



National Landcare Advisory Committee

Advice on the National Landcare Program Review

Purpose of this Advice

The Government is conducting a review of the National Landcare Program. NLAC in its capacity of providing advice to the Ministerial Council has noted the information from the review and provides the following advice on the strategic direction that could be undertaken in the next program.

NLAC has called heavily on the work it has completed in its first two terms to form this advice, and is also dependent upon the quality and depth of information and feedback provided by the two Departments on the review.

NLAC's recommendations

Governance Model and Brand—NLAC is of the view that the governance model needs refreshing and renewal, but strongly advocates building on the existing system. The relationship with the States and Territories requires review and assessment of how to create the most value from this important relationship. The Brand "Landcare" needs to be better understood in a modern context, and should also be refreshed.

Managing performance—The Performance Framework approach which adopts management of accountability and performance with mature, trusted partners should be continued, and deepened in the next program.

Understanding Outcomes and Impact of Investment - NLAC believes that MERIT is an important investment in understanding achievement of outcomes and impact. It should be built on, and requires more resources and deepening of the approach to embed this in the planning system of the next program. In particular more resources need to be dedicated to understanding impact of investment, including broader impacts such as economic return and social benefit. It should also be enhanced as

a reporting and communication tool so users can improve their outcomes and impact reporting through MERIT.

Outcomes for Indigenous People and Communities – NLAC advises that continuing and deepening the investment in IPA's and Working on Country programs and more closely integrating them into one governance and management system is now timely. NLAC also considers it is timely to undertake a review on whether an Indigenous specific sector within the next program should be established.

Adaptive management approaches – NLAC recommends that resilience and adaptive capacity concepts are adopted in the strategic design of a future program with particular consideration to the design of delivery arrangements that target and facilitate innovation and adoption (practice change). This approach could also be more widely adopted across related policy Australian government fields such as drought, biosecurity and emergency preparedness.

Program Principles

NLAC believes that the key principles that should form the foundation of the next program are:

- Connections and networks – which lead to greater collaboration, involving new partners in particular industry sectors across the value chain to better manage natural capital
- Regional Governance and local delivery to continue but renewed to increase the diversity of participants and continuously improve the relationships and trust between players
- Leveraging other capital and resources from other parts of the value chain through highly collaborative partnerships that achieve outcomes at the landscape level
- Innovation and adaptive capacity to be key areas of focus of the program as proactive approaches to solving NRM issues are more generally successful
- Outcomes focus and monitoring impact to be embedded in all approaches and done as part of planning programs and projects

Purpose

NLAC proposes that the purpose of the next program should be to create Resilient Natural and Social Capital, with the outcome being functioning, healthy and productive ecosystems and landscapes.

Long term Policy approach, Medium Term Program Objectives, Short term Investment Plan- the program should continue with an outcomes approach, but better define its targets and what it is designed to achieve. The program should have a long-term policy position (10 plus years), a set of Program Principles and Program Logic (4 years) and an investment plan which is revised every 2 years. The Investment Plan would set priorities for investing eg. managing natural capital risk to build market access, building a low carbon economy, building Indigenous Land and Sea Management Capacity, Engaging Next Gen with key indicators for success which can be measured and reported against. NLAC recommends a longer term outcomes based approach to better allow for matching of public and private resources.

Other Capital - NLAC considers that leveraging other forms of capital should be a key driving principle of the next program. To achieve this, it will be necessary to create a more long-term public policy platform that transcends the next program, so that it is a major policy position for the country for the next 10 plus years. This will inspire confidence in the decision making processes and encourage other forms of capital investment and market repositioning to occur.

Thirty Years of Landcare Investment

Landcare is an Australian invention. Whilst now adopted by a number of countries, it was created by Australian ingenuity and innovation, and is a movement, ethos and practice that has been led by the Australian community for over thirty years. As a movement it reflects our connection to country and how we have learnt to farm sustainably in a landscape by using a systems approach.

It is NLAC's view that this thirty years of investment has created a profound legacy.

It is the foundation upon which we now farm and manage our natural resources. It has created lasting and real change in the way we manage our natural resources, and how we generate productive economic and social outcomes from this base. It has been described as a movement, a philosophy and an ethos, but it has created much more than that.

