

Feedback on the Future Drought Fund Draft Drought Resilience Funding Plan and Investment Strategy 2024 to 2028

Drought Resilience Adoption and Innovation Hub – Tasmania, 6 December 2023

Overview of the TAS Farm Innovation Hub

The Drought Resilience Adoption and Innovation Hub Tasmania (TAS Farm Innovation Hub), is hosted by the University of Tasmania (UTAS) within the Tasmanian Institute of Agriculture (TIA) and brings together a network of over 25 partners and project delivery partners, including peak industry bodies, farmer networks, regional natural resource management bodies, water managers, rural financial service providers and universities. Working with our partners, we help Tasmanian farmers, and those who support them, to build valuable relationships, access critical information and participate in knowledge-building activities to drive more innovation in their business, care for land and waterways and enhance community wellbeing.

Since our inception in June 2021, the hub has implemented a strong place-based delivery model that leverages the strengths and capabilities across our partner network to foster drought preparedness. The TAS hub's value is in enabling and supporting existing organisations, facilitating and connecting across siloed efforts and fostering more collaborative efforts across research, development, extension, adoption and commercialisation. The TAS hub is well positioned to continue to build on these partnerships for on-ground outcomes going forward, while also leveraging the value of the national hub network for cross-regional collaboration, information, and knowledge sharing.

This submission responds to questions posed by DAFF based on our experiences as part of the Adoption and Innovation Hub program. We have only answered the questions we feel are appropriate given our experience and scope.

General comment

It is worth recognising the innovative nature of the FDF's structure and implementation in terms of the holistic approach to drought preparedness spanning innovation, on-farm practice, landscapes, and communities. The commitment from DAFF to build relationships with the hubs that support mutual understanding of progress, challenges, and expectations, and information sharing have been novel for a government program and pivotal to Hub success to date.

A key goal within the hubs program is to transform the way organisations within research, development, extension, adoption and commercialisation work – breaking down silos and creating a more enabling environment for innovation and practice change at the farm scale. At the same time, the systems that we work within – from grants processes to administration and organisational incentives and priorities – have not changed. This creates challenges for all FDF programs, where we are trying to implement activities in new, innovative, and inclusive ways, but the systems that we work within are misaligned and based on conventional approaches. This has impeded codesign and partnership building (short-timeframes, pre-determined outcome areas undermining community voice) and program implementation (short-term grant processes and formats effectively excluding large sections of our community from participating; and competition for funding undermining collaborative goals).

Within this context, it is important that future programs of FDF are structured to support continued innovation in how government programs and grants are tendered, administered, implemented and reported to enable innovation within programs, activities and down to the farm scale. A commitment from the FDF/DAFF to maintain the flexibility of programs to respond to community needs in building drought and climate preparedness is also important.

Response to consultation questions

1. *Does the draft funding plan provide an appropriate framework to guide spending on drought resilience initiatives?*

We believe the Draft Funding Plan provides an appropriate framework to guide spending, with the following clarifications on the Funding Principles.

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The continued inclusion of economic, environmental and social objectives, and the recognition of their interconnectedness is welcome. However, the interconnectedness of these objectives needs to be enduring, and explicit throughout the Funding Plan and Investment Strategy. This is important to ensure that each program does not end up dealing with separate objectives, but is able to deliver across objectives, in line with the holistic approach of the FDF.

We welcome the recognition of the connection between drought resilience and broader climate resilience, though note some inconsistencies in language between drought resilience, or drought and climate resilience (e.g. second statement in the aim).

With regard to the principles relating to the fund as a whole:

- *Support activities that have enduring outcomes, including through longer term programs*

At the outset, it is difficult to determine what activities will have enduring outcomes. The capacity for activities to lead to enduring change depends on a range of variables often outside the direct control of activity deliverers. Principles need to allow for, or encourage, activity design that supports or gives the best chance for enduring change. Longer-term programs is one element of this, and the long-term trials grant round is a good example to draw from, but it is also important to note that timeframes alone do not lead to enduring change, it also relates to activity design, flexibility, engaging the right people and organisations for the type of change sought.

