



Submission to the Review of Caring for our Country

Scope

This submission deals with each of the review discussion points. Although Engaging Indigenous Australians is not specifically addressed (and it needs to be by those competent to do so) the points made here are applicable generally across all private and public lands.

Introduction

The design and operation of Caring for our Country and parallel regulatory arrangements **need to strengthen a culture of caring by land managers**. Surely this should be a key priority yet the effect of Caring for our Country and existing regulatory arrangements is arguable the opposite, presumably unintentionally.

This observation and its implications are often discounted on the basis of the false claim that the need for relevance and accountability require prescription of specific priorities, practices and outcomes prior to project approval. In fact the opposite is true. It is only through working in learning environments with landholders, individually and collectively, that a sustainable commitment to particular outcomes is achievable.

Furthermore an over-emphasis on a project-by-project approach as compared to establishing on-going positive policies and instruments (institutional arrangements) results in fragmentation of effort within ecosystems and stop-start measures that are difficult to embed in on-going land management aspirations and activities.

Observations

We accept the intent of the key principles underpinning Caring for our Country and we accept the need for a good regulatory arrangement. However the current policy, instrument and program mix and in particular the Caring for our Country program:

- Reflects a basic flaw in the idea that 'knowledge is delivered'. Knowledge is gained locally through the judicious mix of information and wisdom. Improvement is the result of applying knowledge and, for that, the primary need is for improved motivation consequent upon recognition and reward.
- Does not effectively and efficiently provide incentives for innovative and other land holders who 'do the right thing'. The demonstration and flow-on effect of rewarding better outcomes/better managers would improve the effectiveness and cost efficiency of public funding for improved land management. Providing such recognition and reward is possible.
- Has excessive transaction costs for landholders, for funded and especially non-funded organisations and for the funding agency itself.
- Does not have effective and cost efficient accountability mechanisms.
- Engenders an attitude and practice of dishonesty though, for instance, seeking information at the time of project application that could not be known. For illustration, requiring specification at the point of project application of the extent of soil acidification, of the number of hectares for which lime application will be the preferred solution and of the number of hectares treated by lime years after the funding application is submitted. This might seem to be a small point but it can only be a constraint to innovation and lead to cynicism and the provision of misinformation.

Improvements

What is needed is:

- Greater scope and respect for operatives at different spatial levels (farm/sub-catchment, region, State, nationally, internationally) to operate effectively in determining and addressing priorities and for their performance and accountability to be more strongly based on the achievement of outcomes.
- Less reliance on project based funding and greater emphasis on outcome based rewards for individual land managers.
- Greater emphasis on strengthening motivation through the development and implementation of environmental verification systems that enable substantial reductions in transaction costs and increases in the capacity for landholders to capture benefits from a wide range of sources, including from increased self esteem, productivity and asset value improvements, reduced costs for inputs such as for insurance and finance and from market benefits from the sale of food, fibre and other ecoservices. The application of market based incentive schemes by individual regional bodies/catchment

management authorities and the Australian Environmental Stewardship program do not meet these essential criteria.

- Relatively less emphasis on 'building the natural resource management capacity of private land managers'. These private (and public) land managers manage complex businesses the vast majority of them doing so successfully according to varied belief, value and pricing /non-pricing aspirations. There is a need to build motivation. Strengthening capacity will follow along diverse pathways.

Tinkering at the edges of the current settings for improving landscape based environmental outcomes, including in relation to the design and execution of the Caring for our Country program, will not deliver the desirable and achievable rate of improvement.

There is a need to identify and remove or account for constraints to change. These include

- The imbalance between the influences of those involved in supply as compared to that from those involved in demand; that is the dominance of inputs from those dependent upon building supply (service suppliers including industry organisations-statutory and otherwise-academics, researchers, consultants etc) over inputs from land managers whose activities are limited by lack of reward/motivation. For illustration it would be safe to bet that the majority of submissions to this review will come from entities whose role is to provide services rather than from those who seek and might benefit from such services.
- In a competitive funding setting well based fear of disadvantage consequent upon advocating for change or, put more directly, fear of payback.
- Institutional constraints to reforming NRM legislation.
- Reductionist paradigms that focus on parts of ecological function without due recognition of interdependencies between for instance water, soil, vegetation, fauna, biodiversity etc.
- Approaches that do not recognise the multiple land use feature of much land management, for instance the concept in the Caring for our Country fund application forms of cropping and grazing being separate entities. Over 60 % of primary producers operate two or more industries producing over 70% of production by value.

Conclusion

In summary there is a need for a more strategic and less prescriptive approach to the design and operation of the relationships between people and organisations that operate at different spatial levels. Part of this approach should include greater reward for effective land managers who can demonstrate improved environmental outcomes. These strategic approaches can operate nationally and , if warranted, with greater intensity for the protection of iconic or threatened resources, such as might apply to the Great Barrier Reef.

And last, the magnitude of the need should not be underestimated. There is no place for complacency. There is a need for incremental improvement in existing systems. However we need also for many new and different systems to evolve. For this we need to enable creativity

and innovation and to critically question the widely held idea that broader application of so called best management practices will provide sufficient improvement. Equally dangerous is the idea that there is a particular paradigm, solution or practice that might be usefully applied universally.

Appendix 1 (to be considered as part of our submission)
Letter to Conservation Incentives & Design, Australian Government Land and Coasts
Friday 14th January 2011

Dear xxxx,

In our brief discussions on Caring for our Country last year you suggested I provide some thoughts about the possible evolution of the program.

