

Discussion Paper:
The Role of Local Government
in the Sustainable Management of the
Natural Resources of NSW.

December 2003

**Prepared by the Integrated Catchment and Environmental Management Group
on behalf of the Local Government Association and the Shires Association of NSW**

Local Government
Association of NSW



Shires Association
of NSW



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1. Introduction

Local Government plays a role which is pivotal and increasingly influential in the sustainable management of natural resources in NSW. This role includes very significant contributions to Natural Resource Management (NRM) 'investment'. As 'investors', planners, managers, regulators and service providers, local councils must increasingly be recognised as critical partners in NRM.

While there is variation in support for and approaches to NRM, in many of the state's catchments the local council is likely to be the largest and the most influential of government investors in it. However, if the provisions and supporting details of the Catchment Authorities Bill (introduced to the NSW Parliament on the 12th November 2003) are indicative of the State Government's position, it would seem that it does not recognise this fact. Local Government is currently positioned as just one of many stakeholders, not as a principal partner and investor in NRM and its governance across NSW.

Discussion and negotiation by the Local Government Association and Shires Association of NSW (LGSA) and State Government at senior level is currently taking place and aims to rectify this situation. A joint workshop between the LGSA and the Department of Infrastructure Planning and Natural Resources (DIPNR) on 2nd December 2003 was an important turning point in commencing a process to resolve critical issues. Two delegates from each Council across the state were invited to attend the workshop which sought to find new common ground on which the previous community-government partnerships in catchment management could continue. It was considered that this was important aspect in strengthening the NRM reforms of the NSW Government.

Towards this worthwhile outcome, this Discussion Paper outlines some new mechanisms and appropriate processes by means of which Local Government can be better enabled to fulfil its statutory role in helping to sustain our land, water, vegetation and other natural resources. The ideas presented here were discussed in detail at the 2nd December workshop and the previously draft recommendations accordingly modified.

After outlining the role and value of Local Government in NRM, the Discussion Paper identifies the principle constraints facing councils across NSW. For each constraint ideas on how it may best be managed are put forward and distilled into the recommendations which are action based.

The LGSA is highly appreciative of input received on the role of Local Government in NRM through the responses provided to the questionnaire, Background Paper and draft Discussion Paper prepared by the University of Western Sydney. The further input by all those who participated in the 2nd December workshop and helped finalise the recommendations is also much appreciated. The recommendations, which were supported in principle by the Director General of DIPNR who also participated in the workshop, now form the basis of current work which will finalise an State and Local Government Partnership Agreement early in 2004.

2. The Role and Value of Local Government in NRM

Over recent decades Local Government has clearly demonstrated its ability to effectively partner Federal and State Government and local communities in the pursuit of sustainable NRM. At the same time it has acknowledged the need to continue strengthening its capabilities and developing its resources for NRM roles and functions.

The table following summarises the key NRM abilities of Local Government as well as the nature and value of its ongoing contribution.

