



RECOMMENDATION

LACHLAN  
CATCHMENT ACTION PLAN

September 2006





# RECOMMENDATION

# LACHLAN 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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# 1 Introduction and overview

The Natural Resources Commission (NRC) has reviewed the Lachlan Catchment Action Plan (CAP) and recommends that this CAP be approved.<sup>1</sup> The NRC further recommends that the Minister require the Lachlan Catchment Management Authority (CMA) to undertake a review of the Catchment Action Plan within 2 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 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>2</sup> (the standard) and promotes the state-wide targets for NRM.<sup>3</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>4</sup>

## 1.1 Overview of findings

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

- demonstrates a high level of compliance with the standard at this point in time
- provides a 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 other specific government requirements, however many of the targets are not yet completely SMART.<sup>5</sup>

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<sup>1</sup> Please note that the Lachlan Catchment Management Authority (CMA) calls this plan the Lachlan Action Plan. However, in this report it has been referred to as a CAP

<sup>2</sup> Natural Resources Commission (2005) *Standard for Quality Natural Resource Management*. Available at <<http://www.nrc.nsw.gov.au/module.aspx?id=3>>.

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

<sup>4</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>5</sup> 'Specific, Measurable, Achievable, Relevant and Timebound' (SMART), see below for further details.

The NRC believes that the Lachlan 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 Lachlan CMA will require support from the government. This support will be necessary to:

- 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
- enable the CMA to enhance its internal knowledge and information management systems
- provide flexibility in funding programs to improve the ability of the CMA to deliver NRM outcomes on priority issues.

## 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 Lachlan Catchment Action Plan without alteration.<sup>6</sup>

The NRC further recommends that the Minister require the CMA<sup>7</sup> to undertake a review of the Catchment Action Plan within 2.5 years of approval to incorporate its progress on the following actions:

- a) developing and implementing an overarching risk strategy for the CMA
- b) developing and implementing its proposed *Lachlan Monitoring and Evaluation Plan*<sup>8</sup>
- c) applying the standard to develop and implement a framework for transparent decision-making and investment priority-setting
- d) developing and implementing its proposed operations manual to integrate the CMA's policies and procedures for implementing the standard.

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.<sup>9</sup> To support this, the NRC will require a letter from the CMA to report their progress on the actions on a 12-monthly basis.<sup>10</sup> If

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<sup>6</sup> Under Section 23 (1) of the *Catchment Management Authorities Act 2003*.

<sup>7</sup> Under Section 26 (1) of the *Catchment Management Authorities Act 2003*.

<sup>8</sup> The development of the Lachlan Monitoring 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>.

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

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 Lachlan 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 Lachlan 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>11</sup> In May 2005 the NSW Government adopted the standard and a set of state-wide targets for NRM.<sup>12</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 development. Given this, the NRC assessed the Lachlan CAP with regard to the Lachlan 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.

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

<sup>11</sup> These 21 Catchment Blueprints were developed in 2002 by advisory Catchment Management Boards.

<sup>12</sup> 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**

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

- examined the process the Lachlan 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 Lachlan CAP contains many elements of a good strategic plan. The NRC found that the Lachlan CMA followed a reasonable process to develop the CAP. The CAP also demonstrates a high level of compliance with the standard for this point in time. The NRC has a 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 other specific 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, including determination of scale, risk management and monitoring and evaluation. It also identified that the CMA needs to develop a framework for transparent decision-making and investment priority-setting. However, the NRC believes that the Lachlan 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 robust plans in place to achieve improvement. These plans indicate that the CMA will progressively develop an operations manual to promote compliance with the standard (including determining optimal scale), as well as comprehensive strategies for risk management and monitoring and evaluation. These will encourage continual improvement, both in the CAP document and its implementation. In addition, the actions the NRC has recommended will help the Lachlan 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 Lachlan CAP, whether the targets within the CAP will promote achievement of the state-wide targets, and whether the CAP fulfils the legislative requirements and reflects other specific government requirements.