It is now widely accepted as being one of the foundations on which we can promote our clean, green credentials to world markets, and is in a position to support the development of 'Brand Australia', and its underpinning for the competitiveness of Australian agriculture.

It has created deep knowledge and understanding of how natural systems work. It is this understanding that has helped Australian farmers to adapt and manage in volatile and rapidly changing climates and world markets. It has helped farmers to stay productive and sustain their businesses, families and communities in the face of great global market and climatic changes. It has created a competitive edge for our rural and regional agri-businesses. It has enabled Australian agribusinesses to stay competitive without the trade protection experienced by farmers in other countries.

Thirty years of investment has also enabled two generations of Australians to play a lead role in protecting and rehabilitating Australia's environment – our biodiversity, waterways, marine environments and our cultural heritage. This has involved hundreds of thousands of people working across the country on thousands of projects to improve the environment.

The investment has also created opportunities for Aboriginal people to build their capacity in Land and Sea Management to build effective livelihoods on country for Traditional Owners and also achieve environmental outcomes across Northern Australia. This is creating sustainable lasting change and economic futures for Aboriginal people.

In providing this advice, NLAC has reflected and acknowledged this foundation and its importance to the national story, culture, economy, market opportunity, productivity, condition of our natural resources and the state of our people and communities.

To create the next thirty years of sustainable growth for Australia, it is timely to articulate the value that this investment has brought and the legacy it has created.

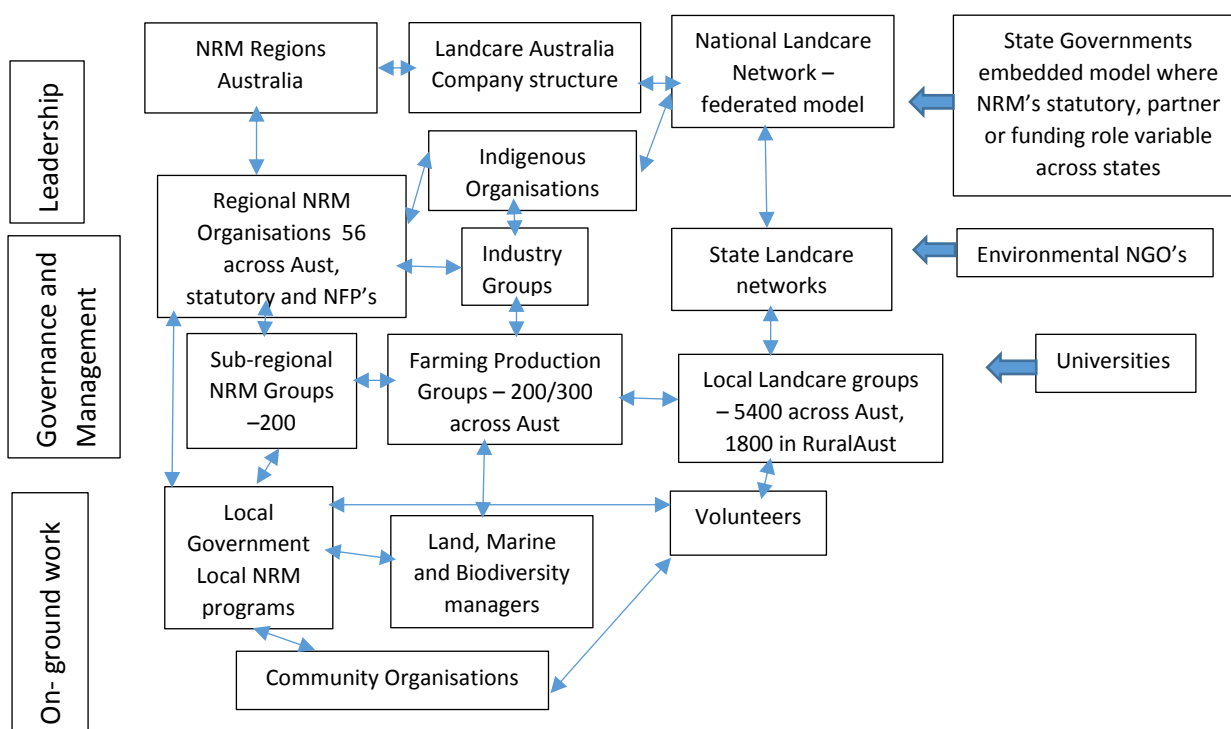
Landcare and NRM – a Human Ecosystem

One of the key parts of that thirty years of investment is a complex yet important human ecosystem that has been built to achieve outcomes at multiple scales in the landscape. One of the frequent criticisms that is levelled at Landcare programs is the level of investment in the organisations and institutions that collectively work to manage change.