I appreciate that much of what I have to say might be standard fare for policy analysts and program administrators but hopefully I can add value. I will be as brief as possible on the presumption that you will get back to me if you want clarification or more detail. We discussed the processes used to inform the development of the program and the nature of the program.

My point on processes is that traditional submission/meeting processes are overly dominated by industry organisations that formally represent land holders, by public sector organisations that are potential recipients of funding and by those who can afford to participate. Clearly many falling within these categories have legitimate and useful interests. However history points to them being unlikely to move beyond incremental changes, possibly as a result of the breadth of their constituencies. However data on the state of the environment and documented community views clearly point to substantially better outcomes being needed and expected. We need to find new ways for it would be unwise to simply continue as we have done in the past and expect a better outcome.

I think the key to this is to ask the right questions of the right people.

My experience in the public policy and program domain is that one never has sufficient time to canvass literature and experience and in fact one soon loses the capacity or inclination (or both) to do so. However there are many excellent people who can contribute professionally to the development of the broad approaches needed to improve the effectiveness and efficiency of public policy and programs, as illustrated by the recent article by Curtis and Lefroy and by the work of others such as Steve Dovers, Dave Pannell and Paul Martin. [Curtis A L and Lefroy E C (2010) Beyond threat-and asset-based approaches to natural resource management in Australia. Australasian Journal of Environmental Management Volume 17 Number 3 September 2010]

One option would be to have several reviewers provide their perspectives on the broad approaches necessary, to have these reviews discussed and elaborated through some interactive process (a workshop or such like) and then to seek comments not on a consensus but on the proposed alternative/ complementary approaches. It is important that the process be as transparent as is possible. Another avenue for gaining inputs, perhaps more 'left field' inputs, is to look through submissions from beyond the mainstream to previous enquiries. The 2020 Summit and various Productivity Commission enquiries come to mind.

I will now move to the nature of the program but continue with the theme of asking the right questions of the right people.

It is very rare in program documents to find a practical definition of what we mean by natural resource management/ environmental management.

Environmental management and natural resource management are often thought about and articulated as being the management of the environment. Another view is that it is the management of our impacts on the environment. These impacts are products of our institutional arrangements mediated chiefly through the actions of land managers. [Institutions include the traditions, norms and practices of groups, the organisations formed by government, industries and communities and their policies, programs and laws, regulations, codes of practice and the operation of markets.] Hence the nature and operation of our institutional arrangements and the drivers of the behaviour of land managers should be critical considerations in the development of environmental policies and programs. Managing the environment and managing the impacts on the environment are not mutually exclusive. However I think impact management is overly discounted, particularly by policies and programs that are not relevant to or don't enable participation by large numbers of willing landholders.

The point I am coming to is that we should be less restrictive as to who identifies priorities and targets and more concerned about capacity building, motivation and the monitoring of outcomes. This view cuts across those who believe that specialists removed from the practice of land management should be primarily responsible for identifying how public investment should be allocated. Rather we need to establish and support means whereby individual land holders can be empowered to have a greater input into determining how best to improve their environmental impacts and for them to be held accountable for outcomes.

Let me illustrate this from my own experience over the past 30 years in managing my impacts on 800 hectares of grazing country and related landscapes in northern New South Wales. For a range of reasons we began fencing off waterways in the early 1990s and extended that work with modest public funding assistance. I entered into a complex contractual arrangement but there has never been a monitoring of the work or its impact. Nevertheless the work was completed and in fact repaired extensively following floods simply because we are committed to the outcome. In contrast there is a local priority in our region to plant trees but that for us is of no environmental or other benefit as Eucalyptus regrowth is rampant in my area. The point here is that even a regional priority will not have universal relevance within that region and restricting support to externally determined priorities and practices may well disenfranchise the very landholders who could lead communities towards more sustainable practices.

More recently having successfully quoted within a regional market based program (MBI) we have entered into a 25 year covenant over one sixth of our property at an estimated private to public cost sharing ratio of about 10 to 1. This has enabled changed management practices over the total property with significant environmental benefits. Additionally it has enabled the development and demonstration to neighbouring landholders of effective weed control and grazing strategies. The point here is that the public investment is highly efficient because it built on and strengthened private motivation.

In advocating more self determination at the individual land manager level I am not discounting the benefits from s/he being as well informed as is possible. Our experience is that landholders are very happy to incorporate information into their decision making. However the extent and

longevity of their commitment is much influenced by them being able to mould that information into actions which they have been heavily involved in designing.

Much policy thinking in this domain is influenced by the concept that goods (products/services) can be defined as being either a public good or a private good. However virtually all land based environmental outcomes, including improved biodiversity conservation, are mixes of public and private goods. Public benefit arises from the production of both public and private goods. Hence it is most probable that the public and private investor will both be best served by approaches that integrate the interests of all beneficiaries.

A lot is said about the relative merits of different policy instruments but essentially it is the mix of instruments and their complementarities that are important. For instance a well designed reef rescue program needs to work hand in glove with a well designed regulatory framework and both need to reflect that the vast majority of farms operate two or more industries.

My last observation but not the least important is about the use of short term measures for long term objectives and about excessive transaction costs. These are very real and substantial issues with financial, motivational and ecological consequences. They need to be and can be addressed in an integrated way.