The Lachlan 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 Lachlan 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 are not completely transparent. The NRC's assessment takes into account the fact that the Lachlan 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 Lachlan CAP describes the process the CMA used in developing the CAP. The first step in the process was community consultation. The CMA presented a set of draft targets, which were based on the Blueprint, and asked the community to highlight any issues not adequately covered by the draft targets. The CMA staff then established four technical working groups (biodiversity and native vegetation, water and aquatic ecosystems, land management, people and community). The CAP states that these groups went through the following planning process:

- identifying threats related to each of the state-wide targets, and undertaking an extensive literature review of information relevant to the Lachlan for each threat
- grouping, prioritising and ranking the threats and assessing their extent, based on best available information and community comments
- having Lachlan CMA staff and agency experts review, identify gaps and interpret the information
- developing draft catchment targets to contribute to the achievement of the state-wide targets, and draft management targets to contribute to the achievement of catchment targets
- reviewing these draft targets in consultation with Australian and state government agencies, the Lachlan CMA Board, external panel, local government, Lachlan Aboriginal Reference Group and the Lachlan Landcare Steering Committee
- refining the targets to address issues identified through this consultation.<sup>13</sup>

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<sup>13</sup> Lachlan CMA (2006) *Lachlan Action Plan*, p.9.

Table 2.1 summarises the NRC’s assessment of the Lachlan 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 Lachlan CAP development process against the standard**

Component	Assessment of process against this component	Selected evidence
Collection and use of knowledge	<p>The CAP suggests that the CMA followed a structured and transparent process for collecting and using knowledge in developing the CAP.</p> <p>The document appears to be well supported by best available knowledge. The background and supporting information is useful and very well structured, with an extensive and current reference list.</p>	<ul style="list-style-type: none"> <li>▪ Chapter 3 explains how the CMA collected and used information to develop the CAP. This involved establishing 4 technical working groups to lead the planning process and gather information from the community, key stakeholders and the literature.</li> <li>▪ Section 2.3 summarises the strategies, policies and plans the CMA considered in developing targets. Appendix 1 contains additional information.</li> <li>▪ Section 3.4 explains that the CMA built on the Lachlan Catchment Blueprint, but incorporated new science and understanding.</li> </ul>
Determination of scale	<p>The CAP demonstrates that the CMA considered spatial, temporal and institutional scale issues. However, it is not clear how they prioritised activities and determined optimal scale for investment.</p> <p>The next step for the CMA is to develop processes to assist in identifying optimal scale, including a framework for decision-making and priority-setting.</p>	<ul style="list-style-type: none"> <li>▪ Chapter 2 describes the institutional setting for the CMA’s work, and recognises the importance of working across CMA boundaries, in partnership with other CMAs.</li> <li>▪ The targets reflect consideration of spatial scale; for example, the biodiversity targets MT2 and MT4 will help direct native vegetation activities to increase connectivity and establish corridor habitats.</li> <li>▪ The different timeframes in the management targets indicate that the CMA has considered temporal scale.</li> </ul>
Opportunities for collaboration	<p>The CAP provides confidence that the CMA has already explored many opportunities for collaboration and will continue to do so in future.</p> <p>The CAP recognises the importance of collaboration and the fact that no one organisation would be able to resource the implementation of all activities contained in the CAP.</p> <p>The next step for the CMA is to develop a process for systematically analysing the costs and benefits of collaboration with existing and potential partners.</p>	<ul style="list-style-type: none"> <li>▪ The Chair’s <i>Foreword</i> states the CMA’s intention to work in partnership with the community, different levels of government, industry and other organisations.</li> <li>▪ Section 1.3 explains how individuals and organisations can be involved and describes opportunities for collaboration.</li> <li>▪ For every target, the CMA has identified existing and potential collaborators.</li> <li>▪ The CAP contains management targets for increasing NRM partnerships (MT32, MT35) and identifies risks associated with collaborative projects (eg. MT25).</li> </ul>

