



RECOMMENDATION

HUNTER-CENTRAL RIVERS
CATCHMENT ACTION PLAN

September 2006



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HUNTER-CENTRAL RIVERS 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
NRC	Natural Resources Commission
NRM	Natural Resource Management
NSW	New South Wales
PVP	Property Vegetation Plan

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Document No. DO6/2060

ISBN: 1 921050 11 X

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1 Introduction and overview

The Natural Resources Commission (NRC) has reviewed the Hunter-Central 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 5 years of approval to incorporate its progress on 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 Hunter-Central Rivers CAP:

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

The CAP fulfils all legislative and most specific government requirements, but does not explicitly demonstrate how the CMA considered the NSW Government Statements of Intent that are relevant in the catchment. In addition, 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 Hunter-Central Rivers CMA can continue to refine its CAP and targets and successfully work with its community to implement the CAP as:

- it has robust 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 Hunter-Central 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 Hunter-Central Rivers 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 5 years of approval to incorporate its progress on the following actions:

- a) developing its proposed risk management plan and ensure that this plan addresses strategic and organisational risk
- b) completing its proposed monitoring, evaluation and reporting plan to effectively implement the *Monitoring, Evaluation and Reporting Framework* it has developed in partnership with the Department of Natural Resources.^{7,8}

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.

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 Hunter CMA (2006) Draft Catchment Action Plan, July 2006, p. 203.

⁸ The completion of the Monitoring, Evaluation and Reporting Framework 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>.

The NRC will undertake an audit within 5 years of approval.⁹ To support this, the NRC will require a letter from the CMA to report their progress on the actions on a 12-monthly basis.¹⁰ 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 Hunter-Central Rivers 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 state-wide targets, and fulfilment of legislative requirements and other government requirements
- discussing the NRC's initial findings and recommendation with the CMA and relevant government agencies; evaluating the final Hunter-Central 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.¹¹ In May 2005 the NSW Government adopted the standard and a set of state-wide targets for NRM.¹² 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 development. Given this, the NRC assessed the Hunter-Central Rivers CAP with regard to the Hunter-Central 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.

⁹ Under Section 13 (c) of the *Natural Resources Commission Act 2003*.

¹⁰ Under Section 16 (3) of the *Natural Resources Commission Act 2003*.

¹¹ These 21 Catchment Blueprints were developed in 2002 by advisory Catchment Management Boards.

¹² Natural Resources Commission (2005) *Recommendations: state-wide standard and targets*. Available at <<http://www.nrc.nsw.gov.au/module.aspx?id=3>>.

1.4 Structure of this document

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

- examined the process the Hunter-Central 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 Hunter-Central Rivers CAP is a good strategic plan. The NRC found that the Hunter-Central Rivers CMA followed a rigorous and transparent process to develop the CAP. The CAP clearly explains how the CMA identified priorities and defined targets. The CAP also demonstrates a very high level of compliance with the standard for this point in time. The NRC has a very high degree of confidence that it will promote the state-wide targets.

The NRC is also satisfied that the CAP fulfils all legislative and most of the other government requirements. However, the CAP does not explicitly state how the CMA considered the NSW Government Statements of Intent that are relevant in the catchment and 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, particularly monitoring and evaluation and risk management. However, the NRC believes that the Hunter-Central Rivers CMA will refine the CAP and CAP targets over time, to address these areas. The CMA has demonstrated that it has robust plans in place to achieve improvement. These plans indicate that the CMA will progressively develop a comprehensive monitoring and evaluation system that will encourage continual improvement, both in the CAP document and its implementation. In addition, the actions the NRC has recommended be placed on approval of the CAP will help the Hunter-Central 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 Hunter-Central 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 Hunter-Central 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 Hunter-Central 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 rigorous and transparent, and that the CAP demonstrates a very high level of compliance with the seven components of the standard. The CAP clearly explains how the CMA identified priorities and defined targets. The NRC's assessment takes into account the fact that the Hunter-Central 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 Hunter-Central Rivers CAP describes the process the CMA used in developing the CAP and highlights the following steps:

- **Comparing and combining issues from three existing Blueprints to develop an initial set of targets:** The CMA integrated the issues and targets from three Catchment Blueprints, developed by the Hunter Catchment Management Trust, the Central Coast Catchment Management Board and the Lower North Coast Catchment Management Board.
- **Working with expert panels to further develop and rank targets:** The CMA worked with four expert panels (Rivers, Land, Biodiversity and Estuary/Marine), a local government reference group and the Aboriginal Cultural Environment Network CMA Partnership Committee to ensure that all issues were covered. The expert panels considered the current state of natural resources and the main pressures upon them, then identified and ranked management targets using a model that optimised environmental outcomes.
- **Consulting with key stakeholders to further refine targets:** The CMA consulted key stakeholders between July and December 2005, to update them about the content of the draft CAP and to obtain feedback on any gaps and improvements required.
- **Placing the draft CAP on public exhibition:** The CMA put the draft CAP on public exhibition for five weeks in early 2006 to seek comment and feedback from the community. The CAP was revised accordingly.

