

# **Evaluating Community and Government Engagement Processes in the Central Queensland Region, Australia**

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## **Abstract**

There are increasing trends for government to engage communities and stakeholders in a variety of mechanisms as a part of service delivery, planning, and infrastructure and regional development. However, there is little empirical research to guide public managers in determining best value arrangements and strategic investments for building a region's 'collaborative advantage'. An economic appraisal of engagement processes might focus on evaluating whether the various benefits of engagement outweigh the costs.

It is difficult to identify and assess many of costs and benefits associated with engagement processes. Many of the costs can be identified as transaction costs, where the costs of communication and engagement in a process can be likened to the search, negotiation, monitoring and enforcement costs familiar from market transactions. In a marginal analysis setting, the question is whether the costs occurred from an additional engagement process are justified when the benefits are considered.

The benefits of engagement might include improvements to resource allocation and social capital, and reductions in conflict and resistance to change. These benefits are difficult to estimate, although non-market valuation techniques offer some insights into the magnitude of these benefits. In this paper, an approach to evaluate the benefits and costs of a decentralised form of community engagement using the Fitzroy Basin Association (FBA) regional natural resource management (NRM) body from Central Queensland, Australia is presented.

## **Introduction**

The focus of this paper is about evaluating whether decentralised forms of natural resource management (NRM) have efficiency benefits.

There have been boundary changes occurring within the institution of government with the "call for joined-up government" (Rhodes 2000, p. 155), increasing devolution of government business to regions, and enhanced opportunities for collaboration between all levels of government and the community (Wallis and Dollery 2002). Changes are also occurring in relationships between

government and civil society as citizens are afforded a greater role in influencing policy, and are provided with an increased range of opportunities to engage with government decision-makers (Edwards 2001; Davis and Keating 2000). This shift in the mode of governing involves taking a 'whole-of-government' approach and providing the community a greater opportunity to engage with government and influence policy decisions to matters such as natural resource management (NRM).

Consistent with the 'joined-up' approach, governments in Australia and elsewhere are encouraging participatory and collaborative processes in the development and implementation of regional NRM policy decisions. For example, two national funding schemes require that collaborative bodies administer funds for regional on-ground projects to manage rivers, coastlines, biodiversity and vegetation. The devolution of authority and resources to these bodies is contingent on participatory, representative and transparent engagement processes. Supporters of the new regional arrangements anticipate that the heightened inclusion of community members in decision-making will contribute to a holistic and collaborative approach, in stark contrast to adversarial, 'decide and announce' approaches (Whelan and Oliver 2004).

The emerging regional NRM arrangements are viewed as a more strategic investment in regional priorities, representing a shift away from inefficient project-based approaches of earlier NRM investment decisions (e.g. Landcare, Natural Heritage Trust 1). In Queensland, a number of initiatives promoting regional NRM planning and service delivery have been established. These include initiatives that are largely within government, initiatives that span both government and community functions, and initiatives that allocate funding and responsibility to independent regional NRM bodies (e.g. Fitzroy Basin Association). Unfortunately, they have not been informed by systemic research on the role and value of, or mechanisms for, regional NRM arrangements. This shift to a more community-based regional approach to NRM planning and implementation has been largely driven by government with little or no economic analysis undertaken to evaluate the new regional NRM arrangements to date.

The key issue is that a significant amount of funds are being invested into regional NRM arrangements, which are a relatively new and untested mechanism, without a clear sense of how the program will be evaluated. Consequently, there is the question of whether this governance structure is appropriate for the longer term. In Queensland the current level of investment by the Australian Government in NRM that is channeled through regional bodies per annum is about \$50 million a year (for 2003–04 to 2005–06), which is supplemented by an equivalent amount of in-kind support by the state government. This compares to an estimated \$1 billion a year net expenditure on NRM and environmental management programs that are administered by the

Queensland Government (NR&M 2005). Given the level of investment in this 'regional experiment', it is important to consider the institutional and economic efficiency and cost effectiveness issues to determine whether the regional NRM arrangements are worthwhile, and whether they should be continued, scaled back, or expanded.

