



RECOMMENDATION

NORTHERN RIVERS  
CATCHMENT ACTION PLAN

September 2006





## RECOMMENDATION

# NORTHERN RIVERS CATCHMENT ACTION PLAN

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## List of acronyms

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

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# 1 Introduction and overview

The Natural Resources Commission (NRC) has reviewed the Northern 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 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*<sup>1</sup> (the standard) and promotes the state-wide targets for NRM.<sup>2</sup>

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

## 1.1 Overview of findings

The NRC's recommendation is based on its findings that the Northern Rivers 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, but does not explicitly demonstrate how it reflects the required Investor Preferences. In addition, many of the targets are not yet completely SMART.<sup>4</sup>

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

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

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

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

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

- it has specific 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 Northern 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 Northern Rivers Catchment Action Plan without alteration.<sup>5</sup>

The NRC further recommends that the Minister require the CMA<sup>6</sup> to undertake a review of the Catchment Action Plan within 2 years of approval to incorporate its progress on the following actions:

- a) completing the development of its *NRCMA Business System, NRCMA NRM System, and NRCMA Vegetation Management System*
- b) completing the development of its *Program and Project Monitoring and Evaluation Plan and Systems*<sup>7,8</sup>
- c) reviewing its *Risk Strategy* and project planning templates to ensure it has a comprehensive system for identifying, assessing and managing risks
- d) developing and implementing its foreshadowed *Community Engagement and Support Strategy*
- e) applying the standard to develop a framework for transparent decision-making and investment priority-setting

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

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

<sup>7</sup> The development of the Program and Project Monitoring and Evaluation Plan and Systems 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>8</sup> Northern Rivers CMA (2006) *Catchment Action Plan*, May 2006, p.151.

- f) clarifying how the CMA considered each of the JSC's Investor Preferences when developing the targets.

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 6-monthly basis.<sup>10</sup> If reasonable progress in completing the recommended actions is not evident from these letters, the NRC will consider bringing the audit forward.

### 1.3 Process used to develop this advice

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

- identifying the needs of all government stakeholders and developing a single process to meet all of these needs
- meeting with the Northern Rivers 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 Northern Rivers CAP, supporting documents, and plans for improvement with relevant agencies; and finalising this advice.

In evaluating all CMAs' CAPs and formulating its advice, the NRC took into account that the CMAs are relatively new organisations, and that many aspects of the new institutional model for NRM are still developing. When the CMAs were established in late 2003, they were responsible for implementing on-ground activities in accordance with pre-existing Catchment Blueprints.<sup>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

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

<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>.

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

## **1.4 Structure of this document**

This rest of this document explains the NRC's 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 Northern 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 Northern Rivers CAP to determine whether it is a good strategic plan that complies with the standard and will guide the Northern Rivers CMA to promote the state-wide targets. In particular, it:

- examined the process the Northern 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 Northern Rivers CAP contains many elements of a good strategic plan. The NRC is satisfied that the Northern Rivers CMA followed a reasonable process to develop the CAP and that the CAP 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.

It is also satisfied that the CAP fulfils all legislative and most of the other government requirements. However, the CAP does not explicitly reflect the JSC's Investor Preferences 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, including risk management, monitoring and evaluation and information management. It also identified that the CMA needs to develop a framework for transparent decision-making and investment priority-setting. However, it believes that the Northern Rivers CMA will 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. 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 recommended by the NRC will help the Northern 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 Northern 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 Northern 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 Northern Rivers CMA used to develop its CAP, and evaluated this process (and the resulting CAP) against the standard. The NRC found that the process was reasonable, and that the CAP demonstrates a high level of compliance with the seven components of the standard. However, some aspects of the CMA's decision-making and prioritisation were not completely transparent in the CAP. The NRC's assessment takes into account the fact that the Northern 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 Northern Rivers CAP describes the process the CMA used in developing the CAP, including the following key phases:

- **Blueprint Action Integration Plan.** The CMA developed this plan to integrate the Northern Rivers, Upper North Coast and Mid North Coast Blueprints. It put the plan on public exhibition, to demonstrate to stakeholders that the target areas identified in the Blueprints would be considered priorities in developing the CAP. The CMA used feedback from the public exhibition as the fundamental input for the first phase of CAP development.
- **Phase 1 – Draft Target Framework.** The CMA formed 'theme teams' which established the direction and intent of the CAP targets, gathered supporting information, developed broader relationships with stakeholders and prepared a communication strategy.
- **Phase 2 – Refinement of Draft Target Framework.** The CMA Board approved the Draft Target Framework and the CMA then conducted targeted consultation with key stakeholders. This included a series of workshops to test and refine the CAP targets and supporting information.
- **Phase 3 – Consultation and finalisation of Draft CAP.** The CMA Board approved a draft CAP and the CMA then put this draft on public exhibition. The CMA conducted numerous public meetings and invited formal submissions. The CMA refined the CAP in response to submissions.
- **Phase 4 – Submission to the Minister and NRC.** The CMA submitted the draft CAP to the Minister for Natural Resources and the NRC.

The CAP also states that the CMA applied the standard at all stages of CAP development.

Table 2.1 summarises the NRC’s assessment of the Northern 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 Northern Rivers 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 the collection and use of knowledge. The CAP describes the CMA’s process for gathering and assessing information from various experts and the broader community. The document appears to be well supported by best available knowledge and provides some confidence that decisions were made in a considered manner.</p>	<ul style="list-style-type: none"> <li>▪ CMA used 3 Blueprints as the starting point for the CAP and worked from the <i>Blueprint Action Integration Plan</i>.</li> <li>▪ CMA established theme teams and expert panels to collect new information for the CAP.</li> <li>▪ The <i>Consultation</i> section summarises the processes for information collection and use.</li> <li>▪ CAP explains how uncertainty, such as that associated with climate change or population pressures, influenced the CMA’s decision-making.</li> </ul>
Determination of scale	<p>The CAP provides evidence that the CMA considered spatial, temporal and institutional scale when developing the CAP. In some (but not all) cases, it explains how the CMA determined the optimal scale for investment. It also demonstrates a good understanding of scale issues and provides the reader with an appreciation of these issues.</p> <p>The next step for the CMA is to develop its business systems to assist in identifying optimal scale, including a framework for decision-making and priority-setting.</p>	<ul style="list-style-type: none"> <li>▪ The CAP describes the <i>Institutional Landscape</i> in which the CMA will operate and explains how it will contribute to broader goals.</li> <li>▪ The CAP demonstrates consideration of spatial scale in the identification of investment priorities, for example where it states that rehabilitation of riparian vegetation and river structure is best achieved on a river system basis (p. 78).</li> <li>▪ The different timeframes provided for management targets indicate that temporal scale has been considered.</li> <li>▪ The CAP shows how specific management actions can contribute to multiple outcomes.</li> </ul>
Opportunities for collaboration	<p>The CAP provides confidence that the CMA made significant effort to explore opportunities for collaboration, to maximise gains and deliver multiple benefits.</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 CAP describes the institutional setting in the Northern Rivers catchment and identifies other important natural resource managers. It explains how the CMA has collaborated with these organisations and with the broader community to develop the CAP and the targets.</li> <li>▪ In the <i>Foreword</i> and later sections, the CAP highlights the importance of collaboration and recognises the consequences of failed collaboration.</li> </ul>

Component	Assessment of process against this component	Selected evidence
Community engagement	The CAP explains how the CMA engaged the community in all stages of CAP development. The CAP also states the CMA's intention to develop a <i>Community Engagement and Support Strategy</i> .	<ul style="list-style-type: none"> <li>▪ The <i>Consultation</i> section details how the community was engaged during each of the key phases of the CAP development process.</li> </ul>
Risk management	<p>The CAP identifies a range of risks associated with implementation of the CAP and describes how these risks will be managed.</p> <p>The next step for the CMA is to integrate this thinking into its <i>Risk Strategy</i>.</p>	<ul style="list-style-type: none"> <li>▪ The <i>Review Mechanisms</i> section of the CAP lists a number of high-level risks that could impact on the CMA's ability to achieve natural resource targets and outcomes.</li> <li>▪ The <i>target tables</i> list the specific risks associated with each target, and the CAP suggests management strategies for these risks.</li> </ul>
Monitoring and evaluation	The CAP describes the CMA's plans for developing a monitoring and evaluation (M&E) program to quantify and report progress against the targets. It also outlines a systematic process for developing and implementing this program. Completing this is the next step for the CMA.	<ul style="list-style-type: none"> <li>▪ The <i>Monitoring and Evaluation</i> section describes how the CMA intends to develop its M&amp;E program and provides a timeline for this. Major milestones include program logic training, establishment then commencement of a low-level M&amp;E support system, and establishment of the full <i>Program and Project Monitoring &amp; Evaluation Plan and Systems</i>.</li> <li>▪ Target tables provide specific details about 'Performance Indicators and Target Refinement'.</li> </ul>
Information management	The CAP provides some evidence that the CMA has information management systems in place.	<ul style="list-style-type: none"> <li>▪ Although the CAP contains useful information, it does not have an effective referencing system and it does not explain how readers can access unpublished information used in CAP development.</li> </ul>