Component	Assessment of process against this component	Selected evidence
Community engagement	<p>It is clear that the CMA has involved the Lachlan community throughout the CAP development process and that it will continue to do so in implementing the CAP.</p> <p>The people and community targets provide a good framework for the CMA's future community engagement activities.</p>	<ul style="list-style-type: none"> <li>▪ Section 3.2 explains how the CMA responded to community input on priority issues and targets, implementation and best management practices.</li> <li>▪ Appendix 3 summarises the CMA's community consultation meetings.</li> <li>▪ The CMA intends to review its <i>Communications and Marketing Plan</i> (MT30).</li> </ul>
Risk management	<p>The CAP identifies risks (pressures) to natural resources in the catchment, risks to each target and risks to implementation of catchment activities.</p> <p>The next step for the CMA is to develop an overarching risk management strategy that helps it prioritise and manage these risks, as well as strategic and organisational risks.</p>	<ul style="list-style-type: none"> <li>▪ For every catchment target and management target, the CMA has listed key risks and corresponding management strategies.</li> <li>▪ Chapter 10 highlights the higher level risks, or constraints, to effective monitoring and evaluation of progress.</li> </ul>
Monitoring and evaluation	<p>The CAP clearly explains the CMA's approach to monitoring and evaluation, including its intention to develop the <i>Lachlan Monitoring and Evaluation Plan</i>.</p> <p>The CAP systematically lists performance indicators and benchmarks for all targets. The logic between these is generally sound, although there are some exceptions.</p> <p>The next step for the CMA is to develop the plan. This will help the CMA to refine the set of targets, performance indicators and benchmarks.</p>	<ul style="list-style-type: none"> <li>▪ Section 3.6 explains how the CMA will measure the success of the CAP.</li> <li>▪ The <i>Planning for the future</i> section discusses the importance of monitoring and evaluation, and outlines roles, responsibilities and constraints for this. It explains that the CAP will be reviewed on a regular basis and identifies potential triggers for changes to the document. The first review will be carried out in 18 months.</li> <li>▪ For each target, the CAP describes performance indicators and benchmarks for monitoring and evaluating progress (or the CMA's intention to establish these, in partnership with agencies).</li> </ul>
Information management	<p>The CAP generates confidence that the CMA has effectively managed information during development of the CAP. It demonstrates the CMA's commitment to information sharing and to making its planning process transparent.</p>	<ul style="list-style-type: none"> <li>▪ The CAP explains how to access the information used to develop the CAP, and other documents.</li> <li>▪ The CAP states that the CMA has established a library (electronic and physical) of information from the literature search.</li> <li>▪ The CAP has an effective referencing system and the references in the CAP are current.</li> </ul>

## 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>14</sup>

The NRC has a high degree of confidence that the Lachlan CAP targets will promote the state-wide targets. The NRC assessed the sets of catchment and management targets and found that they meet most 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. Additionally, the CMA has robust plans in place that will enable the CMA to improve its CAP over time, including establishing the *Lachlan Monitoring and Evaluation Plan*.

The NRC found that while not all the targets are easily measurable at this stage, they will provide a good basis for performance assessment in the future. All the targets have timeframes, and most have a unit of measurement and target levels (although these are generally not provided for the *People and Community* targets). The CAP lists performance indicators for all targets, and the logical links between these and the targets is generally sound. All targets specify benchmarks to ensure that implementation can be measured. Where benchmarks are not available, projects are in place to ensure that data is available in most cases by 2007. The CAP also demonstrates that the CMA has plans to establish the *Lachlan Monitoring and Evaluation Plan* and review the targets.<sup>15</sup> If supported by state-level monitoring and evaluation, this will provide credible information to measure progress towards the targets.

The CAP contains useful and well-structured supporting information for all targets which explains why they are achievable and relevant. The CAP identifies key pressures on resource condition at the beginning of each theme chapter. It also provides good supporting information for each target to explain the intent of the target and to justify the target levels. For each catchment target and management target, the CAP lists benchmarks, assumptions, performance indicators, priorities, collaborators and risks (with management strategies).

In addition, the CAP provides information to explain the links between the management and catchment targets in the CAP and the state-wide targets. It contains a clear illustration (Figure 7) of the hierarchy of the CAP targets. In addition, the summary in each theme chapter illustrates

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<sup>14</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>.

<sup>15</sup> Lachlan CMA (2006) *Lachlan Action Plan*, p. 22.

the links between management targets, catchment targets and the state-wide targets. The supporting information for each catchment target and management target then explains how this target will contribute to the higher level targets. Further, the CAP lists the links between management targets and across themes.

## 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 Lachlan 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). The management and catchment targets included in the CAP are not completely SMART<sup>12</sup> at this stage, but as Section 2.2 discussed, the NRC believes that the Lachlan CMA will work towards improving its targets over time.

