initial problems with efficiency, this arrangement is well regarded nationally and internationally and has the strong elements of good science and community ownership of planning and implementation. Built on a history of community experience through Landcare, catchment-based waterway management and salinity groups, this continues now through the Catchment Management Authorities (CMAs) in partnership with government agencies, local government and industry. VCMC notes that the regional delivery model was developed to maximise regional landholder engagement in addressing issues on private land and is very successful in this endeavour.

In Victoria the revision and renewal of the Regional Catchment Strategies (RCS) have underpinned the achievements of the current programs. These asset-based RCS (required under the *Catchment and Land Protection Act 1994*) have been coordinated by the CMAs on behalf of their regional communities and should continue to be the basis for future investment through the regional delivery model.

## 2. Future Program Objectives

- *What outcomes should future programs aim to achieve both over the life of the programs and over longer periods?*
- *What range of NRM issues at the national and state-wide level should the programs address within a regional and inter-regional context?*
- *What alternative approaches might exist or be developed for delivering the objectives sought under future arrangements?*

The VCMC considers that any future program must articulate realistic shorter-term and longer-term (past the life of the program itself) objectives and outcomes (or preferred futures), in order to be able to demonstrate its effectiveness. Outcomes need to be realistic, and in some cases success will merely be that we have slowed the trend of erosion of natural capital. Just holding the line may constitute success. These outcomes should be seen to cascade from an overarching sustainability framework at national and state levels in order to demonstrate the program logic demanded of our regional bodies. Hence VCMC advocates a statewide integrated NRM and investment plan for Victoria.

The conclusions in the Council's *The health of our catchments > a Victorian report card 2002*, and the suite of ten RCS across Victoria are valuable sources of community and evidence-based priorities. Among those which are prominent from the statewide viewpoint and which should be considered both as NRM issues to address and as alternative approaches are:

- **Sustainability:** the primary goal of catchment management is to ensure ecologically sustainable development of our natural resource based industries, the protection of land and water resources and the conservation of natural and cultural heritage (State of Victoria, DNRE, 2002, 'Catchment Management in Victoria – Explaining Victoria's Catchment Management Authorities'). The CMAs are well placed to contribute to the broader sustainability framework.
- **Long-term social and demographic trends:** there are fewer and older farmers; sea-change migration; more hobby farmers and fewer traditional farmers. These and other changes need to be taken into account in dealing with NRM, particularly in relation to community engagement. For example, Landcare could be the appropriate vehicle for engagement in the amenity landscape as new landholders learn about land and water management. Establishment of industry based Environmental Management Systems would be more appropriate in the production landscapes.
- **Land management practices:** land use must be matched to long-term land capability. If sustainability is the goal, then in some cases best practice land management may be delivering on and off-site ecosystem services rather than traditional agricultural production.
- **Biodiversity's role in healthy landscapes:** 'Business as usual' is still not working according to a number of biodiversity indicators. Even the principle of 'protect the best' is under threat, primarily from economic and development pressures. A preferred future direction in NRM could be to develop and implement a program focussing on the key role played by biodiversity in integrated catchment management.

- **Dryland salinity:** 'Business as usual' has not been effective for some time.
- **Soil acidity:** and other aspects of **soil health:** the sleeper. 'Healthy soils means healthy food means healthy people'. In the past decade soil health issues have been considered to relate to private benefit and have not been widely encompassed in public sector funding. The off-site impacts of poor soil management are now recognised, together with the ecosystem services provided by healthy soils. There is growing recognition that increasing organic carbon in soils is necessary in Australia with its skeletal soils and unforgiving climate. Council would strongly encourage future programs to include consideration of soil health.
- **Water:** NAP focussed primarily on NRM issues expressed through water quality and some real gains have been made. A future program should consider the impacts of climate change on water resources and adaptations required to ensure that reduced availability of water resources is not borne entirely by the environment, compromising the health of rivers.
- **Private investment:** any future programs should encourage co-investment in NRM outcomes by private investors.

### 3. Future Program Structure

- *Key issues for consideration in determining future structures include the relative effectiveness of integrated or discrete programs and funding sources, including:*
  - *Whether NRM programs (including the National Action Plan, the Natural Heritage Trust, and the National Landcare Program) should be consolidated into a smaller number of programs or into a single program?*
  - *Whether there are better ways of structuring NRM programs under alternative themes or outcomes?*

VCMC strongly supports the continuation and strengthening of the regional delivery model.

