

Pathways to good practice in regional NRM governance

Status and Good Practice in Australian NRM Governance

Julie Davidson
Michael Lockwood
Rod Griffith
Allan Curtis
Elaine Stratford



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GOVERNANCE**

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Pathways to good practice in regional NRM governance: Project overview

Environmental degradation, including biodiversity loss and water quality decline, is a major problem facing Australia. Regional delivery of natural resource management (NRM) is the main mechanism for addressing such issues. Yet we lack fundamental understandings about the effectiveness and quality of regional NRM governance. Governance involves consideration of issues such as authority, accountability, representation, and consultation. It is a key determinant of the capacity of regional NRM institutions to make effective decisions and deliver outcomes. This interdisciplinary and collaborative project was conceived to assess the effectiveness of regional NRM governance and to develop a standard for good-practice NRM governance. The work focuses on nine NRM regions in NSW, Victoria and Tasmania. The objectives are to:

1. establish a theoretically robust understanding of good NRM governance;
2. develop a set of principles for good NRM governance;
3. describe NRM governance arrangements and structures, with particular reference to our nine partner regions;
4. assess the quality of NRM governance in our nine partner regions, as well as the state and national levels, against our governance principles and related themes;
5. to offer good practice guidelines for NRM governance; and
6. develop a standard for good NRM governance that can be used to benchmark and track governance performance.

Principal Funding

Land and Water Australia

Principal Researchers

Michael Lockwood (School of Geography & Environmental Studies, University of Tasmania)

Allan Curtis (Institute for Land, Water & Society, Charles Sturt University)

Elaine Stratford (School of Geography & Environmental Studies, University of Tasmania)

Research Fellows

Julie Davidson (School of Geography & Environmental Studies, University of Tasmania)

Rod Griffith (Institute for Land, Water & Society, Charles Sturt University)

Regional Partners

Don Forsyth, Peter Codd, Allan Bassett, Peter Greig and Greg Peters (Corangamite CMA)

Gavin Hanlon, Chris Hain (North Central CMA)

Bill O’Kane, Megan McFarlane (Goulburn Broken)

Anthony Couroupis, Emmo Willinck (Murray CMA)

Chris Glennon, Kate Lorimer-Ward (Lachlan CMA)

Tim Ferraro (Central West CMA)

Michael Pitt (Northern Rivers CMA)

David McCormack (Cradle Coast NRM)

Vanessa Elwell-Gavins (NRM South)

State Government Partners

Peter Andrew (DSE, Victoria)

Tom Grosskopf, Jim Booth (DECC, NSW)

Alan Haig, John Whittington (DPIW, Tasmania)

Australian Government Partners

Peter Creaser, Debbie Langford, Beth Cameron (Australian Government NRM)

Land and Water Australia

Noel Beynon, Tracy Henderson

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Davidson, J., Lockwood, M., Curtis, A., Stratford, E., Griffith, R. (2007) *NRM governance in Australia: NRM programs and governance structures*. Report No 2, University of Tasmania, Hobart.

Stratford, E., Davidson, J., Lockwood, M., Griffith, R., Curtis, A. (2007) *Sustainable development and good governance: the ‘big ideas’ influencing Australian NRM*. Report No 3, University of Tasmania, Hobart.

Lockwood, M., Davidson, J., Curtis, A., Griffith, R., Stratford, E. (2007) *Strengths and challenges of regional NRM governance: Interviews with key players and insights from the literature*. Report No 4, University of Tasmania, Hobart.

Copies of these reports are available from: www.geog.utas.edu.au/geography/nrmgovernance/

For information about the project, please contact Dr Julie Davidson, School of Geography & Environmental Studies, University of Tasmania, (03) 6226 7675, Julie.Davidson@utas.edu.au.

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ABBREVIATIONS

ANAO	Australian National Audit Office
CaLP Act	Catchments and Land protection Act
CAP	Catchments Action Plan
CCMA	Corangamite Catchment Management Authority
CEO	Chief Executive Officer
CMA	Catchment Management Authority
DPI	Department of Primary Industry
DSE	Department of Sustainability and Environment
GIS	Geographical Information Systems
JSC	Joint Steering Committee
MER	Monitoring, Evaluation and Review
MERI	Monitoring, Evaluation, Review and Improvement
MOU	Memorandum of Understanding
NHT	Natural Heritage Trust
NRC	Natural Resources Commission
NRM	Natural Resources Management
SLA	Service Level Agreement
SWOT	Strengths Weaknesses Opportunities Threats

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EXECUTIVE SUMMARY

The work is the fifth in a series of six devoted to research for Land & Water Australia on a funded project entitled *Pathways to good practice in regional NRM governance*. The work has been undertaken in partnership with NRM organizations in nine regions across Tasmania (Cradle Coast, South), Victoria (Corangamite, North Central, Goulburn-Broken) and NSW (Central West, Murray, Lachlan, Northern Rivers), has involved the state jurisdictions of NSW, Victoria and Tasmania, and also engaged stakeholders at the national level. In this Report, we first assess the quality of NRM governance in our nine partner regions, as well as the state and national levels, against the eight governance principles established in Lockwood *et al.* (2008a). We then offer a set of good practice guidelines and illustrate these using examples from our partner regions. A key method to undertake the assessment and inform the guidelines was a Trial Governance Standard¹. Other methods employed were a review of the academic literature and a series of interviews and workshops with our partners.

We have structured this summary using our eight governance principles. We indicate our conclusions regarding the status of NRM governance, as well as the most significant opportunities for good practice improvement. The reader should consult the body of the report for a more comprehensive list of good practice recommendations.

Legitimacy

The legitimacy of the NRM system is average and that of regional NRM bodies is average to good.

Good practice requires that NRM governing bodies have strong democratic mandates, are entrusted with sufficient powers to fulfil their delegated responsibilities, gain the confidence of funding bodies and stakeholder communities, create awareness of NRM through actively building the profile of NRM organizations, and support the integrity and appropriate behaviour of NRM decision-makers. To bring about these requirements, NRM government authorities can contribute to the legitimacy of the NRM system and its governing bodies by:

- reducing the mismatch between devolved responsibilities and supporting powers and authorities;
- paying greater attention to their role of representing extra-regional interests and addressing national and international concerns and obligations;
- enabling the creation of formal links between regional NRM bodies and other NRM governing bodies with existing democratic authority; and
- providing continuity of funding regimes to regional organizations to enable them to maintain the confidence and commitment of stakeholders.

NRM governing bodies also need to do more to earn the acceptance and confidence of Indigenous communities; sea/tree changers; the fisheries, forestry and tourism sectors; and urban residents.

¹We use the term ‘Trial Standard’ to distinguish the instrument used in this Report from the more mature instrument that will be described in Report 6 of the *Pathways* project.

Transparency

The transparency of regional NRM bodies is good and that of the system as a whole average.

Good practice requires that NRM governing bodies make decision-making processes visible to stakeholders; substantiate decisions through clear documentation and explanation; and make relevant information available to stakeholders.

To bring about these requirements, national and state level governing bodies can institute higher-level governance structures and procedures that foster openness of communication; and consolidate commitment from governments and regions for the Australian Government's knowledge brokering initiative and other data/information sharing projects.

Regional NRM organizations can better substantiate their decision-making processes by improving the quality as well as the availability of information accessible to stakeholders. National and state level governing bodies can support transparency within the NRM system and that of regional governing bodies by instituting higher-level governance structures and procedures that foster openness of communication and consolidating commitment from governments and regions for the Australian Government's knowledge brokering initiative and other data/information sharing projects.

Accountability

The accountability of the NRM system is average and that of regional NRM bodies good.

Good practice requires that NRM roles and responsibilities are clearly defined, formally documented and clearly understood and accepted, reporting obligations are reasonable, performance and outcomes are reported in a diligent and timely fashion; and financial probity is maintained.

To bring about these requirements at the NRM system level, there should be clearer allocation of the status and functions of committees, strategic plans and operational instruments. If the regions are to account for their activities and expenditures in meaningful ways, their ability to identify performance against outcomes must be upgraded by improving the quality and measurability of catchment condition targets. Governments can assist regional NRM bodies by developing strategies that have outcome targets, which are then used to both report on system performance and as a basis for seeking information from regions.

Inclusiveness

The inclusiveness of the NRM system and of regional NRM bodies is average to good.

Good practice requires that a diverse range of stakeholders have genuine opportunities to participate in NRM processes and activities. To bring about this requirement, higher-level governing bodies can:

- show leadership to ensure that wider societal and environmental concerns resonate at the regional level, in line with their international commitments and national goals and values; and

- reform macro-scale governance structures to enable inclusion of regional NRM representatives in higher-level coordination and decision-making.

Regional NRM organizations can:

- address dissatisfaction among some ‘care’ groups regarding their engagement with NRM by supporting and investing in locally important priorities;
- build better understanding of NRM by having targeted communication strategies that take into account the diverse needs of different stakeholder segments;
- investigate how more effective relationships with Indigenous communities, key resource sectors, sea/tree changers and urban stakeholders can be developed; and
- ensure all stakeholders, not just the most articulate, better-connected or most vocal minorities have opportunities for engagement by paying particular attention to the communication needs and preferences of these groups.

Fairness

The fairness of the NRM system and of regional NRM bodies is good.

Good practice requires that respect and attention is given to stakeholders’ views, decision-making is consistent and free of bias, and consideration is given to distribution of costs and benefits of decisions. These requirements can be met by governing authorities:

- providing genuine and ongoing opportunities for regional NRM boards and staff to participate in and influence higher-level decisions;
- developing a practical and cost-effective alternative to a full social cost-benefit analysis;
- employing decision support tools such as Multi-criteria Analysis and deliberative mechanisms such Open Space Technology; and
- providing resources to support ‘local’ priorities.

Integration

The integration of the NRM system is poor to average, and of regional NRM bodies average to good.

Good practice requires effective horizontal, vertical and internal coordination of governing processes and instruments across, between and within jurisdictions, governing scales and NRM regions. To meet this requirement, national and state leadership can focus on:

- coordinating national, state and regional governing levels into a cohesive program that delivers significant large-scale outcomes;
- improving vertical integration based on existing institutional structures;
- developing and providing central coordination of arrangements for sharing resources, expertise, knowledge and information; and
- strengthening integration of local investment programs with regional investment priorities.

At the regional level, focus can be on:

- clarifying regional priorities and strengthening alignment of regional plans with higher-level priorities; and
- strengthening horizontal coordination through enhanced roles for fora such as chairs and executive officer meetings.

Capability

The capability of the NRM system is average and that of regional NRM bodies average to good.

