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Changing the direction of environmental investment in Australia: Learnings from implementing INFFER

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Background

- Some NRM funding devolved to the regional level – NHT, NAP, CfoC
- 56 regional bodies - Catchment Management Organisations (CMOs) - in Australia
- CMO investment decision processes – individual, ad hoc, gut feel, use partial subsets of relevant information
- Various audits (in Australia) have shown poor environmental outcomes
- Tools or frameworks have been developed to assist with investment targeting – ATS, MULBO, INFFER



Investment Framework for Environmental Resources (INFFER)

- A tool for developing and prioritising projects to address environmental issues
- Aims for cost-effective investment for environmental outcomes
 - ❖ asset-based, targeted and outcome-focussed approach
 - ❖ rigorous, transparent calculation of a Benefit Cost Index
- 2008 – 2010 – trialled by 20 CMOs
- Sept 2010 – 8 CMOs committed to use (Vic 3, WA 1, NSW 2, Qld 1, ACT 1)



Research questions and issues

- INFFER is a complex decision system – will CMOs use it?
- Adoption is favoured by:
 - ❖ High relative advantage (clear benefits, high compatibility, low complexity)
 - ❖ Trialability - readily trialled (low cost), can learn from trial
- What issues/concerns are perceived as barriers to uptake and use by CMOs implementing INFFER?
- What will increase use?



Methods

- Benchmark and evaluation questions at 2-day training sessions before starting to use INFFER (7 CMOs, >90 participants, written survey)
- Quantitative benchmark questions (before training):
 - ❖ Factors important to investment decisions (1-7)
 - ❖ Importance of information sources (1-7)
 - ❖ NRM effort directed to spatially explicit assets (%)
 - ❖ Confidence in CMO projects (1-7)
- Quantitative and qualitative evaluation questions (after training)
 - ❖ Confidence in the INFFER process (1-5)
 - ❖ Aspects of process feel more/less confident, how is INFFER similar/different, areas of concern



BM results: Importance of factors when considering investment decisions

1 = not relevant to 7 = very important

Factors considered	Mean Score (n = 91)
Spatial information	5.9 (1.1)
Quality of scientific information	5.7 (1.3)
Quality of socio-economic information	5.0 (1.4)
Community capacity building/engagement	5.9 (1.2)
Meeting RCS targets/goals	5.6 (1.6)
Specifying detailed project goals/targets	6.1 (1.1)
Cost-effectiveness of investments	5.8 (1.1)
Ability to get uptake of practices	6.0 (1.1)

Scores are high: generally all factors are considered important
3 CMOs had avg. scores > 6.0 for five or more factors.



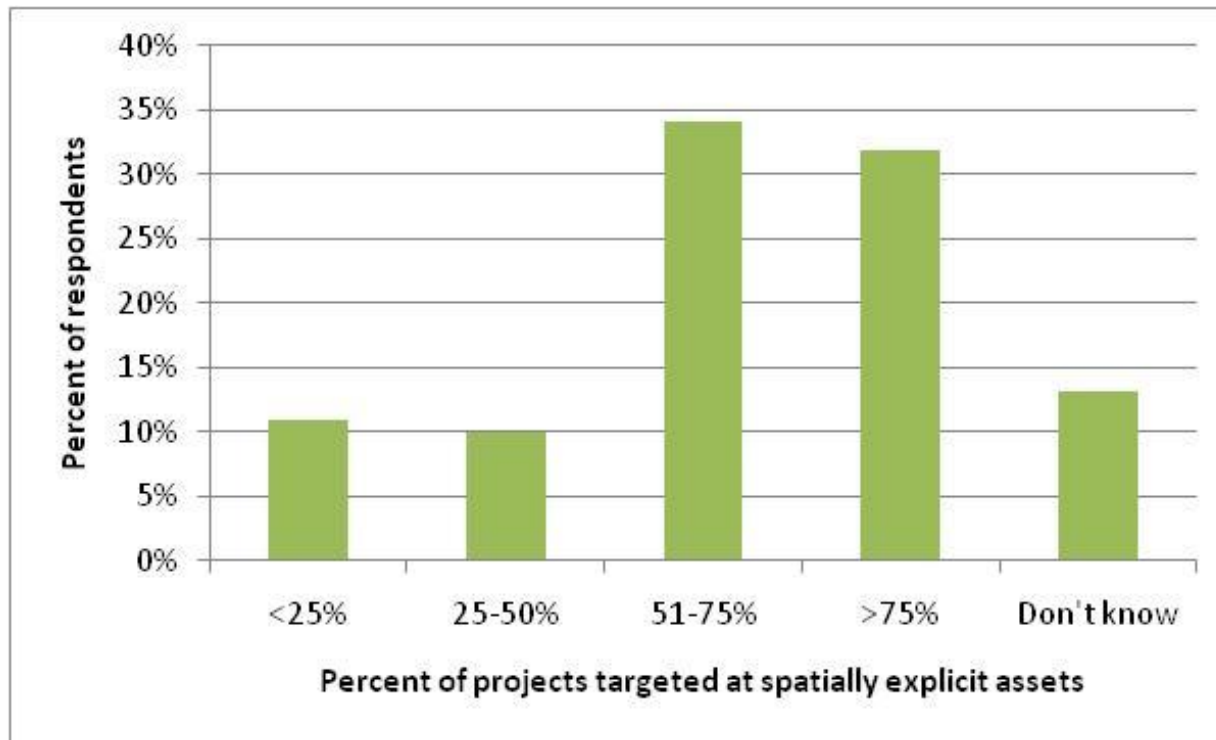
BM results: Importance of information sources when developing projects

