



RECOMMENDATION

SOUTHERN RIVERS  
CATCHMENT ACTION PLAN

September 2006





## RECOMMENDATION

# SOUTHERN RIVERS CATCHMENT ACTION PLAN

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## List of acronyms

CAP	Catchment Action Plan
CMA	Catchment Management Authority
DEC	Department of Environment and Conservation
DNR	Department of Natural Resources
DPI	Department of Primary Industries
NRC	Natural Resources Commission
NRM	Natural Resource Management
NSW	New South Wales
PVP	Property Vegetation Plan

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Document No. DO6/2079

ISBN: 1 921050 10 1

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# 1 Introduction and overview

The Natural Resources Commission (NRC) has reviewed the Southern Rivers Catchment Action Plan (CAP) and recommends that this CAP be approved. The NRC further recommends that the Minister require the CMA to undertake a review of the Catchment Action Plan within 18 months of approval to incorporate its progress on the specific actions identified in this report.

CAPs are an important component of the new institutional model for delivering natural resource management (NRM) in NSW. Under this model, 13 Catchment Management Authorities (CMAs) are responsible for planning and investing in NRM within their catchments. Each CMA has developed a CAP to use as a 10-year strategic plan or 'investment portfolio' for NRM in its region. These CAPs should set clear directions for all NRM activities in their regions and should integrate other NRM plans, including regional strategies, water sharing plans and regional conservation plans. Ultimately, the CAPs should set the direction for an integrated, whole-of-government approach to achieving catchment and state-wide targets, and should become the primary vehicle for public and private investment in NRM.

The NRC is required to advise the Minister for Natural Resources on whether or not to approve the CAP prepared by each CMA. Specifically, the NRC must determine whether each CAP complies with the *Standard for Quality Natural Resource Management*<sup>1</sup> (the standard) and promotes the state-wide targets for NRM.<sup>2</sup>

In addition, the NRC agreed to consider whether each CAP fulfils other specific requirements nominated by the NSW Government and Joint Steering Committee (JSC).<sup>3</sup>

## 1.1 Overview of findings

The NRC's recommendation is based on its findings that the Southern Rivers CAP:

- demonstrates a reasonable level of compliance with the standard at this point in time
- provides some confidence that the targets will promote the achievement of the state-wide targets over time.

The CAP fulfils all legislative and most other specific government requirements, but does not adequately address all Investor Preferences. In addition many of the targets are not yet completely SMART.<sup>4</sup>

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<sup>1</sup> Natural Resources Commission (2005) *Standard for Quality Natural Resource Management*. Available at <<http://www.nrc.nsw.gov.au/module.aspx?id=3>>.

<sup>2</sup> Natural Resources Commission (2005) *Recommendations: state-wide standard and targets*. Available at <<http://www.nrc.nsw.gov.au/module.aspx?id=3>>.

<sup>3</sup> Including the priorities set by the Australian Government and NSW Government Natural Resource Management Joint Steering Committee, NSW Department of Natural Resources, NSW Department of Environment and Conservation and NSW Department of Primary Industries.

<sup>4</sup> 'Specific, Measurable, Achievable, Relevant and Timebound' (SMART), see below for further details.

The NRC believes that the Southern Rivers CMA can continue to refine its CAP and targets and successfully work with its community to implement the CAP as:

- it has good plans to improve its compliance with the standard, refine its CAP targets, and increase its organisational capabilities
- the recommended actions will focus the CMA on the key areas that require improvement
- the NRC will periodically review the CMA's progress.

The NRC considers that to successfully implement the CAP, the Southern Rivers CMA will require support from the government. This support will be necessary to:

- enable the CMA to enhance its internal knowledge and information management systems
- develop an effective monitoring and evaluation program, given the limited funding available and historic lack of clarity on roles and responsibilities for monitoring and evaluation in NSW
- coordinate NRM efforts in the catchment and achieve the targets, given the coastal location, the population pressures in the catchment and the complexity of NRM and land use planning arrangements in the region
- provide flexibility in funding cycles to improve the ability of the CMA to deliver NRM outcomes in priority areas.