Table 1 Key Local Government Abilities in NRM

<p>Mandate for moving towards sustainability</p> <ul style="list-style-type: none"> ▪ A legislative mandate and responsibility to plan and implement actions for sustainability ▪ Experience and achievement in handling a greater range of NRM issues than any state agency ▪ Structures and mechanisms for prevention as well as remediation of NRM issues ▪ Key organisation implementing integrated environmental programs eg Blueprint.
<p>Administrative and financial capability and accountability</p> <ul style="list-style-type: none"> ▪ Effective management of contracted specialists and consultants ▪ Transparent accounting including legislative requirement for annual reporting ▪ Responsiveness and accountability to local communities via formal reporting mechanisms eg Management Plans and SOE reporting that link with monitoring ▪ Demonstrated economic efficiencies and cost-sharing capabilities.
<p>Strategic and detailed planning and execution competencies</p> <ul style="list-style-type: none"> ▪ Plan for 5-20 year time-frames through strategic, corporate and management planning processes ▪ Plan and execute annual expenditures for service delivery and ongoing programs and projects ▪ Structure integrates strategic and operational planning by regional and state bodies ▪ Link local with regional priorities through involvement in ROCs, County Councils and NRM bodies ▪ Experience in integrated NRM planning and delivery through NHT programs and Blueprints.
<p>Engage local communities and groups</p> <ul style="list-style-type: none"> ▪ Track record of working with communities, associated networks and specific interest groups ▪ Capability for involving these in decision-making processes and action ▪ Greater awareness of what local communities want than other levels of government ▪ Use of wide-ranging mechanisms to educate and raise awareness of local or regional issues.
<p>Implement policy and fill gaps where required</p> <ul style="list-style-type: none"> ▪ Proven ability to respond to and implement Federal and State legislation and policies ▪ Develops key delivery mechanisms to translate these into plans and 'on-ground' projects ▪ Has local policies for guiding service delivery and for implementation of specific programs ▪ Produces practical NRM guidelines and 'models' for others to use (often initiated by ROCs) ▪ Develops and delivers own policy where required.
<p>Prevent, address and ameliorate NRM issues</p> <ul style="list-style-type: none"> ▪ Through local land use planning and development compliance responsibilities ▪ By implementing State government planning instruments ▪ By strengthening its function in dealing with pollution at source, especially diffuse sources ▪ Use planning instruments as effective NRM tool.
<p>Local and regional information, knowledge and skills</p> <ul style="list-style-type: none"> ▪ Are enhanced in Local Government through annual reporting. ▪ Critical social and economic, land use and environmental information, often in GIS layers, held and used ▪ Stores relevant local and regional knowledge and practical experience. ▪ Council personnel have high level of professional expertise.
<p>Works well at local and regional scales</p> <ul style="list-style-type: none"> ▪ Translates general requirements/ policies/programs into specifics and adapts to meet local needs ▪ Delivers feasible and practical outcomes at various scales ▪ Works efficiently through regional organisations with local 'components'.
<p>Willingness to work jointly / regionally without compulsion</p> <ul style="list-style-type: none"> ▪ Exemplified by ROCs, County Councils and other regional groups of councils (eg Coastal Councils Group) ▪ Demonstrated by long term commitment to Catchment Management and other NRM bodies.
<p>Adaptive Improvement</p> <ul style="list-style-type: none"> ▪ Sustained ability to evolve and respond to the challenge of NRM through innovation ▪ Sharing ideas, successes and failures, develops NRM capacity state-wide through the LGSA.

3. Overcoming Constraints

3.1 The Principal Constraints

Constraints to enhancing the role of Local Government in NRM have been identified by UWS as key component to this study. Based on research findings which included the input of Local Government and NRM leaders across NSW, the principal constraints are:

- limitations within the current NRM Reforms;
- the lack of NRM implementation;
- the need to link land-use planning and catchment management;
- the need to better enable and strengthen adaptive management; and
- the lack of uniformly high NRM capacity.

Each of these constraints is now considered, with draft recommendations for action to overcome them.

3.2 Limitations within the current NRM Reforms

As indicated previously, there are a number of critical constraints arising from the current NRM Reforms by the NSW Government.

The imminent establishment of skills-based Catchment Management Authorities across NSW provides the most significant structural reform to catchment management since the introduction of the Catchment Management Act in 1989. Given their clear decision making responsibilities and direct access to regionally-based expert staff, the CMAs have an unparalleled opportunity to improve public focus on and private investment in catchment health in ways not previously possible through complex regional NRM committee arrangements. This particularly applies to public funding through programs such as NHT and NAP.

However, the history of catchment management in Australia over the past 20 years clearly points to the need to strengthen the 'joint business venture' approach to catchment health investment by the three tiers of government and regional/local catchment communities.

Catchment management is big business, as is demonstrated in the Blueprints prepared by the CMBs. Beyond the public investment made by the State and Commonwealth Governments, Local Government is also a major investor in catchment health. Recent ABS statistics indicate that councils invest around \$2.2 Billion annually in natural resource management. The Federal Government's total NRM budget for 2003-2004 is \$0.4 Billion and covers the National Land Care Program, the National Action Plan for Salinity and Water Quality, the Australian Enviro Fund and other expenditure on the Murray Darling Basin.

From the private investment perspective, community and business investment in catchment health is also significant. Each public dollar invested leverages around \$3 of private investment by community and business. This points to significant investment partnerships between State/Commonwealth Government/Local Government and the community.

Local Government and catchment communities, as principle joint venture partners in sustainable NRM, must therefore have a 'place at the table' in formulating and delivering better catchment health outcomes in each CMA catchment.

If there is not clearer recognition of Local Government and catchment communities as joint venture partners, there is a very real risk that CMAs may be unable to drive improved total

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investment outcomes for the states' catchments other than through the use of NHT and NAP funding. Local Government could choose to remove themselves (and their considerable current investment) from NRM and leave the CMAs to address catchment issues. Catchment communities, already widely disenchanting by the absence of opportunity for influential participation in NRM policy and investment decision making, could walk away from the community-government partnership of catchment management which has evolved, with its 'ups and downs', over the past two decades. An enormous opportunity for further development of effective partnerships would then be missed.

