



NRM Structural Review: Developing Strong Regional NRM Bodies for Changing Environmental Challenges

Introduction

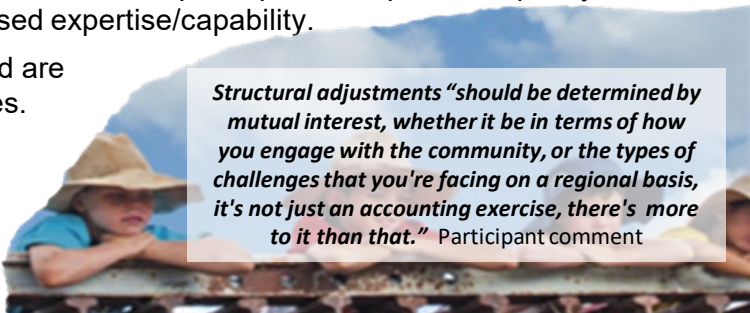
NRM bodies have experienced significant reviews and change over the past decade. In the early 2000's a regional model of NRM structure resulted in a community based natural resource management framework being adopted in Queensland. However, this has not been accompanied by programmatic funding. To adjust to pressures on revenue, structural changes have taken place through regional NRM bodies coming together under one new business entity, including the opportunity to share 'back of house' or corporate services, or more formally share project delivery across different entities under various alliances. Some of these examples have worked very successfully whilst others, have not achieved the desired outcomes. NRM Regions Queensland (NRMQR) commissioned James Cook University (JCU) to conduct a review of learnings from the structural adjustments in the NRM sector in Queensland. This study examines the overall learnings from four recent structural change processes in Queensland. Structural change refers to a number of scenarios, including the creation of a new entity and closing existing regional NRM bodies; the amalgamation of regional NRM bodies, and keeping regional NRM bodies but creating an additional alliance or entity.

The project was conducted in 2021 using a multi-method research design. A stakeholder analysis was undertaken and interviews with 24 critical stakeholders were conducted. The data was analysed using inductive and deductive approaches. Ethics approval was obtained from the Human Research Ethics Committee of James Cook University to ensure the compliance with the National Statement on Ethical Conduct in Human Research.

Key Learnings

The participants identified a range of critical issues in relation to structural change in NRM bodies including:

- Success factors for structural change include clarity of vision and the benefits of structural change being articulated openly; the maturity or development phase of the NRM bodies; the local and regional pressures for change, membership profiles, stakeholder expectations, perceived strategic benefits, perception of urgency of NRM issues in the region, staff and organisational challenges, and political/representational issues.
- Structural changes should not happen only for financial and cost efficiency reasons. There needs to be sufficient commonalities, interests and benefits. It needs to make sense in terms of community, geography, and mutual benefits and is in alignment with what members want.
- Cost efficiencies and savings were often overestimated, hidden transactional and other costs were often not included, reducing the size of efficiencies.
- There were advantages in structural change process if executed appropriately including efficiency gains and costs savings, increased stakeholder participation, improved capacity, diversification of funding sources and increased expertise/capability.
- Structural transitions take time, are costly and are difficult due to different organisational cultures.



Structural adjustments "should be determined by mutual interest, whether it be in terms of how you engage with the community, or the types of challenges that you're facing on a regional basis, it's not just an accounting exercise, there's more to it than that." Participant comment



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- Trust and mistrust are critical ingredients in how the change processes occurs. Mistrust is based sometimes on historical legacies and experiences. The region's NRM identity was often linked to these historical legacies. Transparency and openness in the change process was critical.
- Structural change processes are embedded in regional community identities. Greater engagement of stakeholders, members and staff in the change process and need to address the fears and threats at the individual level. Knowing the stakeholders and discussion of the benefits at the individual level is fundamental. Each NRM region was identified as having a unique identity based on historical, cultural and environmental characteristics of different places.
- Stakeholders challenged the assumption that an amalgamated and larger NRM body was more efficient. The ability to link with broad geographic areas, diverse populations and identities, and address priorities in local environmental challenges were seen as more critical in any NRM regional structure. Larger NRM bodies were seen to be contrary to the regional NRM model, which is based on devolved decision structures and subsidiarity principles.
- Strong and equitable governance structures are essential. There is an urgent need for capacity building for leadership and succession planning of NRM bodies given the increasing complexity of environmental challenges.
- Comprehensive risk assessment and mitigation frameworks as well as measures for effectiveness and efficiency is needed at the outset. Indicators of the change outcomes should not only be financial measures but encompass a broad set of measures of effectiveness and comparative analysis of pre and post change outcomes.
- Transitioning towards broader based funding or a market-based focus will take time. As commercial forms of operating are not the traditional area of work for regional NRM bodies, there is a need to build knowledge, awareness and skills to change to alternative NRM business models.

Recommendations

Findings go to complex challenges which require multiple short and long term strategies and a strong NRM sector. In the short term, the following recommendations are made:

1	Consideration of support staff, tools and resources for NRM bodies that are/will undergo structural change.
2	Development of a centrally delivered governance-leadership development program for NRM Board directors.
3	Forum or workshop with NRM Boards and CEOs to consider NRM identity in a changing and dynamic context and consideration of options for different structural mechanisms.
4	Commission work on broadening definitions effectiveness and efficiency in the context of natural resource management.



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"We needed to work together to strengthen all NRM agencies as there was the sense that the regional model was being eroded."
Participant comment