

Southern NSW Drought Resilience Adoption and Innovation Hub

Submission on the

Productivity Commission's

Interim Report of the Review of Part 3 of the *Future Drought Fund Act*.



Introduction

The Southern NSW Drought Resilience Adoption and Innovation Hub (the Hub) welcomes the opportunity to provide a submission on the Productivity Commission's interim report of the Review of Part 3 of the *Future Drought Fund Act*.

The Hub agrees with the Commission's view that the Future Drought Fund is a positive step in the evolution of Australia's drought policy.

Drought Resilience Adoption and Innovation Hubs (Interim recommendation 5)

Drought Resilience Adoption and Innovation Hubs have been operational for two years. Collaboration, enabling and support depends on relationships, networks, communication channels and trust. The past 12 months has seen all of these critical elements develop and grow in the SNSW Hub, and an extension of the Hub funding will allow them to mature. The Hub welcomes the Commission's interim recommendation that funding for the Drought Resilience Adoption and Innovation Hubs should be extended in the next Funding Plan. The Hub is also supportive of:

- future funding being contingent on demonstration of adequate performance and governance; and
- the Department working with Hubs to develop and publish a statement of expectations for Hubs.

The Hub is supportive of the Commission's recommendation to continue funding for the *Extension and Adoption of Drought Resilience Farming Practices Grants*, *Drought Resilience Long-term Trials* and *Drought*

Resilience Soils and Landscapes grants (p.70). The Hub is also supportive of the extension of the *Drought Resilience Innovation Grants*.

Building resilience to climate change (Interim recommendation 1)

We support a broad focus on the impacts of climate change on agriculture and agriculturally focussed communities and landscapes. This is in line with the thinking of farmers we engaged with as part of our ‘baselining drought’ exercise, who suggested that the emphasis is taken off ‘drought’ and re-focused on ‘climate extremes’ that affect farm businesses.

We understand that there will be a complex set of factors influencing the risk of fire, flood, temperature extremes, and the relevant importance of these will be different at a regional level. There is an opportunity for Hubs to work at this regional local level to determine priorities across the spectrum and to target investment to the most significant areas for improvement. This could present challenges in assessing impact, so careful strategy and planning as well as scope for flexibility will be important.

Funding timeframes and transformative change (Interim finding 2)

The Hub is supportive of the Commission’s suggestion to focus on more long-term transformative funding programs and agrees with the finding that short term incremental programs have high transaction costs.

The Hub notes the FDF’s consultative committee’s point that short application timeframes have likely led to a lower quality pool of applicants. The Hub would add to this that scheduling funding rounds over the Christmas/New Year period is also likely to have affected the quality of applications owing to the family and childcare responsibilities faced by applicants at this time of year and many organisations being closed.

Prioritisation & Coordination (Information request 5 and 13, Interim finding 9)

The Hub notes the Commission’s finding that greater prioritisation is needed around the Fund’s objectives to maximise outcomes. Through a ground up community consultation process, the SNSW Hub has established [Priorities for drought resilience in the Southern NSW footprint](#). These priorities, and those identified by other Hubs, were used as criteria in the recent Adoption of Drought Resilient Practices funding round. These priorities could be rolled up to a national level and used by the Future Drought Fund to guide investment strategies. Information Request 12 proposes a ‘challenge-oriented’ approach whereby the Australian Government outlines specific resilience challenge and invites applicants accordingly. The Hub is supportive of such a “challenge-oriented’ approach and considers that the Hub-established priorities could similarly be used to guide a challenge-based funding round.

The architecture of the Hubs, the partnerships in place and geographic footprint, provides an opportunity to ensure there is no duplication or obvious gaps in program delivery at a regional level. Further to this, better coordination of FDF funding and programs can be achieved by Hubs taking on the coordination function for funding at a regional level. This would not see Hubs taking on an expanded delivery role, but identifying appropriate partners and stakeholders to deliver FDF programs at a local level. The SNSW and SQNNSW Hubs have worked jointly with NSW state agencies to improve the coordination of FDF program delivery. There is an opportunity to improve this by using the Hubs as an umbrella without affecting on the ground delivery partners.