## 1.2 NRC's recommendation

In accordance with Section 13 (b) of the *Natural Resources Commission Act 2003*, the NRC recommends that the Minister approve the Southern Rivers Catchment Action Plan without alteration.<sup>5</sup>

The NRC further recommends that the Minister require the CMA<sup>6</sup> to undertake a review of the Catchment Action Plan within 18 months of approval to incorporate its progress on the following actions:

- a) completing the development of its proposed *Project Management System*, and ensure that this system incorporates tools and processes to help CMA staff apply all components of the standard, particularly determination of scale and information management
- b) developing and implementing its proposed *Risk Management Plan* to ensure it has a comprehensive system for identifying, assessing and managing risks
- c) developing and implementing its proposed *Engagement and Partnership Strategy*
- d) completing the development of its proposed *Monitoring, Evaluation and Reporting Plan*<sup>7</sup>
- e) applying the standard to develop a framework for transparent decision-making and investment priority-setting

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<sup>5</sup> Under Section 23 (1) of the *Catchment Management Authorities Act 2003*.

<sup>6</sup> Under Section 26 (1) of the *Catchment Management Authorities Act 2003*.

<sup>7</sup> The development of the Monitoring, Evaluation and Reporting Plan should ensure the CMA develops targets which are more 'Specific, Measurable, Achievable, Relevant and Timebound' (SMART). See Natural Resource Management Ministerial Council (2002) National Framework for Natural Resource Management (NRM) Standards and Targets. Available at <http://www.nrm.gov.au/publications/standards/index.html>.

- f) clarifying how the CMA considered each of the JSC's Investor Preferences when developing the CAP, especially those related to national priorities.

Successful completion of these actions should enable the CMA to prepare and publish a revised CAP which will more fully comply with the standard and significantly increase the likelihood of the CAP promoting the state-wide targets.

The NRC will undertake an audit within 2 years of approval.<sup>8</sup> To support this, the NRC will require a letter from the CMA to report their progress on the actions on a 6-monthly basis.<sup>9</sup> If reasonable progress in completing the recommended actions is not evident from these letters, the NRC will consider bringing the audit forward.

### 1.3 Process used to develop this advice

The NRC developed its recommendation using a rigorous process developed in consultation with NSW Government agencies and JSC, and subsequently endorsed by the CMA Chairs. The process included:

- identifying the needs of all government stakeholders and developing a single process to meet all of these needs
- meeting with the CMA to help it prepare for the CAP review, and undertaking a formal review of its business systems (the 'Systems Review') to identify what changes to these systems were needed to comply with the standard
- providing follow-up support to the CMA to help it make the necessary changes to its business systems
- evaluating the draft CAP and supporting documents for compliance with the standard, likelihood of promoting the achievement of state-wide targets, and fulfilment of legislative requirements and other government requirements
- discussing the NRC's initial findings and recommendations with the CMA and relevant government agencies; evaluating the final Southern Rivers CAP, supporting documents, and plans for improvement with relevant agencies; and finalising this advice.

In evaluating all CMAs' CAPs and formulating its advice, the NRC took into account that the CMAs are relatively new organisations, and that many aspects of the new institutional model for NRM are still developing. When the CMAs were established in late 2003, they were responsible for implementing on-ground activities in accordance with pre-existing Catchment Blueprints.<sup>10</sup> In May 2005 the NSW Government adopted the standard and a set of state-wide targets for NRM.<sup>11</sup> The CMAs have been required to modify their operations according to the new standard, and to develop their CAPs in accordance with this.

The NRC also acknowledges that there will be variations between the CMAs' CAPs. This is because the new institutional model promotes regional decision-making and allows flexibility and innovation. It is also due to the fact that each CMA is at a different stage of organisational

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<sup>8</sup> Under Section 13 (c) of the *Natural Resources Commission Act 2003*.

<sup>9</sup> Under Section 16 (3) of the *Natural Resources Commission Act 2003*.

<sup>10</sup> These 21 Catchment Blueprints were developed in 2002 by advisory Catchment Management Boards.

<sup>11</sup> Natural Resources Commission (2005) *Recommendations: state-wide standard and targets*. Available at <http://www.nrc.nsw.gov.au/module.aspx?id=3>.



development. Given this, the NRC assessed the Southern Rivers CAP with regard to the Southern Rivers CMA's unique characteristics and current stage of development. Over time, application of the standard should underpin continuous improvement in all CMAs and their CAPs.

## **1.4 Structure of this document**

This rest of this document explains the NRC's recommendations in more detail:

- Chapter 2 sets out the NRC's assessment of the CAP against all requirements
- Chapter 3 sets out the NRC's assessment of whether the Southern Rivers CMA will improve its CAP and its compliance with the standard and likelihood of promoting the state-wide targets over time.