1 = not used to 7 = very important

Information sources	Mean score (n = 91)
Landholder or community knowledge <ul style="list-style-type: none">* ACT group (n = 10)* Vic 4 group (n = 17)	5.6 (1.2) 6.3 5.0
Specific expert scientific information <ul style="list-style-type: none">* NSW 1 group (n = 8)* Vic 4 group (n = 17)	6.0 (1.0) 6.5 5.7



BM results: Proportion of NRM effort targeted at spatially explicit assets



- Majority of responses > 50% of projects (esp. Vic CMOs)
- Wider range of responses from NSW1, QLD1 and ACT
- CMOs over-estimating projects directed at spatially explicit assets?
- Definition of “spatially explicit assets”



BM results: Confidence that projects will meet specified criteria

1 = not confident to 7 = very confident

Criteria considered	Mean score
Projects address important environmental issues (n = 84)	5.4 (1.1)
Projects will achieve their intended environmental outcomes (n = 84)	4.7 (1.2)
Projects represent “good value for money” (n = 82)	4.8 (1.2)
Projects are well-designed to achieve the project goal (n = 83)	4.9 (1.3)

- Relatively lower confidence about project outcomes, value and design (but still high given previous audit results)
- These results may explain their interest in INFFER



Eval results: Confidence in the INFFER process after 2-day training

1 = very confident to 5 = not confident

	Vic 1 (n = 13)	Vic 2 (n = 9)	Vic 3 (n = 14)	Vic 4 (n = 15)	NSW 1 (n = 8)	QLD 1 (n = 17)	ACT (n = 9)
Avg. Scores	2.2 (0.7)	2.7 (0.9)	2.4 (0.7)	3.3 (0.8)	2.0 (0.5)	2.0 (0.6)	2.1 (0.3)

Training: July 2009 → Sept/Oct 2010



Eval results: Learnings

- Some issues commonly arise when first engaging a CMO: users struggle with the complexity, rigour and incompatibility with past ways of thinking:
 - ❖ *“(INFFER requires) more detail for justifications, focuses on benefit cost index.” Vic 4*
 - ❖ *“(INFFER is) different – far more thorough and allows different themes to be compared.” NSW 1*
- Barriers to uptake are caused by existing institutional systems and processes.
 - ❖ *“Different funding bodies have different application methods therefore (using INFFER means) more work for an unknown return.” Vic 1*



Eval results: Concerns/issues 1

- Wanting to consider the community as an asset
 - ❖ *“Another asset is the land managers”* NSW 1
- Concern about the implication of targeting.
 - ❖ *“Focussing on targeted projects will cause disengagement with other landholders”* QLD 1
- Concern about changing the direction of investment
 - ❖ *“(We need to be) aware that some projects we like doing will not score favourably in INFFER”.* QLD 1
- Concern about the use of subjective values (e.g. asset value).
 - ❖ *“The process still requires a series of highly subjective judgments.”* NSW 3



Eval results: Concerns/issues 2

- Concern that diffuse agricultural assets score poorly compared to more discreet assets
 - ❖ *“BCI is an indicator to compare like with like. But how can we compare koalas with soil projects fairly?” NSW 2*
- Feedback that the whole process takes too long and is too difficult
 - ❖ *“A very detailed procedure, we have some that refuse to follow process, i.e. too much work or too hard.” NSW 2*



Eval results: Institutional barriers

- Reluctance/inability to change
 - ❖ BM results - CMOs were confident about their existing processes
 - ❖ Reluctance to change: *“There is a wide opinion among CMO staff that the current processes they apply in development of business plans is sufficiently rigorous.”* Staff of NSW DPI
 - ❖ Inability to change: *“Staffing – how do we fit this in! Resourcing!!”* Qld 1
- No direction from funders of need to change
 - ❖ *“Do our investors require this level of justification? They haven’t in the past.”* Vic 3
 - ❖ WA situation – all trialled INFFER but now waiting on decisions about State NRM funding.



Conclusions

- INFFER has problems common to many conservation technologies – will need to show benefits, compatibility
- Legacy of previous investment - there are entrenched ideas about using funds for community involvement and non-targeted investment
- CMOs in many cases lack resources to improve their processes (money, time, capability)
- INFFER training helps with above issues
- Clear strong institutional incentives are needed to encourage CMOs to use better processes to plan and prioritise NRM investment.