Table 2.1 summarises the NRC's assessment of the Hunter-Central 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 the CAP development process against the standard

Component	Assessment of process against this component	Selected evidence
Collection and use of knowledge	<p>The CAP provides confidence that the CMA used best available knowledge and information to inform decisions in a structured and transparent manner. It effectively describes major NRM issues in the region and how achieving the CAP targets will address these issues. It describes how expert panels used knowledge and data, including community input, to develop targets. It contains comprehensive, well-structured information to support targets; identifies knowledge gaps associated with some of the management targets; and recognises the lack of baseline information for many resource condition indicators.</p>	<ul style="list-style-type: none"> ▪ The <i>How does the CAP link with previous planning</i> section describes how the CMA integrated three Catchment Blueprints, new knowledge and the work of four Regional Vegetation Management Committees into CAP development. ▪ The <i>How the CAP was developed</i> section outlines the CAP development process. ▪ <i>Appendix 8</i> explains the logical hierarchies approach to rank targets based on their influence on resource condition.
Determination of scale	<p>The CAP demonstrates that the CMA considered spatial, temporal and institutional scale when developing the CAP. The CMA considered scale through a logical hierarchy framework. It considered the level of influence each management target will have on catchment resource condition. It considered the multiple benefits and synergies between different targets across theme areas.</p>	<ul style="list-style-type: none"> ▪ <i>Appendix 3</i> describes the CMA's understanding of spatial variation in the state of natural resources and main threats to them. ▪ The CAP acknowledges the time lags between implementing actions and observing change in resource condition. ▪ <i>Appendix 9</i> shows many management targets have multiple environmental benefits and synergies. ▪ The CAP explains its relationship to legislation, policies and other plans applicable to the region.
Opportunities for collaboration	<p>The CAP provides confidence that the CMA considered collaboration to maximise gains, share costs and deliver multiple benefits. It emphasises the importance of collaboration for achieving its NRM goals. It identifies principles for collaboration with partners and indicates the CMA's intentions to explore opportunities for future collaboration. It also explains that targets are set at a level that can be achieved with the CMA's resources, acknowledging that future collaborations will minimise the CMA's cost or deliver additional benefits in the longer term.</p>	<ul style="list-style-type: none"> ▪ The <i>Who else will be involved in the CAP</i> section describes key partners within the catchment, including local government, utilities, government agencies, Aboriginal organisations and peak industry and environmental organisations. ▪ The CAP describes guiding principles for <i>Partnerships and Collaboration</i> (including equal relationships and mutual benefits) and mechanisms for formalising partnerships and reviewing their effectiveness. ▪ The CAP identifies some current and possible collaborators and each management target clearly identifies organisations already working in that area.

Component	Assessment of process against this component	Selected evidence
Community engagement	<p>The CAP shows that community engagement is a high priority for the CMA and is central to all CMA activities. It explains how community involvement underpins all the management targets, and how the community preferences were considered in its development.</p>	<ul style="list-style-type: none"> ▪ The <i>How was this CAP developed</i> section explains the targeted community consultation undertaken during CAP development. ▪ <i>Appendix 10</i> shows that the CMA has developed a <i>Community Support Strategy</i> to support the community's involvement in NRM.
Risk Management	<p>The CAP provides confidence in the CMA's capacity to consider and manage risks to ensure success and minimise adverse impacts. It contains a detailed risk assessment for all management targets, and lists mitigation actions.</p> <p>The next step for the CMA is to develop its proposed risk management plan and to ensure that this plan addresses strategic and organisational risk.</p>	<ul style="list-style-type: none"> ▪ <i>Appendix 11</i> provides details of the CMA's consideration of risks and mitigation actions to achieve the management targets. ▪ The CMA is also developing a risk assessment process for projects with easy-to-understand guidelines.
Monitoring and evaluation	<p>The CAP describes the relationships between its activities, management targets and resource condition targets using the logical hierarchy approach. Together with the CMA's <i>Monitoring, Evaluation and Reporting (MER) Framework</i>, this provides an effective foundation for the CMA's MER programs.</p> <p>The next step for the CMA is to develop its MER Plan, based on the MER Framework.</p>	<ul style="list-style-type: none"> ▪ The <i>Measuring our success and reviewing the plan</i> chapter explains aspects of MER related to projects, management targets and resource condition targets. It also identifies potential performance indicators for resource condition targets.
Information management	<p>The CAP shows that the CMA has effectively managed the information used in CAP development. It provides consistent and comprehensive references and cross-references between different sections. It describes the CMA's mechanism for information sharing.</p>	<ul style="list-style-type: none"> ▪ The <i>Reporting on the CAP</i> section describes how the CMA will keep government, stakeholders and the community informed about its CAP implementation.

