

NRM Western Australia Submission: Future Drought Fund.

Background

NRM WA appreciates the opportunity to comment on the Future Drought Fund (FDF). NRM WA represents Western Australia's NRM sector – comprising 7 regional NRM organisations that cover the whole of WA.

The regional NRM model focuses on regional organisations working and partnering with a remarkable range of people, land managers, groups and organisations from local to the national level on regional to national priorities. No other sector has the remit of overseeing and supporting the management of all natural resources (across respective regions). Regional NRM organisations strongly engage with First Nations people at a local and regional level to provide community benefit from indigenous land management knowledge.

Each regional NRM organisation is governed by independent skills-based Boards that represent their regional member's NRM perspectives and priorities. All regions have Regional NRM Plans that document investments and strategic priorities, as well as highlighting transparency and accountability. Regional NRM organisations also partner with the Federal Government to deliver legislative obligations and national priority work in securing Australia's natural and human capital.

Regional NRM Organisations and the FDF share key attributes:

- Both broadly considering our rural, regional, and remote communities as whole systems supported by productive economies and underpinned by our natural resource base.
- Both deliver outcomes through engaging with diverse partners. We note the FDF and NRM Regional Organisations are aligned in their theory of change, that by assisting primary producers (and communities) to conserve and restore natural capital we will enhance resilience to drought and climate change. Furthermore, that NRM Regional Organisations successfully work with primary producers and communities through engaging with their economic and social motivations in order to bring about change across multiple outcomes.

Executive Summary

Broadly, NRM WA considers the Future Drought Fund to be an appropriate mechanism by which to allocated funding to a known and persistent threat affecting a broad range of stakeholders. It is a useful exemplar for how other similar threats affecting our natural resources could be managed with an appropriate allocation of resources.

NRM Regional Organisations in Western Australia share values and aspirations well aligned with FDF especially around environmental resilience. NRM regional organisations in WA have contributed in various ways to the Future Drought Fund programs and have experiences across the scope of programs across rural, regional and remote parts of Western Australia. With this context, NRM WA considers that there is a suite of potential improvements to the FDF as follows.

1. There is potential to 'better fit' governance and program delivery across the entire network of Australian Government NRM related programs and initiatives, including the Future Drought Fund. A review of the governance and delivery mechanisms with a view to 'better align and

leverage' and more clearly differentiate roles within the FDF and within broader networks would be beneficial.

2. The delivery approach for the Drought Hubs has largely failed to meet expectations and should be subject to a revised approach which has a far greater involvement of regional NRM groups.
3. The Future Drought Fund would benefit from a broadened scope of resilience with a changing climate.
4. A renewed focus is needed for the Environmental Resilience Stream. This should consider how the FDF will lead to the long-term outcomes in terms of preserving natural capital while also improving productivity and profitability and using a whole-of-system approaches to managing natural resources, long-term productivity and landscape health. A clear line of sight is needed between the FDF investment and the desired environmental impact and agricultural landscapes being functional and sustainable, with healthy natural capital. We note that this is a challenge due to complexity, and issues of temporal and spatial scales. However, this impact is fundamental to the success of the FDF as the economic and social impacts are highly unlikely to provide resilience for our rural, regional and remote communities if landscapes are not functional.

Responses to consultation questions

1. Are the funding principles, vision, aim, strategic priorities, and objectives of the Funding Plan appropriate and effective?

The Funding Plan is a well-considered document and the funding principles, vision, aim, strategic priorities, and objectives are appropriate. It is still early days and while there is evidence that the Funding Plan is creating change, there has been considerable effort and resources in establishing the Fund and foundational systems and processes, and the objectives are long term, and broad in scope.

Attributing change in agricultural sector performance, natural capital, and community wellbeing to the FDF (effectiveness) may prove possible at whole of region scale and in the longer term. In the meantime, the MEL framework will guide collection of relevant data and information and stories of successful projects and changes can be captured. It is too early to tell whether many aspects of the plan have been effective and for many aspects of the plan there is an opportunity to identify improvements, recognising the role of this review.

The principles are extensive, and we consider several are key to identifying opportunities for improvement. These are as follows.

