



RECOMMENDATION

**MURRUMBIDGEE
CATCHMENT ACTION PLAN**

November 2006



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MURRUMBIDGEE CATCHMENT ACTION PLAN

Enquiries

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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
JSC	Joint Steering Committee
M&E	Monitoring and Evaluation
NRC	Natural Resources Commission
NRM	Natural Resource Management
NSW	New South Wales
PVP	Property Vegetation Plan

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1 Introduction and overview

The Natural Resources Commission (NRC) has reviewed the Murrumbidgee Catchment Action Plan (CAP) and recommends that this CAP be approved. The NRC further recommends that the Minister require the Catchment Management Authority to undertake a review of the Catchment Action Plan within 2 years 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*¹ (the standard) and promotes the state-wide targets for NRM.²

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

1.1 Overview of findings

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

- demonstrates a high 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 also fulfils all legislative and most other specific government requirements, however many of the targets are not yet completely SMART.⁴

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

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

³ 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.

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

The NRC believes that the Murrumbidgee 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 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 Murrumbidgee 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
- 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 Murrumbidgee Catchment Action Plan without alteration.⁵

The NRC further recommends that the Minister require the CMA⁶ to undertake a review of the Catchment Action Plan within 2 years of approval to incorporate its progress on the following actions:

- a) applying the standard to develop a framework for transparent decision-making and investment priority-setting
- b) continuing to develop and implement a comprehensive system for identifying, assessing and managing risks at all levels of the organisation
- c) continuing to develop and implement the *Monitoring and Evaluation Plan*⁷
- d) continuing to develop business systems to support strategic planning and help staff apply all components of the standard
- e) maintaining and enhancing links between the CMA and local government as a key part of supporting the integration of natural resource management and local planning.

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

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

⁷ The continued development of the Monitoring and Evaluation 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>.

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

The NRC will undertake an audit within 2.5 years of approval.⁸ To support this, the NRC will require a letter from the CMA to report their progress on the actions on a 6-monthly basis.⁹ 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 the 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 Murrumbidgee CMA to help it prepare for the CAP review, and undertaking a formal review of the CMA's 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 achievement of the state-wide targets, and fulfilment of NSW legislative requirements and other government requirements
- discussing the NRC's initial findings and recommendation with the CMA and relevant government agencies; evaluating the final Murrumbidgee 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.¹⁰ In May 2005 the NSW Government adopted the standard and a set of state-wide targets for NRM.¹¹ The CMAs have been required to modify their operations according to the new standard, and to develop their CAPs in accordance with this.

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

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

¹⁰ These 21 Catchment Blueprints were developed in 2002 by advisory Catchment Management Boards.

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

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 development. Given this, the NRC assessed the Murrumbidgee CAP with regard to the Murrumbidgee 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

The rest of this document explains the NRC's recommendation 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 Murrumbidgee CMA will improve its CAP and its compliance with the standard and likelihood of promoting the state-wide targets over time
- Chapter 4 sets out the NRC's recommendation and actions to focus the CMA on the key areas that require improvement, and outlines how the NRC proposes to monitor progress.

2 NRC's assessment of the CAP

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

- examined the process the Murrumbidgee 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 Murrumbidgee CAP contains elements of a good strategic plan. The NRC found that the Murrumbidgee CMA followed a reasonable process to develop the CAP. The CAP demonstrates a high level of compliance with the standard for this point in time. The NRC has some confidence that it will promote the state-wide targets.

It is also satisfied that the CAP fulfils all legislative and most of the other government requirements, however 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 and promote achievement of the state-wide targets, including monitoring and evaluation, and risk management. It also identified that the CMA needs to improve its priority-setting and decision-making systems. The NRC believes that the CMA will be able to refine the CAP and CAP targets over time, to address these areas. The CMA has demonstrated that it has good plans in place to achieve improvement. In addition, the actions recommended by the NRC will help the 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 Murrumbidgee 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 Murrumbidgee CMA's plans for improvement are discussed in Chapter 3 and the NRC's recommended actions are outlined in Chapter 4.

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 Murrumbidgee 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 high level of compliance with the seven components of the standard. However, some aspects of the CMA's decision-making and prioritisation for the CAP were not completely transparent. The NRC's assessment takes into account the fact that the Murrumbidgee 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 expect from a more mature organisation.