Without in any way diminishing the clear decision-making and accountability responsibilities of CMAs, complementary mechanisms and processes need to be established to effectively engage Local Government and catchment communities as partners.

There is clearly a need for State Government to recognize and more appropriately involve Local Government in NRM governance, particularly in investment planning and decision-making for natural resource sustainability. There is also the need to consider some essential differences in catchment management strategies for the NRM issues facing Sydney and its surrounding catchments with those appropriate for the other coastal and rural catchments across the State.

Recommendation 1: That the Minister for Planning, Infrastructure and Natural Resources and the State Government commit to ensuring that each CMA has Local Government expertise..

While the benefits of merit-based positions on CMAs are acknowledged, Local Government's mandatory NRM responsibilities, its critical partnership role with State Government and the resultant need for connectivity dictate that there should be a Local Government seat at the tables of CMAs across the State. While the current draft legislation does not reflect this, in discussions with the Minister, the need has been acknowledged.

Recommendation 2: That the LGSA support the establishment of the Hawkesbury-Nepean CMA and a Sydney CMA and in so doing, reiterate the need for Local Government engagement in NRM and for continuing support of the Local Govt. Implementation Plans developed to-date.

There is no doubt that in catchments which are predominately urban and those where urban expansion is among the principle threatening processes for sustainable NRM, Local Government is not only the principle NRM investor but also holds much of the power to effect the changes needed to achieve sustainability. Local Government has in place potent development control measures that become unassailable when there is consistent policy support from State Government and the courts. Management responsibility for NRM outcomes in developed areas, as well as parks, creeks and many remnant bushland areas, is also vested in local councils. Their LEPs, DCPs, Stormwater Management Plans, Blueprint Local Implementation Plans and other management plans are the key to pursuing NRM sustainability in the highly urbanised and still rapidly developing catchments in and around Sydney.

Recommendation 3: That the State Government formalise a 'NRM Partnership Agreement' with Local Government which will guide and direct working relationships between the two levels of government in planning for and investing in sustainable natural resource management and confirm commitment to the Catchment Blueprints, Vegetation and Water Sharing Plans which have been developed throughout the state.

The issues previously outlined strongly point to the need to develop a firm framework within which State and Local Government can work together to implement the current NRM reforms. A LGSA proposal for a high level 'NRM Partnership Agreement' is part of negotiations with the State Government. It is intended that the agreement contain agreed

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principles and mechanisms to strengthen partnership approaches to NRM at state, regional catchment and local levels.

Wherever practicable, existing 'regional' Local Government bodies or groups of Councils within individual catchments (or at the regional catchment level) will take on responsibilities which will be outlined in the NRM Partnership Agreement. MOUs between CMAs and regional Local Government bodies would be developed to be consistent with the NRM Partnership Agreement, as would any local service delivery contracts entered into by individual councils and the CMAs.

Recommendation 4: That within the NRM partnership agreement there should be clear recognition that CMAs must have a strong strategic investment focus which seeks to better harness the totality of public and private investment in NRM within each CMA area to deliver on ground outcomes.

That in seeking to improve NRM efficiency, CMAs should consider whether existing local government and community forums/mechanisms are able to effectively assist investment decision making.

That local government should wherever possible harness its existing local and regional mechanisms to help deliver NRM outcomes through the catchment action plan process and identify opportunities for improving its own investment in NRM

In order to progress NRM and achieve desired outcomes it is essential to involve all stakeholders in planning for NRM investment and implementing programs. In addition it is essential to document current investment avenues and explore innovations for catchment health investment: Thus there is a need to:

- develop more detailed and accurate profiles of public and private investment in catchment health (actual dollars and in-kind dollars);
- identify innovative ways to increase both the extent and mobility of investment funds;
- develop better accounting means and ways of assessing value of public and private investment; and
- provide strategic information and advice to inform investment decision making particularly from a medium to longer term perspective.

Regular round-table discussions that bring together significant NRM investors in the regional catchment would allow for an effective joint venture partnership approach to catchment management., Active debate about priority issues and the investment needed to address them could be encouraged.

Investigation and evaluation of particular investment issues and opportunities, may for example, include:

- How trading and offset schemes might have application;
- How investment in stormwater management within and across LGAs could be streamlined and strengthened; and
- How incentives/ concessions might be applied to encourage 'best practice'.