This paper will be structured in the following manner: An outline of NRM planning activities and programs leading up to the current regional NRM arrangements will be outlined. This will be followed by an overview of five potential models of regional NRM. An Australian example of regional NRM in the Fitzroy Basin Association case study in Central Queensland will then be presented and used to highlight questions relating to whether the current regional NRM arrangements are worthwhile.

### **Background to NRM in Australia**

NRM in Australia has evolved over time very much in an ad hoc manner, involving a combination of actors including government agencies, community groups, individuals, policy planning and allocation systems, laws and regulations. It is useful to briefly review how NRM has developed into the current arrangements.

### ***Landcare***

The landcare movement developed from the mid 1980s, where a new community-based approach for dealing with the growing problems of land degradation evolved. The National Landcare Program was established in 1992 as one of the mechanisms to progress towards sustainable ecosystems, with the main focus on sustainable agriculture and improved management of the natural resource base at the farm level. By engaging with farmers and landholders to improve practices at that level, it was anticipated the community would achieve significant public benefits through a more economic use of available resources, improved water quality and natural resource condition, a sound resource base for future economic growth, and wealthy and more sustainable rural communities.

However, after the Decade of Landcare there was little evidence to suggest a foreseeable change in the trend of continuing and indeed escalating degradation. Landcare, along with other NRM programs, has had limited success in bringing about large scale on-ground change (Woodhill and Nabben 2004).

### ***Integrated Catchment Management***

Building on the foundation provided by the National Landcare Program, Integrated Catchment Management (ICM) was introduced in 1991 as a voluntary partnership approach facilitating the

development of catchment management strategies by community, industry and government partnerships (Bellamy et al. 2002). Current ICM arrangements have evolved from a general trend away from government-centred, single-issue approaches to integrated approaches with an emphasis on community involvement and whole-of-system approaches to NRM. ICM approaches vary around Australia but all are based on the concepts of integration of community involvement, technical knowledge, organisational structure and policy objectives (Bellamy et al. 2002). ICM represents a move away from the local issue focus of landcare to a Regional Body model pertaining to arrangements for NRM policy-making and implementation.

The failure of NHT1 lay in the emphasis of funding, which was directed at local Landcare issues and thoroughly lacked a strategic approach to achieve NRM outcomes. As a result, funding was directed at many community NRM programs across the country with little consideration of the targeted, strategic outcome for a region.

### ***Current NRM arrangements***

The Australian Government's major NRM programs, the National Action Plan for Salinity and Water Quality (NAP) and the Natural Heritage Trust extension (NHT2), are based on a community-focussed approach to planning and program delivery. The NAP and NHT2 funding programs are a means of providing funding directly to community-based regional NRM bodies. The Natural Heritage Trust was set up by the Australian Government in 1997 to help restore and conserve Australia's environment and natural resources (FBA 2004). The basis of funding is determined through the process of accrediting regional plans and investment strategies prepared by regional bodies.

This approach relies on the devolution of responsibility to regional bodies for planning regional NRM outcomes. Under the NAP and NHT2 programs, the Australian Government established community-based regional bodies with functional responsibilities for regional NRM planning and a funding capacity to implement planning outcomes. NRM bodies and their respective plans prepared under the NAP and NHT2 programs have been prepared in line with the Intergovernment Agreement (IGA) on the NAP and NHT2, the bilateral agreement between all states and the Australian Government.