## 2 NRC's assessment of the CAP

The NRC assessed the Southern Rivers CAP to determine whether it is a good strategic plan that complies with the standard and will guide the Southern Rivers CMA in promoting achievement of the state-wide targets. In particular, it:

- examined the process the Southern Rivers CMA used to develop the CAP, and the resulting CAP, and evaluated these against the standard
- assessed the CAP targets to determine whether they promote achievement of the state-wide targets
- assessed whether the CAP fulfils NSW legislative requirements and reflects other specific government requirements.

Overall, the NRC considers that the Southern Rivers CAP contains many elements of a good strategic plan. The NRC is satisfied that the Southern Rivers CMA followed a reasonable process to develop the CAP. The CAP also demonstrates a reasonable level of compliance with the standard for this point in time. The NRC has some confidence that it will promote the state-wide targets.

The CAP fulfils all legislative and most other specific government requirements, but does not adequately address all Investor Preferences. In addition many of the targets are not yet completely SMART.

The NRC has identified some areas of the CAP that require improvement to more fully comply with the standard, including determination of scale, risk management, monitoring and evaluation, and information management. The CMA also needs to establish clear and transparent processes for decision-making and priority-setting. However, the NRC believes that the Southern Rivers CMA will refine the CAP and its targets over time, and improve its organisational capabilities, to address these areas. The CMA has demonstrated that it has good plans in place to achieve improvement. These include completion of its *Project Management System* (which should help it improve its compliance with all components of the standard). In addition, the actions recommended by the NRC will help the Southern Rivers CMA to focus on the key areas requiring improvement.

The sections below discuss in detail the NRC's assessment of the process used to develop the Southern Rivers CAP, whether the targets within this CAP will promote achievement of the state-wide targets, and whether the CAP fulfils the legislative requirements and reflects other specific government requirements.

The Southern Rivers CMA's plans for improvement and the NRC's recommended actions are discussed in Chapter 3.

### 2.1 Is the CAP consistent with the state-wide standard?

A CAP that is developed in accordance with the standard and state-wide targets should contain clear priorities that were determined using a rigorous and transparent process. The NRC evaluated CAPs against the following question to test this requirement:

- Was the CAP developed using a rigorous and transparent process?

The standard contains seven interdependent components which, when applied properly and together, should help CMAs make rigorous and transparent decisions and prioritise their NRM activities in a way that leads to sensible and integrated NRM outcomes at all scales.

Proper application of the standard in developing a CAP should help CMAs to:

- use the best available information
- take appropriate account of scale issues to maximise the net benefit of investments
- capture opportunities for collaboration to maximise gains
- engage the community in a meaningful way
- effectively manage risks
- establish monitoring and evaluation systems
- effectively manage information.

The NRC examined the process the Southern Rivers CMA used to develop its CAP, and evaluated this process and the resulting CAP against the standard. The NRC found that the process was reasonable, and that the CAP demonstrates a reasonable level of compliance with the seven components of the standard. However, the criteria for decision-making and the priority-setting process were not completely transparent. The NRC's assessment takes into account the fact that the Southern Rivers CMA is a relatively new organisation operating within a new regional model for NRM. Given this, the NRC does not expect the same level of compliance with the standard that it might reasonably expect from a more mature organisation.

The Southern Rivers CAP describes the process the CMA used in developing the CAP, although this description is not very clear or coherent. For example, it is difficult to establish the order in which steps were taken. However, the process seems to have included the following key components:

- **Reviewing the Blueprints to develop initial targets.** The Southern Rivers CMA Board reviewed the two Catchment Blueprints related to its catchment, to develop an initial set of targets for the Southern Rivers CAP, designed to ensure its relevance to the community and its effectiveness in achieving substantial NRM outcomes.
- **Refining initial targets through community consultation and a technical review.** The CAP describes a process of community consultation and technical review to refine the Blueprint targets. It demonstrates that the CMA considered it extremely important to involve the community in the CAP development process. This process included developing a *CAP Engagement Plan* for identifying, profiling and engaging the broadest NRM stakeholder base. It also states that the CMA conducted more than 50 consultations. The technical review considered the status of, and underlying pressures on the catchment.
- **Applying the standard and considering state and national targets for NRM.** The CAP states that the CAP was developed with regard to the standard and state and national targets for NRM.

Table 2.1 summarises the NRC's assessment of the Southern Rivers CAP development process and the resulting CAP against the components of the standard. The table also lists selected evidence to support this assessment.