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.¹³

The NRC has a very high degree of confidence that the Hunter-Central Rivers CAP targets will promote the state-wide targets. The NRC assessed the sets of CAP targets¹⁴ and found that they meet nearly all of the above requirements. The CMA followed a rigorous and transparent process to develop the targets which demonstrated a very high level of compliance with the standard for this point in time. Additionally, the CMA has robust 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 all management targets are measurable and should support performance assessment in the future. They have timeframes, a unit of measurement, target levels and identify a clear performance indicator. While the resource condition targets are much less specific, the CMA believes that it will be able to assess progress towards them using logical hierarchies, an approach based on 'multiple lines and levels of evidence', and an emphasis on evaluation. The CMA has outlined its intentions to revise all targets as more data becomes available, and to work closely with state agencies to develop region-specific resource condition targets which provide a basis for assessing performance.

The CAP contains useful supporting information for all targets to explain why they are relevant and achievable. The main body of the CAP includes a description of the target intent, the stakeholders doing work in the area, the location of specific programs and projects, as well as the synergies with other targets. In addition, *Appendix 9* explains how the CMA ranked all management targets and determined the funding allocations. *Appendix 11* provides a detailed risk assessment with risk mitigation actions for each target. All supporting information is clearly referenced and cross-referenced.

The CAP explains the links between management targets, resource condition targets and the state-wide targets. Part 2 (*How will this CAP work?*) explains and illustrates, in general terms, how the management targets will contribute to achievement of the resource condition targets.

¹³ 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>.

¹⁴ This CAP refers to 'resource condition targets' rather than 'catchment targets'.

The CAP also describes the relationships between specific management targets and resource condition targets using ‘levels of influence’ diagrams and supporting text. The tables in *Appendix 10* summarise the relationships between the CAP resource condition targets and the state-wide targets and National Matters for 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 JSC.

The NRC has assessed the Hunter-Central Rivers CAP against each of these requirements and priorities. It found that the CAP satisfactorily fulfils all legislative requirements (see Table 2.2). It also found that the CAP satisfactorily reflects most other government requirements, but does not describe how the CMA considered the NSW Government’s Statement of Intent for the Coastal Lakes of NSW or the Statement of Intent for Coastal Rivers when developing the targets and the CAP (see Table 2.3).

In addition, the resource condition targets included in the CAP are not completely SMART at this stage, but as section 2.2 discussed, the NRC believes that the Hunter-Central Rivers CMA will work towards fully meeting this requirement over time.

In developing its findings, the NRC’s has consulted with the Department of Natural Resources, Department of Environment and Conservation, the Department of Primary Industries and the Joint Steering Committee.

Table 2.2: NRC assessment of the CAP against legislative requirements

Legislative requirement	Finding
Biodiversity certification	The NRC considers that the CAP, and the systems that underpin it, meet the requirements for biodiversity certification. Biodiversity priorities are documented in the guiding principles within the CAP. In addition, information with each management target identifies priority areas for the achievement of that target. The CAP has management targets that cover terrestrial, freshwater, estuarine and marine habitats. The CMA has systems in place to engage others in biodiversity conservation, for example the CAP identifies possible collaborators, existing collaborative arrangements and describes the CMA’s processes to explore future collaborative opportunities.
Environmental planning instruments and other natural resource plans	In formulating its CAP, the Hunter-Central Rivers CMA has considered the provisions of environmental planning instruments and other natural resource plans that apply to the catchment. The <i>Guiding principles</i> section lists relationships to government and industry association policies, plans and strategies. For example, the guiding principle on land use planning encourages consistency between the CAP, local environment plans and regional strategies.
Environmental Water Trust Fund	Not applicable, as the CMA has not established an Environmental Water Trust Fund. However, the CAP identifies that it has the capacity to establish a fund and hold and manage adaptive environmental water licences.