Good practice requires that NRM bodies have the capacity to deliver on their responsibilities and in this they are supported by appropriate and adequate skills, leadership, knowledge, investment, plans and systems. In meeting these requirements, state and national governing bodies can:

- better coordinate the human resources needed by regional organizations;
- provide assured core funding to enable core responsibilities to be maintained;
- allow greater flexibility in discretionary budgets;
- deliver the financial security needed to support long-term planning and implementation; and
- improve system-wide knowledge management systems so that learnings are captured and disseminated throughout all levels.

Regional organizations can:

- enhance human resources support through establishment of staff recruitment, induction, development and retention policies;
- adopt a project management approach to better align business systems and reduce duplication; and
- provide follow-up governance training for board members and senior staff.

Adaptability

The adaptability of the NRM system and regional NRM bodies is average.

Good practice requires an adaptive system or organization that supports (i) intentional learning, (ii) management of change, and (iii) systematic reflection on performance for improvement. To meet this requirement, governments should lead efforts to:

- make planning and decision making more responsive and able to accommodate new knowledge through building knowledge generation and management systems that better capture and employ key learnings; and
- effectively connect outcome-based evaluation to plan review and amendment.

Regional organizations can be more systematic in their approach to adaptive management by incorporating:

- fully operational planning and performance assessment processes;
- an enhanced MER capability to assess performance against outcomes; and
- improved procedures to anticipate threats and identify opportunities.

1. INTRODUCTION

The work presented in this report is an outcome from the Land & Water Australia funded project *Pathways to good practice in regional NRM governance*. This interdisciplinary and collaborative project was conceived to assess the effectiveness of regional NRM (natural resource management) governance and to develop a standard for good-practice NRM governance. The work is focussed on nine regions across Tasmania (Cradle Coast, South), Victoria (Corangamite, North Central, Goulburn-Broken) and NSW (Central West, Murray, Lachlan, Northern Rivers), as well as the state jurisdictions of NSW, Victoria and Tasmania and the national level.

The project objectives are:

1. to establish a theoretically robust understanding of good NRM governance;
2. to develop a set of principles for good NRM governance;
3. to describe NRM governance arrangements and structures, with particular reference to our nine partner regions;
4. to assess the quality of NRM governance in our nine partner regions, as well as the state and national levels, against our governance principles and related themes;
5. to offer good practice guidelines for NRM governance; and
6. to develop a standard for good NRM governance that can be used to benchmark and track governance performance.

This report addresses Objectives 4, and 5. Section 2 elaborates the development of a Trial Governance Standard that was one of the methods used to undertake the assessment and inform the good practice guidelines. Section 3 reports on the results of implementing the Trial Governance Standard in four of the partner regional NRM organizations. In Section 4, we integrate the Trial Standard results with the findings of our earlier assessment of the strengths and challenges of NRM governance in Report 4 (Lockwood *et al.* 2007). The net effect is to give an assessment of governance in those regions that participated in the trial that is more refined than earlier work, and that adds value to the discussion on pathways to good practice. As well as providing an assessment of the current status of NRM governance in our participating regions, the Trial together with the interview data that formed the basis for Report 4, enabled us to identify good practice guidelines, which we also present in Section 4. The guidelines are supported by good practices examples drawn from our nine partner regions.

2. DEVELOPMENT OF THE TRIAL STANDARD

The Trial Governance Standard was designed to assess the governance of the regionalised natural resource management (NRM) system in Australia against eight good governance principles². It was preceded by an earlier version of the standard in which the main elements of the Trial Standard were established. These were:

1. a set of eight principles forming the basic motivation and structure for the standard;
2. a set of outcomes required for the principles to be met;
3. two assessment matrices allowing a regional NRM body and/or a government NRM agency to indicate the level of performance against each outcome, and offer evidence in support of this judgement; and
4. implementation protocols describing how the assessment matrices would be applied and reported.

The main components of the first version of the governance standard – the *outcomes* and *evidence items* – were strongly informed by a series of interviews and focus groups undertaken by the research team with partner regional organizations and agency personnel early in 2007. This qualitative work allowed the team to revise the governance principles developed in 2006 and to define the required outcomes of good NRM governance. The interview material was organised according to the principles, and key sub-themes were identified through content analysis. These sub-themes provided a basis for developing outcome requirements and associated indicators.

A revised set of required outcomes and related indicators was workshopped with research partners, refined, and further revised by the research team. Three outcomes were identified for each principle and up to three indicators for each outcome. Assessors were asked to provide evidence that the organization was meeting each outcome. The indicators were descriptive and the evidence types were prescribed although there was provision for organizations to offer alternative evidence of how the organization was meeting a particular outcome. This draft was workshopped with six partner regions in August 2007, and subsequently revised to produce the Trial Standard.

The Trial Standard was structured around principles, outcomes, indicators and evidence types. Each principle had a set of related *outcomes* that needed to be satisfied for good governance to be in operation. Each outcome had one or more associated *indicators*, and each indicator had one or more associated *evidence types*. The assessor was asked to detail the *evidence*, in the form specified by the evidence type, to demonstrate that the outcome was being achieved. The basic steps in completing the standards were as follows.

- For each outcome, the assessor was asked to make a judgement about the level of achievement using a scale from Very Low, Low, Moderate, and High to Very High.

²These principles are: legitimacy, transparency, accountability, inclusiveness, fairness, integration, capability and adaptability. For details on the development and specification of the principles, see Lockwood et al. (2008a), available at <http://www.geog.utas.edu.au/geography/nrmgovernance/>

- For some stakeholder-related outcomes, the scale was disaggregated into key stakeholders.
- The assessor was asked to indicate specific evidence, according to the corresponding evidence type, which supported the level of achievement rating. A range of qualitative and quantitative evidence types was included.
- The assessor identified any aspects of governance that needed to be targeted for improvement. These aspects of governance that should be targeted for improvement were intended to provide organizations with strategic foci for improving performance.

As the Trial Standard has now been superseded (see Lockwood *et al.* (2008b) for an updated Governance Standard and Assessment Framework), we have not included a copy of the Trial Standard in this report. However, to indicate the basic structure and content, one core section of the Trial Standard is given in Appendix 1.

3. TRIAL RESULTS

In this section we summarise the responses of the four regions that completed the Trial Standard. The resulting evidence, structured under the eight principles, is aggregated under each outcome (given in italics), with the number of regions rating their performance at a particular level given in brackets.

Legitimacy

The Regional NRM Body has appropriate powers conferred through democratic processes

Rating: High (3), Very High (1)

Evidence

The regions generally view their powers to coordinate, plan and implement NRM conferred on them by legislation as appropriate, with the NSW regions referring as evidence to the *Catchment Management Authorities Act 2003*, the Victorians to the *Water Act 1989* and *Catchments and Land Protection Act 1994* (CaLP Act), and the Tasmanians to the *Natural Resource Management Act 2002*. The powers of Victorian CMAs were updated in the *Statement of Obligations* in 2006. In each jurisdiction, there are formal delegations of authorities to Boards or Committees by the corresponding government minister – members are appointed by the Minister for Environment and Climate Change in NSW, and by the Minister for Environment in Victoria. In Tasmania, stakeholder committee members are appointed as a result of selection processes managed by the governing bodies.

Key stakeholders accept and respect the authority of the Regional NRM Body

Ratings:

State/Territory Government - High (1), Very High (3)

Australian Government - High (2), Very High (2)

Landcare – Medium (1), High (2), Very High (1)

Irrigator – Medium (2), Very High (1)

Conservation - Medium (2), High (2)

Local Government – Medium (2), High (2)

Dryland farmer – Low (1), Medium (2), High (1)

Indigenous – Low (1), Medium (2), High (1)

Fisheries – Low (2), Medium (2)

Sea/tree changers – Low (1), Medium (3)

Forestry – Low (3), Medium (1)

Tourism – Low (3), Medium (1)

Urban – Low (4)

Evidence

Two regions (one from Victoria, one from Tasmania) offered surveys as evidence of stakeholder acceptance. Other evidence offered was advisory committee feedback (one region for each jurisdiction), media coverage (one region for each jurisdiction), and unsolicited key stakeholder feedback in the form of correspondence and personal representations to board members (NSW and Tasmanian regions). NSW and Victorian regions listed numerous partnerships with a range of stakeholders (government agencies, other statutory bodies, other CMAs, and service deliverers), and various formal arrangements to recognise these partnerships (MOUs, SLAs, contacts). One region has an in-house team to establish and manage partnerships. The Tasmanian region noted the difficulty of forming partnerships and attributed this to

the nature of the contracts and tenders that they were obliged by governments to offer, as well as uncertainty of funding. More isolated regions also struggle to build the kind of expertise base among provider/stakeholders and staff that would be conducive to longer-term relationships such as partnerships.

Regional NRM decision makers act with integrity

Rating: High (3), Very High (1)

Evidence

All regions indicated that governance training has been undertaken by board members and senior staff, usually the Australian Institute of Company Directors director training, although there is an issue about the appropriateness of this training for what are essentially public entities. Best practice involves annual refresher training to pick up emerging issues. Evidence related to procedures for addressing conflicts of interest, disputes and complaints offered by regions included annual written declarations of interest, verbal declarations of conflicts of interest required at meetings, codes of conduct, and board governance manuals. In Victoria, they are addressed in the CaLP Act, in board codes of conduct and governance manuals.

Transparency

Stakeholders are able to scrutinise decision making of the Regional NRM Body, except where privacy and commercial considerations apply

Rating: Medium (1), Very High (3)

Evidence

The transparency of decision processes available to stakeholders varies. Public availability of board meeting minutes ranges from full or edited accounts posted on the organization's website, minutes made available to board members and implementation committee members, summaries circulated to staff and partners, public communiqués which summarise board discussions, and board updates for public consumption. One Victorian region only had minutes available to committee members and the board. Planning documents are available electronically, in digital and hard copy, in one case to interested parties (Victoria) and in another (NSW) more widely. Two regions (Victoria and Tasmania) undertake regular stakeholder surveys as well as on a more *ad hoc* basis in relation to programs. One region (Victoria) also undertakes a partnership health survey.

The Regional NRM Body substantiates its decisions

Rating: High (3) to Very High (1)

Evidence

Explanations of strategic decisions for all regions are contained in strategy documents and background papers. In the main, investment decisions are conditioned by strategic priorities and higher-level standards; their justification is part of the investment planning process. Mechanisms for promulgating criteria for investment decisions include availability on a website prior to funding applications being received, outlines in a regional priorities document and in NSW, decisions are explicitly based on CAP targets and NRC standards. In all four regions, the general practice is to provide explanations to unsuccessful funding applicants, both by letter or face-to-face interview, and in some cases advice on improving applications. Providing feedback to unsuccessful candidates in a face-to-face environment helps to improve subsequent proposals, to build regional expertise, and may help community groups better understand the environment in which they are operating.