The Murrumbidgee CAP describes the process the CMA used in developing the CAP, including the following key phases:

- **Reviewing the Murrumbidgee Catchment Blueprint:** The CMA used the existing Blueprint as a foundation for the CAP. The Blueprint targets were reviewed and refined to reflect changes including the introduction of the standard and targets; relevant national, state and regional strategies and plans; and new relevant knowledge. *Asset teams* of experienced CMA staff, reviewed relevant literature and guidelines, developed working papers, and consulted external experts to develop resource condition and management targets for each asset.
- **Consulting with key stakeholders and the community:** The Blueprint consultation process was reviewed and expanded upon. The CMA undertook focus workshops to discuss proposed targets. Feedback obtained during the workshops was used in development of the draft CAP. The CMA also sought further feedback through public exhibition.
- **Finalising the CAP and submitting it to the Minister and NRC:** The final CAP was refined in response to submissions from public exhibition and government consultation. The CMA then submitted the CAP to the Minister for Natural Resources and the NRC.

Table 2.1 summarises the NRC's assessment of the Murrumbidgee 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 the CAP development process against the standard

Component	Assessment of process against this component	Evidence
Collection and use of knowledge	<p>The CAP demonstrates that the CMA followed a structured process for the collection of knowledge in the development of the CAP. However, the process for prioritisation of issues and specification of target levels is not completely transparent.</p>	<ul style="list-style-type: none"> ▪ The CAP describes the process the CMA used for knowledge gathering, including <i>asset teams</i> and experts. ▪ The CAP provides general descriptions of the catchment, including economic, social and cultural factors, natural resource assets, condition and trends. ▪ The <i>State, Pressure, Response tables</i> included at the start of each asset section provide more detailed information for each asset and demonstrate how the targets relate to the state and pressures of the asset. The land asset is not of the same quality level as the other assets. ▪ Each management target contains a section which justifies target levels based on past performance of projects. However the CAP doesn't give confidence that target levels have been based on the monitoring and evaluation of these past projects.
Determination of scale	<p>The CAP provides some evidence that the CMA considered some scale issues when developing the CAP.</p> <p>The next step for the CMA is to improve its processes for determining the optimal scale for management, including frameworks for decision-making and priority-setting, and extend their use to all asset areas.</p>	<ul style="list-style-type: none"> ▪ <i>Appendix 1</i> shows the relationship of the CAP targets to NRM instruments and policies at different institutional scales. ▪ The <i>State-Pressure-Response</i> tables for the <i>Community Asset</i> describe different NRM organisations and sectors of the catchment community. Some responsibilities in NRM are described. ▪ The CAP identifies spatial priorities for management action in some assets, for example at the catchment and sub-catchment levels. However, the CAP does not demonstrate an understanding of cross-catchment interactions. ▪ The CMA has developed principles and priorities for biodiversity investment, <i>Schedule 2</i>. A similar approach could be used for other assets.

Component	Assessment of process against this component	Evidence
Opportunities for collaboration	<p>The CAP provides evidence that potential collaborators were involved in developing the CAP, and acknowledges that collaboration will be important to achieve the CAP targets. The CAP also identifies opportunities for collaboration during the implementation of the CAP.</p> <p>The next step is for the CMA to ensure that it evaluates the risks, costs and benefits associated with any partnerships.</p>	<ul style="list-style-type: none">▪ The CAP identifies that collaboration at all levels will be essential to achieve targets, to ensure that resources are utilised efficiently and to maximise benefits in NRM.▪ The CAP outlines the relevant stakeholders involved in the CAP development process and states that relationships have been established with key stakeholders.▪ The CAP contains several targets for partnering relevant groups and each target table identifies opportunities for potential partnerships.
Community engagement	<p>The CAP demonstrates that the CMA engaged the community during development of the CAP and also outlines how the community will be involved in ongoing implementation and review.</p>	<ul style="list-style-type: none">▪ The CAP states that if the CMA used the Blueprint to identify key stakeholders and groups to engage in the development of the CAP.▪ The CAP outlines the consultation process used during development of the CAP, which included focus workshops and review of the draft CAP by workshop participants.▪ The CAP provides examples of the types of community involvement in ongoing CMA activities. In particular, it states that the CMA will involve the community in planning, implementing and reviewing the CAP on an ongoing basis. The CMA will undertake additional community consultation during the 5 year CAP review.
Risk Management	<p>The CAP suggests that the CMA considered some risks at the strategic level. However, the CAP does not explain the risks to the achievement of the CAP, and how these risks would be managed.</p> <p>The next step is for the CMA to continue to develop and implement a comprehensive framework for identifying, assessing and managing risks at all levels of the organisation.</p>	<ul style="list-style-type: none">▪ The CAP development process considered risk to natural resource assets through the <i>State-Pressure-Response</i> analysis.▪ The CAP states that risks to the achievement of targets, and their associated management strategies, are considered through the application of the CMA's risk management system. However, these risks are not included in the CAP and are therefore not transparent to investors and the community.▪ The CMA considers project level risks at the project development stage and in program logic tables.