Under the bilateral agreements, Regional Bodies are required to prepare regional NRM plans and regional investment strategies for accreditation by Australian and state government ministers. Prior to consideration by ministers, on the recommendation of the Joint Steering Committee, Regional Bodies are to develop draft regional plans through an iterative and consultative process with significant community and state and Australian Government input. Hence, while regional

NRM is to be driven from the community level, there still exists a significant level of government control. The states' and Australian government's involvement at the regional level is vital not only in contributing to the development of scientifically rigorous, achievable plans that satisfy the criteria for accreditation, but in ensuring state and Australian interests are adequately articulated and that agencies align their products and services to support plan development and implementation. An agreed single decision-making process for accreditation of regional NRM plans and investment strategies ensures consistency, transparency, inclusiveness and timeliness throughout the decision-making process (NR&M 2003).

The first of these major programs, the NAP, involves an investment by the state and Australian Governments of some \$162 million in Queensland for the development of investment strategies to begin remediation of water quality and salinity issues in four investment regions (NR&M 2002). These regions are the Burdekin/Fitzroy, Queensland's section of the Murray Darling Basin, Burnett/Mary and the Brisbane/Lockyer regions.

In the 2001 Federal Budget, it was announced that an additional \$1 billion would be available to the Trust, extending the funding a further five years (NHT2). The Queensland Government will be providing matching in-kind resources for activities implemented in Queensland through the Trust at the regional level.

There are a number of underlying implications for all states associated with the evolution of new (or modification of existing) bodies in regions to fulfill the above role. Key implications identified by Gilbey (2002) include:

- the degree to which the government would wish to devolve NRM planning and implementation to regional bodies
- the degree to which other key regional stakeholders feel engaged in the development and operation of these bodies (e.g. local government, industry, etc.)
- the relationship between the new regional bodies and existing NRM planning bodies
- the extent to which the new regional NRM plans prepared by the regional bodies integrate with existing regional planning activities
- how government agencies will support and resource the activities of the new regional bodies
- the extent to which regional bodies should influence budgetary and operational decision-making by government agencies involved in NRM.

The underlying implication that needs to be considered is whether the overall arrangements established through such funding programs will endure beyond the life of those programs. This issue is contingent on the Australian Government's long term commitment to a system of

devolved community-based regional NRM planning and program delivery and the nature of the arrangements considered appropriate to this approach.

This community-based approach to NRM planning is not without its risks, particularly in ensuring regional bodies have the capacity to administer significant amounts of funding and to develop and implement strategies that will deliver sustainable NRM outcomes (Gilbey 2002). There is a question as to the ability of the regional bodies to achieve the required level of integration with coexisting regional planning activities (particularly those delivered through regulatory systems such as *Integrated Planning Act* planning schemes); to deliver acceptable levels of accountability for the expenditure of public funds; and to be cost-effective compared to other NRM models, including those that do not involve a significant community engagement component. There is also a question of what degree of Australian Government influence on state-based NRM planning processes is acceptable in the long term which may affect the ability to meet NRM outcomes to the ultimate detriment of the region of interest.

### ***Different models of regional NRM***

There are a number of potential models for administering NRM at a regional level, each with a different set of benefits and costs. Five potential models are identified in Table 1. The research reported in this paper involves the analysis of current regional NRM arrangements by comparing the potential environmental outcomes and cost and benefits of different models of regional NRM. The total costs (especially transaction costs) and benefits of the different models of regional NRM can then be assessed to determine efficiency and cost effectiveness. A comparison of costs (especially transaction costs) across the models can be undertaken to assess which model is the more cost-effective arrangement.

However, there are a number of difficulties involved in this approach. First, the differences in different coordination mechanisms will be very incremental and difficult to measure. The base case for comparison is also not very clear and will be difficult to properly characterise. A further complexity lies in the difficulty associated with measuring costs accurately and consistently enough for comparison.

Some costs of the regional NRM model (Model 1) include transaction costs (e.g. direct costs associated with meetings/engagement, travel costs, travel and meeting time, and preparation/administration costs), and opportunity costs. Marshall (2003) argues that the costs affected by institutional alternatives are unlikely to be limited to transaction costs. He proposes that transformation costs (including production and abatement) can also be affected by the choice of institutional arrangement. In comparing the cost-effectiveness of alternative institutional

arrangements, the costs to be compared should therefore include both transaction costs and transformation costs.