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

State/national priority	Finding
JSC Investor Preferences	The CAP clearly describes how the CMA will deliver against Investor Preferences. For each theme, it lists Investor Preferences relevant to various levels (resource condition target, management target and catchment activity) and the CMA action to deliver them.
SMART targets	All the management targets are SMART. The resource condition targets are less specific, due to the lack of adequate baseline data. However, as Section 2.2 discussed, the CMA is somewhat confident that it will be able to assess progress towards these targets, and will work closely with state agencies to develop region-specific SMART resource condition targets over time.
Native vegetation management priorities and programs	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> . For example, biodiversity management targets (MT1, MT2, MT17 and MT18) intend to increase the area of protected regionally significant vegetation, and to regenerate and establish native vegetation communities. The CAP identifies regionally significant vegetation and threatened species as priorities and identifies Property Vegetation Plans (PVPs) and the PVP Developer tool as mechanisms for achieving targets.
Salinity targets	Not applicable.
National framework for NRM Standards and Targets	The NRC considers that the CAP targets are consistent with all 10 of the National Matters for Targets, as specified in the National Framework for NRM Standards and Targets.
Blueprint evaluation	The CMA established expert panels which evaluated three Blueprints to develop the CAP targets. The CMA consulted widely to gain new knowledge and information and to identify further issues. The <i>How the CAP was developed</i> section describes the Blueprint evaluation and CAP development process.
NSW Government Statements of Intent	The CAP does not refer to any Statement of Intent.

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

The NRC assessed whether the Hunter-Central 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 robust plans in place to improve compliance against each component of the standard, to refine the resource condition and management targets, and to increase its organisational capabilities
- the actions the NRC has recommended for approval of the CAP 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 it 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 Hunter-Central 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 robust plans and processes in place for improving its CAP and the CAP's compliance with the standard. It notes that many 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 Hunter-Central 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 revises the CAP within 5 years. In addition, it believes the CMA should give particular attention to improving monitoring and evaluation and risk management, as improvements in these areas will be crucial to the ongoing success of the CMA as an organisation.

Table 3.1: NRC assessment of the Hunter-Central Rivers CMA's plans to improve

Component	Plans to improve
Collection and use of knowledge	<ul style="list-style-type: none"> The CMA intends to develop a knowledge plan to identify knowledge gaps, develop strategies to deal with them and continually update the CAP accordingly.
Determination of scale	<ul style="list-style-type: none"> The CMA has plans to build its staff capacity in dealing with scale issues. The CMA also plans to develop a checklist for scale consideration in all relevant activities.
Opportunities for collaboration	<ul style="list-style-type: none"> The CMA is signing memoranda of understanding with local governments, to link the CAP and new local environment plans. The CMA plans to conduct stakeholder analysis to identify potential collaborators. The CMA intends to develop a sponsorship policy.
Community engagement	<ul style="list-style-type: none"> The CMA is implementing its Community Support Strategy, which is underpinned by 12 success factors that will be used to evaluate its effectiveness.
Risk management	<ul style="list-style-type: none"> The CMA intends to develop a risk management plan to address strategic and organisational risk.
Monitoring and evaluation	<ul style="list-style-type: none"> The CMA intends to develop a monitoring, evaluation and reporting plan to implement the <i>Monitoring, Evaluation and Reporting Framework</i> it has developed with the Department of Natural Resources. This will explain how the CMA will use multiple lines and levels of evidence to assess progress towards the CAP targets.
Information management	<ul style="list-style-type: none"> The CMA plans to finalise a communication strategy for information management within the CMA and with its stakeholders. The CMA is also developing information management protocols for files and information management throughout the CMA offices.

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 Hunter-Central Rivers Catchment Action Plan without alteration.¹⁵

The NRC further recommends that the Minister require the CMA¹⁶ to undertake a review of the Catchment Action Plan within 5 years of approval to incorporate its progress on the following actions:

- a) developing its proposed risk management plan and ensure that this plan addresses strategic and organisational risk
- b) completing its proposed monitoring, evaluation and reporting plan to effectively implement the *Monitoring, Evaluation and Reporting Framework* it has developed in partnership with the Department of Natural Resources.^{17,18}

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

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

¹⁷ Hunter CMA (2006) Draft Catchment Action Plan, July 2006, p. 203.

¹⁸ The completion of the Monitoring, Evaluation and Reporting Framework should ensure the CMA develops targets which are more 'Specific, Measurable, Achievable, Relevant and Timebound' (SMART). See Natural Resource Management Ministerial Council (2002) National

The NRC considers that this approach will allow the Hunter-Central 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 encourage the CMA to build on the risk assessment work done with Deloitte. This should provide a framework for ongoing risk identification and review of risk mitigation actions. By addressing risks at all levels, the CMA will be more able to avoid significant mistakes or failures and provide confidence to stakeholders and investors.

b) should ensure the CMA implements the plans it has described in the CAP regarding monitoring and evaluation. An effective monitoring and evaluation plan will allow the CMA to assess and report its progress and should help the CMA to obtain the information necessary to refine targets - including making targets more measurable, thereby improving promotion of the state-wide targets, and improving the SMARTness of its resource condition 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. It will also support continual improvement and adaptive management.

3.3 How should the CMA demonstrate progress?

The NRC will require the Hunter-Central Rivers CMA to report 12-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 Hunter-Central Rivers CMA to report 12-monthly, in a letter, 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 Hunter-Central Rivers CAP within 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.

3.5 What can the government do to support this CMA?

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