**Table 2.1: NRC assessment of Southern Rivers CAP development process against the standard**

Component	Assessment of process against this component	Selected evidence
Collection and use of knowledge	<p>The CAP provides some confidence that the CMA used best available knowledge in developing the CAP. It also contains some good supporting information for the targets, but does not justify the target levels.</p>	<ul style="list-style-type: none"> <li>▪ The introduction section to each program discusses how targets have been developed and in some cases identifies knowledge gaps and projects to fill these gaps.</li> <li>▪ The CAP indicates that the CMA used a technical review of the status of, and underlying pressures on resources in the catchment to refine the CAP targets.</li> <li>▪ The CAP lists successful studies and plans used to determine appropriate approaches in the <i>Water Program</i> (p73).</li> </ul>
Determination of scale	<p>The CAP suggests that the CMA has implicitly considered spatial, temporal and institutional scale during CAP development, but does not always explain how it determined the optimal scale for its activities.</p> <p>The next step for the CMA is to develop its business systems to assist in identifying optimal scale, including a framework for decision-making and priority-setting.</p>	<ul style="list-style-type: none"> <li>▪ The <i>Institutional Challenges</i> section describes institutional scale issues, such as relationships with other agencies.</li> <li>▪ The CAP considers community scale issues in the risk assessment of targets in various programs.</li> <li>▪ The <i>SRCMA CAP Priority Vegetation Communities</i> map (Appendix 4) demonstrates consideration of spatial scale.</li> </ul>
Opportunities for collaboration	<p>The CAP recognises the importance of collaboration with a variety of partners. The targets and supporting information in the <i>Community and Partnerships Program</i> provide confidence that the CMA has and will continue to explore opportunities for collaboration.</p>	<ul style="list-style-type: none"> <li>▪ Collaboration is integrated into each CAP program and many targets.</li> <li>▪ The <i>Whole of Government Approach</i> section describes the importance of strong and effective partnerships for achieving CAP targets.</li> <li>▪ The <i>Collaboration and Partnerships</i> section shows that collaboration will be important for future NRM activities.</li> <li>▪ The CAP states that an <i>Engagement and Partnership Strategy</i> will be adopted in late 2006.</li> </ul>
Community engagement	<p>The CAP provides confidence that the CMA engaged the community in developing the plan, and that this influenced all aspects of the CAP and all program areas. The CAP also indicates that the CMA intends to engage the community in the CAP implementation and review phases.</p> <p>The next step for the CMA is to develop the <i>Engagement and Partnership Strategy</i>.</p>	<ul style="list-style-type: none"> <li>▪ <i>The Role of the SRCMA</i> section explains the types of community engagement the CMA is actively working towards.</li> <li>▪ The <i>CAP Engagement Plan</i> provides details about how the CMA engaged the community and other stakeholders at various stages of CAP development.</li> <li>▪ The CAP states that an <i>Engagement and Partnership Strategy</i> will be adopted in late 2006.</li> </ul>

Component	Assessment of process against this component	Selected evidence
Risk Management	<p>The CAP indicates that the CMA considered risks to resource condition and risks to achieving management targets. However, it does not clearly show that the CMA considered strategic and organisational risks.</p> <p>The next step for the CMA is to develop its proposed <i>Risk Management Plan</i>, to prioritise and manage all risks, including strategic and organisational risks.</p>	<ul style="list-style-type: none"> <li>▪ The <i>Major Risks to Achieving the CAP Targets</i> section notes high-level risks associated with climatic variation and catastrophic events.</li> <li>▪ The introductory sections for each program explain the risks (or threats) to resource condition.</li> <li>▪ The <i>Risk to Target Achievement</i> section for each program lists risks for management targets and strategies to manage those risks.</li> <li>▪ The <i>CAP Engagement Plan</i> discusses risks to quality engagement.</li> </ul>
Monitoring and evaluation	<p>The CAP explains the CMA's plans to develop a <i>Monitoring, Evaluation and Reporting Plan</i> that will measure progress in all activities and programs. However, it does not explain the roles and responsibilities for monitoring and evaluation.</p> <p>The next step for the CMA is to develop the <i>Monitoring, Evaluation and Reporting Plan</i>. This will help the CMA to refine the set of targets and performance indicators, and to identify baselines.</p>	<ul style="list-style-type: none"> <li>▪ The <i>Monitoring, Evaluation and Reporting</i> section states that each program is to have its own monitoring and evaluation plan.</li> <li>▪ Each target has performance indicators. The CMA acknowledges that it does not yet have baseline information for many targets, but intends to develop projects to collect this information and to inform a monitoring program.</li> <li>▪ The CAP states that the CMA will review the CAP every 5 years.</li> </ul>
Information management	<p>The CAP does not generate confidence that the CMA has good information management systems in place.</p> <p>The next step for the CMA is to develop plans to manage information more effectively.</p>	<ul style="list-style-type: none"> <li>▪ The CAP does not have an effective referencing system or explain how readers can access unpublished information used in developing the CAP.</li> </ul>

The CMA has indicated that its proposed *Project Management System* will help it to improve against many components of the standard.