We reiterate that a particularly strong achievement of the current programs is their basis in accredited integrated NRM plans, the Regional Catchment Strategies (RCS). These RCS have been coordinated by the CMAs on behalf of their regional communities and should continue to be the umbrella under which future investment through the regional delivery model occurs.

The CMAs' coordination role in the RCS is viewed as critical in achieving NRM outcomes. Tied to this is the Regional Catchment Investment Plan (RCIP) process, whereby investment is made through negotiation and dialogue, such that the best mix of national, statewide and regional priorities is addressed through a funding pool.

Council believes that this process should be enhanced such that all NRM funding programs are coordinated by the CMAs on behalf of their regions. This will encourage co-investment in multiple outcome projects. Council recognises the inefficiencies in setting up new and different procedures for different funding programs and argues strongly that all NRM funding programs should use similar application and reporting forms and be part of the RCIP process. The transaction costs of the current arrangement are unnecessarily high.

If a new program is to achieve landscape change, integration of programs at on-ground delivery level is essential in order to maximise return on investment.

So long as this is done, it seems to be immaterial that NRM programs are badged as one single program or several under different themes.

#### 4. Future Program Delivery

- *What funding and other principles are required to guide investment - e.g. best return on investment, effective matching funding arrangements?*
- *What are the best ways of providing investment security to bodies delivering NRM programs within the constraints of government financial requirements, e.g. what are the threshold requirements that would allow more use to be made of 'block' funding?*
- *What are the best means for encouraging investment from other partners (particularly individual resource managers, industry and local government), and for supporting new approaches and encouraging best practice? (Possible means include the creation of markets for ecosystem services and greater use of incentive-based programs such as allowing private benefit in order to secure investments on private land).*
- *How do we better link regional planning with property-level, local government, state and national planning?*
- *How can monitoring and evaluation arrangements be enhanced to provide better guidance to future investment and planning?*

VCMC recognises that while there are several principles which can guide investment, there is no easy way to allocate limited funding so that all needs are satisfied. What is required is a clear and transparent set of criteria developed following consultation with Australian and Victoria Governments, CMAs and regional stakeholders. The set provided at Attachment C is an excellent starting place. One thing is clear: programs need to accommodate landscape scale change if they are to be effective.

It should be acknowledged that the CMAs and other regional bodies which deliver on regional NRM need to be secure in terms of being funded by the State to open for business, even before any program/project funding is allocated. Three-year and block funding would provide further security, related to workforce activity.

In Victoria, we have begun the dialogue to link regional planning with statutory planning at the local government level. A NAP funded project explored the linkages between Municipal Strategic Statements and RCS. RCS and associated plans, such as native vegetation plans, salinity plans, are incorporated into the Victorian Planning Provisions and CMAs are referral agencies for some issues. There is significant work yet to be done to provide local government with the information and tools that it requires to successfully address NRM outcomes in RCSs.

VCMC considers integrated whole farm plans to be a major vehicle in an integrated catchment management context for implementing the RCS and any sustainability framework

at the landscape scale. They also provide an opportunity for sale and purchase of ecosystem services as another form of production from healthy rural land.

Developing appropriate monitoring and reporting frameworks at all levels, including at the farm or land-use level, in order to demonstrate outcomes is critical. The frameworks also need to be set up as adaptive management systems in order to provide guidance for future planning and investment. An enhanced reporting regime would incorporate fewer but more substantial projects producing demonstrable outcomes. Benchmarking needs to be in place for this to occur. Council is aware that both benchmarking and standardised performance indicators are lacking in many areas of NRM and would urge investment in activities which deliver these fundamental elements of a national MER framework.

The VCMC supports the establishment of performance measures and considers that around 10% of the funding for any program should be allocated to monitoring, evaluation, reporting and learning.

VCMC is a strong advocate for using **ecosystem services** as the vehicle whereby many NRM outcomes can be achieved. This involves developing and extending a range of markets for trading in ecosystem services, to better reflect the role that ecosystems play and the benefits provided to all Victorians. This concept is a complete change in the way we view and manage the landscape and could well be the foundation stone of future programs.