In the same respect, this evaluation framework will also need to identify and estimate the magnitude of benefits of the regional NRM model, which may include efficiency gains, reduced conflict, and improved long-term planning.

Challen (2000) and Marshall (2001) suggest the Institutional Analysis and Development (IAD) approach used by Ostrom (1990, 1998) for identifying ‘design principles’ for common property institutions be adapted to deal with a wider range of institutional forms. This can include evaluating current regional NRM arrangements.

**Table 1. Models of regional NRM**

<b>Model</b>	<b>Description</b>
Model 1: Regional NRM bodies	Use community based regional bodies (FBA) to develop regional NRM plans as part of the engagement and NRM program delivery arrangements of government agencies.
Model 2: Statutory bodies	Create a new system of community-based regional NRM planning administered by a series of new statutory bodies with the necessary statutory roles and revenue raising capacity (e.g. Catchment Management Authorities in Victoria).
Model 3: Minimalist approach	Dissolve regional NRM bodies but facilitate a transition of regional bodies to some form of community advisory group (e.g. landcare model) working within existing institutional structures and processes.
Model 4: NRM programs run through government	Dissolve regional NRM bodies and retain existing statutory NRM planning activities and their associated engagement arrangements with program delivery reverting back to government agencies.
Model 5: Outsourcing to private pector	Government identifies NRM priorities as part of an integrated regional NRM planning framework and contracts out project work to private sector providers.

### **Case study — Fitzroy Basin Association**

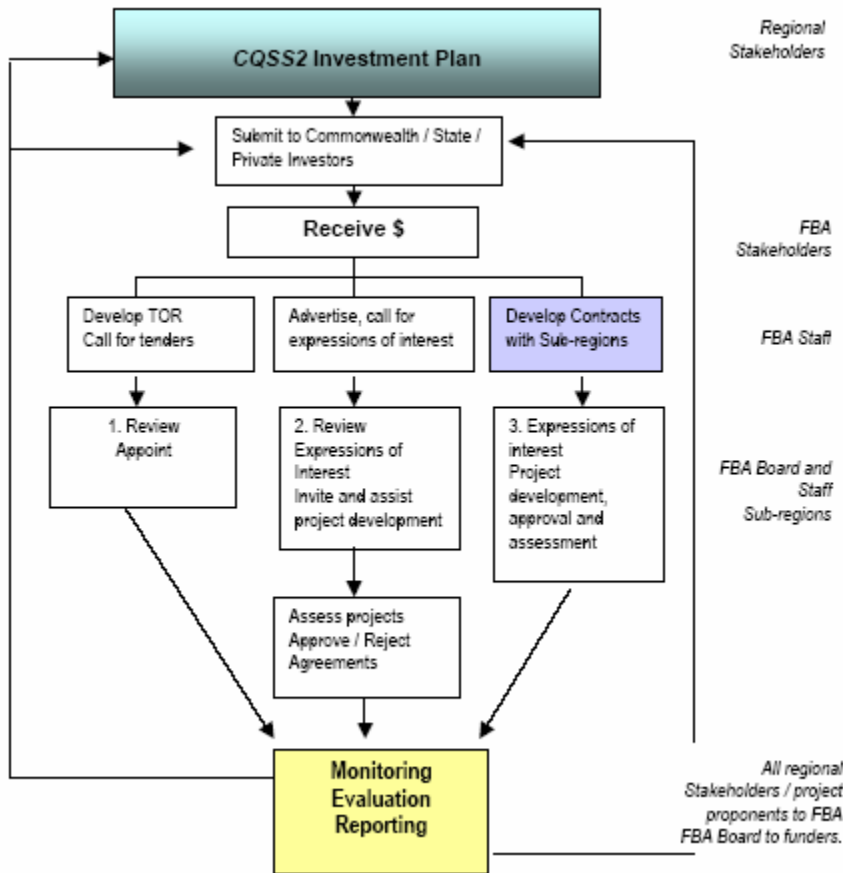
The Fitzroy Basin Association (FBA) has developed into the peak community-based group involved with NRM in the Fitzroy region in Central Queensland, Australia. It covers a large and diverse area with major population centres at Yeppoon, Rockhampton and Gladstone. It is involved in various NRM planning activities that include land and water resource management projects for the improvement of catchment health, monitoring and evaluation of catchment health, and the promotion of improved research extension and adoption strategies. The FBA's role is to coordinate projects that contribute to the on-ground implementation of the Central Queensland Strategy for Sustainability, which is the regional plan for sustainable natural resource development in the Fitzroy Basin.