Component	Assessment of process against this component	Evidence
Monitoring and evaluation	<p>The CAP demonstrates that some monitoring requirements were considered in its development. The CAP describes, in general terms, the CMA's intention to develop a monitoring and evaluation (M&E) plan.</p> <p>The next step for the CMA is to develop and implement this plan, then review the CAP.</p>	<ul style="list-style-type: none">▪ <i>Section 4.3</i> describes how the CMA will develop a monitoring and evaluation plan to assess progress towards the CAP targets. This includes collaboration with other NRM organisations and linkages to state frameworks and strategies for M&E.▪ Some general baseline information is provided in the <i>State-Pressure-Response</i> analysis.▪ The CAP specifies preliminary performance indicators for each management target, however the use of surrogates is not explained. Performance indicators may be refined once the M&E plan is developed.▪ The CAP explains that the CMA will report its progress on an annual basis and that results will be used to inform annual planning processes.
Information management	The CAP gives some confidence that the CMA is managing information appropriately.	<ul style="list-style-type: none">▪ <i>Section 4.2</i> describes the role of knowledge brokers and the development of asset catalogues to capture current and new knowledge.▪ The endnotes section contains references to information used for development of the CAP.

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.¹²

The NRC has some confidence that the Murrumbidgee 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 high level of compliance with the standard for this point in time. The CMA has good plans in place that will enable the CMA to improve its CAP over time, including developing and implementing a *Monitoring and Evaluation Plan*.

The NRC found that while most of the targets are not easily measurable at this stage, they should provide a good basis for performance measurement in the future as the CMA refines them. Some of the targets include units of measure and target levels, and most targets include timeframes for achievement and preliminary performance indicators. Many targets do not have baseline datasets clearly identified and performance indicators are not always clear and logical. However, the CAP outlines the CMA's intention to develop a *Monitoring and Evaluation Plan* which will help to update performance indicators, establish baselines and determine monitoring needs. If effectively implemented, and supported by state-level monitoring and evaluation, the *Monitoring and Evaluation Plan* should address these gaps and provide credible information to measure progress towards the targets.

The CAP contains general information to explain why the targets are achievable and relevant. The relevance of targets is explained by the *State-Pressure-Response* analysis. Most target levels are justified on the grounds that they are what the CMA believes is achievable, given expected resources and past trends in project performance. However, specific evidence has not been provided in the CAP. The CAP also states that a generic risk assessment of management targets has been undertaken. However, the results of this assessment have not been included within the CAP, therefore the adequacy of the risk assessment is uncertain.

¹² 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>.

The CAP provides supporting information to explain the relationships between the CAP targets and the state-wide targets. For example, it identifies the general relationship between individual projects, management targets, catchment targets and state-wide targets. The relationship between specific catchment targets and the state-wide targets is summarised in tables at the start of each asset section. The CAP depicts an example of how targets are integrated across asset areas. However, there are some inconsistencies in the way that the CAP differentiates between catchment targets and management targets. In particular, some of the targets identified as catchment targets are management targets (according to the CAP's definition of these targets, for example in the biodiversity asset), and some of the targets overlap. The NRC considers that the CMA will be better able to describe the relationships between targets at all scales if it completes a logical framework within its proposed *Monitoring and Evaluation Plan*.

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 JSC.

The NRC has assessed the Murrumbidgee CAP against each of these requirements and priorities. It found that the CAP satisfactorily fulfils all legislative requirements (see Table 2.2) and most other government requirements (see Table 2.3). CAP targets are not completely SMART at this stage, but as Section 2.2 discussed, the NRC believes that the Murrumbidgee 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	<p>The NRC considers that the Murrumbidgee CAP meets the requirements for biodiversity certification.</p> <p><i>Schedules 2 and 4 contain detailed information on native vegetation and threatened species management. Threatening processes are addressed in the <i>State-Pressure-Response</i> table contained in <i>Section 5.5</i> and management of threatening processes is incorporated into targets and management actions. <i>Schedule 2</i> also discusses investment principles for biodiversity protection and restoration and priorities for funding.</i></p> <p>Plans to implement actions for biodiversity conservation are detailed in the biodiversity and water asset sections which contain targets for both aquatic and terrestrial habitats. The CAP describes ways in which partnerships will be used to implement biodiversity conservation actions in the <i>Opportunities</i> section for each biodiversity target.</p>
Environmental planning instruments and other natural resource plans	<p><i>Appendix 1</i> of the CAP lists international, national, state and regional policies and strategies and indicates how the CAP addresses these instruments. <i>Appendix 1</i> shows the relationship of the CAP targets to NRM instruments and policies at local and regional, state and national scales. This also describes how the CMA will ensure consistency between the CAP and environmental planning instruments.</p>
Environmental Water Trust Fund	<p>Not applicable, as the CMA has not yet established an Environmental Water Trust Fund. However, <i>Management Target 11 – Recover environmental water</i> states that the CMA will develop an Environmental Water Trust and Plan by 2016.</p>