Stakeholders have reasonable access to the NRM information they require

Rating: Low (1), High (2), Very High (1)

Evidence

The Victorian regions regard it as their responsibility to maintain appropriate data collections and make data available to key stakeholders. Tasmanian regions provide whatever data they can, although to minimise the proliferation of separate databases and promote integration, the custodians of NRM information are generally State agencies. Similarly, a NSW region notes that it does not hold data, and therefore presumably is not able to release it to the public. Information available on NRM issues and management options of interest to stakeholders is typically available on websites and in strategies and plans. Three regions do not consider presentation of NRM information in accessible forms as an issue. One region produces brochures in languages other than English. A range of media are used to disseminate information – paper, electronic and oral.

Accountability

The Regional NRM body roles and responsibilities are clearly defined and allocated

Rating: High (2), Very High (2)

Evidence

In Victoria, NSW and Tasmania, the board, CEO and staff have clearly defined roles and responsibilities under legislation and other statutory instruments, which may be supplemented by board rules and governance manuals. Staff position descriptions are standard, and one region noted that they are explicitly aligned with program objectives and subject to annual review. In all regions, subsidiary committees have terms of reference and/or charters that identify members' roles and responsibilities.

Relationships between the Regional NRM Body, its partners and providers are clearly defined

Rating: Medium (3), High (1)

Evidence

For three regions, formal statements of the roles and responsibilities of NRM partners take the form of MOUs, SLAs and other written agreements. Roles and responsibilities articulated in regional arrangements are generally clear, with the exception of those with state agencies, where three regions identified deficiencies. Regions have contracts in place with service providers, which display differing levels of formality and role definition.

The Regional NRM Body meets its obligations

Rating: Medium (1), High (1), Very High (2)

Evidence

Frequency and type of reporting varies. Financial reports to boards and investors are typically prepared on a quarterly basis, although some boards receive monthly reports. All regions report on NRM conditions, outcomes and outputs annually; regions also report on progress against long-term objectives. The Victorian regions noted that they have an audit committee to oversee these obligations. Some regions use implementation audits to determine compliance of on-ground works with project objectives and outcomes. In NSW, the NRC undertakes all auditing of CMAs' performance and the Auditor-General is responsible for compliance auditing. One

region noted that between five and ten internal and external audits are conducted each year. One Victorian region expressed concern about the adequacy and meaningfulness of catchment condition reporting. One Tasmanian region noted that its audit capacity was compromised by a lack of technical skills.

Inclusiveness

Stakeholders have opportunities to participate in regional NRM processes and activities

Rating: High (3), Very High (1)

Evidence

There is a variety of communication options to alert stakeholders to opportunities for involvement. The level of advertising is high, much being required by statute and higher-level agreements. For example, one Victorian region advertises for appointments to advisory committees. Another region advertises opportunities for interested parties to have input into strategies and plans. Direct engagement is thought to be more effective at getting stakeholder input. More sophisticated approaches include the use of specialist advisory groups. One Victorian region utilizes Operating Portfolio Groups, which are organized around specialist disciplines (such as salinity). These groups are able to engage their respective community of interest to maximise input to plans, processes and activities. Electronic newsletters are also used.

The Regional NRM Body takes into account the values and interests of stakeholders

Rating: High (4)

Evidence

All regions have processes in place for taking stakeholders' values and interests into account. Regional organizations utilize a variety of structures for key stakeholder engagement in strategic planning both within their region and for higher-level plans. These structures include catchment committees, technical panels, and working or steering groups. One Victorian and one Tasmania region also undertake stakeholder surveys for this purpose.

The Regional NRM Body effectively engages key stakeholders

State/Territory Government - High (2), Very High (2)

Landcare – High (2), Very High (2)

Australian Government – Medium (1), High (2), Very High (1)

Irrigator – Medium (2), Very High (1)

Local Government – Medium (2), High (2)

Conservation – Medium (2), High (2)

Dryland farmer – Medium (3), High (1)

Indigenous – Medium (4)

Fisheries – Low (1), Medium (3)

Sea/tree changers – Low (1), Medium (3)

Urban – Low (2), Medium (2)

Forestry – Low (3), Medium (1)

Tourism – Very Low (1), Low (2), Medium (1)

Evidence

All regions employ a range of stakeholder committees for various purposes – for example, a technical working group to look at irrigation matters, and a stakeholder-based project reference committee. Ways of assessing stakeholder participation in NRM implementation are varied – from stakeholder satisfaction surveys,

representation of key stakeholders on committees, uptake of contracts, and management agreements. One region observed that the two stakeholders that most influence its activities are governments as funds providers and land managers, who provide the financial and physical commitment. The Tasmanian region observed that key stakeholders continue to be dissatisfied with their level of influence but that this situation is progressively being improved as their engagement and confidence in the system grows.

Fairness

Stakeholders are heard and treated with respect by the Regional NRM Body

Rating: High (4)

Evidence

Stakeholder satisfaction with regional NRM body decision-making processes is assessed using stakeholder surveys. One Tasmanian region undertakes a customer satisfaction survey every two years, while a Victorian region draws on a social benchmarking survey. One NSW region seeks to improve stakeholder satisfaction through information days and holding board meetings in sub-regional locations, and also maintains a complaints register. A Tasmanian region received positive responses during feedback sessions with key stakeholders. A Victorian region relies primarily on unsolicited feedback and informal assessments of satisfaction through its comprehensive regional networks.

Regional NRM Body decisions are consistent (like cases are treated alike) and not influenced by irrelevant personal characteristics of the decision makers or those affected by decisions

Rating: Medium (1), High (2), Very High (1)

Evidence

Consistent and unbiased decisions are facilitated through all regions having standardised decision processes guided by criteria, including for awarding of contracts. One Tasmanian region sought to avoid perceptions of bias to the point of re-doing a tender process when one stakeholder raised concerns. Higher-level investment decisions are taken according to criteria conditioned by regional priorities. Positive unsolicited feedback through networks, at meetings and emails was given as evidence by regions in each jurisdiction. All regions noted that they received few or no complaints about the fairness of decisions.

The Regional NRM Body takes into account the distribution of benefits and costs ensuing from its decisions

Rating: Medium (2), High (2)

Evidence

Two Victorian regions use benefit cost analysis in assessing relative public-private benefits and costs and to test the logic of decisions. A Tasmanian region makes a particular effort to ensure 'remote' parts of the region are included in investments. NRM regions are aware of distributional effects of investments but also note the constraints of strategic priorities, funding, and non-eligibility of some groups. The overall investment mix in one Victorian region is monitored at least quarterly, while a Tasmania region supports non-eligible groups in their efforts to access other funding sources. Regions noted that while decisions may be generally based on the merits of proposals, addressing the relative disadvantage of some sub-regions in terms of

improving their capacity to deliver services might mean some inequality of investment.

Integration

Priorities and investments of the Regional NRM Body are aligned with state or territory and national priorities

Rating: High (3), Very High (1)

Evidence

Regions referred to a range of mechanisms to ensure priorities are consistent across governance levels, including integration of strategies and plans, and in particular the targets they contain, as well as associated accreditation processes and coordinating instruments such as bilateral agreements. Regional investment plans/proposals are required to be consistent with state and national priorities in order to attract funding. In Victoria for example, targets in regional catchment strategies and their associated strategies and plans support regional priorities.

The Regional NRM Body effectively coordinates its activities with those of other organizations involved with NRM in their region

Rating: Medium (1), High (2), Very High (1)

Evidence

All regions indicated strong ties with other NRM organizations and local service deliverers operating within their region, in most cases evidenced through formal agreements; joint projects; memberships of joint committees; and extensive joint meetings with sub-regional committees, technical panels, local government, water authorities, and NRM community forums. With respect to joint committees, for example, one Victoria region cites staff, committee and board involvement with a greenhouse alliance; working groups on coastal management, climate change, land health, biodiversity, and large population centres; and a farm plantations committee.

The Regional NRM Body effectively collaborates with other regional NRM bodies

Rating: High (3), Very High (1)

Evidence

Victorian regions indicated formal mechanisms for collaboration through MOUs, while strong informal ties were also evident through meetings, including regular inter-regional meetings of chairs and CEOs' forums. Tasmanian regions have a Lead Region Agreement that enables the regions to collaborate on projects but gives leadership of an individual project to one region. All regions cite joint projects with other regional bodies as major means of collaboration.

Capability

The Regional NRM Body has access to the human resources needed to effectively and efficiently develop and implement their NRM plans

Rating: Medium (3), High (1)

Evidence

Victorian regions have systems in place for performance planning – workload, work-home balance, succession planning, and attraction and retention strategies – but staff shortages, which are common, increase workload pressures on existing staff. NSW regions undertake work plans and associated reviews. A Tasmanian region noted historic difficulties in attracting and retaining appropriate expertise and experience –

the organization has a recruitment policy of playing to the region's strengths but also offering highly flexible working conditions, including maternity leave and flexible work hours. It is now successful in attracting specialist staff when previously there was no interest. Skill- and experienced-based selection criteria for board members and staff are well-developed in all regions. One Victorian and one NSW region utilise skills audits to inform staff development programs and recruitment strategies. Victorian and NSW regions have well-established performance management processes in place.

The Regional NRM Body has access to, and can effectively use, the knowledge needed to effectively and efficiently develop and implement their NRM plans

Rating: Medium (2), High (2)

Evidence

One Victorian region identifies knowledge needs as part of its monitoring, evaluation and review process, and includes a statement on knowledge in its annual report. Another is currently investing in a major project involving numerous partners that will gather spatial NRM data. A Tasmanian region noted a reliance on data from state agencies that is generally of limited utility. Knowledge storage capability appears to be best developed in Victoria, with examples given of web-based knowledge systems and spatial data repositories, but like all jurisdictions, this capacity does not embrace all NRM-relevant data, and tends to be region-specific so that sharing and integration across regions is problematic. Regions have basic knowledge retrieval and application processes, and one Victorian region is currently developing advanced environmental data management software.

