# INFFER and DPI Policy Choice Framework

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## Introduction

Two policy/natural resource management oriented projects being conducted in Victoria are INFFER (Investment Framework for Environmental Resources) and the Policy Choice Framework (PCF). 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

*Policy Choice Framework:*

The Policy Choice Framework (PCF) consists of a series of decision trees and is designed to help in selecting specific policy instruments to achieve a predefined policy objective. For example, the PCF has been used to identify policy instruments to reduce nutrient emissions from irrigation; to reduce effluent emissions; to improve air quality and is being used to identify policy instruments to promote adaptation to climate change. The PCF can be used to identify new instruments or refine existing instruments to deliver better outcomes, or to evaluate the logic of previous policy instrument choices.

Users of PCF include program and policy makers in catchment management authorities, water authorities and government. However they are users of the PCF outputs, rather than direct users of the framework.

The steps (trees) in PCF are:
1. Identify the justification for government intervention
2. Identify the broad policy tool that is most appropriate
3. Identify the specific policy instrument that could be employed
4. Identify likely reactions/attitudes of landholders to the policy instrument
5. Determine whether landholders can appear to comply but act in ways that are not consistent with the policy objective
6. Determine whether the scope and rate of change in landholder behaviour is sufficient to achieve the policy objective
7. Identify the nature of change the chosen instrument poses for implementing organisations
8. Identify governance, strategic and workforce management issues.

Steps 4, 5, and 6 create opportunities to identify complementary policy instruments.

*Complementary areas:*

The two approaches are highly compatible and complementary. Both INFFER and the PCF are strongly based on the public: private benefits framework (PPBF – see www.inffer.org) to select the broad choice of policy tool. INFFER additionally evaluates and prioritises projects to protect or improve environmental assets. PCF additionally helps to select a specific policy tool within the broad group identified by the PPBF and to incorporate landholder and organisational considerations into instrument choice. The two could potentially be used together.

*Areas of difference:*

INFFER is a process designed to empower regions to make informed decisions themselves after initial training. To date the PCF has been used by Practice Change to assist policy makers to consider choices about packages of policy instruments.

## 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 10 regions in 4 states, and has been adopted as the preferred approach to environmental asset prioritisation and investment in Western Australia. It is supported by DPI and DSE in Victoria. INFFER, whilst undergoing adaptive improvements to develop detailed decision frameworks, is ready for regional adoption, with training and support provided by the project team. Apart from the public: private benefits framework, particular pieces of INFFER should not be used in isolation, but as a whole package.

To support INFFER roll-out, nationally accredited training materials are under development through the Future Farm Industries Co-operative Research Centre's EverTrain program. Support is envisaged to be provided on a state-by-state basis. As the Western Australia and Victorian state

governments have progressed most strongly down the asset-based approach path, training support is most likely to be in these states initially.

*Policy Choice Framework:*

The PCF is currently being refined and will be made freely available for any person or group who wishes to use it. Structured training and support in the use of PCF will eventually be available through the Capacity Development team in DPI Victoria.