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

State/national priority	Finding
JSC Investor Preferences	The NRC considers that the CAP satisfactorily addresses all relevant Investor Preferences. The CAP describes how each resource condition target relates to Investor Preferences.
SMART targets	Many of the targets in the CAP are not completely SMART. Most targets are not easily measurable at this stage (targets lack clear baselines and logical performance indicators) and achievability is not always well supported. However, as mentioned in Section 2.2, development of the <i>Monitoring and Evaluation Plan</i> should enable the CMA to fill these gaps. In addition, the CAP states that the CMA's business systems will be utilised to refine the targets as new knowledge and information becomes available.
Native vegetation management priorities and programs	The NRC considers that the native vegetation management priorities and targets in the CAP are consistent with the <i>Native Vegetation Act 2003. Schedule 2 (Vegetation classes and conservation)</i> provides details on categorisation of vegetation and describes how the CMA has delineated vegetation classes and assigned priorities for action. This schedule also discusses the role of Property Vegetation Plans for enhancing native vegetation in the catchment and the CMA's investment principles, priorities and practices for vegetation.
Salinity targets	Salinity target WRCT2 sets a lower target level for river salinity than the MDBA target for river salinity at Balranald. <i>Appendix 1</i> of the CAP states that Water Resource Condition Target 2 and Land Resource Condition Targets 1, 2, 3, 4 and 5 address the NSW Salinity Strategy.
National framework for NRM standards and targets	The NRC considers that the CAP targets are consistent with all 10 'national matters for targets', as specified in the <i>National Framework for NRM Standards and Targets</i> . This is summarised in Table 5.1 of the CAP.
Blueprint evaluation	The CMA used the pre-existing Blueprint as a foundation for developing the CAP. The Blueprint targets were reviewed and refined to reflect changes including the introduction of the NSW standard and targets; relevant national, state and regional strategies and plans; and new relevant knowledge.
NSW Government Statements of Intent	Not applicable.

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

The NRC assessed whether the Murrumbidgee CMA will continue to improve its CAP's compliance with the standard and likelihood of promoting 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 Murrumbidgee 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, the CAP's compliance with the standard and promotion of the state-wide targets. It notes that some of these plans are explained in the CAP, so that they are clear to investors and the broader community.

Table 3.1 summarises the NRC's assessment of the Murrumbidgee 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 2 years. In addition, it believes the CMA should give particular attention to improving monitoring and evaluation, risk management, and improving its priority-setting and decision-making systems. Improvements in these areas will be crucial to the ongoing success of the CMA as an organisation.