In developing its findings, the NRC 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 Lachlan CAP, and the systems that underpin it, meet the requirements for biodiversity certification.  The CMA has developed management targets to address significant threats to biodiversity and has identified biodiversity priorities across terrestrial and aquatic habitats (in the biodiversity and native vegetation, land management, water and aquatic ecosystems themes). Some targets under the biodiversity and native vegetation theme detail activities to engage land managers and other stakeholders in biodiversity conservation. Additionally, targets under the people and community theme describe how the CMA will engage the community and other stakeholders in NRM.
Environmental planning instruments and other natural resource plans	The CAP contains a list of environmental planning instruments and other natural resource plans that the CMA reviewed and considered when developing the CAP. Some of these plans are specifically addressed by management targets (eg. MT13, MT14).
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	The CAP states that it meets all of the Investor Preferences except for those not applicable to the Lachlan catchment (i.e. state and national marine and estuarine targets). <sup>16</sup> The table in Appendix 2 shows the alignment of the CAP targets with the Investor Preferences.
SMART targets	The CMA has not been able to make all of the targets SMART at this stage, because of the lack of baseline data. However, the NRC found that the targets generally clearly communicate the CMA's priorities and they should provide a good basis for performance assessment in the future.  The CMA intends to amend CAP targets, within 2.5 years from approval, to make them more specific and measurable, as more information becomes available.
Native vegetation management priorities and programs	The NRC considers that the 'Biodiversity and Native Vegetation' targets are consistent with the <i>Native Vegetation Act 2003</i> . The CAP states that the intent of these targets is to 'protect and maintain' or 'improve' condition of endangered ecological communities, high conservation value vegetation and priority habitats (p.27). <sup>17</sup> It is clear that Property Vegetation Plans (PVPs) will be one of the key tools that the CMA uses to implement its targets.
Salinity targets	The CAP states that, during CAP development, the CMA considered the Murray-Darling Basin natural resource management strategies and the NSW Salinity Strategy. <sup>18</sup> The CAP contains catchment targets and management targets to address river salinity (CT4, MT14) and dryland salinity (CT5, MT27).
National framework for NRM Standards and Targets	The CAP has addressed all the National Matters for Targets, except for 'Estuarine, coastal and marine habitats integrity' which is not relevant in the Lachlan catchment.
Blueprint evaluation	Section 1.1 of the CAP states that the CAP builds on the rich history of previous NRM in the catchment, including the Lachlan Catchment Blueprint. Section 3.2 explains that the CMA used the Blueprint to develop the first set of draft targets, which it used during community consultation. Section 3.4 also explains how the CAP links with past catchment management.
NSW Government Statements of Intent	Not applicable.

<sup>16</sup> Lachlan CMA (2006) *Lachlan Action Plan*, p. 8.

<sup>17</sup> Lachlan CMA (2006) *Lachlan Action Plan*, p. 27.

<sup>18</sup> Lachlan CMA (2006), *Lachlan Action Plan*, p. 7.

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

The NRC assessed whether the Lachlan 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 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 Lachlan 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 Lachlan 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. It believes the CMA should particularly focus on determination of scale, risk management and monitoring and evaluation. In addition, the CMA should develop 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 Lachlan CMA's plans to improve**

Component	Plans to improve
Collection and use of knowledge	<ul style="list-style-type: none"> <li>▪ The CMA will develop a web-based Catchment Management Information System (CMIS) to store and provide easy access to best available information about the catchment. This will be available to CMA staff and the public.</li> <li>▪ The CMA is establishing protocols and procedures that require the systematic collection and use of best available knowledge at all levels of the organisation and its activities. For example, it has developed a <i>Project Planning Template</i> which prompts staff to specifically address knowledge requirements and to identify gaps.</li> </ul>