The Regional NRM Body has appropriate financial resources to effectively and efficiently develop and implement their NRM plans

Rating: Low (2), Medium (2)

Evidence

All regions indicated that the funding required to implement strategies is greater than the budget received. Aside from funding shortfalls, implementation is constrained by the short-term nature of budgets and time lags in adjusting funding to changing conditions. A Tasmanian region noted that its relatively small budget means that it had to become very efficient. However, most regions were not able to quantify their cost-effectiveness, although one Victorian region has undertaken a cost assessment of its vegetation-related programs. All regions noted their very small discretionary budgets, with most funds tied to projects or required to meet fixed costs. There is an expectation that this may change with block-funding arrangements being proposed for NHT3. However, long term funding remains uncertain. Insecurity is leading organizations to find alternative means of income such as selling technical services, but to do so they take staffing levels to the limits of sustainability.

The Regional NRM Body has appropriate business systems and plans to effectively develop and implement their NRM plans

Rating: Medium (3), High (1)

Evidence

All regions indicate that they have in place effective business systems (including delegations, human resources, finances, projects, assets, information technology), and in some regions these are well-developed. All regions seem similarly satisfied with their business, strategic and NRM or catchment plans.

Adaptability

The Regional NRM Body sets out to learn from experience and incorporates new knowledge into decision-making

Rating: Low (1), Medium (1), High (1), Very High (1)

Evidence

One Victorian region indicated that adaptive approaches are integrated into their planning and performance assessment processes, including plan reviews, through which learnings are incorporated into new or updated plans. A Tasmanian region is redeveloping its plan and considers that it is consistent with an adaptive approach, while two other regions are working on incorporating adaptive capability into their project management and monitoring, evaluation and review processes but do not yet have formal plan review procedures in place.

The Regional NRM Body effectively anticipates threats, identifies opportunities and manages risks

Rating: Medium (1), High (3)

Evidence

One Victorian region requires a risk management plan for all projects, which is subject to review. Contingency plans are also incorporated into major projects. Another uses a project risk assessment template with treatment schedules documented and reviewed by management quarterly, a risk library which is reviewed by audit at each board meeting, and a board agenda that includes a standing item on emerging issues which considers threats and opportunities. A NSW region has internal risk audit and management procedures in place. A Tasmanian region is starting to implement SWOT analyses as part of its business plan. Risk assessment is also done at project level, while opportunities are informally monitored.

The Regional NRM Body systematically reflects on organizational performance and takes any necessary corrective actions

Rating: Medium (2), Very High (1)

Evidence

Victorian regions incorporate board and staff MERI as part of performance planning and self-assessment processes, and MER strategies are in place for plans, programs and projects. For one of these regions, Statement of Obligations reporting and the annual report contain governance monitoring and reporting, while a compliance committee monitors and improves processes. The other region utilises an internal audit. A NSW region undertakes performance reviews of board and staff, reviews board performance, and has a MER strategy for plans and projects.

4. NRM GOVERNANCE ASSESSMENT AND GOOD PRACTICE

This section presents an integration of Report 4 results (Lockwood *et al.* 2007) generated by an extensive series of research partners interviews, with the Trial Standard results from the previous section. A summary of this integration is provided in Table 1. The assessments are again structured under the eight principles, with an overall judgement given in italics.

As noted above, the Trial Standard has now been superseded by our most recent version of the Governance Standard detailed in Lockwood *et al.* (2008b). To aid the use of this latest Standard as a learning and improvement tool, under each principle we recapitulate the requirements for good NRM governance practice and offer guidelines for how these requirements can be met. These good practice guidelines were arrived at from our reading of the literature, various engagements with our partners, the assessment in Section 3, and suggestions for governance improvement made by the four regions that completed the Trial Standard. To indicate correspondence with the latest Governance Standard, each example is attached to a numbered outcome from this Standard. The complete list of outcomes from the latest Governance Standard is given in Appendix 2. For details of the Standard itself, the reader is referred to Lockwood *et al.* (2008b).

Table 1. Summary of NRM governance assessment

	Poor	Average	Good	Exemplary
NRM system³				
Legitimacy				
Transparency				
Accountability				
Inclusiveness				
Fairness				
Integration				
Capability				
Adaptability				
Regional NRM bodies				
Legitimacy				
Transparency				
Accountability				
Inclusiveness				
Fairness				
Integration				
Capability				
Adaptability				

³The NRM system refers to our nine regional NRM bodies as well as associated state and Australian government NRM governing bodies.

Legitimacy

The legitimacy of the NRM system is average and that of regional NRM bodies is average to good

The regions generally view as appropriate their powers to coordinate, plan and implement NRM conferred on them by legislation. These powers are further supported by formal ministerial delegations. Nonetheless, regional NRM bodies are faced with managing tensions between legitimacy conferred on them by governments, and a perceived need to be recognised as separate from government in order to earn legitimacy from their communities. The emphasis on effectiveness has precluded regional bodies from the legitimacy benefits to be had from more direct means of democratic input from and accountability to their local communities. Experience has shown that the initial flurry of broad community involvement in the establishment of the regional delivery model could not be sustained without appropriate institutional support. If the original intentions for a community-based model of regional NRM are to be fulfilled, future adjustments to the system's institutional settings need to take into account this critical source of legitimacy in more formal ways.

Autonomy is a concern as a result of insufficient devolution of powers to regional NRM bodies by the Australian and some state governments. However, greater devolution should not exempt governments representing extra-regional interests or addressing national and international concerns and obligations. Regional bodies' acceptance of the authority of state government bodies is hindered by their perception that the latter's governance standards are somewhat lower than those required of the regions. On the other hand, evidence from the Trial Standard indicates that governments accept and respect the authority of regional NRM bodies. Equally, regional NRM bodies need to recognise and respect the legitimacy of governments' roles in the multilayer NRM governance system.

Trial participants consider that Landcare groups, irrigators, local governments and conservation stakeholders accept and respect the authority of regional NRM bodies. Earned legitimacy from dryland farmers and Indigenous communities is perceived to be at a moderate level, while there are relatively low levels of acceptance from sea/tree changers, the fisheries, forestry and tourism sectors and urban residents.

Personal integrity of the key players is sound, with high levels of commitment evident amongst regional decision makers and some stakeholders. This conclusion from the interviews was supported by the results from the Trial Standard. Processes and responses to 'conflict of interest' issues are sound, and probity-related matters are being effectively managed through codes of practice and governance training. All regions participating in the trial indicated that governance training has been undertaken by board members and senior staff, and that procedures for addressing conflicts of interest, disputes and complaints are well-established.

Good practice guidelines

Good practice requires that NRM governing bodies:

- have strong democratic mandates;
- are entrusted with sufficient powers to fulfil their delegated responsibilities;

- gain the confidence of funding bodies and stakeholder communities;
- create awareness of NRM through actively building the profile of NRM organizations; and
- support the integrity and appropriate behaviour of NRM decision-makers by addressing conflicts of interest, financial probity and proper meeting procedures.

To bring about these requirements, NRM government authorities can contribute to the legitimacy of the NRM system and its governing bodies by:

- reducing the mismatch between devolved responsibilities and supporting powers and authorities, including financial powers (that is, giving regions the capacity to raise their own funding) and authorities (such as those for water, weeds and native vegetation);
- addressing the perception that their own governance standards are somewhat lower than those required of the regions;
- paying greater attention to their role of representing extra-regional interests and addressing national and international concerns and obligations;
- developing efficient procedures for the timely replacement of board members following resignations or inability to fulfil responsibilities in those jurisdictions where board members are appointed by a minister;
- developing procedures for board appointments that maximise democratic credibility and minimize political influence;
- enabling the creation of formal links between regional NRM bodies and other NRM governing bodies with existing democratic authority, such as local governments, to improve the legitimacy of regional bodies' standing within their local communities;
- more comprehensively honouring undertakings to regional bodies contained in SLAs; and
- providing continuity of funding regimes to regional organizations to enable them to maintain the confidence and commitment of stakeholders.

NRM governing bodies also have to do more to earn the acceptance and confidence of Indigenous communities; sea/tree changers; the fisheries, forestry and tourism sectors; and urban residents. They should also monitor acceptance and confidence levels among all stakeholder groups to provide guidance for continuous improvement. This may require investigation into appropriate assessment and recording techniques.

Regional NRM decision-makers can support continuous improvement of governance through regular review of governance manuals and board charters, codes and procedures, ongoing governance training, and attention to recommendations that may be made by external authorities, such as Auditors-General, on board and staff behavioural integrity. Regular review is important regardless of the level of board turnover. Training has to be specific to the needs of entities that operate in the public-private interface. One size does not fit all in the NRM context where diversity in Governance arrangements is the rule rather than the exception.

Example of good practice for Outcome 1.1⁴:

The governing body acts within its democratically mandated authority

The Tasmanian *Natural Resource Management Act 2002* sets out the roles, functions and powers of the Tasmanian Natural Resource Management Council and the three Tasmanian regional committees. Under the *Act*, the responsible Minister appoints the Chair from the membership of the regional committee. Committee membership is approved by each region's governing body and declared by the Minister on the basis that each committee:

- contains a representative mix from community and conservation interests, the Aboriginal community, State and local governments, and industry and public land managers;
- is representative of geographical areas and NRM interests; and
- has a gender balance.

Example of good practice for Outcome 1.2:

Stakeholders accept and respect the governing body's authority

Lachlan CMA actively works with state agencies, including Treasury, to build understanding of the environment in which CMAs work by inviting key decision-makers to the region. The CMA also has a stand at the Sydney Show and strategically places its signs around the catchment to foster community awareness of the organization and its role.

Example of good practice for Outcome 1.3:

Power rests where it can be most appropriately exercised

Central West CMA has been active in building the capacities of its 19 local governments, particularly in the development of a strategic matrix to integrate NRM planning into planning schemes, in administrative support for its NRM Working Group, and in development of a catchment-wide State of Environment Report rather than each local government undertaking their statutory responsibilities to prepare such reports on an individual basis.

Example of good practice for Outcome 1.4:

Decision-makers act with integrity and commitment

The staff of Central West CMA wrote their own code of conduct, which is based on the generic Public Service Code but was strengthened in the rewriting. Staff members, who sign the code, do an annual refresher. Opportunities are available for staff input in reviewing and modifying the code.

Over time Corangamite CMA has built sound governance procedures beginning with a corporate governance manual and a Board Charter, which were developed prior to the introduction of Department of Sustainability and Environment guidelines. The culture of good governance has since filtered down through the organization, where good governance is now also well understood and implemented.

⁴Outcome 1.1, and all other numbered outcomes to which the following examples relate, are drawn from the latest version of the Standard given in Lockwood *et al.* (2008b).

