

Commissioners Joanne Chong & Malcolm Roberts  
Future Drought Fund Inquiry  
Productivity Commission  
Online submission; cc: [future.drought.fund@pc.gov.au](mailto:future.drought.fund@pc.gov.au)

11 July 2023

Dear Commissioners,

**RE: Submission to the Interim Report of the Future Drought Fund Inquiry**

The Australian Land Conservation Alliance (ALCA) welcomes the opportunity to provide a submission to the Interim Report of the Productivity Commission's Inquiry into the Future Drought Fund (FDF). ALCA's submission focuses upon responding to Information Request #2.

Please note that ALCA is happy for this submission to be published in full.

## Information Request #2

***How can greater environmental and economic resilience be achieved through more investment in natural resource management activities?***

For a landscape to be productive over the long-term – i.e. sustainably productive – both the environmental and economic sustainability of that landscape requires attention and investment. Environmental protection, effective environmental management and restoration are all critical to building healthy and functioning ecosystems, resilient to extreme weather conditions such as droughts, floods and fires.

Australia's most recent State of the Environment Report summarised both the declining state of our natural environment and why our ability to manage pressures is critical to building resilience in our landscapes and for our human communities.

*“Overall, **the state and trend of the environment of Australia are poor and deteriorating as a result of increasing pressures from climate change, habitat loss, invasive species, pollution and resource extraction. Changing environmental conditions mean that many species and ecosystems are increasingly threatened. Multiple pressures create cumulative impacts that amplify threats to our environment, and abrupt changes in ecological systems have been recorded in the past 5 years.***

*...**Our inability to adequately manage pressures will continue to result in species extinctions and deteriorating ecosystem condition, which are reducing the environmental capital on which current and future economies depend. Social, environmental and economic impacts are already apparent.**”<sup>1</sup>*

Further, the National Environmental Science Program (NESP) Resilient Landscapes Hub describes resilience as follows:

*“Resilience refers to the rate at which landscapes recover from environmental stressors and disturbances. Resilient landscapes support Australia's rich biodiversity and agricultural and tourism economies, and shape the Australian identity. Indigenous peoples' cultural practices have sustainably managed these landscapes for millennia. However, our landscapes face increasingly complex environmental challenges that threaten to undermine their condition and capacity to recover from extreme events.”<sup>2</sup>*

<sup>1</sup> See: 2021 State of Environment Report; <https://soe.dcceew.gov.au/overview/key-findings>

<sup>2</sup> Resilient Landscapes, National Environmental Science Program; <https://nesplandscapes.edu.au/>

Nature underpins our wellbeing, our food security, and our economies and must be protected and effectively managed. Subsequently, there is a critical role for biodiversity protection and the effective management and restoration of our natural capital. The similarity to an extensive body of academic work on 'planetary boundaries' – albeit right-sized to a community or landscape level for FDF purposes – should also be noted and drawn upon<sup>3</sup>.

Investment in natural resource management activities can include (many drawn from the NSW Government Local Land Services program<sup>4</sup> but other lists are relevant):

- The protection and enhancement of biodiversity and remnant vegetation;
- maintenance of minimum levels of groundcover and vegetation cover, and construction of vegetative or other structures to reduce runoff and improve soil condition;
- strategic restoration, revegetation and better management of intact native vegetation to improve its resilience and safeguard habitat for plant and animal species (using genetically diverse, local and climate-adjusted species);
- restoration and better management of the riparian zone of rivers, wetlands and estuaries for improved water quality and flood resilience;
- rehabilitation of gully and streambank erosion;
- control of invasive species and diseases;
- protecting sites that will act as climate change refuges;
- managing native vegetation for conservation purposes; and
- the introduction of land management practices such as grazing pressure management, mixed-species pastures, effluent and fertiliser management.

It should be noted that the current focus of the National Landcare Program (NLP) upon sustainable agriculture, environmental and biodiversity outcomes, and broader community benefits, shares substantial alignment with the intent of the FDF.

The NLP periodically undergoes review and evaluation by the Federal Department for Climate Change, Energy, the Environment and Water (DCCEEW), and most recently in 2022<sup>5</sup>. ALCA encourages the Commission to draw upon the findings of the various NLP reviews. Ultimately, increased funding through the NLP and other government environmental programs to support the effective protection, management and restoration of the biodiversity and the natural capital that underpins our landscape's resilience will provide a critical pathway for the improvement of environmental and economic resilience.

Further, should it assist the Commission, ALCA would be happy to help provide the academic literature – and practical examples – to bolster the Commission's body of knowledge that supports the empirical economic and environmental case for investment in biodiversity protection and the sustainable management of our natural capital, including through natural resource management activities as described above.

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<sup>3</sup> See: <https://www.stockholmresilience.org/research/planetary-boundaries/the-nine-planetary-boundaries.html>; and <https://www.stockholmresilience.org/research/planetary-boundaries.html>

<sup>4</sup> As reproduced from: NSW Government, Local Land Services; <https://www.ils.nsw.gov.au/help-and-advice/natural-resource-management>

<sup>5</sup> See: <https://www.dcceew.gov.au/environment/land/publications/nlp-phase-2-review-report>

***How could existing programs be adjusted, and what activities should be funded, to achieve mutually reinforcing environmental and economic benefits?***

ALCA recommends that the FDF should leverage – and provide additional funding to – existing biodiversity, land management and natural resource management programs, especially where they deliver activities that protect biodiversity and maintain and enhance natural capital, such as soil conservation, water efficiency, and biodiversity assets, as these are exactly the types of efforts that deliver drought resilience, preparedness and sustainable, productive landscapes (and thus mutually reinforcing environmental and economic benefits).