3.3 The lack of NRM implementation

Lack of implementation of action plans and strategies is seen as a critical constraint on the pursuit of sustainable NRM in many catchments across the state. While lack of funding is certainly a causal factor in this and must be addressed, much can still be accomplished through better co-ordination and more effective use of existing resources.

Experience shows that where all players are involved in the development and sign-off of formal local agreements and contracts for action (eg Statements of Joint Intent) these have been successful in improving the extent of implementation and outcomes achieved. Such agreements improve transparency, allow for greater accountability and reinforce public and private sector commitment.

With regard to funding, there is concern not only that the total levels are inadequate for appropriately addressing priority NRM issues, and that rate pegging is a severe limitation on Local Government's funding ability, but that state grants or consolidated revenue funding may in future be reduced and replaced with catchment-based levies and fees.

There are very important considerations of equity in considering the use of such levies. For example, the largest and most urgent issues may not be present in catchments with greater revenue raising capacities. Also, there is the fact that the Sydney Metropolitan Area derives considerable benefits from the continued sustainability of the other New South Wales catchments. The production of goods, energy supply and recreational and tourism opportunities are just a few of these benefits.

It is clear that there is a need for adequate and equitable resourcing of NRM across NSW and also for the strengthening of mechanisms to ensure commitment to the delivery of agreed outcomes.

Recommendation 5: The principles and mechanisms within the NRM Partnership Agreement should equitably secure continuing and adequate levels of State Government funding for NRM and an assured commitment to the timely delivery of funds to the CMAs for sustainable NRM initiatives across the State for the long term.

The principles and mechanisms should also guide realistic, outcome focused and transparent policies and programs enabling State and Local Government to work together with the CMAs across NSW. Written agreements and contracts for action should be principal mechanisms within the NRM Partnership Agreement to ensure implementation of Catchment Action Plans and achievement of agreed outcomes. Funding should be adequate to provide on-ground expertise and support, building on existing expertise, knowledge and resources.

Increased commitment by the State Government to fund CMAs and sustainable NRM initiatives across the state must be assured for the long term. Further, consistent policies need to be developed in close association with Local Government to enable Councils to meet their mandatory responsibilities for sustainable NRM in partnership with the CMAs and catchment communities. Local Government is committed to enhancing these long-established partnerships but will not become a collection agency for state levies at the expense of resourcing its own NRM needs or at the expense of the local communities it represents.

3.4 The need to link formal planning and catchment management

Currently, land use planning and natural resource management planning are not integrated. Until recently state-wide and regional planning for each of these two prime activities was undertaken by different State Government agencies. As a result there are inconsistencies in policies, decision-making and practices between government agencies and councils.

State-wide environmental planning policies (SEPPs) that relate to a range of natural resource and built environment issues are prepared by the State Government, as are the other state-wide and regional natural resource management plans (Blueprints, vegetation plans, water sharing plans). While SEPPs are implemented mainly by Local Government, the delivery of other NRM plans is shared between a number of state agencies and Local Government.

Land use planning occurs at both regional and local levels. A framework of regional environmental plans (REPs), developed by the State Government, local environmental plans (LEPs) and development control plans (DCPs), both developed by Local Government, is in place. Local Government also develops specific policies to guide management of natural resource, environmental and social aspects of their area.

There are a number of constraints on LEPs as outlined by Sproats and Kelly in a previous report to the LGSA. These include:

- the need to conform to State Government policies relating to form and content;
- the requirement for approval by State Government;
- the protection provided by the EP&A Act for an existing local use even where it may have an adverse impact on the environment or natural resource;
- NRM issues transcend individual Council boundaries; and
- SEPPs and REPs prevail over LEPs.

There is clearly a need for a unified framework to ensure consistency in landuse planning and NRM decision making across the State. The logical geographical entity on which to base this planning and management framework is the regional catchment as defined by CMA areas. At this regional level, Local Government bodies and CMAs could work together effectively to greatly improve consistency and NRM outcomes.

The coastal zone has some specific issues that need to be considered. Coastal areas are subject to a range of natural environmental pressures (e.g. erosion of cliffs, movement of coastal dunes and beach sands as a result of wind and wave action and changes in ocean currents). Of significant concern is that many pressures are being exacerbated by climate change which is expected to affect mean sea levels, ocean current movements and weather events. Development and use of the often fragile coastal ecosystems over the last 20 years as a result of increasing population and tourism pressure has led to the degradation of these resources. For example, the issue of acid sulfate soils and their impacts on water quality and aquatic ecosystems have emerged within this time-frame.