That investment and focus on people, their capacity and their ability to manage change has led to a form of capital that has created our modern day farming systems. Even when a farmer says they “don’t do Landcare”, their farming system will still be based upon technology and thinking developed through this thirty year investment. This knowledge and social capital is a critical foundation.

The following diagram is a summary of the current model, and as such includes the major organisations in the system and the relationships between them.

Current Model NRM/Landcare Organisations



A large proportion of the resources under the National Landcare Program are committed to maintaining this ecosystem that manages the leadership, governance and framework for on-ground work across the country. The model of ‘mature trusted partners’ that has developed through the NRM regional system is an important investment.

Similarly, the multilayered nature of the ecosystem matters in achieving outcomes. Locally and regionally based networks of people and organisations that engage in NRM and Landcare in their regions, and then collaborate across regions and scales to achieve larger scale outcomes are critical (NRM Roundtable, ANU, Nov 2016).

There is a fundamental contest over resources within this system. This has resulted in trust issues over time, however all players have been working constructively to create the optimal performance environment. High trust environments reduce transaction costs and get things done faster, so it is essential that the program settings and design support the ongoing building of trust and real collaboration amongst the networks of people.

The NLP (and previous programs) have invested in capacity and relationships. Instead of focussing on a simple service delivery model it has striven to achieve an outcomes approach working with mature, trusted partners. Whilst this approach has not always been successfully achieved, it is the most effective approach. Whilst it reduces the amount of control the government has over service delivery, it increases the level of empowerment and leverage of investment significantly. The survey conducted for the review indicates stakeholders want the government to pursue this approach more vigorously and reduce the levels of compliance and reporting to a greater degree. The Government has been working to achieve this through the Performance Framework approach it has implemented. In this regard, NLAC considers that performance outcomes can be achieved whilst not increasing red tape and regulation.

NLAC acknowledges the challenge of delivering a program that is focussed on long-term learning instead of just short-term activity delivery. It is more challenging to account for the change. It is also a complex system, and has longer term horizons than what public policy driven by political cycles can successfully deliver. The challenges that Australian communities and businesses face are medium to long term and require commitment and focus over decades. To increase the leverage and impact from government investment, policy needs to reflect those longer term horizons, whilst acknowledging the realities of the political cycle.

The way in which resource users interact with the system has also changed over time. Over time the proportion of farmers engaging in Landcare groups has declined and at the same time producer groups have grown in number and participation and other new rural social networks have emerged. New residents in peri-urban areas around cities and in regions are new entrants to land and water management. It is therefore time to consider all elements of the model, and reinvent it to better meet the needs of modern landholders and volunteers.

NLAC is of the view that the governance, management and delivery model needs refreshing and renewal, but strongly advocates building on the existing system.

The Performance Framework approach which adopts management of accountability and performance with mature, trusted partners should be continued, and deepened in the next program.

Economic Impacts of Landcare

Work completed by NLAC in its first term on the economic impacts of Landcare investment demonstrate clearly that Landcare has improved the productivity of Australian agriculture through increasing the adoption of sustainable agricultural practices. This has not only protected and enhanced the productivity of our landscapes, but has improved yields and boosted income for farmers (Economic Impacts of Landcare, NLAC, 2016)

The study found that investment in Landcare has changed the mindset of landholders and generally led to greater and faster adoption of sustainable agricultural practices. However, as with any land management intervention, there is often significant time lag between investment and achieving impacts on and off-farm (Economic Impacts of Landcare, NLAC, 2016).

Success typically involves engagement of a wide range of people and organisations and is achieved over long time periods, a timeframe of 20 to 30 years (NRM Roundtable, ANU, Nov 2016).

It is therefore very challenging to capture the impact of investment within the timeframes of a program. In many cases, NRM actions address slow action, long-term processes of land or water degradation. Measuring the outcomes of short-term projects on these large-scale processes is difficult (NRM Roundtable, ANU, Nov 2016).