Participation of Aboriginal and Torres Strait Islander people (Interim finding 5)

The Hub notes that Aboriginal and Torres Strait Islander people have had limited participation in the Future Drought Fund. There was similar experience for the Southern NSW Drought Resilience Adoption and Innovation Hub in its start-up phase. The Hub faced significant challenges in recruiting suitably qualified people to its First Nations Engagement Officer positions. However, since recruiting an officer, consultation with Aboriginal and Torres Strait Islander peoples has occurred at an encouraging rate.

Social resilience (Information request 3)

We understand that social resilience is hard to measure and often intangible, but there is significant evidence both real and anecdotal to demonstrate that individual and community wellbeing is a key indicator of resilience to environmental and economic stressors. This applies agricultural and non-agricultural businesses, First Nations and other communities. Further to this our analysis of the impact of drought on First Nations communities shows that it is a wellbeing issue not an economic or environmental issue. It will be extremely difficult to genuinely address First Nations challenge without having a social and cultural lens

Monitoring, Evaluation & Learning (Interim finding 4)

Interim finding 4 is a broad finding across the programs and reflects the fact that the programs are in the early stages – and also referring to the lack of overall collective impact of the Hubs and other programs. The FDF team for the Hubs found a lot of difficulty in collating across the Hubs and ended up using a combination of common data they had across the Hubs from the Partner Survey and the activity feedback sheet they initiated – none of which really touch on impact beyond capacity gain – and choosing examples across the Hubs.

The problem is that they get all these reports under their common headings which are mostly qualitative - or quantitative figures presented in the text which can't be brought out and collated across Hubs or programs. They have no real effective way of collating across and telling a story.

In terms of capturing cross-Hub – or cross Program – impact is to have a central on-line facility where Hubs/programs can include high level impact data in form that it is easy to provide and to summarise. The Hub is not sure why this isn't done.

Monitoring, Evaluation & Learning (Information request 6)

The SNSW Hub considers that Hub's should be involved in the design of the MEL Framework for the Drought Resilience Adoption and Innovation Hub program.

DAFF has gone to great ends to ensure that the MEL requirements are detailed and clear to the Hubs. Interpretation is one issue as is the fact that not all Hubs are approaching their role in the same way. My comments above are also relevant here – re metrics and acceptance around an improved Innovation System and its benefits.

The DAFF FDF Hub MEL team has responded to the Hub feedback and made changes to be a little more flexible – including recognising the value of narratives and case studies to show impact. However, this approach needs to be

embraced across Hubs and there needs to be a summary framework which can collate across Hubs to show the strength of such approaches to add to the story.

The use by the Board, Hub Management and Partners of MER reporting to influence decisions and directions is an example. Likewise the use by the FDF teams.

By having structured reflection through surveys, feedback sheets and discussions by participants in Hub activities it is facilitating learning for the participants – as well as informing those funding and running activities about what needs to change.

As above, a key way to improve MEL is to increase the recognition, recognition and reporting around the value of increased collaboration and a more effective Innovation system.

There also needs to be more work done at the national level with combining across Hub and program reporting and using tools such as ChatGPT and an on-line facility for high level collated impact reporting.

Likewise, on-going benchmarking analysis of national data on farm productivity, accessing of drought subsidies, linked to climate and market trends over time and through national farm surveys by ABARES should be happening alongside the FDF programs linking to the program's objectives.

In all programs, participant follow up surveys post-activities need to be included and implemented – to allow capture and reporting of impact on-the ground. These need to be supplemented by narratives and case studies – demonstrating the Theory of Change linked to Hub/program activities.

Monitoring, Evaluation & Learning (Information request 7)

This is where the use of the Hub case studies come into their own for practical examples and should be used as an example here – and also the Narrative report that was prepared for the CSA program.