## 2.2 Are the CAP targets likely to promote the state-wide targets?

For the management and catchment targets within a CAP to promote the achievement of the state-wide targets they need to:

- have been developed using a rigorous and transparent process that was compliant with the standard
- provide a basis for assessing performance, which means they need to be measurable (including having timeframes, units of measure, clear target levels, and performance indicators)
- be supported by information that demonstrates that they are relevant and achievable
- demonstrate linkages between the different sets of targets, which means that management targets should clearly contribute to catchment targets and catchment targets should clearly contribute to the state-wide targets.<sup>12</sup>

The NRC has some confidence that the Southern Rivers CAP targets will promote the state-wide targets. The NRC assessed the sets of CAP targets and found that they meet some of the above requirements. The CMA followed a reasonable process to develop the targets which demonstrated a reasonable level of compliance with the standard for this point in time. Additionally, the CMA has good plans in place that will enable the CMA to improve its CAP over time, including developing and implementing a *Monitoring, Evaluation and Reporting Plan*.

The NRC found that most of the management and catchment targets are measurable. All have timeframes, and most have a unit of measurement. Some of the management targets have target levels, and most identify a clear performance indicator. The CAP indicates that for many of the targets, the CMA does not yet have the baseline information it needs to determine changes over time, for example, for the *Coastal and Marine Program*. However, it states that the CMA will develop projects to collect this information and to inform monitoring programs.

The CAP contains some supporting information that explains why the targets are relevant. However, it does not contain sufficient information to justify the target levels and demonstrate that the targets are achievable. For each program, the CAP identifies the risks to achieving the targets and strategies for managing those risks. However, the quality and level of other supporting information varies between programs. For some programs, the CAP provides examples of catchment activities that would support the achievement of each management target.

In addition, the CAP provides some information to explain the links between the CAP targets and the state-wide targets. The relationship between management targets and catchment targets is described in a flow diagram and supporting text. For each management target, the CAP also identifies the other targets that may contribute to its achievement. The relationship between the catchment targets and the state-wide targets is summarised in a table, although the CAP does

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<sup>12</sup> These characteristics of targets correspond to the requirement of the Australian and NSW Government Joint Steering Committee that targets be 'Specific, Measurable, Achievable, Relevant and Timebound' (SMART). See Natural Resource Management Ministerial Council (2002) National Framework for Natural Resource Management (NRM) Standards and Targets. Available at <http://www.nrm.gov.au/publications/standards/index/html>.

not describe in detail how the catchment targets will contribute to the achievement of the state-wide targets.

## 2.3 Does the CAP meet other government requirements?

CAPs need to fulfil a range of legislative requirements, including those under the *Catchment Management Authorities Act 2003*, the *Native Vegetation Act 2003* and the *Threatened Species Conservation Act 1995*. CAPs also need to reflect other specific requirements nominated by the NSW Government and the JSC.

The NRC has assessed the Southern Rivers CAP against each of these requirements and priorities. It found that the CAP satisfactorily fulfils all legislative requirements (see Table 2.2) and reflects most other government requirements (see Table 2.3).

However, the CAP does not satisfactorily address all of the JSC's Investor Preferences (see Table 2.3). In addition, the management and catchment targets included in the CAP are not completely SMART at this stage, but as Section 2.2 discussed, the NRC believes that the Southern Rivers CMA will work towards improving its targets over time.

In developing its findings, the NRC has consulted with the Department of Natural Resources, Department of Environment and Conservation, the Department of Primary Industries and the JSC.