The FBA developed in the 1990s from the Fitzroy Catchment Coordinating Group, which itself evolved mostly from sub-regional landcare and Integrated Catchment Management groups. As a result of earlier emphasis placed on upper catchment issues through the development of Landcare, FBA's constituent agriculture-based groups are predominantly landcare groups and other production groups such as AgForce. It is a not-for-profit, incorporated organisation that involves the region's major NRM stakeholders (FBA 2004). The FBA was recognised in 2001 as a regional body for the purposes of implementing the NAP, and subsequently the NHT2. Under the Bilateral Agreement between state and Australian governments, investment funds will flow through regional bodies to natural resource managers for actions to improve management and more sustainable use of these resources. The state and Australian governments will invest these funds according to a regional NRM plan and investment strategy.

The FBA is directed by a board of skills-based and community representatives responsible for developing a Regional NRM Plan addressing not only salinity and water quality issues, but also the wider range of NRM issues impacting on the region. Board members possess a range of natural resource, community engagement, academic, financial and business management skills. Members from specific sectors are appointed ensuring adequate representation of local government, indigenous, conservation knowledge (FBA 2004).

The plan was developed as a partnership between the Board and agencies such as the Coastal Cooperative Research Centre, the Environmental Protection Agency, Department of Primary Industries, Department of Natural Resources and Mines, and Central Queensland University. It will identify priority actions to address the causes of land and water degradation, which is likely to include unsustainable grazing practices, inappropriate clearing and/or irrigation practices, gully, sheet and riverbank erosion as well as changes to river flows due to impoundment, release and/or abstraction.

The draft plan for Central Queensland, the *Central Queensland Strategy for Sustainability – 2004 and Beyond* (CQSS) has been accredited and the FBA has prepared its first Regional Investment Strategy (RIS), which outlines the region’s priority investments and proposed implementation mechanism for NRM in 2004–05. Figure 1 outlines the proposed process for delivering the RIS.



**Figure 1. FBA Delivery Mechanisms for the Regional Investment Strategy (FBA Regional Investment Strategy 2004)**

The RIS provides a framework and direction for the implementation of the CQSS (FBA 2004). It is also designed to target funding from three key government programs: The NAP, NHT2, and National Landcare Program. Direct cash funding proposed for the FBA over the three years to 2006–07 is estimated at \$21 million. Table 2 outlines a summary of proposed funding for the FBA’s NRM programs as part of the RIS for 2004–05.