Transparency

The transparency of regional NRM bodies is good and that of the system as a whole average

Stakeholders are able to scrutinise decision making of the regional NRM body through mechanisms such as public availability of board meeting minutes, and planning documents available electronically and in hard copy. A range of communication and reporting media is used, often targeted to particular audiences and needs. Explanations of strategic decisions are contained in strategy documents and background papers. Mechanisms for promulgating criteria for investment decisions include availability on a website prior to funding applications being received, outlines in a regional priorities document and explicit grounding in catchment targets. The ANAO (2008) also indicates that there is documentation to support reasons for investment decisions, and generally explicit links between decisions and pre-determined criteria. Most regions provide feedback and explanations to unsuccessful applicants. Stakeholders generally have reasonable access to the NRM information they require, although their capacity to share resource information is limited where the regions are users of data for which other parties hold copyright. Information available on NRM issues and management options of interest to stakeholders is typically available on websites and in strategies and plans. At least one region produces brochures in languages other than English. Regions that are less mature or relatively resource-poor recognise a need for improvement.

Instances of communication failures between the state and Australian governments and peak NRM organizations suggest the need for governance structures that foster openness by higher-level governing bodies. Communication openness is necessary to build system-level trust and avoid, for example, the resentment that state governments feel when the Australian Government makes decisions on matters that will require them to contribute on a one-for-one basis and into which they have had no input.

Good practice guidelines

Good practice requires that NRM governing bodies (i) make decision-making processes visible to stakeholders; (ii) substantiate decisions through clear documentation and explanation; and (iii) make relevant information available to stakeholders.

To bring about these requirements, national and state level governing bodies can:

- minimize restrictions on the ability of regional NRM organizations to acquire and share NRM information;
- institute higher-level governance structures and procedures that foster openness of communication; and
- consolidate commitment from governments and regions for the Australian Government's knowledge brokering initiative and other data/information sharing projects.

Regional NRM organizations can better substantiate their decision-making processes by improving the quality as well as the availability of information accessible to stakeholders. Suggested ways to achieve this end are by:

- refining project selection criteria so that proponents have a clearer idea of the organization's expectations for proposals;
- publicising contracts on the organization's website;
- making reports available on the organization's website;
- making board or committee meeting minutes available on the website; and
- maintaining currency of the website.

Where applicable, NRM bodies should not ignore the NRM information needs of groups whose first language is not English. While expenditure on multilingual publications may not be justifiable, NRM organizations have the option of developing an NRM advisory relationship with key individuals within ethnic communities to advance awareness of regional goals and challenges.

Example of good practice for Outcome 2.1:

Decision-making is open to scrutiny

Northern Rivers CMA publishes its Board meeting minutes on its website while Cradle Coast NRM uploads an edited version of its Committee meeting minutes.

Examples of good practice for Outcome 2.2:

The reasoning behind decisions is clear, substantiated and available

Northern Rivers CMA developed a ranking system based on the *environmental services index* that is specific to this region to assist transparency of funding decisions. Before final recommendations go to the Board, staff members check for accuracy.

Cradle Coast NRM engages unsuccessful tenders in face-to-face interviews with the aim of improving future delivery. This practice is seen to be important in building regional expertise. It has resulted in local providers improving their capacities and has helped community groups to understand the market in which they must operate.

Examples of good practice for Outcome 2.3:

Information on organizational and NRM performance is readily available, widely distributed and accessible

Goulburn Broken CMA produces brochures for those areas where English is not the first language and provides a disability access option on its website.

Corangamite CMA makes a range of data available to support stakeholders and currently provides this free of charge. High-quality sharing arrangements are in place with other agencies to allow data access.

Accountability

The accountability of the NRM system is average and that of regional NRM bodies good

Upward accountability of regional NRM bodies to government is well-established and continues to be strengthened. Reporting requirements imposed by governments have involved excessive duplication, frequency and complexity, although there is evidence that governments are addressing this concern (ANAO 2008). The accountability and transparency of state governments' management of Australian Government funds is deficient, with several instances of non-compliance with the bilateral agreements. The ANAO (2008) identified significant breaches of the bilateral agreements related to the transparency of funds management, failure to gain the necessary approvals to release program funds, failure to provide acquittals to show that funds were spent for their intended purposes, roll-over of NHT1 funds, and accounting for and use of interest earned from holding accounts.

Downward accountability of regional NRM bodies to their communities is informal, and could be strengthened. Although regional NRM bodies have made significant efforts to engage their local communities, they do not necessarily have broad-based support since individuals in the regions have limited means for influencing the choice and actions of members of regional boards or for recourse in the event of disagreement with their actions. For improved downward accountability, selection criteria for appointment of board members should ensure representation of a broad range of regional interests, as is the case with Tasmanian NRM legislation.

Similarly, downward accountability of state agencies was judged by the regions to be generally deficient, especially in the fulfilment of SLAs. Almost universally, regions complained about the failure of agencies to furnish relevant NRM data or other systems (IT, financial management) required for their proper functioning.

Regional NRM bodies' roles and responsibilities are clearly defined and allocated through legislation and other statutory instruments, as well as by board rules and governance manuals, staff position descriptions that are aligned with program objectives, and terms of reference and/or charters for subsidiary committees. Relationships between the regional NRM bodies' partners and providers are clearly defined through MOUs, SLAs and other written agreements. Roles and responsibilities articulated in regional arrangements are generally clear, with the exception of those in relation to state agencies, where deficiencies were identified by several regions. However, role allocation is a problem at a systems level in terms of status and functions of the various strategic plans and operational instruments, for institutions such as Joint Steering Committees (JSCs), and for particular NRM activities (water, native vegetation and pest plant and animal management). Evidence given by one government respondent suggests that the role of JSCs has varied from strategic to operational to strategic according to key preoccupations at different stages of evolution of the NRM system and according to the experience and preferences of individual committee members. This confusion has resulted in processes being slowed down with implications for the operation of the NRM system as a whole.

Organizations are required to undergo numerous compliance audits and some regions have audit committees to oversee these obligations. All regions report on NRM

conditions and outcomes and outputs annually; regions also report on progress on long-term objectives. Implementation audits are used to determine compliance of on-ground works with project objectives and outputs. However, the adequacy and meaningfulness of catchment condition reporting and the ability to identify performance against outcomes is deficient. The quality and measurability of the targets in the regional plans is generally poor, as is data validation and there is a lack of agreement on performance indicators (ANAO 2008). These deficiencies are significantly compromising the quality and utility of reporting processes, as well as hampering adaptive capacity.

Good practice guidelines

Good practice requires that:

- NRM roles and responsibilities are clearly defined, formally documented and clearly understood and accepted;
- reporting obligations are reasonable, with performance and outcomes being reported in a diligent and timely fashion; and
- financial probity is maintained.

To bring about these requirements at the NRM system level, the status and functions of the various strategic plans and operational instruments, of the JSCs, and of NRM activities such as water, native vegetation and pest plant and animal management should be more clearly allocated. The role of JSCs, for example, could be more clearly identified as a strategic one.

Governments can assist regional NRM bodies by developing strategies that have outcome targets, which are then used to both report on system performance and as a basis for seeking information from regions. State agencies could improve their downward accountability to regional organizations through stricter adherence to SLA arrangements. Downward accountability of regional organizations to regional and local communities is assisted by board/committee selection criteria that ensure a broad range of regional interests are represented in concert with an adequate skills complement.

If the regions are to account for their activities and expenditures in meaningful ways, their ability to identify performance against outcomes must be upgraded by improving the quality and measurability of catchment condition targets. Regional organizations can also better account for their obligations by:

- improving coordination of committees to ensure that all responsibilities are met;
- developing agreed understandings of the board, CEO, staff and committee responsibilities;
- ensuring that staff position descriptions align with program objectives;
- regularly reviewing committees' terms of reference;
- working in an ongoing fashion with internal (staff) and external stakeholders to improve the quality and timeliness of output delivery; and
- greater rigour in project assessment on the ground, for example, by undertaking sample reviews of projects annually to ascertain compliance with project objectives or by utilising GIS.

Examples of good practice for Outcome 3.1:***NRM actors have clearly defined roles and responsibilities and have accepted them***

Position descriptions of all Corangamite CMA staff members align with the CMA's program objectives and are reviewed annually. All committees have terms of reference that are reviewed after committee reappointment and as part of the end-of-year self-assessment process. The CMA has a range of memoranda of understanding (for example, with the three Indigenous communities) and agreements with key stakeholders (for example, a service level agreement with the Department of Primary Industry). The CMA uses Victorian Government Purchasing Board guidelines when engaging providers.

Examples of good practice for Outcome 3.2:***Obligations are reasonable and have been met***

Goulburn Broken CMA provides quarterly reports to its implementation committees, the Board and funders. Its annual report includes a report on condition, outcomes and outputs as well as progress towards long-term outcomes. As well, the CMA undertakes implementation audits of programs to determine the level of compliance with program objectives and outcomes (for example, the Bush Returns Program). All incentives works are checked before being paid.

Inclusiveness

The inclusiveness of the NRM system and of regional NRM bodies is average to good

All participants are strongly committed to inclusive governance. Opportunities for stakeholders to participate in regional NRM processes and activities are well developed, with a variety of communication options employed by regions to alert stakeholders to opportunities for involvement. Regional NRM bodies take into account the values and interests of stakeholders in their decision-making. Regional organizations utilize a variety of structures for key stakeholder engagement in strategic planning, including catchment committees, technical panels and working or steering groups.

Ways of assessing stakeholder participation in NRM implementation include stakeholder satisfaction surveys, representation of key stakeholders on committees and uptake of contracts and funding opportunities. Regional NRM bodies consider that their engagements with state and national governments, Landcare groups, and some agricultural subsectors such as irrigators are well developed and effective. Their relationships with local government, conservation groups, for some regions agricultural subsectors such as dryland farmers, and Indigenous communities are developing, but need to be strengthened. Key resource sectors (fisheries, forestry, and tourism), sea/tree changers and urban stakeholders are yet to be drawn into effective engagement with the regional NRM system.

Engagement of regional actors in higher-level processes is currently inadequate. Although the design of the regional delivery model was based on program evaluations of previous programs and consideration of the views of a wide range of stakeholders (ANAO 2008), regional and local interests appear to have been under-represented. In general, the regions are keen to have greater access to JSC meetings and, in response, Victoria's DSE for example is investigating CMA representation on the JSC.

Wider societal and environmental concerns tend to be under-represented at the regional level, a situation that demands a strengthening of the system as a whole, as it is at the state and national levels where such concerns are best represented and pursued.

Good practice guidelines

Good practice requires that a diverse range of stakeholders have genuine opportunities to participate in NRM processes and activities. To bring about this requirement, higher-level governing bodies can:

- show leadership to ensure that wider societal and environmental concerns – consideration of the needs of future generations, social justice goals, and democratic values – resonate at the regional level, in line with their international commitments and national goals and values; and
- reform macro-scale governance structures to enable inclusion of regional NRM representatives in higher-level coordination and decision-making.