**Table 2.2: NRC assessment of the CAP against legislative requirements**

Legislative requirement	Finding
Biodiversity certification	The NRC considers that the Southern Rivers CAP and the systems that underpin it meet the requirements for biodiversity certification.  The CAP identifies biodiversity priorities by identifying the state of biodiversity, the pressures on biodiversity and documenting the response of the CAP. The CAP describes plans for biodiversity conservation across all relevant habitats through including relevant targets in the marine, biodiversity and water themes. The CMA has systems to engage others in biodiversity conservation including strong collaboration with government agencies, local government and landholders.
Environmental planning instruments and other natural resource plans	The Southern Rivers CMA appears to have considered the provisions of environmental planning instruments and other natural resource plans that apply in the catchment. The CAP provides a comprehensive list of plans and policies that were consulted during the preparation of the CAP (Appendix 9). It also refers to specific plans that were considered for each program.
Environmental Water Trust Fund	Not applicable.

**Table 2.3: NRC assessment of the CAP against state and national priorities**

State/national priority	Finding
JSC Investor Preferences	<p>Appendix 7 of the CAP depicts the relationship between management and catchment targets in each theme and Investor Preferences. However, the CAP does not adequately address some Investor Preferences as it appears to focus largely on state priorities and does not adequately address national priorities. For example, biodiversity targets focus on priority ecological communities, populations and species listed under state legislation but do not mention Matters of National Environmental Significance under the EPBC Act.</p> <p>The CAP states that although the water quality targets do not specifically focus on estuarine and marine waters, CM1 and CM2 aim to improve coastal and estuarine environments through implementation of NRM Plans.</p>
SMART targets	<p>Not all of the targets completely fulfil the requirement of being ‘specific, measurable, achievable, relevant and timebound’ (SMART) at this stage. The CAP explains that this is due to the lack of baseline data and the timeframe for completing the plan. However, the NRC found that the targets do meet some of the requirements for SMART targets, and is confident that the CMA will work towards fully meeting these requirements in time (see Section 2.2).</p>
Native vegetation management priorities and programs	<p>The NRC considers that the native vegetation management priorities and targets contained in the CAP are consistent with the <i>Native Vegetation Act 2003</i>. Details can be found in the <i>Biodiversity Program</i> section, which lists biodiversity targets and discusses the intent of these targets and the rationale behind them. The CAP also states that the CMA will provide incentives for biodiversity but does not provide details.</p>
Salinity targets	Not applicable.
National framework for NRM standards and targets	<p>The NRC considers that the targets in the CAP are consistent with all 10 ‘national matters for targets’ as specified in the National Framework for NRM Standards and Targets. The <i>Links between targets</i> section for each program identifies the relevant national matter for target. Appendix 7 includes tables that indicate which management and catchment targets relate to the national matters for target.</p>
Blueprint evaluation	<p>The CMA evaluated the 2 Blueprints applicable to the Southern Rivers region. The CAP describes a process of technical review and community consultation to refine Blueprint targets. The technical review considered the status of and underlying pressure on resources of the catchment. Details can be found on pages 24 and 25 and Appendix 2 of the CAP.</p>
NSW Government Statements of Intent	<p>The CAP states the CMA used the Healthy Rivers Commission reports<sup>13</sup> for the Bega and Shoalhaven river systems, to identify management actions and to identify locations for management activities. It also states that the CMA reviewed the Coastal Lakes Inquiry<sup>14</sup> classification and incorporated this into plans for managing lakes.</p>

<sup>13</sup> The NSW Government reviewed the findings and recommendations in these reports and issued its decisions in statements of intent.

<sup>14</sup> The Coastal Lakes Inquiry preceded the release of the Statement of Intent for the Coastal Lakes of New South Wales.



### **3 NRC's assessment of the CMA's capacity to improve the CAP over time**

The NRC assessed whether the Southern Rivers CMA will continue to improve its CAP's compliance with the standard and the likelihood that this plan will promote achievement of the state-wide targets. The NRC believes that the CMA will continue to improve for the following reasons:

- the CMA has demonstrated that it has good plans in place to improve compliance against each component of the standard, to refine the catchment and management targets, and to increase its organisational capabilities
- the actions the NRC has recommended will encourage the CMA to focus on the key areas that require improvement and will promote accountability to the NRC, other CMAs, investors and the broader NSW community
- the NRC will regularly review the CMA's progress of these recommended actions, which will provide an additional incentive for the CMA to address key issues and demonstrate progress within reasonable timeframes.

#### **3.1 The CMA's plans to improve the CAP**

The NRC has assessed the Southern Rivers CMA's plans for improving the CAP over time, based on its discussions with the CMA during the CAP review process and its evaluation of the CAP. The NRC is satisfied that the CMA has good plans and processes in place for improving its CAP and the CAP's compliance with the standard. Many of the plans are described in the CAP, so that they are clear to investors and the broader community.

