

A FRAMEWORK TO GUIDE INVESTMENT DECISIONS IN SALINITY MANAGEMENT IN WA

I. POLICY STATEMENT

The Government of Western Australia has adopted the "Framework to Guide Investment Decisions in Salinity Management in WA" to guide its investment priorities for public funds in salinity management.

II. BACKGROUND

1. The goals of the Salinity Strategy 2000 are to restore or protect land, water, biological diversity and infrastructure affected or threatened by salinity; and to assist partnerships between Government and communities to manage salinity at regional and local levels. These goals were formulated after wide-ranging public consultation processes coordinated by the Salinity Council, are valid and constitute the basis of salinity policy in Western Australia.
2. Current understanding of salinity in WA indicates that:-
 - there are larger areas at risk of salinity than previously believed;
 - higher levels of intervention are required to control salinity and there are limited off-site effects of treatments in some areas;
 - in higher rainfall areas with more dissected (hilly) catchments, a lesser proportion of the landscape requires treatment to manage salinity.
3. While past public funding in salinity management has protected some public assets (notably water resources) from salinity, the majority of the funding has been spread too thinly to be effective.
4. With limited public funds available there is a need for a strategic approach to expenditure which targets principally public assets (water resources, biodiversity, rural infrastructure) at risk and which can be protected. To address this an Investment Framework has been developed which is intended to insert rigour and accountability into decision making processes and guide an overhaul of unsatisfactory, less strategic practices previously used for prioritising and allocating investment in salinity action. .

III. PRINCIPLES GUIDING ALLOCATION OF FUNDS

5. Eight principles for public investment in salinity in Western Australia will guide the setting of priorities and funding mechanisms at State, region and catchment scale. These priorities and mechanisms will vary depending on whether the goal of the salinity management response is recovery from, containment of, or adaptation to, saline conditions.

Principles for public investment in salinity in Western Australia

- A. ***The top priority public investments are those which generate the greatest public benefits per dollar of public investment.*** Whether protection of a particular asset falls into this "top priority" category depends on the costs of preventative treatments, the effectiveness of the treatments and the values of the assets. "Values" include social and environmental values, as well as economic values.
- B. ***Direct financial assistance to landholders to undertake salinity action should be strategic and should not exceed the public benefits that result.*** It should be focused on priority areas with high value and high probability of success.
- C. ***Where the priority is high and net public benefits are sufficient, Government should be prepared to take strong action to ensure protection of the asset.*** This might also include compensation or structural adjustment, regulation, monitoring to ensure achievement.
- D. ***Where the public priority is low but there are extensive private assets at risk, public investment should be aimed at industry development.*** Appropriate industry development is activity that seeks to develop profitable systems to prevent or contain salinity or to adapt to saline land and water.
- E. ***Inevitably, a targeted investment strategy in salinity management will result in an unequal distribution of investment across the State.*** Government must accept, and the community appreciate, that the limited funds available for public investment in salinity can only target assets where there is the highest public benefit.
- F. ***Government must fulfil its statutory obligations for land, natural resources and functions (such as research) when it sets its priorities for investment in salinity action.*** These obligations are required by law and should be taken into account early in the planning process. This emphasises the need for people to better understand socio-political processes at all levels.
- G. ***The processes required for priority-setting will involve ongoing learning and need constant feedback.*** Over time, funding priorities will change as new information becomes available and programs adapt, goals are met and new challenges arise. Feedback will be assisted by making assumptions explicit at all stages, and especially so when assessing and re-assessing feasibility of options.
- H. ***Setting priorities must proceed even when there is only limited or imperfect information on prevailing environmental, social and economic circumstances.*** Doing nothing because not everything is known is generally not a good response. The impact of and lessons learnt from early actions should be used to improve understanding of catchment processes .