Attribution is also difficult. NLAC discovered in the Economic Research work that Landcare invested at key stages in the adoption cycle when the market was failing to fund an intervention. This is a critical understanding as it shows that the role of Landcare and NRM in the past has been to drive innovation before commercial market drivers were present. Farmer driven research and development typically occurred after the innovation, efficiency or technology was demonstrated in Landcare networks.

NLAC believes that MERIT is an important investment in understanding achievement of outcomes and impact. The system does not yet fully deliver this successfully but it can be built on to achieve this, and embedding economic indicators would assist in better understanding return on investment.

MERIT requires more resources and deepening of the approach to embed this in the planning system of the next program. In particular, more resources need to be dedicated to understanding impact of investment, including broader impacts such as economic return and social benefit.

Building for the next 30 Years

The challenge ahead

The need for increased food production in a global market and dietary changes based upon improved purchasing capacity, will result in increased pressure on the environment. To match rising world population growth and demographic changes, we need to do more with less resources in an increasingly variable climate. The imperative for a country such as Australia is to create a policy environment that does not export the environmental cost of this increased production, and assists producers to manage natural capital risk. We have the capacity to increase agricultural competitiveness and profitability in ways that strengthen ecological sustainability and social resilience (Tony Gleeson 21st Century Landcare, 2016).

We are now in the third industrial revolution. Expanded access to data and more sophisticated use of information will play a very significant role in increasing the competitiveness of our industries that rely on natural capital as their primary resource base. Granular data and analytical capability will allow business managers to optimise resource use to levels unknown of in our lifetimes. Platforms to extract this value are only being designed now. (Ideas sourced from Pursuing the global opportunity in food and agribusiness, McKinsey and Company)

Mobile communications technologies have exploded in farming communities with the majority of younger farmers now using their mobiles as their primary device for accessing and generating knowledge. Twitter is a key source of innovative ideas, opinion forming and social network norming.

Value will be created by connecting people, and the capital will emerge from the connections. The value chain in agriculture will transform in the coming decades and there is significant market demand for Australia to provide safe and environmentally sustainably produced food and fibre, with accreditation capacity to back up our credentials.

It is also now widely accepted that Australia will experience more shocks in the form of sharp, intense and largely unexpected extreme weather events. NLAC's work on resilience demonstrates that to be able to cope with associated drivers of change and extreme shocks, that land managers and their communities need to be flexible and innovative (Wilson et al. 2015). That relies upon the adaptability of the individual, the industry and that is based upon their mindset (Landcare's role in building adaptive capacity and resilience, NLAC 2016).

Case studies researched by NLAC demonstrate that resilient communities and individuals are empowered to help themselves solve persistent natural resource management problems. By drawing on the inherent capacities within the community to build adaptive capacity, resilience-based approaches are proving more effective than relying on external interventions to overcome environmental or agricultural vulnerabilities (ELD 2015, Maguire and Cartwright 2008, sourced from NLAC's resilience report). What this demonstrates is that building adaptive responses and resilience now is more cost effective than reactive or reparative responses after the risk has occurred.

Demand is rising for healthier functional foods and for traceable and certified foods that are guaranteed to meet a certain level of safety and environmental or corporate social responsibility. Producers and food companies that embrace more stringent standards should be able to better position themselves in the face of evolving regulation and take advantage of this trend (Pursuing the global opportunity in food and agribusiness, McKinsey and Company).

The Millennial Ecosystem Assessment shows that human actions are depleting our natural capital to the extent that it may compromise the ability of the planets ecosystems to sustain future generations. At the same time, with appropriate actions, the assessment shows it is possible to reverse the degradation of many ecosystem services over the next fifty years.

This is all occurring at a time when the expectation of the role of private land managers and food producers is changing significantly. We are seeing the rise of very aware consumers, who are asking for more sustainable production systems. This has led to the rise of the 'social licence' to farm and resultant need for accreditation systems to account for complex production systems to consumers.