## 5. Future Program Administration

- *How do we streamline administration and reporting to improve efficiency (especially at the regional level)?*
- *How do we best devolve decision making yet maintain accountability through best practice governance?*
- *Are there better ways of improving the requirements under national frameworks (eg Monitoring and Evaluation, Standards and Targets) and how they are communicated and applied at different levels of program operations?*

VCMC is aware that streamlining of administration and reporting is a clear requirement of the next generation of programs. We strongly support the call for three year funding commitments, and block funding to suitably accredited CMAs, rather than annual funding.

Council considers that outcome reporting is the key to demonstrating achievements rather than output reporting. It is often difficult to see where current reporting leads to adaptive management and improvement in resource condition. More attention needs to be given to the medium-term (interim) and longer-term targets under NRM programs, rather than 1-5 year targets.

We are concerned that the application and reporting formats required by investors and specifically targetted at small and emerging groups dissuades some groups from applying for funding. Even CMAs are hard put to satisfy the sometimes onerous demands of individual programs or program managers. Council considers that more trust is needed throughout the catchment management framework and that accountability can be satisfied through better

attention to governance arrangements, to exception reporting, to the quality of reporting, to common reporting systems and to the purpose/s of reporting.

## 6. Stakeholder and Partnership relationships

- *What actions could help ensure programs more fully encompass the broad range of stakeholders involved in NRM, including community, industry, urban and peri-urban stakeholders, non government organisations, Indigenous communities, and 'Care' groups?*
- *What strategies can we use to maintain and strengthen the engagement of existing stakeholders without creating stakeholder fatigue?*
- *What lessons on planning and communication can be derived from previous transitions in NRM programs?*
- *What are the roles and responsibilities of key partners and how can we best support these partnerships?*

VCMC asserts that effective stakeholder and partnership relationships are being developed and maintained by the CMAs through their statutory responsibilities requiring coordination of RCS and RCIP across the catchment, and their developing and maintaining partnerships. However, these arrangements and activities must not only continue but be enhanced.

Special arrangements need to be made for several critical groups including local government, coastal groups and indigenous communities.

It should be recognised that building and maintaining stakeholder and partnership relationships have costs, both in human resources and funding. Stakeholder fatigue is recognised as a very real obstacle in achieving NRM outcomes. It can be managed through positive state and regional support systems, through sensible procedures, through recognition and reward programs and, best of all, through stakeholders perceiving that their efforts contribute to positive outcomes.

## 7. Information and Skills

- *How do we ensure that programs are based on good knowledge developed through access to information, sharing of experience and development of decision support tools?*
- *How can we increase the capacity of regions to access relevant scientific and other information, deliver technical projects, better understand their natural resource assets, and deliver on governance arrangements?*

VCMC is committed to improving information and knowledge management. In partnership with DSE, DPI and CMAs, we are currently starting a project with NAP Multi-Regional

funding to develop a knowledge management plan and undertake a brokering trial:  
*Knowledge Management Business Plan and Trial Project.*

This project will:

- Complete a business plan for the delivery of a preferred knowledge management model
- Develop a paper on options, roles and responsibilities for knowledge brokers in Victoria
- Undertake a soil health thematic analysis and prepare a report on this subject
- Implement a soil health knowledge broker trial
- Evaluate the trial and implications for a broader statewide knowledge strategy

The VCMC is acting on behalf of the catchment management framework in undertaking this project. The CMAs will be expected to collaborate in the project itself and in implementing its outputs. It should be emphasised that this project will build on existing databases and networks, rather than on any new ones. Victorian and Australian Government support will be required to implement a knowledge management plan which will generate, synthesise and disseminate the knowledge required to underpin successful adaptive management of land and water resources.

It is anticipated that this project will be a major stepping stone towards delivering a knowledge framework for Victoria by delivering on a plan for managing a suite of NRM systems which:

- Puts information together
- Interprets the information
- Makes this readily available to users; and
- With ongoing updating, maintains its relevance

The broker role, which may involve positions both within DSE and in other agencies, ensures that these systems deliver at the required regional and statewide levels and that the interactive parts keep going. So this project is also intended to increase capacity in the regions.