- Not duplicate or replace existing Commonwealth, state, territory or local government funding programs, and improve the coordination or integration of existing Commonwealth Government policies, frameworks and programs where they meet the Fund's purpose.
- Consider the incremental, transitional and transformational opportunities needed to strengthen drought resilience and encourage innovative proposals.
- Deliver programs through an end-user focus and, where possible, a community-led, co-design, and/or end-user approach.
- Where appropriate, use or collaborate with existing community networks, Indigenous organisations and communities, natural resource management organisations, industry and farmer groups.

2. Do the programs, arrangements and grants focus on the right priorities to support drought resilience? If not, what should the programs, arrangements and grants focus on and why?

Regional NRM organisations have actively contributed to Future Drought Fund Plan, Programs and Processes in WA by:

- providing access for the Hubs (research on sustainable agricultural practices) with rich knowledge and experience in sustainable agriculture, climate change communication,
- delivering programs including the Natural Resource Management Drought Resilience Program — Landscapes stream and the Regional Drought Resilience Planning
- acting as delivery Nodes for the Drought Hub.

Our Regional NRM Organisation contributions across Western Australia are varied meaning that Regional NRM Organisations are well placed to provide informed input into this review.

The priorities as outlined in the Drought Resilience Funding Plan are appropriate and suggestions for improvements are focussed more on delivery.

Some re-consideration of the allocation of funding between program areas may increase the effectiveness of delivery across the three objectives. There is a definite skew of programs toward increased profitability and economic resilience with far less focus on social resilience and a sustainable natural environment. A holistic approach would enable greater outcomes.

There is a need to further embrace variability across Australia, across institutions, regional agricultural and social systems, and across whole of landscapes.

It may be beneficial to revisit priorities and program allocations when Regional Drought Plans are complete. Alignment of program delivery with Regional Drought Plans may identify differentiated opportunities across the country. We note however, that it is important that Regional Drought Plans acknowledge and identify synergies with other current plans in the region, such as Disaster Risk Mitigation Plans, Regional NRM Plans, and other social and environmental plans.

The natural resource management grants have been well coordinated and projects are underway. The safe-fail approach to these grants was well regarded by end-users working in highly variable and unpredictable landscapes. Increasing the emphasis on this area of the program will achieve the longer-term outcomes of food security and landscape protection.

The experience of regional NRM groups in WA with the Drought Hubs has been unsatisfactory. The intent of the Hubs is supported however the implementation has not met expectations. This includes issues with real and perceived duplication of services and reliance, and insufficient acknowledgement on NRM Regional Organisation networks, capacity, reach, contacts and events. Some Regional NRM Organisations report providing significant self-funded support to the Hub in the establishment phase, that has continued into program delivery. Conversely, despite repeated offers of access to background information and details of projects undertaken by regional NRM groups to inform the priority project areas for WA, this was not used to inform planning adversely affecting the impact and efficacy of the program.

Some of these shortcomings may be attributed to Hub capacity. Conversely sufficiently skilled and knowledgeable staff exist in Regional NRM organisations in WA that could have mitigated these limitation if meaningful engagement was used. Inadequate governance arrangements and independence from government entities, and the institutional locations and their culture have

influenced the culture of the Hub and the ability to deliver programs. These need to be reviewed and improved for future activities.

Programs targeting farmers need to be communicated more clearly, to avoid them being inundated with opportunities leading to confusion about what is on offer, their requirements, and applicability. Regional NRM Organisations are a trusted source of information by farmers and a preferred source of information over government or universities. The trusted independent advice provided by NRM regions is important to potential investors and farmers to support the understanding of sustainability, carbon and biodiversity components within a local and regional context.

NRM Regional Organisations have successful experience with group peer-to-peer supported learning. This requires facilitation and with operational funds to support trialling and demonstration projects. We need to ensure investment and projects are designed around effective and on-going support for farmers.

3. Should the scope of the Fund be broadened to support resilience to climate change? Why or why not?

It is appropriate for the scope to be broadened to climate change. The southwest of Western Australia is not formally categorised as being in 'drought' but has suffered the most severe long-term reductions in water availability in Australia. Conversely and perversely, increased sporadic and localised summer flooding is also greatly affecting some areas in the State. A broader scope would allow for these factors to be better considered.