It is important that the ecological and physical links between terrestrial and marine systems are taken into consideration in the use and management of coastal zone resources. It is also important to recognise that coastal management (as with all catchments) requires integration of social, cultural and environmental aspects. While there are a number of government policies and guidelines in place (Coastal Policy, SEPP 71, design guidelines) these need resources to be implemented effectively. The basic information on coastal attributes and potential hazards upon which management decisions can be made is lacking for many areas. There is a need for more integrated coastal management, for improved capacity to deal with coastal issues and local coastal management plans that fit within a regional coastal strategy.

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***Recommendation 6:** That the NRM Partnership Agreement outline and confirm the commitment of Local Government, the Natural Resources Commission, the Natural Resource Advisory Council and DIPNR to work together to develop and establish an appropriate and State-wide framework which ensures consistency in landuse planning and decision-making for NRM across NSW. The framework should use regional catchments as the primary co-ordinating geographical units for consistency. This would ensure that identified and agreed regional and local values for all natural resources and the environment are sustained and enhanced wherever possible.*

The proposed framework could take the form of a revised regional environmental plan or strategy for each regional catchment. Each would include the NRM targets from all current NRM-related plans (estuary, coastal, floodplain management plans as well as blueprints, vegetation and water sharing plans), embody ESD principles and be capable of consistent interpretation throughout the regional catchment by being readily linked to LEPs and DCPs.

Currently many Councils are reviewing and revising their LEPs and DCPs. If this were to be undertaken within a framework which ensured that LEPs and DCPs reflect NRM targets and action then improved protection of resources well into the future would be achieved.

Under the proposed framework, complementary zoning across Local Government boundaries should be developed so that local and regional policies and planning instruments could be applied consistently throughout the regional catchment.

Where different authorities have responsibility for planning and consents at the property level (e.g. CMAs for PVPs in rural areas contrasting with Councils for development/changes in land use in urban areas) mechanisms need to be developed to ensure the authorities work together and have clearly understood and, as far as possible, consistent approaches to the issues involved.

***Recommendation 7:** That the past progress in coastal zone management issues in NSW is built upon through the reform process. That a stewardship role for the coastal zone is embodied within the new management structure to achieve integrated management of the coastal zone and its interaction with the areas managed by the new Catchment Management Authorities.*

- a) *That there is a need to build the ability and capacity to deal with coastal issues under the new NRM framework including within the CMA's, Natural Resources Council, Natural Resources Advisory Council and that all these bodies require coastal expertise in their representation.*
- b) *That a long term Coastal Management Strategy for the NSW coast be developed to focus upon development pressures and in recognition of the existing catchment Blueprints having limited consideration of coastal issues. The state Coastal Management Strategy would:*
 - *Focus upon development and will incorporate the NSW Coastal Policy, Coastal Protection Act and SEPP 71 (Coastal Protection)*
 - *Develop local Coastline Management Plans (under provisions in the Coastal Protection Act) to address local management issues, consistent with the state vision.*
- c) *That the four coastal CMAs meet 1-2 times per annum to specifically focus upon coastal issues and coordinate integrated and consistent management responses for the NSW coast.*

3.5 The need to enable and strengthen adaptive management

Government and the community agree on the value of adaptive management as a way of progressing towards ecological sustainability. But for adaptive management to be successful each part of the process must be in place:

- long-term goals and shorter-term objectives and targets need to be set so that progress can be assessed;
- a set of environmental indicators that will allow changes resulting from on-ground management actions to be measured over time needs to be used;
- baseline data on key environmental variables needs to be available so that changes can be evaluated;
- it must be possible to interpret changes in measurements in a clear and consistent way;
- management actions must allow for review and revision so that mistakes can be corrected and progress towards targets can be improved; and
- a reporting system that provides clear information to both government and the community on the results of monitoring, both what results indicate and how current action plans are affected, needs to be available.

Recently throughout the state the goals, objectives and targets for NRM have been documented in the Blueprints. Many of the same goals and objectives are expressed in Local Government Corporate Plans and Management Plans and reflected in LEPs and DCPs. These same goals and objectives are supported by regional State of Environment Reports where they have been prepared (e.g. Western Sydney Regional SoE Report, 2000)

The availability of information for monitoring the implementation and success of NRM plans and actions is a crucial aspect of the adaptive management approach. High quality information is required if there is to be a proactive approach to decision-making that is based on an understanding of the implications of different management scenarios. The information needs to be readily available to all stakeholders, implying the need for an accessible and reliable system for transmitting information.