Regional NRM organizations can:

- address the dissatisfaction among some ‘care’ groups regarding their engagement with NRM by supporting and investing in locally important priorities;
- build better understanding of NRM by having targeted communication strategies that take into account the diverse needs of different stakeholder segments;
- investigate how more effective relationships with Indigenous communities and key resource sectors (fisheries, forestry, and tourism), sea/tree changers and urban stakeholders can be developed;
- ensure all stakeholders, not just the most articulate, better-connected or most vocal minorities have opportunities for engagement by paying particular attention to the communication needs and preferences of these groups; and
- investigate how regional organizations, particularly those that are smaller, less mature or more remote, can reduce the risk of stakeholder burnout.

Examples of good practice for Outcome 4.1:

Stakeholders have opportunities to participate in NRM processes and activities

Corangamite CMA recently revised its communications strategy from one that was designed to build its image to one intended to inspire the community to action. The CMA has adopted the single goal to consider the community in all its operations and to raise understanding of NRM from its present level of 12 per cent of the 350,000 members of its catchment community. Corangamite CMA involves its communities in decision-making through its Operational Portfolio Groups (for Landcare, Coastal, Pest Plant and Animals, Waterways and Salinity), whose purpose is to engage their respective community of interest to maximise input to plans, processes and activities. The coordinators of these groups together with two Board members constitute the Regional Investment Committee. Each operational group has executive support provided by the CMA. Board members feel that this source of community input has strengthened Board and staff decision-making.

Examples of good practice for Outcome 4.1 (continued):

Goulburn Broken CMA focuses on relationships and partnerships with Board, staff, implementation committees, community interests and agencies in order to develop common ownership and so that stakeholders develop a sense of their contribution to the bigger picture. There is a monthly regional partnership team that includes major partners in decision making and management. The three implementation committees report regularly to the Board and do this together so they can learn from each other.

Murray CMA regards its 10 local community advisory groups that provide advice on how the status of incentives, strategy, new programs, and any needs as a good way of managing risk and getting feedback. The local implementation officer chairs the groups while a board member is given a liaison role. They meet together four times per year. North Central CMA has attempted to widen its reach with its topic-based community reference groups that feed information through to its implementation committees. Although they are in their infancy, the reference groups include people who previously would not have had any association with a CMA or any government authority. The implementation committees use their networks to recruit people.

Examples of good practice for Outcome 4.2:

The governing body effectively and meaningfully engages a diversity of stakeholders in NRM

To overcome difficulties with engaging Indigenous communities, Central West CMA has instituted a number of processes. First, an Aboriginal Reference Group that has access to the Board was established. Its chair addresses the Board once a year. To form the reference group, the CMA had discussions with communities, families and town groups with the help of Aboriginal staff. The reference group, which is based on a formal agreement with the region's Indigenous groups, is composed of two representatives – one traditional owner and one person affiliated with each area – from 23 community groups covering three language groups. Around 30 representatives attend each meeting. They are expected to provide feedback to their local groups. The CMA has found that the 'talk' model works well with Indigenous people and the organization has experienced a significant turnaround in their engagement to the extent that the reference group members are reported to have become passionate advocates of NRM. Exchange of knowledge is said to be a significant benefit of this engagement. Central West CMA has also had success working with Aboriginal land councils, whose members have the knowledge and experience to undertake the cultural assessment that were formerly the responsibility of land owners. The CMA has provided training in intellectual property, developed a template for cultural assessment, and provided payment schedules with a list of service providers. This approach generates employment possibilities for Indigenous people and is claimed to be a much better system than the *ad hoc* process that was previously in place and is now seemingly accepted by all.

Some NSW CMAs are utilizing their community advisory or reference group arrangements to re-engage Landcare groups. Murray CMA has found that its Landcare Community Advisory Group has helped mitigate the alienation felt by Landcare groups. Northern Rivers CMA has transformed former Landcare coordinators into community support officers to engage with industries. These officers are community-based, have the confidence of their communities and are in a position to do much capacity-building.

Fairness

The fairness of the NRM system and of regional NRM bodies is good

Stakeholders are generally heard and treated with respect by the regional NRM bodies. There is evidence that stakeholders are satisfied with the fairness of regional decision-making processes, which generally ensure consistency and absence of bias in decision-making. All regions have standardised decision processes guided by criteria, including for awarding of contracts. Higher-level investment decisions are taken according to criteria conditioned by regional priorities. All regions noted that they received few or no complaints about the fairness of decisions. Several regions have attempted to redress perceptions of inequity that inevitably result from targeted investment that is strongly influenced by state and Australian governments' priorities by opening up their processes to individuals, by funding small community group projects or by assisting 'care' groups in preparation of funding applications.

Regions expressed some concern about their treatment by state agencies, specifically noting a sense of unfairness about the absence of trust in them. As acceptance of policy and management decisions is related to perceptions of fairness in decision-making processes, the perception of untrustworthiness could hinder effective relationships between agencies and regional bodies. The introduction of the regional model has tested the willingness of state and Australian governments to let go the reins of control. True devolution, where responsibilities are passed to lower-level governing bodies without ongoing supervision from higher-level governing bodies, is yet to be achieved.

In general, regional NRM bodies give consideration to the distribution of benefits and costs ensuing from its decisions, some through formal means such as benefit cost analysis but more commonly through informal monitoring. Regions noted that while decisions may be generally based on the merits of proposals, addressing the relative disadvantage of some sub-regions in terms of improving their capacity to deliver services might mean some inequality of investment.

Good practice guidelines

Good practice requires that respect and attention is given to stakeholders' views, decision-making is consistent and free of bias, and consideration is given to distribution of costs and benefits of decisions. These requirements can be met by governing authorities reversing the perception among regional organizations of unfair treatment through building trust – in this, providing genuine and ongoing opportunities for regional NRM boards and staff to participate in and influence higher-level decisions is key.

Given that a full social cost-benefit analysis (that is, one which includes assessment of market and non-market economic values) is both impractical and unwarranted for most if not all regional-level NRM investments, investor governments could assist regional organizations by working with them to develop a practical and cost-effective alternative, perhaps based on multi-criteria approaches. Such a procedure would provide regions with a formal means to justify the distribution of public and private costs and benefits of their decisions. Decision support tools such as Multi-criteria Analysis, or deliberative mechanisms such Open Space Technology, can also be useful in this regard.

Regions need to be able to justify decisions made for reasons of operational effectiveness that result in some sub-regions receiving an apparently disproportionate share of investment or where operational effectiveness outweighs the merits of investment proposals. This can be achieved by engagement with all sub-regions, including those of relatively low strategic priority, in dialogue that promotes understanding of wider regional needs and priorities. In order to retain involvement of local community-based NRM groups, there will also need to be resources to support 'local' priorities.

In the context of the strong focus on treatment of high priority assets and associated threats and risks, one of the challenges for regional organizations in relation to fair treatment of stakeholders is to balance community needs and interests with the use of market-based approaches that will engage only certain landholder segments. Market-based approaches should therefore be used alongside other instruments including non-market incentives, covenants, certifications and management agreements.

Examples of good practice for Outcome 5.1:

Individuals and organizations have NRM responsibilities commensurate with their potential or obligation to assume them

Northern Rivers CMA recognizes that capacity deficits among some communities represent an equity issue and impede its ability to fulfil its responsibilities. They have responded by building community capacities and thereby building equity. Concerned that the West Coast sub-region should not be disadvantaged, Cradle Coast NRM co-funds a fire and weeds officer as an operational initiative to ensure the organization's ability to deliver NRM effectively. Similarly with the King Island sub-region, the organization funds the local government NRM officer to improve its effectiveness. Corangamite CMA provides advice on alternative funding sources (for example, the National Landcare Program, Envirofund, Community Water Grants, Philanthropy or Industry), and will provide support for, say GIS, to those groups with an interest in NRM and who wish to undertake projects but who will not be able to satisfy the requirements of major investors or demonstrate alignment with the Regional Priorities Document.

Examples of good practice for Outcome 5.2:

Stakeholders are heard and treated with respect

Corangamite CMA undertakes a two yearly customer survey that measures satisfaction. It has also undertaken a social benchmarking survey providing the Authority with information on peoples' views on a range of issues. Cradle Coast NRM's feedback sessions with funding applicants are well received and interpreted as evidence of the organization's professionalism.

Example of good practice for Outcome 5.3:

Decisions are made consistently and without bias

Corangamite CMA uses standardised processes undertaken by a multi-skilled assessment panel. After a project passes technical assessment, the Committee assesses the project in relation to criteria set out in its Regional Priorities Document.

Example of good practice for Outcome 5.4:

The distribution of benefits and costs is assessed and considered in decision-making

Goulburn Broken CMA utilizes benefit cost analysis or other processes for assessing relative public-private benefits and costs of projects.

Integration

The integration of the NRM system is poor to average, and of regional NRM bodies average to good

Priorities and investments of the regional NRM bodies are aligned with state and national priorities, with integration of strategies and plans, and in particular the targets they contain assured through accreditation processes and coordinating instruments such as bilateral agreements. However, integration of NRM policy and action across national, state and regional levels is patchy, and where present, often superficial. Interestingly, an Australian government respondent noted that the prospects for coordination between state and national governments appear to be growing as the awkwardness that generally characterizes their relationships is thought to be breaking down at the regional level.

Partnerships and projects between regional NRM bodies and with other regional NRM providers are moderately well developed. Coordination between regional NRM bodies and other organizations involved with NRM in their region is well developed, with all regions indicating strong ties with other NRM organizations and local service deliverers, in most cases evidenced through formal agreements, joint projects, memberships of joint committees and meetings. Horizontal integration between regional NRM bodies is strengthening, with formal mechanisms for collaboration expressed through MOUs and joint projects, and strong informal ties evident through inter-regional meetings and forums, although some participants considered that competition between regions is a barrier. The tensions and contradictions of operating in a competitive business environment and the imperative for partnership building are ongoing governance challenges for regional NRM bodies.

While there is much activity by way of functional connections and coordination occurring within and among the regions, there is as yet limited movement on the vertical plane. Although institutional arrangements are in place to align regional, state and national priorities, including through bilateral agreements, JSCs, ministerial advisory councils and so on, there persists a level of distrust among the governing levels. One state agency respondent expressed the fear that the Australian Government might be inclined to ignore the regional priorities, bypass the states and fund the regional bodies directly to implement pet projects through the concept known as 'co-investment'.

The ANAO report (2008) identifies that the integration of local investment programs such as Envirofund with the regional investments remains weak.