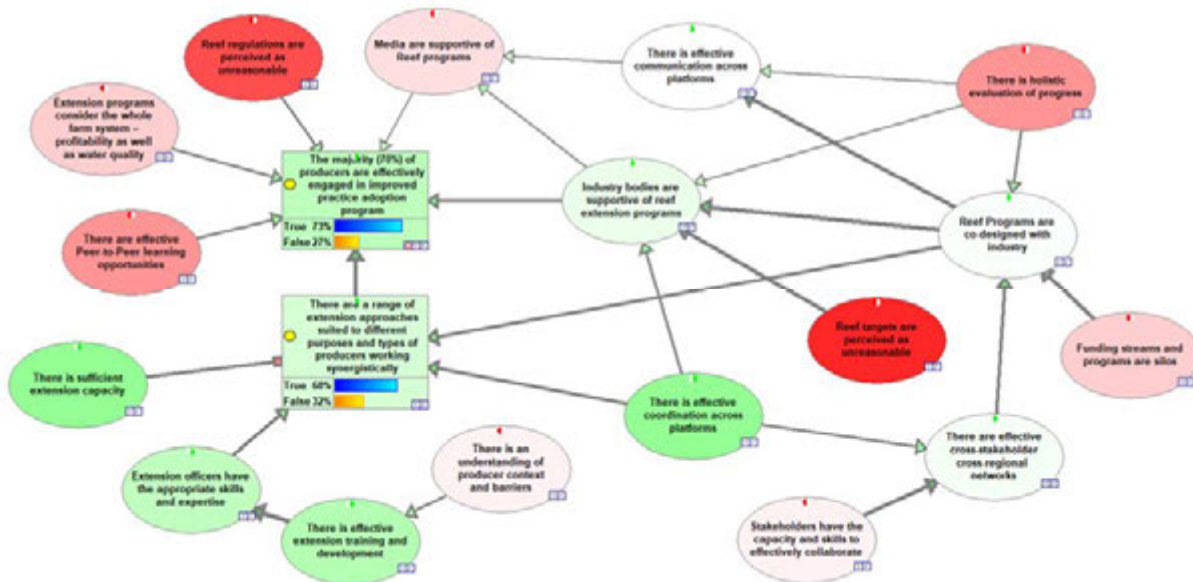
Also, this highlights the need for follow-up participant surveys post-activities and individual case studies to show cause and effect. Also the opportunity for longitudinal monitoring with Farming System Groups, for example.

Regional benchmarking studies/surveying approaches are needed by the Hubs for this – revisiting context and needs – taking into account climate, market and policy challenges and new initiatives impacting on the region.

In a large sustainable farming project undertaken in the Darling Downs in the 90s, they did up a grid of the region and every year (over 5 years) visited random (relevant) points of the grid to see what soil management practices were being used to see if there were changes being made. This principle has merit and could be adapted for the Hub region.

Attribution is captured by: direct questioning – e.g. how did this activity/information assist/ influence your decision and implementation (In some cases we ask people to choose a percentage of influence); following through on the program logic/theory of change by way of narratives or case studies showing the links; and using Journey maps.

Bayesian mapping/modelling could be really useful to show the influence of the Hub in an innovation system. These have been used for reef extension programs in the past – e.g.:



Currently the number of partnerships/collaborations are captured through the MEL reporting, the ratings and comments in the annual FDF partner survey and the case studies are all measures and M&E evidence of strengthened partnerships.

Environmental outcomes will also overlap with productivity outcomes – e.g. improved pasture management practices impact on stock management and carrying capacity as well as improved ground cover. There could easily be a list of practices that can be directly linked to environmental outcomes which could be reported on.

Social resilience is integral to other outcomes – and it is not good and beneficial for the next round to reduce emphasis on social outcomes. Individual, organisational and community capacity impacts on resilience and their ability to seek information and assistance and make changes needed to cope with climate and market variability which then positively impacts on their confidence and future sustainability and resilience. The measures we use are largely around: extent of preparation (e.g. do they have drought plans and flood contingencies in place; the extent of their confidence in their ability to prepare for climatic and market challenges; their confidence that their business will still be viable/improved in 5 years..)

Broader regional benchmarking will pick up on people/organisations and communities who are not direct participants in programs – as well as more national analysis of indicators as discussed above.