**Table 2. FBA Regional Investment Strategy Proposed Program Funding**

Program	Funding 2004–05		Funding 2005–06	Funding 2006–07	Funding 3 years
	TOTAL (\$)	Expected contributions (\$)	TOTAL (\$)	TOTAL (\$)	TOTAL (\$)
1 <b>Sustainable Landscapes</b> — Landholders adopting improved practices and implementing property management planning; neighbourhood catchment plans for high risk areas to maintain a minimum 30% ground cover, preventing soil erosion, and 100% of new weeds and pests controlled	1,876,397	2,227,990	2,708,843	2,638,819	7,224,059
2 <b>Salinity</b> — Risk maps for each of six major catchments identifying areas at greatest risk from future salinity impacts; information packages, best practice guidelines and incentives enabling remediation and protection from future impacts	429,905	3,700,000	1,353,188	565,688	2,348,780
3 <b>Healthy Waterways, Rivers and Wetlands</b> — Regional water quality targets and a monitoring program to measure their achievement established; significant riparian and wetland area identified and protected; and critical barriers to aquatic passage overcome	1,337,640	1,950,000	1,082,813	1,131,238	3,551,690
4 <b>Water Allocation and Management</b> — implementation and completion of the Fitzroy and Boyne Calliope water resource and resource operation plans; and development and implementation of Callide Valley sustainable water management plan	135,965	2,176,600	348,600	349,776	834,341
5 <b>Biodiversity and Vegetation</b> — Biodiversity conservation agreements by voluntary and legal covenant over native vegetation and riparian zone, and strategic pest plant control	446,102	1,014,800	295,313	360,380	1,101,794
6 <b>Coral and Coasts</b> — Plan completion for coastal sub-regions, inclusion of coastal and marine issues in the CQSS2, enhancement of regionally significant coastal wetlands, estuaries (and fringing riparian areas), state/nationally significant ecosystems, foreshore, and monitoring programs established for migratory birds, turtles and sea-grass habitat for Dugongs and turtles	586,922	1,773,730	339,938	369,449	1,296,309
7 <b>Protecting Our Heritage</b> — Improve understanding of cultural values and Indigenous capacity, and enhance intergenerational and cross cultural transfer of traditional ecological knowledge	67,628	43,000	198,188	211,372	477,187
8 <b>Healthy Region</b> — Core elements of a healthy planning system, and increase in capacity of the region to plan for and manage resources sustainably. Also provides for governance arrangements of subregional implementation.	562,453	1,914,300	1,072,313	1,184,400	2,819,166
<b>Core costs</b> — Governance and administrative costs of the regional body associated with implementation	269,845		559,690	579,279	1,408,814
<b>TOTAL PROPOSAL</b>	<b>5,712,857</b>	<b>14,800,420</b>	<b>7,958,883</b>	<b>7,390,399</b>	<b>21,062,139</b>

Source: Department of Natural Resources and Mines (2005)

## **Analysis**

The current regional NRM model reflects the focus in recent years on devolution to regional areas and greater community involvement in decision-making processes. This suggests that the key benefits of these programs should be an improvement in the efficiency of resource management (because it is better tailored to local and regional circumstances), in the generation of more cooperative behaviour of landholders, and in changing attitudes and beliefs.

Another potential benefit of using regional NRM bodies is that it permits more innovation in the manner by which NRM issues can be tackled. This is possible by allowing variations in the running of NRM programs between different regions (in comparison to governments which tend to have uniform policies), and by trialling new approaches to NRM. To date, the evidence for these types of benefits being realised are limited, but differences may emerge between NRM groups, where different styles are already evident.

An additional benefit of the regional model is that it introduces some competition about managing NRM — both between the NRM groups, and between each group and the government. This does not really seem to be the driving rationale for the proposal though, and given the reliance of NRM groups on government funding, it is unclear how much real competition will emerge.

There is little evidence available to suggest that NRM models have generated increased efficiencies in resource management. While the NRM groups such as FBA will deliver a number of outcomes, these are largely driven by the allocation of government funding, and it is unclear if the allocation of the same funds through different processes would deliver inferior outcomes. The key analytical issue is whether the regional NRM process can generate efficiencies compared to other models. Here, five key elements of this process that might generate improved outcomes are reviewed in turn.

### *1. Tailoring NRM plans to local and regional knowledge*

There are often arguments advanced that engagement with stakeholders allows NRM management to be better integrated with local and regional knowledge. However, most NRM issues are complex and require specialised technical knowledge that is not available at the local level.