The growing numbers and capacity of Indigenous people employed in land and sea management is one of the great success stories in recent Australian history. As Indigenous people have regained control of their traditional estates through land claims Native Title and other processes Traditional Owners have re-asserted their land and sea management rights and regimes and are participating in future development of their country. Early work has focussed on building sustainable livelihoods on country (NAILSMA Policy Position Paper, 2016). We note that there are already successful indigenous contributions to agricultural outcomes, particularly in the beef cattle industry. The Indigenous owned and managed pastoral properties such as Delta Downs and the MorMorr Pastoral Company provide examples of successful landcare management within a profitable agricultural environment.

NLAC considers that the National Landcare Program with its 30 year legacy is positioned to be able to support Australian farmers and community to capture the opportunity from these challenges.

Design of a future program needs to reflect this future context.

In particular, NLAC provides the following advice:

- *Continuing and deepening the investment in IPA's and Working on Country programs and more closely integrating them in governance and management. NLAC considers it is timely to review whether to establish an Indigenous specific sector within the next program should be undertaken.*
- *Resilience and adaptive capacity concepts are adopted in the strategic design of a future program with particular consideration to the design of delivery arrangements that target and facilitate innovation and adoption. This proactive approach could also be more widely adopted across related policy fields such as drought, biosecurity and emergency preparedness.*

- *Fresh and innovative responses to NRM challenges can be best developed and fostered using communities of practice and knowledge sharing platforms*
- *A recommended innovation program investment area should consider how Landcare can support accounting for our production standards within and across Australian products and commodities.*

Program Principles and Logic

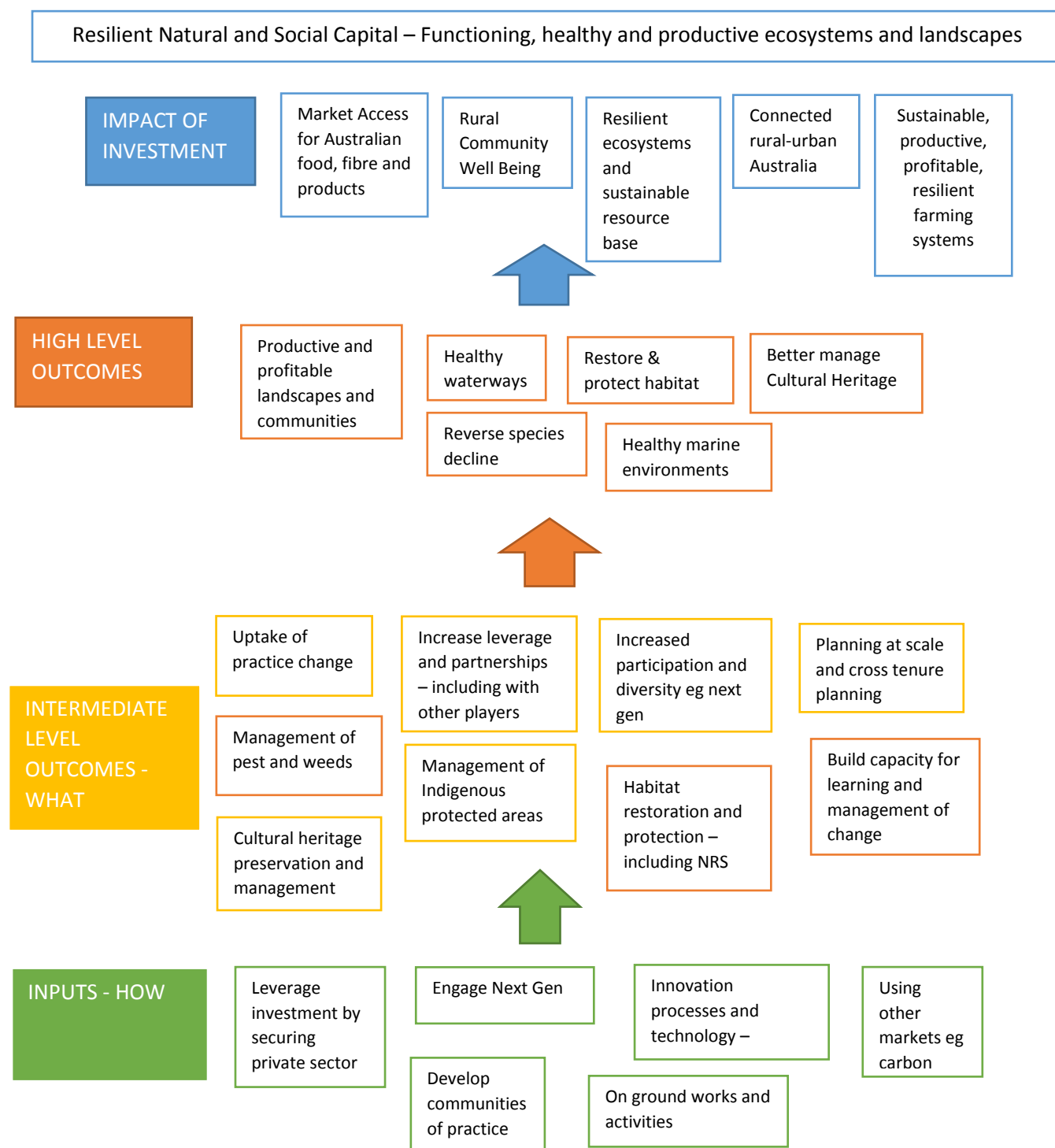
It is critical that we contextualise the current investment in preparing our country for the challenges of the next thirty years. It is critical that we have a long-term focus in the policy framework as we are trying to solve slow-acting long-term processes with short term funding (NRM Roundtable, ANU Nov 2016). This is also an imperative if we are to successfully leverage private investment to a much greater extent than currently achieved.