The availability and accessibility of baseline information varies considerably throughout the state. In a few regions - in the best case scenario - information on key environmental variables is available, held by DIPNR, other State government agencies, by Local Government and universities, readily accessible on compatible GIS-based systems and shared between the stakeholders. In most regions this is not the case: baseline information is much more likely to be fragmented or lacking altogether. It may be stored using different systems, not readily accessible and not shared. Resources are generally inadequate for the collection and management of baseline information.

Similarly with use of environmental indicators and monitoring - it varies from region to region throughout the state. State Government, Local Government and the community are all involved in monitoring but their efforts remain largely uncoordinated and unconnected. Monitoring is constrained almost everywhere by a lack of consistency in approach, inadequate resourcing and few straightforward guidelines to aid interpretation of results. In addition, monitoring results from different localities or regions are rarely linked and accessible to others (with the exception of water quality data obtained by Streamwatch and Harbourwatch).

Indicator sets relating to the environmental themes of human settlement, biodiversity, atmosphere, land, inland waters, estuaries and the sea, natural and cultural heritage have been developed for National State of the Environment (SoE) Reporting. A similar set are used by NSW for the three-year NSW State of Environment report, prepared by the EPA

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(now DEC) with input from other State Government agencies. Individual Councils are required to prepare a comprehensive SoE report every four years and supplementary reports as 'up-dates' every year. Regional SoE reports can also be prepared and in recent years more Councils are doing this. Indicator sets are being used in some regions and local areas but generally differ from those used at state and national levels; complementary sets are still to be achieved.

Annual reporting systems are in place at both State and Local Government levels. At State level Annual Reports are usually very general, reporting on an agency's program for the year across the whole of the state. At Local Government level more frequent public reporting takes place. Annual Reports are published and Council Management Plans are prepared with annual implementation plans tied to budgets. Quarterly progress reports on implementation of actions under the Management Plan are also required. Council Management Plans link to the annual SoE reporting process.

There are therefore issues which clearly need to be addressed with regard to efficiencies and effectiveness of information management, and the need for improved co-ordinated use and management of monitoring and reporting and common sets of indicators.

***Recommendation -8:** That the NRM Partnership Agreement outline and confirm means by which State and Local Government undertake the 'two way sharing' of information, co-ordinated at the regional level by the CMA. The State (DIPNR) and Commonwealth Governments should assist Local Government and other State agencies to document and manage the data sets they hold that are relevant to NRM and make them available to all stakeholders through the CMAs. The Agreement should also confirm the role of DIPNR as an information provider for baseline NRM data and, where relevant, to research and fill data gaps at an appropriate scale and further, that data be provided to Local Government at no cost.*

Local Government in addition to State and Commonwealth Governments holds spatial and non-spatial data sets of value to NRM. These need to be documented through the development (if not already available) of metadata and made more widely available to stakeholders. If systematised within a regional framework they will provide an essential tool for progressing NRM, assisting in identifying data gaps, facilitating decisions about priority needs and reducing the likelihood of data duplication.

***Recommendation -9:** That the NRM Partnership Agreement confirm commitment by State and Local Government to work together to develop environmental indicators and management performance indicators for each CMA region. The CMAs should manage a coordinated approach to monitoring that involves both government and the community.*

The environmental indicator set developed and agreed upon needs to be applicable on both regional and local geographic scales. Environmental indicators should be able to be easily monitored and interpreted, able to show trends over time, and should be relevant to function or high value environmental aspects. Where possible they should complement those used at State and National levels. Indicators of management performance must allow for evaluation of performance in relation to specific activities and to outcomes that contribute to the achievement of overall environmental, social and economic goals and objectives.

In some local areas Blueprint management actions are linked with Council Management Plans through Local Implementation Plans (LIPs). Actions within other NRM plans such as estuary, coastal, and floodplain management plans are also usually linked to Council Management Plans. The results of environmental monitoring and outcomes of local NRM programs are reported widely in Local Government SoE reports and this approach could be used at a regional level.

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Existing reporting processes provide a useful foundation for building a process to report on the progress of Catchment Action Plan implementation and catchment management as a whole. Building on these existing reporting mechanisms will help ensure that all partners are included in monitoring and evaluation and enhance the efficiency and effectiveness of adaptive management of catchments.