Component	Plans to improve
Determination of scale	<ul style="list-style-type: none"> <li>▪ The CMA has good plans to develop a structured process and methodology that will help its Board and staff systematically consider scale. For example, the CMA intends to investigate a sensitivity analysis approach to assist staff in determining optimal scale.</li> <li>▪ The CMA has already modified the <i>Board Briefing Note</i> to prompt consideration of scale, and will develop checklists and templates to encourage staff to consider scale at planning, project and implementation levels.</li> </ul>
Opportunities for collaboration	<ul style="list-style-type: none"> <li>▪ The CMA has already reviewed its <i>Project Planning Template</i> and <i>Board Briefing Note</i> to encourage systematic consideration of opportunities for collaboration.</li> <li>▪ The CMA also intends to develop a database with contact details of potential partners and a procedure for reviewing the costs and benefits of collaborative arrangements.</li> <li>▪ The CMA intends to investigate market-based opportunities for collaboration.</li> </ul>
Community engagement	<ul style="list-style-type: none"> <li>▪ The CMA will update its <i>Communications and Marketing Plan</i> to outline how it will engage the community in the different phases of NRM (planning, implementation and review).</li> <li>▪ For all projects, it will develop a community engagement plan that is consistent with the <i>Communications and Marketing Plan</i>.</li> <li>▪ The CMA will develop a process to collect and review indicators of meaningful community engagement and use this information to inform decisions.</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>▪ The CMA has incorporated a risk assessment step into its <i>Project Planning Template</i>.</li> <li>▪ The CMA intends to develop a risk management process consistent with the principles and processes of AS4360. This will involve developing a risk assessment manual and procedures to help its staff and Board undertake risk assessment; conducting training workshops with all CMA staff; and developing a risk assessment database that enables staff to consider risks at the activity level.</li> </ul>
Monitoring and evaluation	<ul style="list-style-type: none"> <li>▪ The CMA is in the process of developing a <i>Lachlan Monitoring and Evaluation Plan</i>, in line with the <i>Monitoring and Evaluation Framework</i> developed by the Department of Natural Resources.</li> <li>▪ The CMA has a comprehensive set of plans for improving its monitoring and evaluation capabilities, including plans to investigate opportunities and constraints for engaging external parties to assist with monitoring and evaluation; train staff on the <i>Monitoring and Evaluation Framework</i>; and ensure performance indicators, roles, responsibilities and timeframes are agreed to by all stakeholders at the project planning stage.</li> </ul>
Information management	<ul style="list-style-type: none"> <li>▪ The CMA will develop an operations manual to integrate organisational policies and procedures for all staff, and address all internal and external information needs. This manual will be available on the CMA's intranet site.</li> <li>▪ The CMA will also develop a Catchment Management Information System (CMIS, referred to under 'Collection and use of knowledge'), a standard computer directory that is replicated across all of the CMA's offices, and a document control system that can be applied across all offices.</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 Lachlan Catchment Action Plan without alteration.<sup>19</sup>

The NRC further recommends that the Minister require the CMA<sup>20</sup> to undertake a review of the Catchment Action Plan within 2.5 years of approval to incorporate its progress on the following actions:

- a) developing and implementing an overarching risk strategy for the CMA
- b) developing and implementing its proposed *Lachlan Monitoring and Evaluation Plan*<sup>21</sup>
- c) applying the standard to develop and implement a framework for transparent decision-making and investment priority-setting
- d) developing and implementing its proposed operations manual to integrate the CMA's policies and procedures for implementing the standard.

The NRC considers that this approach will allow the Lachlan 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 ensure the CMA has a comprehensive system for identifying, assessing, prioritising and managing risks. The strategy should encompass the risks listed in the CAP, and ensure that these are reviewed and managed as part of an ongoing process. The CMA should apply the strategy to all of its activities.

b) should encourage the CMA to develop an effective monitoring and evaluation 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. An effective monitoring and evaluation system should also help the CMA to obtain the information necessary to refine targets – including making targets more measurable, thereby improving promotion of the state-wide targets. It should also help the CMA improve targets by reducing the complexity of some targets which may contain multiple parts and by ensuring that targets are realistic. 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.

c) should encourage the CMA to build on its existing decision-making processes and to make them more robust, transparent and consistent with the standard. A robust decision-making framework will 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 organisation to determine an appropriate

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<sup>19</sup> Under Section 23 (1) of the *Catchment Management Authorities Act 2003*.

<sup>20</sup> Under Section 26 (1) of the *Catchment Management Authorities Act 2003*.

<sup>21</sup> The development of the Lachlan Monitoring 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>.

framework. This should help the CMA to make its consideration of scale issues more explicit and identify the optimal scale for its activities.

d) should encourage the CMA to complete the development of the operations manual it proposed during the Systems Review. This will integrate the policies and procedures that the CMA has already developed, or will develop, to assist staff in implementing the standard. These policies and procedures should help the CMA to improve the underdeveloped areas of the CAP and to implement it efficiently. They should incorporate any policies or procedures developed as the CMA addresses the conditions above. They should also include policies and procedures to help the Board and staff evaluate the costs and benefits of potential collaborations, to consider scale issues and to identify the optimal scale for investment.

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

The NRC will require the Lachlan 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 Lachlan CMA to report 12-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 Lachlan 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.

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

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

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

- provide flexibility in funding programs to improve the ability of the CMA to deliver NRM outcomes on priority issues.

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