The CMA has indicated that the proposed *NRCMA Business System*, *NRCMA NRM System* and *NRCMA Vegetation Management System* will help it to improve against many components of the standard.

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

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

- have been developed using a rigorous and transparent process that was compliant with the standard
- provide a basis for assessing performance, which means they need to be measurable (including having timeframes, units of measure, clear target levels and performance indicators)
- be supported by information that demonstrates that they are achievable and relevant
- 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>13</sup>

The NRC has a high degree of confidence that the Northern Rivers CAP targets will promote the state-wide targets. The NRC assessed the CAP and found that it meets nearly all 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 good plans in place that will enable the CMA to improve its CAP over time, including developing and implementing a *Program and Project Monitoring and Evaluation Plan and System*.

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. Most also have a clear performance indicator, and the target tables provide information on *Performance Indicators and Target Refinement*. The CAP identifies the knowledge gaps relevant to baselines, trends and rates of change for individual theme targets, and states that the CMA intends to leverage the monitoring and evaluation work being done at the state level to address these knowledge gaps. The CAP also outlines the CMA's plans to establish a monitoring and evaluation program that, if supported by state-level monitoring and evaluation, will provide credible information to measure progress towards the targets.

The CAP contains supporting information for most targets, to explain why they are achievable and relevant. The main body of the CAP contains tables that list each target, as well as text that explains each target, the risks that could affect the CMA's ability to achieve the targets, and strategies for managing these risks. The appendices contain additional information, including the rationale and logic behind each target. However, the level of detail and quality of this additional information is inconsistent.

In addition, the NRC found that the CAP provides information to explain the links between the management and catchment targets in the CAP and the state-wide targets. The relationship between management targets and catchment targets is described in a diagram, a table and

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<sup>13</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>.

supporting text. The relationship between the catchment targets and the state-wide targets is summarised in a table, although it does not describe in detail how the catchment targets will contribute to the achievement of the state-wide targets. The NRC considers that the Northern Rivers CMA will be able to provide a better description of this once it has completed a program logic framework as part of the monitoring and evaluation system (discussed in Chapter 3).

## 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 assessed the Northern 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 each of the JSC's Investor Preferences when developing the targets (see Table 2.3).

In addition, the management and catchment targets included in the CAP are not completely SMART at this stage, but as Section 2.2 discussed, the NRC believes that the Northern Rivers CMA will work towards improving its targets over time.