NLAC believes that the key principles that should form the foundation of the next program are:

- Connections and networks – which lead to great collaboration, involving new partners in particular industry partners across the value chain
- Regional Governance and local delivery to continue but renewed to increase the diversity of participants and continuously improve the relationships and trust between players
- Leveraging other capital and resources
- Innovation and adaptive capacity
- Outcomes focus and monitoring impact

The following example program logic outlines the key purpose, outcomes, and the what, how and who of the future program. (this is not exhaustive but captures the ideas from NLAC's last meeting).

Program Logic – Future Landcare Program



NLAC proposes that the purpose of the next program should be to create Resilient Natural Capital, with the outcome being functioning, healthy and productive ecosystems and landscapes.

The program should continue with an outcomes approach, but better define its targets and what is designed to achieve. A proposed structure is a long term policy position (10 year plus), a program design (4 year objectives described as outcomes) a program logic which explains the model of change, and a shorter term investment plan which is regularly revised as global context changes the impact on landscapes, producers, communities and organisations.

Principles such as innovation, proactive adaptive capacity and planning, leveraging other forms of capital, industry partnerships, and building practice change or adoption capacity could be used to better define the change model to achieve the outcomes.

Sources of Capital

The Australian government investment is an important source of capital particularly if it can be leveraged to the greatest extent possible. NLAC believes the program design should maximise opportunities to engage other forms of capital. This is particularly important given ongoing fiscal constraints experienced by all governments world-wide.

Other forms of available capital for achieving the purpose of generating resilient natural capital include:

- Market instruments - Carbon market credits, premium markets for products/services, incentives for managing risk, payments for ecosystem services, offsets, access visitation and heritage income
- Other government resources - Local Government, State Government programs and resources, levies
- Corporate sector - Corporate partnerships/collaboration,
- Native Title sector - Prescribed Body Corporates
- Philanthropy and volunteer sector - volunteer time and resources, fundraising, crowd funding
- Landholder resources and investment

NLAC proposes the key principles of collaboration, leverage, and innovation should be applied in such a way that other forms of capital are maximised.

NLAC also notes that the key constraint to leverage these other forms of capital is the short term nature of the funding cycle. To create confidence for potential partners and collaborators in the NRM space, it is critical that the government can communicate a longer term policy position about the key factors it sees in driving the change we want as an Australian community and economy.

Given the list above, NLAC considered the four key areas to focus on are:

- Market instruments
- Other government resources in particular local levies developed in partnership with State Governments

- Corporate/community sector – developing partnerships that inspire community action and investment eg. Crowd funding
- Prescribed Body Corporates – investing in management of caring for country and building traditional knowledge and skills

The \$300M that the Australian Government has to invest in looking after Landcare can be levered many more times than the typical 2-3 times currently being achieved.

Deepening the innovation, collaboration, and value to the market type approaches will be critical to achieve this.

NLAC considers that leveraging other forms of capital should be a key driving principle of the next program.