Good practice guidelines

Good practice requires effective horizontal, vertical and internal coordination of governing processes and instruments across, between and within jurisdictions, governing scales and NRM regions.

To meet this requirement, national and state leadership can focus on:

- coordinating national, state and regional governing levels into a cohesive program that delivers significant large-scale outcomes;

- improving vertical integration based on existing institutional structures – bilateral agreements, JSCs, and ministerial advisory councils – with the suggestion that the coordination and support roles of the Australian Government NRM Team be upgraded;
- investigating the risks and benefits of operating in a competitive business environment versus the imperative for partnership building so that informed choices can be made about the most effective operating environments for regional NRM organizations;
- developing and providing central coordination of arrangements for sharing resources, expertise, knowledge and information; and
- strengthening integration of local investment programs such as Envirofund with regional investment priorities and/or making provision for local priorities.

At the regional level:

- vertical integration can be encouraged by clarifying regional priorities and upgrading the guidelines in order to strengthen alignment of regional plans with higher-level priorities; and
- effective coordination among NRM organizations can be strengthened through enhancing the role of fora such as chairs and executive officer meetings.

Example of good practice for Outcome 6.1:

The governing body is effectively connected and coordinated with governing bodies at different levels of governance

Tasmanian regional committees all have senior State officials as members. Senior staff in regional committees meet regularly with State officials and a representative of the Tasmanian NRM Council to progress issues. Regional committee chairs and CEOs participate regularly in JSC meetings. Each region has close contact with a local government regional organization as well as individual Councils. Each region maintains a close working relationship with State-based Australian Government facilitators as well as with a team in Canberra with responsibility for working with Tasmania.

Examples of good practice for Outcome 6.2:

The governing body is effectively connected and coordinated with governing bodies operating at the same governance level

Corangamite CMA has been particularly successful with industry partners and has a number of joint projects with other CMAs, and universities. The CMA extends its influence through staff, committee and Board involvement with Barwon Greenhouse Alliance, CCMA/Coastal Board Working Group, Land Health & Biodiversity Working Group, Large Populations Working Group, Central Victorian Farm Plantations Committee, the Committee for Geelong, Eel Reference Group, Landcare Chairs Forum and the Climate Change Working Group. It also has strong ties with other CMAs through the statewide Chairs and CEO forums, NSW Chairs Meeting, NRM Community Forum, International Landcare Conference, Southern Rural Water, Rural Press Club and others, local government planning and environment staff, water authority staff, area working groups with DPI, DSE, CCMA Landcare and so on.

Examples of good practice for Outcome 6.2 (continued):

The three Tasmanian regions collaborate through the Lead Region Agreement, wherein one region agrees to lead a particular program. There is general agreement about its utility. Meetings among the three executive officers have become more frequent and staff exchanges among regional bodies are also occurring.

In recognition of the importance given to information in the NRC standard, Central West and Lachlan CMAs are collaborating on a strategy to reduce duplication in the management of information and knowledge.

The Tasmanian regions have been particularly dependent on partnerships to provide necessary resources. NRM South, for example, has or has had a number of its employees hosted by other organizations such as the Tasmanian Institute of Agricultural Research, Hobart Water, Hydro Tasmania, Coastlink South (Sustainable Living Tasmania), Rural Development Services, Greening Australia, and the Tasmanian Aboriginal Land and Sea Council. This approach to resource-sharing is intended to provide cross-fertilization and mentoring, and to build partnership and relationships with stakeholders. Many NRM South projects rely on cash and/or in-kind contributions from project partners.

Cradle Coast NRM has partnered with the Tasmanian Institute of Agricultural Research, the Tasmanian Aquaculture and Fisheries Institute and other institutions to implement projects and drive on-ground improvements in environmental conditions, such as a dairy effluent project.

The strength of ties with local government is reflected in Central West CMA's memorandum of understanding with its 19 local governments and in sending a board member or the general manager to the peak local government group's twice-yearly meetings. The CMA has taken a strategic cross-catchment approach to local government NRM funding and works with local government on joint projects that further common objectives and priorities, such as the Salinity Alliance.

Corangamite CMA is strengthening its links with local government through its local government liaison officer. The CMA has taken this approach for two reasons. First, it acknowledges that local government is under resourced and the CMA has the resources to assist local government with NRM planning; and second, it recognizes that elements of the Regional Catchment Strategy need to be integrated into local government planning schemes. The CMA's liaison officer has assisted councils to develop a strategic matrix to achieve such integration.

Examples of good practice for Outcome 6.3:

Priorities, plans and activities are aligned across and within spatial scales and governance levels

In an endeavour to align local and sub-regional expectations with regional-level aspirations, Central West CMA has subdivided the catchment into five sub-regions. Within the organization, the CMA includes a set of guiding values in its board manual, which has helped the Board to articulate its vision. Murray CMA has several measures in place to ensure alignment of local government plans with regional priorities, including a designated officer to work on local government lands and an incentives program for local government projects.

Capability

The capability of the NRM system is average and that of regional NRM bodies average to good

Regional bodies have effective business systems (including delegations, human resources, finances, projects, assets, information technology) in place. Access to the human resources needed by regional NRM bodies to effectively and efficiently develop and implement NRM plans is variable. Board and staff members of regional NRM bodies are generally high calibre and experienced although recruitment and retention of board members and staff with experience and appropriate expertise is particularly challenging for smaller organizations and those in more remote and chronically under-resourced regions. Skill- and experience-based selection criteria for board and staff are well-developed in all regions, and Victorian and NSW regions have well-established performance management process in place.

The level of investment in NRM continues to produce a significant capability deficit. All regions indicated that the funding required to implement strategies is greater than the budget received. Implementation is also constrained by the short-term nature of budgets and time lags in adjusting funding to changing conditions. All regions noted their very small discretionary budgets, with most funds tied to projects or required to meet fixed costs. There is an expectation that this may change with block-funding arrangements being proposed for NHT3. However, long term funding remains uncertain, while the ANAO report (2008) also observes that significant delays in payments by states to regional NRM bodies are an ongoing issue.

Regional NRM bodies generally consider that they have access to, and can effectively use, the knowledge needed to effectively and efficiently develop and implement their NRM plans. Knowledge storage capability appears to be best developed in Victoria, with examples given of web-based knowledge systems and spatial data repositories, but like all jurisdictions, this capacity does not embrace all NRM-relevant data, and tends to be region-specific so that sharing and integration across regions is problematic. Regions have basic knowledge retrieval and application processes, and a few regions are developing their own environmental data management software. System-wide knowledge management systems are generally of limited effectiveness and poorly developed. While the Australian Government has introduced measures to improve knowledge management, there are still deficiencies in capture and dissemination of learnings generated at the regional level (ANAO 2008).

Good practice guidelines

Good practice requires that NRM bodies have the capacity to deliver on their responsibilities and in this they are supported by appropriate and adequate skills, leadership, knowledge, investment, plans and systems.

In meeting these requirements, state and national governing bodies can:

- better coordinate the human resources needed by regional organizations – for example, Centrelink could be asked to maintain a register of potential personnel with relevant management, professional and technical skills – such a facility

would be especially valuable to smaller and more remote regions in building appropriate skills complements;

- provide assured core funding to enable core responsibilities to be maintained;
- allow greater flexibility in discretionary budgets;
- deliver the financial security needed to support long-term planning and implementation;
- be more punctual in transfer of payments;
- improve system-wide knowledge management systems so that learnings are captured and disseminated throughout all levels; and
- improve data provision to the regions.

Within regional organizations, optimizing available resources can improve management and decision-making effectiveness. Where appropriate, consideration could be given to:

- implementing performance management for improved personnel and organizational alignment;
- adopting succession planning;
- enhancing human resources support through establishment of staff recruitment, induction, development and retention policies;
- regularly reviewing position requirements and managing workloads to ensure that incumbents are managing effectively;
- improving and accelerating processes for filling vacancies;
- adopting a project management approach to better align business systems and reduce duplication; and
- providing follow-up governance training for board members and senior management with attention to their responsibilities as decision-makers for public entities.

Examples of good practice for Outcome 7.1:

Skills, leadership and corporate knowledge are sufficiently developed and maintained to meet responsibilities

More remote regions are especially challenged in attracting and retaining specialist staff. Cradle Coast NRM has overcome this impediment with a recruiting policy of “growing its own”. It offers a salary package that emphasizes the attractions of its location (clean, safe environment, rainwater and so on), extra leave, a car, and flexible working conditions. The result is that its applicant rate has increased ten-fold and it now has a complement of very experienced staff so that the organization is better positioned to effectively implement its undertakings.

Goulburn Broken CMA acquired the specialist expertise that it needed but was unable to afford on its own by sharing a wetland ecologist with a neighbouring CMA.

Goulburn Broken CMA’s performance planning process includes workload and work-home balance, while succession planning, and staff attraction and retention processes are underway.

Corangamite CMA’s Board undertakes a skills audit annually at self-assessment time to determine future development requirements, while staff skills development programs are discussed at the six-monthly performance management review.

Example of good practice for Outcome 7.2:

The quantum, manner of delivery and continuity of investment enables the governing body to deliver on its responsibilities

To diversify its funding sources, Northern Rivers CMA initiated the Natural Resource Environmental Trust, which seeks corporate and philanthropic contributions to improve NRM. The trust mainly approaches rural resource enterprises, banks and building societies, and fuel companies. Qantas Link has indicated an interest in obtaining carbon credits. The board members and the general manager constitute the trustees; the trust has charity status.

Examples of good practice for Outcome 7.3:

NRM knowledge acquisition and deployment enable the governing body to deliver on its responsibilities

In response to the challenge of knowledge-sharing, Corangamite CMA in conjunction with Glenelg-Hopkins CMA developed a storage and retrieval system, the Research and Development Database. North Central CMA is developing an on-line knowledge store that is accessible to partners and the general community. Central West CMA is building partnerships with universities, including the University of New England, to secure the knowledge that it needs.

Examples of good practice for Outcome 7.4:

Planning processes and implementation tools enable the governing body to deliver on its responsibilities

NRM South has a number of planning processes that enable it to meet its responsibilities. These include the Corporate Plan 2007-2010, annual business plan, annual agenda and annual performance plans for staff, as well as the Southern NRM Strategy, the regional investment proposals and business development plans. These are reviewed annually or on an 'as needed' basis.

