

## Productivity Commission Inquiry into Future Drought Fund

### NRM Regions Australia - Response to interim report

Thank you for the opportunity to respond to the interim report. NRM Regions Australia provides some feedback below, however we would require further time to provide detailed responses to the requests for information.

#### Prioritising objectives to maximise public benefits (p11)

We agree with the interim report's comments that environmental resilience and improved natural capital are fundamental to long-term sustainability, and that support for improved natural resource management should be a priority in the next funding cycle. We agree that collaborative catchment projects are more likely to provide public benefits. The nature of the Future Drought Fund (FDF) provides a rare opportunity to design and fund programs for long-term landscape-scale work. It is worthwhile noting that natural resource management (NRM) activities and participation in NRM is documented to also improve well-being and social capital (see for example Brown and Schirmer, 2018 <https://nrmregionsaustralia.com.au/building-drought-resilience/>).

#### Prioritising levers for change, through a tighter program logic (p12)

We agree that there is the opportunity to identify and analyse key leverage points for change, including potentially transformational change. We agree that this should be built upon a better, more detailed understanding of the existing relevant arrangements, participants, networks, opportunities, gaps and barriers.

This would allow for better leveraging of the FDF investment rather than re-inventing, overlapping, crowding or undermining, and would help define the particular value that FDF investment can bring, as well as identifying appropriate (even innovative) mechanisms for investment and delivery. We believe there is the potential to build upon the existing capacity and networks in the NRM regions, including the regional NRM plans and planning processes. This has not been optimised in some programs.

We note again that transformation requires time, longer rather than short funding cycles, along with innovative program design and delivery. This in itself requires change, risk and capacity building within both governments and stakeholders.

#### Improving outcomes for Aboriginal and Torres Strait Islander people (p14)

We agree that the next Funding Plan period is an important opportunity to help foster strong partnerships with Aboriginal and Torres Strait Islander people and strengthen participation in

decision making about the Fund. Organisations and individuals will need resourcing and support to undertake these roles as expectations and opportunities for participation increase.

There is an opportunity to engage people at the national level through mechanisms such as participation on the advisory group, or partnerships with organisations such as the EPIC CRC if it is successful. At the regional and local scales programs can be designed more inclusively, in partnership with or specifically led by First Nations organisations and communities.

### Regional Drought Resilience Planning (p15)

We believe that there is an opportunity to improve the resilience planning program and that this can be an important foundational process. However, as indicated in the interim report, implementation has been affected by poor integration and sequencing, lack of clear ownership and lack of integration or incorporation with existing plans, planning processes and institutional arrangements and capacities which has undermined the ownership and implementation of the plans. There is also the risk of participation fatigue. We would appreciate further discussion about how to improve the impact of this program and links with regional NRM planning.

### Drought Resilience Adoption and Innovation Hubs (p16)

We agree that there should be a review of the Hubs, including their roles, governance, capacity and value proposition, and that further funding should be contingent upon this. We are not comfortable that in all instances the Hubs have provided clear value, nor that it can be assumed that they will with further time and funding. We believe that an independent review should occur sooner rather than later, particularly given the substantial investment that has been made to date, and before more substantial investments are made. A review should of course seek material and views beyond what the Hubs themselves provide. Such a review is consistent with the interim reports suggestions also to 'map' and understand the broader system and the levers for change. We would also like to note that there has been enormous in-kind, and often behind the scenes contributions and support provided to some of the Hubs to help build their capacity.

### Natural resource management grant programs (p16)

We agree that the Commission should recommend that the next Funding Plan include a natural resource management grant program. Taking more time to design these programs, without pressure to design and roll them out quickly, would allow for a collaborative informed (even genuine co-design) process that complements or builds upon existing activities, or identifies gaps and therefore opportunities for the Fund. This includes more sophisticated program design that can help measure improvement in resilience and natural capital, and potentially causal links. Regional NRM would be happy to engage with the Commissioners or the Fund to further elucidate these points.



The regional NRM approach was established because previous ad-hoc or project-based initiatives were not at a level to bring about whole of system and whole of landscape change. It provides a landscape-scale approach to help minimise perverse outcomes and maximise benefits; to manage cumulative and cascading effects; to integrate across land-uses, and between levels of government and community policies and priorities; and to work across research, policy and practice.

Thank you for the opportunity to contribute to the Inquiry and we would welcome the opportunity to discuss this further.

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