Many strategies designed to enhance natural capital and increase farming productivity will also enhance resilience to other effects. These include climate variability, movement of species due to drying, warming climate, increased (agricultural and environmental) pests and disease risks. A broadening of scope will provide further incentive to map current investments in Climate Change with the FDF and identify a more appropriate boundary for the FDF and leverage opportunities.

4. How could the Fund enhance engagement with and benefits for Aboriginal and Torres Strait Islander people?

Engaging and with First Nations people and delivering benefits can be expanded with the assistance of regional NRM organisations that have unique working relationships with key stakeholders. There is much to be gained in this area, identifying opportunities for co-design of projects and considering the impacts of drought and climate change on indigenous communities and their wellbeing including the impact of drought on traditional practices and cultural sites.

There are three key requirements for enhancing engagement:

- Make more of existing organisations and networks and leverage trusted relationships to engage more effectively.
- The purpose is clear and there is opportunity for co-design.
- Sufficient time and resources are allocated for these engagement purposes.

5. What opportunities are there to enhance collaboration in planning and delivering drought resilience initiatives, including with state and territory governments?

As the foundational systems, processes and delivery mechanisms are considered by this review, strategic consideration of opportunities for adjusting delivery mechanisms and partner and network roles is strongly recommended.

The Drought Hubs, for example, have proven a major investment and most are in establishment phase and are yet to deliver full value. Suggested areas for continued improvement involve identifying opportunities for increased efficiency and effectiveness (considering capacity and capability across all organisations in the network, including NRM Regional Organisations) and differentiating roles more clearly and adjust program delivery to increase opportunities for leverage (and stronger engagement).

An opportunity for greater collaboration (with State and Australian Governments) would be co-investment (NRM regional scale) natural asset data to support decision making and provide access to markets. This can also support private investment into nature repair, carbon, and sustainability.

6. Are there any other changes needed to improve the effectiveness of Part 3 of the Act? Who needs to do what to make those changes happen?

At the time of this inquiry, there are many pressing matters related to NRM that require attention from the Australian Government and which may well enable greater efficiencies and stronger achievement of intended outcomes for the Future Drought Fund.

- High priority is the role of Regional NRM organisations and NRM planning in the environmental markets, including the ERF and carbon market, and the emerging biodiversity market particularly the Australian Government's Nature Repair Market.
- Regional NRM planning provides a way to provide a landscape-scale approach to help minimise perverse outcomes and maximise benefits, and to manage cumulative and cascading effects. The regional approach was established because previous project-based initiatives were seen to be delivering uneven outcomes, and were not at a sufficient level needed to bring about whole of system and whole of landscape change.
- A high priority for Regional NRM Organisations is the current design and commissioning of projects for the next iteration of the Regional Delivery Partnerships Program.
- NRM Regional organisations continue to be charged with delivering biodiversity outcomes and it is important that Regional NRM Planning be embedded in the changes to the EPBC Act and establishment of environmental standards.
- A next step in the ongoing reform of the way that water is managed in Australia via further National Water Reform and potential roles of Regional NRM planning in informing water management.
- There is a pressing need to address biosecurity issues and particularly the environmental impacts of pests and diseases in an integrated way.

We recommend adjusting the long-term governance of the FDF to involve all the NRM Ministers (Agriculture, Climate Change, Water, Environment, Indigenous). The current arrangements include only Agriculture Ministers and may skew the focus of the Fund and potentially miss synergistic

interactions across a range of Australian and State Government programs and initiatives that address climate change, biosecurity, environment, water, and agriculture.

Regional NRM organisations are willing partners to assist the Australian Government to achieve effective responses to drought and climate change. NRM regional organisations work with all land managers and they cover the entire of Western Australia. Regional NRM organisations have extensive community and land manager networks and can use these relationships to drive achievement of multiple environmental, agricultural, social and economic outcomes. We look forward to working with the Australian Government to bring our significant knowledge and skills to develop a complete solution for our future climate-related threats.