IV. A SALINITY INVESTMENT FRAMEWORK AS A BASIS FOR POLICY

6. The potential net benefits of public funding according to the above principles will not be uniform across salinity-affected regions, nor within a particular region.
7. The highest benefit and therefore the highest priority for “direct support” public funding comes from preserving assets of high public value.
8. Where direct funding is not cost-effective, indirect forms of assistance are justified through research and development of profitable land use systems that either control salinity or enable adaptation to saline conditions (in particular, public funding of “industry development”).
9. This Investment Framework represents a logical extension of the Strategic Approach (p. 11) of the Salinity Strategy 2000, which was:-
 - “working in partnerships” that involve all stakeholders;
 - analysing risk in different areas over time to allow appropriate policies to be set;
 - retaining native vegetation and protecting the remaining biodiversity values;
 - adopting an appropriate mix of the tools available to manage salinity;
 - helping the farming community to make the transition to more sustainable production systems and building their capacity to do so;
 - addressing equity concerns that arise;
 - promoting research and development to improve salinity management;
 - planning to address shortfalls in actions where priority biodiversity and other public assets remain at an unacceptable risk, or are significantly affected; and
 - developing continuous monitoring and evaluation of salinity management actions.
10. The Investment Framework provides the policy direction required to guide investments in salinity action to achieve the goals of the Salinity Strategy. It enables maximum public benefit from public investment, while minimising risk by ensuring that the aims of any proposed expenditure are achievable and that costs are exceeded by the public benefits that will result.
11. The Investment Framework has been developed principally to guide public and community decision-making on salinity expenditure, but the concepts can be adapted and modified to apply to other salinity-related public and private investments.
12. In September 2001, the Salinity Taskforce reported (5.2.1) that *“the State Salinity Council began developing a new Framework for Investment in Salinity Management....in October 2000....”* and considered that *“this is a very important initiative and good progress has been made in its development....”* Endorsing the

principles underpinning the Investment Framework, the Salinity Taskforce also noted that *“to be truly effective this will require endorsement of the Investment Framework by Government as the basis for resource allocation decisions in salinity management”*.

V. THE STEPS TO SETTING PRIORITIES

13. A process has been determined for identifying assets of public value, and for assessing the potential benefits for and cost effectiveness of their protection. The process requires many considerations (which change with the scale at which they are applied), but is generally accepted as being valid at State, regional and catchment levels.
14. Applying the framework at any level will require using best available information on all key aspects of public assets at risk. The process for setting priorities involves a cycle of steps which first assesses the assets and values at stake, within the broad framework of a landscape vision, and the direct and indirect risks from salinity on a landscape basis. It then sets goals, assesses options and develops a strategy that integrates public and private investment priorities and subsequent action. It is thus not a linear sequence of information-gathering and in many instances will require ongoing revisions and clarification of priorities and plans, as new and improved information about unique situations and their regional and State-wide context comes to hand.
15. Monitoring the goals and long-term success of salinity action taken enhances subsequent cycles of asset and risk assessment and will deepen community understanding and knowledge, improving the ability to evaluate further technical options and set subsequent priorities.
16. The implementation of the Investment Framework envisaged is to be initially on the pilot basis of a NRM regional trial, with communities and government agencies working together in a transparent and participative process to assess a representative regional situation to develop salinity investment options and priorities.
17. The trial will enhance the focus of NRM regional strategies throughout Western Australia, and produce detailed guidelines for the implementation of salinity investment principles at both regional and component catchment scales.
18. Wider implementation beyond the trial will require clear and detailed Guidelines (to be developed from the trial) for application at each main level of scale (State, Regional, Sub-Regional or Catchment) at which questions of priority must be addressed.
19. Implementation beyond the trial also requires appropriate communications on new salinity investment policy and funding opportunities coordinated through regional NRM groups, with education and information on the scope and criteria for salinity action and other community supports, in an integrated approach to rural capacity-

building (as emphasised in the Salinity Taskforce report, under 5.4 *Community support, capacity building and mechanisms to encourage change*).

20. The Salinity Council has initiated the required trial for the Investment Framework through the regional NRM groups and the Senior Officers/Directors General groups. The task of conducting the trial and delivering its outputs is substantial and will require the dedicated support of an inter-agency group of specialist officers working directly with regional NRM groups. The Salinity Council Executive emphasises the importance of adequate resourcing being made available from the agencies and to regional NRM groups to run a collaborative process for which neither party is currently funded.

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