### *2. Capacity building*

Capacity building is often advanced as a key goal of regional engagement. As a primary goal, capacity building is unlikely to generate greater efficiencies, as it suggests that land managers need to become responsible for a wider range of outcomes rather than specialising in particular

production outcomes. Instead, capacity building is more likely to have indirect benefits, as it may make landholders more receptive to new information and help them to become engaged in negotiation processes.

### *3. Improving cooperative behaviour*

Community based programs are often encouraged as ways of increasing levels of cooperation between landholders. While there are some areas where cooperative behaviour is desirable, the key issue is that there are many management actions with joint production outcomes. Joint outcomes can be maximised through a number of mechanisms, and do not automatically require explicit cooperation. Cooperative actions may be more important as ways of changing attitudes, generating normalising behaviour and encouraging compliance than as a mechanism to generate joint outcomes.

### *4. Changing behaviour through improved knowledge*

A key argument for the use of regional processes is that it improves the process of knowledge diffusion to land managers. Better information is likely to improve sustainability (avoiding negative impacts on-farm) because it is in landholders' financial interests. The provision of better information about spill-over effects (negative impacts off-farm) will not automatically lead to management changes, but may make landholders more receptive to suasive arguments, cooperative agreements or other mechanisms addressing the issues.

### *5. Improved take-up and compliance*

A major benefit of regional NRM arrangements is that higher levels of interface and suasion can improve take-up and compliance. The current focus of the NRM groups appears to be suasive methods, which are aimed at changing perceptions and priorities about the environment through information provision, education programs and social recognition and pressure schemes. Persuasive measures have the benefit of better informing people about the implications of their actions (Comerford 2004). This method appears to be more efficient than government initiatives in this regard. It is likely that there are real benefits to engaging landholders at a group level — in terms of encouraging NRM practices and compliance. For example, landholders that have contributed to a NRM plan may be more likely to accept plan constraints. However, perhaps the NRM areas such as the Fitzroy basin region are so large that it is difficult to get this group mentality. It is unclear what the level of recognition is and what proportion of landholders are being engaged.

#### *6. Reduced conflict over resource management*

A key benefit of the regional NRM governance model is that it has the potential to reduce conflicts between landholders and government over resource management. This is because it gives both groups a third party to act as an intermediary negotiator, and provides a mechanism for negotiating changes in resource management.

#### **Costs involved with the regional model**

The key cost associated with the regional NRM model is that there are higher governance and other transaction costs associated with maintaining a separate layer of administration. These costs will tend to increase with the number of organisations to support, which is one reason why there have been moves away from the atomistic Landcare model towards the regional model.

There are also a number of governance issues to consider. The current NRM model appears to be a compromise between a landcare model (which emphasised community engagement) and a regional governance body (which could be expected to have more discrete powers). The difficulties facing the NRM bodies is that they have no enforcement or price setting powers, so their actual management powers over NRM issues are quite limited. Other key deficiencies with the current model are:

- (a) NRM board not elected, so unclear what is the real legitimacy and political power base
- (b) Consensus type approaches often means that boards are susceptible to rent-seeking behaviour
- (c) Skill base in regional areas can be very limited (raises the question of whether the NRM bodies are a key way of improving skills in a region).

A critical issue to take note of is whether or not the regional NRM arrangements are devolving genuine responsibility for NRM to the regions, or simply a means by which to allocate government funding. There are other NRM programs that are currently being run by the government, with only a small proportion of NRM funding being devolved to regional NRM bodies. If the regional model generates large efficiencies, a key question is why is it not used for most NRM issues and funding. A similar question is why the model is not applied in other fields such as transport, education and health.

Given that governments have a number of other NRM initiatives in place, it is clear that only a small proportion of NRM responsibilities is being handed across to the NRM bodies. Table 3 outlines a summary of potential costs and benefits characterising the current regional model of NRM planning and delivery.