Recommendation 10: That the NRM Partnership Agreement confirm a joint commitment to the development and implementation of a common and consistent approach to the reporting of monitoring results and of progress in management of each catchment. Such reporting should be timed to complement Local Government SoE reporting while Local Government will work towards aligning it's reporting to assist catchment wide requirements.

The results of monitoring programs, particularly those relating to water quality, are reported widely in Local Government SoE reports and through internet-based systems. Such reporting processes could be used for reporting on progress with Catchment Action Plan implementation and catchment management as a whole. In some local areas Blueprint management actions are linked with Council Management Plans through local implementation plans (LIPs) and this approach could be used at a regional level, with reporting through regional SoEs linked to web-based information systems. Actions within other NRM plans such as estuary, coastal, and floodplain management plans are also usually linked to Council Management Plans.

3.6 The lack of uniformly high NRM capacity across the State

The benefits of adaptive management are internationally recognized. The future sustainability of NSW's natural resources relies on the progressive improvements that such an approach can deliver. Where identified as a shortcoming, improved capacity and capability must be built at both government and community levels.

Local Government has a significant role to play here in further developing its own capacities and capabilities and those of its communities. State Government, with its prime responsibility for NRM (compared with Federal Government) also needs to do this. CMAs have a particular responsibility in this regard.

Across New South Wales there are shining examples of local and regional NRM achievements by Local Government. There are also some areas where there is opportunity for Local Government to do much better with its own programs and initiatives and its NRM partnership efforts. There may be a need to:

- increase levels of influential participation in NRM planning, decision-making and implementation;
- increase knowledge about NRM issues;
- create greater 'ownership' of NRM issues and acceptance of responsibility;
- raise the level of commitment to sustainable outcomes and develop the political will and drive to achieve these;
- improve outcomes and changes in NRM management practices;
- improve information management systems and communication;
- build staff capacity to gather, interpret and evaluate NRM information;
- develop formal or informal regional networks relevant to decision making, information systems and technical expertise; and
- work more effectively with adjacent Councils to achieve greater regional consistency in planning, programs and projects.

These needs are best addressed through a structured approach by Local Government in partnership with State Government and particularly involving the new CMAs.

Recommendation 11: That the NRM Partnership Agreement outline and confirm joint commitment to developing and funding an ongoing NRM capacity building strategy, reviewed annually within each catchment. That individual CMAs develop programs and initiatives within Local Government areas in their region to build community capacity to deliver on catchment management plans. Further, that this be incorporated into the NSW Capacity Building Strategy and adequate funds be allocated to ensure implementation.

Current capacity building initiatives and funded positions need to be better integrated and programs developed within each CMA region to meet the needs of the region. The principal stakeholders in any region should be involved in the planning, delivery and review of programs.

4. Summary of Draft Recommendations

Recommendations to the Minister for Planning, Infrastructure and Natural Resources

Recommendation 1 : That the Minister and State Government commit to ensuring that each CMA has Local Government expertise.

Recommendation 2: That this forum generally supports the establishment of the Hawkesbury-Nepean CMA and a Sydney CMA. We reiterate the need for Local Government engagement in NRM and support the Local Govt. Implementation Plans to-date.

Recommendations regarding a NRM Partnership Agreement

Recommendation 3:

That the State Govt. formalise a 'NRM Partnership Agreement' with Local Govt. which will guide and direct working relationships between the two levels of government in planning for, and investing in, sustainable natural resource management and confirm commitment to the Catchment Blueprints, Vegetation and Water Sharing Plans which have been developed throughout the state.

Recommendation 4:

That within the NRM partnership agreement there should be clear recognition that CMAs must have a strong strategic investment focus which seeks to better harness the totality of public and private investment in NRM within each CMA area to deliver on ground outcomes.

That in seeking to improve NRM efficiency, CMAs should consider whether existing local government and community forums/mechanisms are able to effectively assist investment decision making.

That local government should wherever possible harness its existing local and regional mechanisms to help deliver NRM outcomes through the catchment action plan process and identify opportunities for improving its own investment in NRM

Recommendation 5: The principles and mechanisms within the NRM Partnership Agreement should equitably secure continuing and adequate levels of State and Commonwealth Government funding for NRM and a commitment to the timely delivery of funds to the CMAs for sustainable NRM initiatives across the State must be assured for the long term.

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The principles and mechanisms should also guide realistic, outcome focused and transparent policies and programs enabling State and Local governments to work together with the CMAs across NSW. Written agreements and contracts for action should be principal delivery mechanisms within the NRM Partnership Agreement to ensure implementation of Catchment Action Plans and achievement of agreed outcomes. Funding should be adequate to provide on-ground expertise and support, building on existing expertise, knowledge and resources.