Table 3.1: NRC's assessment of the Murrumbidgee CMA's plans to improve

Component	Plans to improve
Collection and use of knowledge	<ul style="list-style-type: none"> ▪ As part of development of the <i>Monitoring and Evaluation Plan</i>, the CMA has established a working group to guide monitoring and evaluation activities, identify organisations that currently hold relevant information and to liaise with other expert groups. ▪ The CAP states that expert panels will be commissioned to capture external knowledge, assess data collected, evaluate progress towards the CAP targets and to provide information and input into the approach taken to achieve the targets. ▪ The CMA knowledge brokers are responsible for maintaining current knowledge about each asset through <i>Asset Catalogues</i>. The CAP will be reviewed annually and the CMA has advised that knowledge brokers within each asset area will be involved in this review. ▪ Knowledge gaps and uncertainties will be identified in program logic tables and project proformas.
Determination of scale	<ul style="list-style-type: none"> ▪ The CMA advised that temporal scale issues will be addressed through development of a <i>Monitoring and Evaluation Plan</i>. This will detail the time lags in implementing actions and observing change and how these will be addressed. ▪ The CMA needs to improve its means of transparently determining the optimal scale for management, through improved decision-making and priority-setting frameworks.
Opportunities for collaboration	<ul style="list-style-type: none"> ▪ The CMA has several targets within the community asset that aim to improve engagement and collaboration with key stakeholders. The CMA needs to evaluate the costs, benefits and risks associated with any potential partnerships.
Community engagement	<ul style="list-style-type: none"> ▪ The CAP outlines opportunities for continued community involvement with the CMA and natural resource activities. ▪ The CAP identifies that community consultation will be an integral component of CAP reviews. ▪ As part of CMT1, a communications strategy will be implemented by 2007 which will identify key stakeholders and the required actions to engage them.
Risk management	<ul style="list-style-type: none"> ▪ The CMA has developed a <i>Risk Assessment Procedure and Risk Management Framework</i> that should ensure that risk management is built into the key activities and decisions of the CMA.
Monitoring and evaluation	<ul style="list-style-type: none"> ▪ The CAP outlines the CMA's intent to develop a <i>Monitoring and Evaluation Plan</i>. Implementation of this plan should help demonstrate progress towards achieving the CAP targets and enable adaptive management for improved natural resource management. ▪ Key steps include establishment of a working group, investigation of monitoring needs to measure progress towards targets, consultation with expert groups and agencies, development of activity level monitoring and evaluation plans, prioritisation of monitoring and evaluation activities and investigating opportunities for collaboration.
Information management	<ul style="list-style-type: none"> ▪ Asset catalogues have been developed to capture current and new knowledge and will be maintained by knowledge brokers. ▪ The CMA is currently working towards a web based information management system.

4 NRC's recommendation

In accordance with Section 13 (b) of the *Natural Resources Commission Act 2003*, the NRC recommends that the Minister approve the Murrumbidgee Catchment Action Plan without alteration.¹³

The NRC further recommends that the Minister require the CMA¹⁴ to undertake a review of the Catchment Action Plan within 2 years of approval to incorporate its progress on the following actions:

- a) applying the standard to develop a framework for transparent decision-making and investment priority-setting
- b) continuing to develop and implement a comprehensive system for identifying, assessing and managing risks at all levels of the organisation
- c) continuing to develop and implement the *Monitoring and Evaluation Plan*¹⁵
- d) continuing to develop business systems to support strategic planning and help staff apply all components of the standard
- e) maintaining and enhancing links between CMAs and local government as a key part of supporting the integration of natural resource management and local planning.

The NRC considers that this approach will allow the Murrumbidgee 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 encourage the CMA to build on its existing decision-making processes and make them more rigorous, transparent and consistent with the standard. This should help the CMA to clearly record, communicate and justify its future decisions about NRM planning and investment delivery. The CMA should consider the range of existing tools and collaborate with other CMAs, state agencies and research organisations to determine an appropriate framework. Once completed, the framework should help the CMA to make its consideration of scale issues more explicit and to identify the optimal scale for its management, such as management of cross-CMA boundary issues.
- b) should encourage the CMA to build on its existing risk management system. This should assist the CMA to systematically identify, assess and manage risks at all levels of its business. By developing processes that effectively identify and manage risk, the CMA will be more able to avoid significant mistakes/failures and to provide confidence to stakeholders and investors. In particular, the risk management systems should include a mechanism for evaluating potential collaborations on the basis of risks, costs and benefits, so that partnerships contribute to maximising gains and minimising costs. The risk management system should also be utilised at the strategic level in decision-making, for example, by ranking and prioritising pressures on catchment assets.

¹³ Under Section 23 (1) of the *Catchment Management Authorities Act 2003*.

¹⁴ Under Section 26 (1) of the *Catchment Management Authorities Act 2003*.

¹⁵ The continued development of the Monitoring and Evaluation 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>.

- c) should ensure that the CMA completes and implements the *Monitoring and Evaluation Plan* it has described in the CAP. This will enable the CMA to 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 identify 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. Implementation of this *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.
- d) should encourage the CMA to continue to develop the business systems it described in the CAP, the Systems Review and through other communication with the NRC. Robust business systems help the CMA to properly apply all components of the standard. They should help the CMA to improve the underdeveloped areas of the CAP and to implement it efficiently.
- e) should encourage the CMA to continue to build relationships with local government to maximise integration of the CAP and local planning instruments. Local government will play a key role in the achievement of CAP targets and the CMA needs effective mechanisms for working collaboratively with local government.

4.1 How should the CMA demonstrate progress?

The NRC will require the Murrumbidgee 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.

4.2 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 Murrumbidgee CMA to report 6-monthly, in a letter to the NRC, on its progress in taking the actions listed in this chapter
- 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 Murrumbidgee CAP within 2.5 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.

4.3 What can the government do to support this CMA?

The NRC considers that to successfully implement the CAP, the Murrumbidgee 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
- 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.