Table 3.1 summarises the NRC's assessment of the Southern Rivers CMA's plans to improve its CAP against each component of the standard. The NRC believes it is important that the CMA implements, reviews and refines all of these plans and processes, and then updates the CAP within 18 months. In addition, it believes the CMA should give particular attention to improving determination of scale, risk management, monitoring and evaluation, and information management. In addition, the CMA should focus on developing a framework for transparent decision-making and investment priority-setting. Improvements in these areas will be crucial to the ongoing success of the CMA as an organisation.

**Table 3.1: NRC assessment of the Southern Rivers CMA's plans to improve**

Component	Plans to improve
Collection and use of knowledge	<ul style="list-style-type: none"> <li>The CMA is developing an <i>Engagement and Partnership Strategy</i> to help it build partnerships with universities and other organisations and to access knowledge.</li> <li>The CMA is developing a <i>Research Strategy</i> that will identify knowledge gaps and will establish Program Teams to identify research needs.</li> </ul>
Determination of scale	<ul style="list-style-type: none"> <li>The CMA is developing a <i>Project Management System</i> that will include tools and processes to help the CMA document its consideration of scale and how it will identify the optimal scale for investment.</li> </ul>
Opportunities for collaboration	<ul style="list-style-type: none"> <li>The CMA is developing an <i>Engagement and Partnership Strategy</i> which, together with the <i>Project Management System</i>, will assist the CMA to consistently identify opportunities for collaboration and draw on the extensive collaboration networks developed to date.</li> <li>The CMA intends to develop a process to assess costs and benefits of collaboration opportunities.</li> </ul>
Community engagement	<ul style="list-style-type: none"> <li>The <i>Engagement and Partnership Strategy</i> will guide implementation of strategies and actions for community engagement identified in the CAP.</li> <li>The CMA informed the NRC that it is undertaking a social benchmarking project during 2006 that will establish indicators for the community targets and provide a benchmark of the current levels and quality of engagement processes.</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>The CMA has indicated that it intends to complete a <i>Risk Management Plan</i>.</li> </ul>
Monitoring and evaluation	<ul style="list-style-type: none"> <li>The CMA is developing a <i>Monitoring, Evaluation and Reporting Plan</i>, which will include a review of current monitoring and evaluation systems.</li> <li>The CMA is working with local governments to feed information from local and regional data systems into state-wide and national monitoring networks.</li> <li>The CMA is collecting more detailed information and developing projects to collect information to inform a monitoring program.</li> </ul>
Information management	<ul style="list-style-type: none"> <li>The CMA is developing a database, which will be GIS linked, and will provide project officers with a standard way of recording information from all projects.</li> <li>The <i>Project Management System</i> should also assist the CMA to improve compliance with this component over time.</li> </ul>

### 3.2 NRC's recommendation

In accordance with Section 13 (b) of the *Natural Resources Commission Act 2003*, the NRC recommends that the Minister approve the Southern Rivers Catchment Action Plan without alteration.<sup>15</sup>

The NRC further recommends that the Minister require the CMA<sup>16</sup> to undertake a review of the Catchment Action Plan within 18 months of approval to incorporate its progress on the following actions:

- completing the development of its proposed *Project Management System*, and ensure that this system incorporates tools and processes to help CMA staff apply all components of the standard, particularly determination of scale and information management

<sup>15</sup> Under Section 23 (1) of the *Catchment Management Authorities Act 2003*.

<sup>16</sup> Under Section 26 (1) of the *Catchment Management Authorities Act 2003*.

- b) developing and implementing its proposed *Risk Management Plan* to ensure it has a comprehensive system for identifying, assessing and managing risks
- c) developing and implementing its proposed *Engagement and Partnership Strategy*
- d) completing the development of its proposed *Monitoring, Evaluation and Reporting Plan*<sup>17</sup>
- e) applying the standard to develop a framework for transparent decision-making and investment priority-setting
- f) clarifying how the CMA considered each of the JSC's Investor Preferences when developing the CAP, especially those related to national priorities.

