INFFER and TOOLS2 in NSW

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Introduction

Two policy/natural resource management oriented projects being conducted in NSW are INFFER (Investment Framework for Environmental Resources) and TOOLS2. This document outlines what each is designed for, their complementarities and differences, and how each is likely to progress.

What each framework has been designed for

INFFER: INFFER is designed to assist with prioritisation of environmental assets for public investment, and the broad choice of policy tool (incentives, extension, regulation, further research, direct intervention, no action) that is most effective to protect or enhance priority assets cost effectively. The intended direct users of INFFER are Catchment Management Authorities (both staff and Boards) and governments investing public funding to achieve environmental outcomes. A website (www.inffer.org) covers all aspects including an overview, detailed instructions, frequently asked questions and supporting materials.

The steps undertaken in INFFER are:
1. Identify assets that are potentially high priorities for investment
2. For each asset, assess likely benefits and costs of investment and select appropriate policy tools using the public: private net benefits framework
3. Identify a short list of assets for feasibility assessment
4. Conduct detailed feasibility assessment of assets on the short list
5. Select specific investments and develop investment plans
6. Monitor and evaluate the investments

The TOOLS2 project: TOOLS2 is a project supported by both the Australian and NSW Government to develop scientific tools to aid natural resource management, specifically for NSW CMAs. TOOL2 was designed to be a consistent framework to underpin CMA investment programs. One of its important products has been software called SCaRPA – Site and Catchment Resource Planning and Assessment. It is led by the Department of Environment and Climate Change and operates via a suite of biophysical models for aquatic habitat and biodiversity, terrestrial biodiversity, land and soil capability, dryland salinity, aspects of cultural heritage and carbon sequestration. They support both site-scale environmental assessment processes and catchment level planning via the generation of priority maps and quantitative evaluation of management scenarios. The website (http://murrumbidgee.cma.nsw.gov.au/index.php?id=797) covers supporting materials concerning the SCaRPA system.

Complementary areas: The two approaches are highly compatible and complementary. INFFER is strongly based on the public: private benefits framework (PPBF – see www.inffer.org) and evaluates and prioritises projects to protect or improve environmental assets. TOOLS2 assumes that a decision to invest in the natural asset has already been made. INFFER can therefore provide the 'front end' to ensure that the investment decision will be cost-effective and achieve appropriate environmental goals. TOOLS2 is used to provide the CMA business logic to underpin delivery through an appropriate mechanism, such as incentive payments.

TOOLS2 also provides the bio-physical information to inform the technical feasibility component of INFFER.

We envisage that INFFER could be used to help improve assessment of whether and when incentives are the most appropriate policy tool choice, and will broaden the application of TOOLS2 as a basis for deciding about when and where the NSW government should invest public funds to achieve cost-effective outcomes.

Areas of difference:
TOOLS2 is biophysically based and assumes that policy based prioritisation decisions about worthwhile investments have already been made. It also does not have a social / economic / risk framework and thus does not consider issues such as whether adoption of land use changes are likely. At the project implementation level it does give prioritisation to the best biophysical investment outcomes.

INFFER does not have a strong biophysical framework built in, but uses whatever other information is available, from TOOLS2 or other work. INFFER provides a 'front end' in terms of helping decide whether investment around particular environmental assets is worthwhile, as well as being strong in considering the adoption of land use changes. TOOLS2 as the premier framework in NSW would be the preferred underpinning biophysical framework, where spatial data and modelling inputs are of sufficiently fine resolution.

Vision for the future

INFFER: The vision is for INFFER be used as a rigorous and transparent approach to environmental asset prioritisation and investment within Australia and internationally as applicable. INFFER can be used to underpin investment at the regional, state or national level. It is being used in 14 regions in 3 states to varying degrees (6 in WA, 7 in Victoria, 1 in NSW), and is likely to be adopted as the preferred approach to environmental asset prioritisation and investment in both Western Australia and Victoria. INFFER has now been successfully trialled in the Lachlan CMA region on several environmental assets, and the CMA Board will decide whether it will continue with INFFER further. The pilot has shown that there is a great opportunity for more cost-effective outcomes to be achieved. Further application of INFFER in NSW is only worthwhile if there are positive signals about supporting the approach from the Natural Resources Commission and DECC.

TOOLS2: The vision for TOOLS2 is to underpin a rigorous, transparent and auditable process for Natural Resource Management investment within NSW. The TOOLS2 project completed its current phase at June 30th 2008. Agreements to provide continuing support for 2008/09 were negotiated with individual model developers and departments as well as the software programmers. Despite limited resources, various software products from the TOOLS2 project are currently being trialled with 8 of the 13 CMAS in NSW. TOOLS2 is applying for Caring for Our Country Funding to develop knowledge exchange and training teams and further science development for its continuation. Because this project co-ordinates multiple state and federal contributors, no one agency can operate or source the funds internally to make a vision such as TOOLS2 possible. Without secure funding and co-ordinated governance between partner agencies TOOLS2 will cease on the 30/6/2009.