Goulburn Broken CMA has a documented and board endorsed annual planning cycle that includes steps such as reviewing strategic directions, developing local priorities documents, calling for funding EOIs, indicative budgeting, development of corporate and investment plans, funding project approvals, implementation, quarterly reporting to board, and an annual report against the corporate plan. Superimposed on this is a strategic planning cycle, including a rolling program of strategic document development and review/update. Results from these processes and updated documents are fed into the annual cycle. Tools used to achieve planned outcomes include establishment of committees and networks to provide advice and oversee operations; determination of environmental water requirements; cost benefit analysis; cost sharing and market based instruments; and community engagement and awareness programs.

Examples of good practice for Outcome 7.5:

Business systems enable the governing body to deliver on its responsibilities

Northern Rivers CMA adopted a program logic process that helps clarify its objectives and has strengthened the links between targets and projects. The CMA organizes its operations, including its Catchment Action Plan, on the basis of theme teams. These teams develop project briefs, which are then let to contractors and contract contacts are established. If there is a breakdown in delivery, a system to check whether contracts are running over comes into play. For this process, all projects are cash flowed and incorporate milestones. At one month, the alarm rings and at two months, the program manager is designated to resolve the problem. If the project runs beyond four months, the chief executive officer becomes involved.

Adaptability

The adaptability of the NRM system and regional NRM bodies is average

The extent to which regional NRM Bodies set out to learn from experience and incorporate new knowledge into decision-making is highly variable. While some regions are grafting adaptive approaches onto their planning and performance assessment processes, through which learnings are incorporated into new or updated plans, many regions do not have fully operational systems to make them learning organizations. State and national level processes are also under-developed. The ANAO report (2008) notes that progress appears to have been made recently in the development of an outcomes-based reporting framework and a revised Monitoring, Evaluation, Reporting and Improvement national framework. In Victorian and NSW regions, MERI systems are generally in place for plans, programs and projects, and in a few cases for performance planning and self-assessment processes as well. However, many resource condition targets identified in the plans are not specific or measurable (ANAO 2008) and so do not provide a sound basis for assessing progress or founding adaptive responses. Current and emerging monitoring, evaluation and review systems adequately provide for output-accountability but are insufficient to enable an operational adaptive management capacity, and are unable to provide an assessment capability against outcomes – a conclusion supported by ANAO (2008).

Risk management is routinely applied to project establishment and monitoring procedures by many regional NRM bodies. Procedures to anticipate threats and identify opportunities are less well developed, although in a few regions such matters are considered at board meetings while others employ SWOT analysis as part of their business planning. System-level adaptability is made difficult by cumbersome and time-consuming amendment processes, institutional fragmentation, tensions between competing interests, and poorly integrated knowledge generation and management.

Good practice guidelines

Good practice requires an adaptive system or organization that supports (i) intentional learning, (ii) management of change, and (iii) systematic reflection on performance for improvement.

To meet this requirement, adaptive capacity needs to be developed throughout the NRM system. Governments should lead efforts to make planning and decision making more responsive and able to accommodate new knowledge. In part, this can be achieved through building knowledge generation and management systems that better capture and employ key learnings. For monitoring, evaluation and review systems to be capable of advancing the learning capacities of regional organizations, they need to effectively connect outcome-based performance evaluation to processes of plan review and amendment. Regional organizations can be more systematic in their approach to adaptive management by incorporating:

- fully operational planning and performance assessment processes;
- an MER capability to assess performance against outcomes; and
- procedures to anticipate threats and identify opportunities, such as SWOT analysis.

Examples of good practice for Outcome 8.1:

The governing body has a well developed and maintained culture of intentionally learning from experience and absorbing new knowledge

Corangamite CMA encourages organization-wide learning through its Project Review Committee and Project Support Group. The expectation from post project reviews is that lessons can be learnt across the organization from documenting barriers or risks encountered by a project. The purpose of the Project Support Group is to identify risks not only in those projects that are struggling, but also in those that are running ahead. The CMA appreciates that there are also lessons to be learnt from leaders of projects that always finish on time. The objective is to identify exactly where particular project leaders excel and build the lessons into future projects as best practice.

Central West CMA encourages learning and innovation among its stakeholder land managers through its Farming Systems program, which provides an opportunity for farmers to improve their skills and test new approaches to land management.

Landholders are invited to submit expressions of interest for a minimum \$100,000 to develop a program. Ten landholders are selected to go through a training program; they are provided with innovative speakers; and then they are asked to develop a farm plan for their farms. The winner is bound by agreement to implement the farm plan and to allow demonstration to the public for 10 years.

Examples of good practice for Outcome 8.2:

The governing body systematically anticipates threats to effective NRM and manages associated risks

Goulburn Broken CMA's Project Risk Assessment Template facilitates anticipation of threats and management of risks while the Board meeting agenda includes a standing item of emerging issues which considers threats and opportunities.

Examples of good practice for Outcome 8.3:

Individual, organizational and system-level performance is subject to systematic assessment, reflection and correction

Goulburn Broken CMA sees MER and risk management as its key process tools. The CMA utilizes the Goulburn Broken Project Management Framework to track and audit its projects.

Central West CMA's Board undertakes a review of its organizational performance every six months. Relevant agency personnel and two community members are invited to a two-day workshop that is facilitated by staff. This review process has proved valuable for the input received and the networking that occurs.

Northern Rivers CMA monitors, evaluates and reviews the performances of its Board, the chair and personnel through performance review processes, staff workshops, the general manager's work plan and executive meetings. Governance is monitored, evaluated and reviewed through the Board performance review and the annual report, while the organization's MER strategy caters for plan and project review.

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APPENDIX 1. EXTRACT FROM THE TRIAL STANDARD

Principle 4. Inclusiveness

Inclusiveness refers to the opportunities available for stakeholders to participate in and influence decision-making processes.

Outcome R4.1

Stakeholders have opportunities to participate in regional NRM processes and activities

Level of achievement for outcome (please highlight in red)

Very Low	Low	Moderate	High	Very High
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Indicator	Evidence Type	Evidence Statements
Communication of opportunities to participate	Advertising of ways in which stakeholders can be involved	Type evidence details here
	Advertising of opportunities to contribute to particular plans, decisions or implementation activities	Type evidence details here

Aspects to be targeted for improvement

Type any aspects to be targeted for improvement here
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Outcome R4.2

The Regional NRM Body takes into account the values and interests of stakeholders

Level of achievement for outcome (please highlight in red)

Very Low	Low	Moderate	High	Very High
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Indicator	Evidence Type	Evidence Statements
Processes in place for taking stakeholders' values and interests into account	Stakeholder input into strategic planning	Type evidence details here
	Stakeholder surveys	Type evidence details here

Aspects to be targeted for improvement

Type any aspects to be targeted for improvement here
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Outcome R4.3

The Regional NRM Body effectively engages key stakeholders

Level of achievement for outcome (please highlight in red for each relevant key stakeholder)

Australian Government	Very Low	Low	Moderate	High	Very High
Conservation	Very Low	Low	Moderate	High	Very High
Dryland farmer	Very Low	Low	Moderate	High	Very High
Fisheries	Very Low	Low	Moderate	High	Very High
Forestry	Very Low	Low	Moderate	High	Very High
Indigenous	Very Low	Low	Moderate	High	Very High
Irrigator	Very Low	Low	Moderate	High	Very High
Landcare	Very Low	Low	Moderate	High	Very High
Local Government	Very Low	Low	Moderate	High	Very High
Sea/tree changers	Very Low	Low	Moderate	High	Very High
State/Territory Government	Very Low	Low	Moderate	High	Very High
Tourism	Very Low	Low	Moderate	High	Very High
Urban	Very Low	Low	Moderate	High	Very High
Other: Please specify	Very Low	Low	Moderate	High	Very High

Indicator	Evidence Type	Evidence Statements
Participation of a range of key stakeholders	Representation on reference or advisory committees and processes	Type evidence details here
	Participation in NRM implementation	Type evidence details here
	Key stakeholder surveys	Type evidence details here
	Unsolicited key stakeholder feedback	Type evidence details here
Influence of key stakeholders	Key stakeholder surveys	Type evidence details here

Aspects to be targeted for improvement

Type any aspects to be targeted for improvement here
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APPENDIX 2. OUTCOMES FROM THE GOVERNANCE STANDARD AND ASSESSMENT FRAMEWORK

PRINCIPLE 1. Legitimacy

Outcome 1.1: The governing body acts within its democratically mandated authority

Outcome 1.2: Stakeholders accept and respect the governing body's authority

Outcome 1.3: Power rests where it can be most appropriately exercised

Outcome 1.4: Decision-makers act with integrity and commitment

PRINCIPLE 2. Transparency

Outcome 2.1: Decision-making is open to scrutiny

Outcome 2.2: The reasoning behind decisions is clear, substantiated and available

Outcome 2.3: Information on organizational and NRM performance is readily available, widely distributed and accessible

PRINCIPLE 3. Accountability

Outcome 3.1: NRM governing bodies and their personnel have clearly defined roles and responsibilities and have accepted them

Outcome 3.2: Obligations are reasonable and have been met

PRINCIPLE 4. Inclusiveness

Outcome 4.1: Stakeholders have opportunities to participate in NRM processes and activities

Outcome 4.2: The governing body effectively and meaningfully engages a diversity of stakeholders in NRM

PRINCIPLE 5. Fairness

Outcome 5.1: Individuals and organizations have NRM responsibilities commensurate with their potential or obligation to assume them

Outcome 5.2: Stakeholders are heard and treated with respect

Outcome 5.3: Decisions are made consistently and without bias

Outcome 5.4: The distribution of benefits and costs is assessed and considered in decision-making

PRINCIPLE 6. Integration

Outcome 6.1: The governing body is effectively connected and coordinated with governing bodies at different levels of governance

Outcome 6.2: The governing body is effectively connected and coordinated with governing bodies operating at the same governance level

Outcome 6.3: Priorities, plans and activities are aligned across and within spatial scales and governance levels

PRINCIPLE 7. Capability

Outcome 7.1: Skills, leadership and corporate knowledge are sufficiently developed and maintained to meet responsibilities

Outcome 7.2: The quantum, manner of delivery and continuity of investment enables the governing body to deliver on its responsibilities

Outcome 7.3: NRM knowledge acquisition and deployment enable the governing body to deliver on its responsibilities

Outcome 7.4: Planning processes and implementation tools enable the governing body to deliver on its responsibilities

Outcome 7.5: Business systems enable the governing body to deliver on its responsibilities

PRINCIPLE 8. Adaptability

Outcome 8.1: The governing body has a well developed and maintained culture of intentionally learning from experience and absorbing new knowledge

Outcome 8.2: The governing body systematically anticipates threats to effective NRM and manages associated risks

Outcome 8.3: Individual, organizational and system-level performance is subject to systematic assessment, reflection and correction