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

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

Legislative requirement	Finding
Biodiversity certification	The NRC considers that the Northern Rivers CAP, and the systems that underpin it, meet the requirements for biodiversity certification.  The CAP identifies priorities for each biodiversity management target. Appendix 4 identifies proposed native terrestrial and aquatic ecosystem management priorities, such as an estuary priority ranking system. The CAP describes how the CMA engages others in biodiversity conservation through theme teams and sub-theme teams.
Environmental planning instruments and other natural resource plans	In formulating its CAP, the Northern Rivers CMA has considered the provisions of environmental planning instruments and other natural resource plans that apply in the catchment. For example, the CAP refers to a number of other plans under the 'Land use planning' theme and the 'Coastal' theme.
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 acknowledges that the JSC have investment preferences and states that these were considered during CAP development. However, it does not explicitly show how the CMA considered each of the current Investor Preferences when prioritising activities.
SMART targets	Not all of the management and catchment targets are 'specific, measurable, achievable, relevant and timebound' at this stage. The CAP explains that the Northern Rivers CMA was not able to develop targets that are completely 'SMART', primarily due the lack of baseline data, but that it will refine these over time. However, the NRC found that the targets will provide a good basis for performance assessment in the future.
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> . Details can be found in Appendix 4 and Section 1.2 of the CAP, where the CMA clearly describes the relationship of the local native vegetation programs with the Act.
Salinity targets	Not applicable.
National framework for NRM Standards and Targets	The NRC considers that the targets in the CAP are consistent with the 10 'national matters for targets', as specified in the <i>National Framework for NRM Standards and Targets</i> .
Blueprint evaluation	The CMA evaluated the 3 Blueprints that were applicable to the region. The CMA developed a <i>Blueprint Integration Action Plan</i> and followed this to develop the CAP. The <i>Consultation</i> section of the CAP explains that the CAP builds on targets outlined in the Blueprints. Details can be found on page 15 of the CAP, and in the appendices for each theme.
NSW Government Statements of Intent	The CAP refers to the <i>Statement of Intent for the Clarence River System</i> and the <i>Statement of Intent for Coastal Rivers</i> , and states that "these...documents have driven the development of CAP water targets". <sup>14</sup> The CMA also used the <i>Statement of Intent for Coastal Lakes</i> during the prioritisation process, to develop management target C2 for coastal lakes and estuaries.

<sup>14</sup> Northern Rivers CMA (2006) *Catchment Action Plan*, May 2006, Appendix 5, p. 74.  
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### **3 NRC's assessment of the CMA's capacity to improve the CAP over time**

The NRC assessed whether the Northern Rivers CMA will continue to improve its CAP's compliance with the standard and likelihood of promoting 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 Northern Rivers CMA's plans for improving the CAP over time, based on its discussions with the CMA during the CAP review process and its evaluation of the CAP. The NRC is satisfied that the CMA has good plans and processes in place for improving its CAP and the CAP's compliance with the standard. 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 Northern Rivers CMA's plans to improve its CAP against each component of the standard. The NRC believes it is important that the CMA implements, reviews and refines all of these plans and processes, and then updates the CAP within 2 years. It believes the CMA should give particular attention to improving monitoring and evaluation, risk management and information management. 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 Northern Rivers CMA's plans to improve**

Component	Plans to improve
Collection and use of knowledge	<ul style="list-style-type: none"> <li>▪ Theme teams and sub-theme teams will continue to meet to collect and review knowledge. For example, for Biodiversity, sub-theme teams will address information gaps, threats, industry best operating standards, Property Vegetation Plans and incentives.</li> <li>▪ The CMA will finalise a systematic approach for collection and use of knowledge for all projects, which will be described in the CMA's <i>NRCMA Business System</i>. Elements of this, such as the <i>Induction Process</i>, will help the CMA to train staff.</li> </ul>
Determination of scale	<ul style="list-style-type: none"> <li>▪ The CMA has processes in place to help staff systematically consider scale issues and to determine optimal scale in future. It is important that the CMA focus on building staff capacity to address the more complex scale issues.</li> <li>▪ The CMA plans to develop a <i>NRCMA Business System</i>, <i>NRCMA NRM System</i> and <i>NRCMA Vegetation Management System</i>.</li> <li>▪ The CMA has developed a template which encourages the Board to explicitly consider all components of the standard when providing strategic direction or approval for projects.</li> </ul>
Opportunities for collaboration	<ul style="list-style-type: none"> <li>▪ The CAP describes the CMA's intentions to strengthen future collaboration, for example by conducting a stakeholder mapping exercise, establishing a service level agreement with the Department of Primary Industries, developing memoranda of understanding with local governments, and pursuing opportunities to work with environmental non-governmental organisations.</li> </ul>
Community engagement	<ul style="list-style-type: none"> <li>▪ The CAP states the CMA's intention to develop a <i>Community Engagement and Support Strategy</i>. It is important that this strategy explains how the CMA will engage the community in implementing and reviewing the CAP.</li> <li>▪ The CMA will include a 'Community engagement' section in its project development template.</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>▪ The CMA is reviewing its <i>Risk Strategy</i>. It is important that the CMA develops the Strategy in a way that helps to prioritise the risks in the CAP and to ensure that the corresponding management strategies are implemented.</li> </ul>
Monitoring and evaluation	<ul style="list-style-type: none"> <li>▪ The CAP describes good plans for developing a monitoring and evaluation program that will help the CMA to continuously improve. It is clear that the CMA intends to establish a robust M&amp;E system to quantify and report progress against the targets but, to do this, it will rely on support from state government.</li> <li>▪ The CAP contains a <i>Monitoring and Evaluation</i> chapter that describes how the CMA intends to develop its M&amp;E program and provides a timeline for this. Major milestones for the CMA include program logic training, establishment then commencement of a low-level M&amp;E support system, then establishment of the full <i>Program and Project Monitoring and Evaluation Plan and Systems</i>.</li> <li>▪ The target tables provide specific details about '<i>Performance Indicators and Target Refinement</i>'.</li> </ul>
Information management	<ul style="list-style-type: none"> <li>▪ The CMA intends to develop a <i>NRCMA Business System</i> that will integrate the CMA's business systems, NRM investment policies and procedures and the vegetation management systems.</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 Northern Rivers Catchment Action Plan without alteration.<sup>15</sup>