Recommendation 6:

That the NRM Partnership Agreement outline and confirm the commitment of Local Government, the Natural Resources Commission, the Natural Resource Advisory Council and DIPNR to work together to develop and establish an appropriate and State-wide framework which ensures consistency in land use planning and decision-making for NRM across NSW.

The framework should use regional catchments as the primary co-ordinating geographical units for consistency. This would ensure that identified and agreed regional and local values for all natural resources and the environment are sustained and enhanced wherever possible.

Recommendation 7: That the past progress in coastal zone management issues in NSW is built upon through the reform process. That a stewardship role for the coastal zone is embodied within the new management structure to achieve integrated management of the coastal zone and its interaction with the areas managed by the new catchment management authorities.

Specific recommendations include:

- (a) That there is a need to build the ability and capacity to deal with coastal issues under the new NRM framework including within the CMA's Natural Resources Council, Natural Resources Advisory Council and that all these bodies require coastal expertise in their representation.
- (b) That a long term Coastal Management Strategy for the NSW coast be developed to focus upon development pressures and in recognition of the existing catchment blueprints having limited consideration of coastal issues. The state Coastal Management Strategy would:
 - Focus upon development and will incorporate the NSW Coastal Policy, Coastal Protection Act and SEPP 71 (Coastal Protection)
 - Develop local Coastline Management Plans (under provisions in the Coastal Protection Act) to address local management issues, consistent with the state vision.
- (c) That the four coastal CMAs meet 1-2 times per annum to specifically focus upon coastal issues and coordinate integrated and consistent management responses for the NSW coast.
- (d) That additional resources be provided to the Comprehensive Coastal Assessment (CCA) process to enable better, and more inclusive data collection and to provide the necessary tools and capacity building programs to assist stakeholders (primarily local government) to interpret and effectively utilisation of the CCA.

Recommendation 8:

That the NRM Partnership Agreement outline and confirm means by which State and Local Government undertake the 'two way sharing' of information, co-ordinated at the regional level by the CMA. The State (DIPNR) and Commonwealth Governments should assist Local Government and other State agencies to document and manage the data sets they hold that

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are relevant to NRM and make them available to all stakeholders through the CMAs. The Agreement should also confirm the role of DIPNR as an information provider for baseline NRM data and, where relevant, to research and fill data gaps at an appropriate scale and further, that data be provided to Local Government at no cost.

Recommendation 9: That the NRM Partnership Agreement confirm commitment by State and Local Government to work together to develop environmental indicators and management performance indicators for each CMA area. The CMAs should manage a coordinated approach to monitoring that involves both govt. and the community.

Recommendation 10: That the NRM Partnership Agreement confirm a joint commitment to the development and implementation of a common and consistent approach to the reporting of monitoring results and of progress in management of each catchment. Such reporting should be timed to complement Local Government SoE reporting while Local Government will work towards aligning its reporting to assist catchment wide requirements.

Recommendation 11:

That the NRM Partnership Agreement outline and confirm joint commitment to developing and funding an ongoing NRM capacity building strategy, reviewed annually within each catchment. That individual CMAs develop programs and initiatives within Local Government areas in their region to build community capacity to deliver on catchment management plans. Further, that this be incorporated into the NSW Capacity Building Strategy and adequate funds be allocated to ensure implementation.

Abbreviations

CMA	Catchment Management Authority
CMB	Catchment Management Board
DIPNR	Department of Infrastructure Planning and Natural Resources
GIS	Geographic Information Systems
LGSA	Local Government Association and Shires Association of NSW
LIP	Local Implementation Plan (Blueprint)
MOU	Memorandum of Understanding
NAP	National Action Plan
NHT	Natural Heritage Trust
NRM	Natural Resource Management
ROC	Regional Organisations of Councils
SoE	State of Environment
SOJI	Statement of Joint Intent
UWS	University of Western Sydney

Glossary

NRM Partnership Agreement - a proposed high level agreement currently under negotiation between the State Government and the LGSA. The agreement would guide and direct working relationships between the two levels of government in planning for and investing in sustainable natural resource management and confirm commitment to the Catchment Blueprints, Vegetation and Water Sharing Plans which have been developed throughout the state.

Local Implementation Plans - cross-reference Blueprint actions with actions identified in council Management Plans and Environmental Management Programs to identify the synergies between Blueprint Actions and existing Council programs, including monitoring and reporting processes. These are being developed in the Sydney region.