The National Landcare Program (NLP) focus on natural resource management activities is embedded within rural and regional communities and deploys practical knowledge on how to deliver outcomes for the environment. This makes it well-placed to deliver additional FDF activities and funding.

However, whilst the NLP may be a valuable tool for the FDF to leverage, the NLP alone is not sufficient to address the full extent and suite of solutions, as many organisations are not effectively resourced through the NLP's limited funds. As above, funding for biodiversity protection, management, and restoration must be scaled up across all possible areas to rebuild land and water condition and enhance the biodiversity assets that buffer against extreme weather conditions such as drought. In representing conservation organisations engaged in expansive on-ground conservation efforts across privately managed land, ALCA (and its members) are well-placed to provide the technical expertise on how to conduct effective conservation, management, and restoration – and at scale.

Organisations like ALCA member Landcare Australia operate across Australia in remote and regional communities to deliver the sustainable management of natural and productive landscapes and to build resilient ecosystems and communities. Investing in Aboriginal and Torres Strait Islander Land Management organisations – for example, by further resourcing Indigenous Protected Area (IPA) or other land management programs – supports healthy and functioning landscapes and communities. Further, investing in nature-based solutions to address the impacts of climate change will be critical to any program seeking to reduce the impact of extreme weather conditions. For the avoidance of doubt, nature-based solutions already available to us include the protection, effective management, and restoration of biodiversity.

***How could these outcomes – and the causal links between actions and improved resilience – be best measured?***

We encourage the Commission to draw upon the knowledge of conservation and land management organisations (such as many ALCA members and Aboriginal and Torres Strait Islander land managers), Landcare, and NRM Regions Australia as organisations which can facilitate further access to the range of approaches in evaluating the causal links between actions and improved resilience and measuring outcomes.

The increased application of natural capital accounting frameworks and initiatives can support landholders in understanding, measuring, and making decisions about their natural capital assets. Continued resourcing of these initiatives and programs should be considered.

Learning from and incorporating knowledge and wisdoms from Australia's First Nations peoples will be important in linking actions to improved resilience.

NESP Resilience Landscapes Hub and other environmental research programs support the continued understanding of healthy functioning ecosystems and the inter-relationships between land management actions and improved resilience. ALCA encourages the FDF to engage with the NESP program around its research priorities and outputs as it designs its investments. As NESP notes:

*“Maintaining resilience will not be enough to meet new challenges or adapt to a changing climate. To protect Australia's landscapes and biodiversity – and the services they provide – we must find new ways to restore and enhance resilience.”<sup>6</sup>*

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<sup>6</sup> As above, n2.

***How should Future Drought Fund activities interact with the National Landcare Program and other natural resource management programs?***

In order to effectively address the growing challenges of drought and sustainable natural resource management, expanding resourcing to existing programs such as the National Landcare Program (NLP) and other conservation, land management, and restoration initiatives will be critical.

Fostering collaboration and coordination between these programs and organisations – akin to the growing membership of ALCA – we can maximise their combined impact and create a comprehensive approach towards mitigating drought and enhancing the resilience of our ecosystems.

The FDF should, at minimum, aim to complement its activities with the NLP, which promotes the protection and management of biodiversity and sustainable land and water management practices. This collaboration can facilitate the implementation of targeted drought mitigation strategies while avoiding duplication. The effective protection and management of biodiversity and sustainable land management activities must be considered primary to drought preparedness and to building resilient landscapes and communities. The long-term impacts of managing farmland sustainably and protecting the biodiversity assets in productive landscapes can result in higher levels of resilience when seasons – and markets – change.

By incorporating nature-based solutions and environmental management activities, such as soil conservation, water efficiency, and biodiversity conservation into FDF programs, we can ensure a holistic approach that accounts for both long-term sustainability and drought preparedness.

Furthermore, FDF activities should actively engage at regional and local levels. Local and regional communities often have a deep understanding of the unique environmental challenges and opportunities within their respective areas. By leveraging their expertise and building partnerships, the FDF can effectively tailor its initiatives to the specific needs and contexts of different regions.

The FDF should actively support capacity building and knowledge exchange programs, fostering learning opportunities for stakeholders involved in biodiversity and sustainable land management. This can be achieved through workshops, training sessions, and the dissemination of research findings and best practices. By equipping individuals and communities with the necessary skills and knowledge, the FDF can empower them to effectively implement drought mitigation measures and contribute to the long-term sustainability of our natural resources.

Thank you again for the opportunity to respond to the Productivity Commission's Interim Report on the Future Drought Fund.

ALCA and its members are happy to make ourselves available should you wish to follow up on any issue raised in the submission; please do not hesitate to contact ALCA via (Mr Michael Cornish, Policy Lead).

Yours sincerely,

**Dr Jody Gunn**

**Chief Executive Officer**

**Australian Land Conservation Alliance**