The NRC further recommends that the Minister require the CMA<sup>16</sup> to undertake a review of the Catchment Action Plan within 2 years of approval to incorporate its progress on the following actions:

- a) completing the development of its *NRCMA Business System, NRCMA NRM System, and NRCMA Vegetation Management System*
- b) completing the development of its *Program and Project Monitoring and Evaluation Plan and Systems*<sup>1718</sup>
- c) reviewing its *Risk Strategy* and project planning templates to ensure it has a comprehensive system for identifying, assessing and managing risks
- d) developing and implementing its foreshadowed *Community Engagement and Support Strategy*
- e) applying the standard to develop a framework for transparent decision-making and investment priority-setting
- f) clarifying how the CMA considered each of the JSC's Investor Preferences when developing the targets.

The NRC considers that this approach will allow the Northern 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 ensure that the Northern Rivers CMA continues to develop the business systems it has described in the Systems Review and other communication with the NRC. Once these systems are complete, the CMA will be better placed to improve the underdeveloped areas of the CAP and to implement it efficiently. In particular, these business systems should enable the CMA to manage information effectively, identify the optimal scale for investment in complex situations and to effectively evaluate the costs and benefits of all potential collaborations. Robust business systems should include a framework for transparent decision-making and priority-setting.

b) should encourage the CMA to develop an effective monitoring and evaluation system that will provide it with a framework to clearly map the catchment priorities, the catchment and management targets that deliver on these priorities, the relationships and assumptions between different sets of targets, and the monitoring and evaluation required to show progress. Development of the system should help the CMA to obtain the information necessary to refine targets – including making targets more measurable and better demonstrating that they are relevant and achievable, thereby improving promotion of the state-wide targets. Completing

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

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

<sup>17</sup> The development of the Program and Project Monitoring and Evaluation Plan and Systems 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>18</sup> Northern Rivers CMA (2006) *Catchment Action Plan*, May 2006, p.151.

the Plan and Systems will also support continual improvement and adaptive management within the CMA.

c) should encourage the CMA to build on the risk identification work and refine the risk strategy it developed with Deloitte. The revised *Risk Strategy* should encompass the risks listed in the CAP, and ensure that these are reviewed and managed as part of the ongoing process. The CMA should apply the revised Strategy to all its activities at all levels.

d) should ensure that the Northern Rivers CMA develops and implements the *Community Engagement and Support Strategy* described in the CAP. The CAP shows that the CMA has undertaken extensive consultation with the community during the planning phase. It is important that it establishes effective processes and procedures for continuing to engage the community through CAP implementation and review phases.

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

f) should ensure the CMA clarifies how it considered each of the JSC's Investor Preferences when developing management and catchment targets. The NRC communicated this requirement to all CMAs and highlighted it in the findings and recommendations on the Northern Rivers CMA's draft CAP. The CMA could also clarify the types of activities it will undertake to deliver on the Investor Preferences.

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

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

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

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

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

The NRC will:

- require the Northern Rivers CMA to report 6-monthly, in a letter to the NRC, on its progress in taking the actions listed in Section 3.2
- undertake an audit if progress in taking the actions is not adequate
- audit the effectiveness of the implementation of the most recent version of the Northern Rivers 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 Northern 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.