**Table 3. Potential costs and benefits of the current regional model**

Pros	Cons
<ul style="list-style-type: none"> <li>• Maintains current engagement and institutional arrangements associated with the significant investment in funds by the Australian and Queensland governments to continue delivering on regional NRM planning activities               <ul style="list-style-type: none"> <li>○ Maintains ‘social connectedness’ and builds ongoing relationship and further develops social capital for sustaining stewardship and protection of natural resources in the longer term (Pretty and Smith 2003)</li> <li>○ Continues to build community capacity and cohesiveness and avoids duplication of investment in NRM processes</li> <li>○ Results in suasive pressure - changing social perceptions and priorities about the environment through information provision, education programs and social recognition</li> <li>○ Allows further development of trust (which reduces the transaction costs over time between people — Pretty and Smith 2003) at the regional level between Regional Bodies and their grassroots organisations, and with the government</li> </ul> </li> <li>• Operation and processes likely to be more effective and technically efficient, as investment in NRM is conducted in a targeted, systematic manner and directed to areas that are most in need               <ul style="list-style-type: none"> <li>○ Reduced transaction costs (less conflict, increased knowledge)</li> <li>○ Greater efficiency (more biodiversity)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing operational funding for current and new programs of regional bodies would be required               <ul style="list-style-type: none"> <li>○ Costs associated with operation of Regional Bodies (i.e. transaction costs and other direct and indirect costs) and related engagement and coordination costs will continue to be incurred</li> </ul> </li> <li>• Lack of consistency and synergies with other policy agendas               <ul style="list-style-type: none"> <li>○ Policy costs to government of the regional bodies</li> </ul> </li> <li>• A cost in lost engagement of those not involved in the program               <ul style="list-style-type: none"> <li>○ Unclear what the level of recognition is and what proportion of landholders/ community are being engaged</li> </ul> </li> <li>• Costs (opportunity cost) of not pursuing any other engagement models</li> <li>• Outcomes delivered — is this the most cost effective?               <ul style="list-style-type: none"> <li>○ The government is running other NRM programs and only a small proportion of NRM programs are being devolved to regional bodies (duplication costs)?</li> </ul> </li> <li>• NRM bodies have no enforcement or price setting powers, so their actual management powers over NRM issues are limited.</li> </ul>

<p>benefits per dollar invested)</p> <ul style="list-style-type: none"> <li>• Allows for innovation in dealing with NRM issues by allowing variations in NRM management between different areas</li> </ul>	<ul style="list-style-type: none"> <li>• NRM board not elected, so unclear what is the real political power base <ul style="list-style-type: none"> <li>◦ Consensus-type approaches make boards susceptible to rent-seeking behaviour (e.g. elite capture)</li> </ul> </li> <li>• A cost in the impact of a change in institutional arrangements – e.g. the role and power of local and state governments by the increasing presence of a 4th tier of government</li> </ul>
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**Conclusion**

While the rhetoric of regional NRM is that it is driven from the grassroots community level, there still remains a significant level of government control by way of the NRM plan accreditation and funding approval process by which regional NRM bodies are bound. As the regional bodies are highly dependent on Australian Government funding for survival, there is also a question of what degree of Australian Government influence on state-based NRM planning processes is acceptable in the long term which may affect the ability of regions to meet NRM targets and outcomes.

No doubt a key benefit of the regional NRM model is the collaborative, community-driven focus of NRM planning and implementation, but this may come at a significant cost as it is likely to incur higher costs than other models. These costs include the transaction costs of community engagement and administering a separate organisation, and duplication costs associated with running parallel programs to those of similar government-run NRM initiatives.

The main concern is whether the benefits of engagement are lower than these expected costs. With no detailed economic evaluation of current regional arrangements conducted, coupled with the significant amount of resources being invested in this relatively new and untested system, it still remains to be seen whether the current arrangements are a genuine attempt to devolve NRM planning to the regional level or simply paying lip service, a 'rhetoric of convenience', to secure Australian Government funding to assist with the implementation of routine NRM programs.

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