The NRC considers that this approach will allow the Southern Rivers CMA to 'get on with business', while also ensuring continuous improvement in the CAP document and implementation. The above actions are discussed in detail below.

a) should enable the Southern Rivers CMA to address several of the 'gaps' identified by the Systems Review and improve its compliance with the standard. In particular, the System should enable the CMA to manage information effectively, identify the optimal scale for investment in complex situations and consistently identify opportunities for collaboration.

b) should ensure that the CMA builds on the Deloitte risk management study and integrates this work with the list of risks and risk management strategies presented in the CAP. It should also help the CMA to systematically identify, assess and manage all risks including strategic and organisational risks, risks (or threats) to resource condition, and risks to the achievement of specific targets as part of a comprehensive, ongoing risk management process. This should make it more able to avoid significant mistakes or failures, and provide confidence to stakeholders and investors.

c) should ensure that the Southern Rivers CMA develops and implements its proposed *Engagement and Partnership Strategy*. The CAP shows that the CMA has undertaken extensive consultation with the community during the planning phase. It is important that it establishes effective processes and procedures for continuing to engage the community through CAP implementation and review phases.

d) should encourage the CMA to develop an effective monitoring and evaluation plan and system so that it can clearly map the catchment priorities, the catchment and management targets that deliver on these priorities, the relationships and assumptions between these targets, and the monitoring and evaluation required to show progress. Development of the plan should help the CMA to obtain the information necessary to refine targets – including making targets more measurable and better demonstrating that they are relevant and achievable, thereby improving promotion of the state-wide targets. It should also help the CMA improve targets by clarifying the difference between catchment targets, management targets and management actions, and by reducing the complexity of some targets which may contain multiple outcomes or outputs. Implementation of the plan will allow the CMA to directly link investment to priorities and monitoring of targets, and will provide investors with a clear picture of CMA expenditure and progress. The Plan will also support continual improvement and adaptive management within the CMA.

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<sup>17</sup> The development of the Monitoring, Evaluation and Reporting Plan should ensure the CMA develops targets which are more 'Specific, Measurable, Achievable, Relevant and Timebound' (SMART). See Natural Resource Management Ministerial Council (2002) National Framework for Natural Resource Management (NRM) Standards and Targets. Available at <http://www.nrm.gov.au/publications/standards/index.html>.

e) should encourage the CMA to build on its existing decision-making processes and to make them more robust, transparent and consistent with the standard. This should help the CMA to clearly record, communicate and justify its future decisions about NRM investment. The CMA should consider the range of existing tools and collaborate with other CMAs, state agencies and research organisations to determine an appropriate framework. This should help the CMA to make its consideration of scale issues more explicit and to identify the optimal scale for its activities.

f) should ensure the CMA clarifies how it considered each of the JSC's Investor Preferences when developing the CAP, especially those related to national priorities (for example, Matters of National Environmental Significance under the EPBC Act). The NRC communicated this requirement to all CMAs and highlighted it in the findings and recommendations on the Southern Rivers CMA's draft CAP.

### **3.3 How should the CMA demonstrate progress?**

The NRC will require the Southern Rivers CMA to report 6-monthly, in a letter, on its progress in undertaking the actions detailed above. This will require the CMA to assess and report on its own progress at regular intervals.

This kind of regular self-assessment is important for the CMA's own adaptive management, and will also create opportunities for it to seek guidance or support where necessary.

### **3.4 How will progress be monitored?**

Regular review of the CMA's progress should assist the CMA in achieving and demonstrating continuous improvement. It should also highlight any additional obstacles to the CMA's progress. In addition, it should provide investors with increased confidence as they move beyond 2008/09 and into the next funding cycle.

The NRC will:

- require the Southern Rivers CMA to report 6-monthly, in a letter to the NRC, on its progress in taking the actions listed in Section 3.2
- undertake an audit if progress in taking the actions is not adequate
- audit the effectiveness of the implementation of the most recent version of the Southern Rivers CAP within 2 years of the date of approval
- undertake a mid-term review of this CAP in 2011. This will be a formal audit of the CMA's compliance with the standard and promotion of the state-wide targets.

### **3.5 What can the government do to support this CMA?**

The NRC considers that to successfully implement the CAP, the Southern Rivers CMA will require support from the government to:

- enable the CMA to enhance its internal knowledge and information management systems

- develop an effective monitoring and evaluation program, given the limited funding available and historic lack of clarity on roles and responsibilities for monitoring and evaluation in NSW
- coordinate NRM efforts in the catchment and achieve the targets, given the coastal location, the population pressures in the catchment and the complexity of NRM and land use planning arrangements in the region
- provide flexibility in funding cycles to improve the ability of the CMA to deliver NRM outcomes in priority areas.

These issues are also relevant to other CMAs, and are more fully explained in the NRC's consolidated report on all CAPs.