- *Require co-investment to maximise program outcomes, where appropriate*

Guidance for what 'appropriate' would mean in this context is important and should consider whether co-investment requirements become a barrier for collaboration or limits more innovative processes for collaboration and partnership. Genuine collaborative approaches require organisations to commit discretionary effort and resources that are not always easily (or meaningfully) translated into an economic value. Obstacles based on existing requirements for co-contribution have included affordability (i.e. having the flexibility of resources to co-invest; a barrier for volunteer organisations, farmers and First Nations) and conflicting funding sources (i.e. that trigger double dipping; a barrier for Commonwealth-funded organisations like Research and Development Corporations, and Regional NRM Bodies).

- *Suggest additional principle, or amendment to existing principles to reflect the fund's responsibility in supporting coordination and sequencing across investments*

Improved coordination of planning and implementation of drought resilience activities only appears under the fund's principles relating to arrangements and grants. There is a critical role for the FDF in supporting coordination and sequencing across investments at the fund level, which would enable more effective coordination by grantees and activity deliverers.

Principles relating to arrangements and grants

- *Ensure activities deliver a public good*

Further clarification relating to public goods versus public benefits and spillover effects would be useful. Supporting more resilient farming businesses delivers broader benefits in terms of community vitality and wellbeing and ensures a sustainable and productive agricultural sector. Commercialisation activities play into private benefits, but with the potential for sustainable, ongoing access (for those who can afford it). A different way of considering this may be a focus on market gaps or failure, where there is value in public investment to initiate or deliver benefit that is unlikely to be fulfilled by commercial solutions.

- *Actively encourage the participation of a diverse range of people, businesses and landscapes involved in the agricultural sector and rural communities, including First Nations people.*

Supporting First Nations communities to engage and derive value from the FDF needs to start with the establishment of cultural safety, we suggest this warrants its own principle, rather than being an add on to a broader statement.

More generally, while active encouragement is appropriate, principles must also allow for program and process design to overcome the structural barriers that exclude diverse participation. For example, the burden on volunteers to complete grant applications, timeframes and application scope and the emphasis on written applications advantages organisations who have experience and paid staff to support application processes.

- *Ensure knowledge obtained from the fund investment is shared and freely made available in the public domain.*

While this is important, this principle should be applied with sensitivity to First Nations Communities' cultural knowledge and Intellectual Property Rights, which may mean holding some knowledge within the participating communities rather than sharing freely.

2. *Which current FDF programs should be retained*

We see significant value in the diversity of FDF programs that seek to address social, environmental and economic elements of resilience. This diversity resonates with the regional drought resilience priorities defined by our partners and stakeholders.

3. *Which current FDF programs could be integrated with existing programs or build upon to drive efficiency or maximise impact.*

Greater coordination across programs (in design and implementation) is a critical step, as highlighted by the Productivity Commission. Part of this coordination also includes consideration of what related or similar programs are already on-ground in target regions (regardless of funding or implementing agency).

For example, the FDF-funded leadership programs struggled to get participants in Tasmania and could have had better outcomes if they were developed and delivered locally, based on local needs, and with an understanding of existing programs, rather than managed nationally. There is an opportunity for the hubs or other local stakeholders to provide some of this insight and connection for the FDF.

The overall number of calls for funding and grants programs in the first phase led to fragmentation of effort and competition for funds. Reducing the overall number, in conjunction with innovative application processes, could be beneficial.

4. *How should the Hubs' role be better defined to deliver more impact for their regions? Are the proposed funding options for the Hubs appropriate?*

Significant effort has gone into understanding how the TAS Farm Innovation Hub can add value to the Tasmanian research, development, extension, adoption and commercialisation (RDEA&C) landscape over the last two years. Working with our partners, we have developed a regional, place-based delivery model that emphasises our role as a neutral broker, creating an enabling environment for innovation to support drought resilience by:

- Making existing information to support drought preparedness more accessible, working with partners, industry, and end users to ensure it is locally relevant, adapted and useable;
- Fostering collaborations and networks to reduce fragmentation and connect people working on shared challenges – this includes providing greater visibility of existing networks and organisations working in this space, and where people can go for information and advice;
- Building capacity and skills across the innovation system, supporting farmers, agricultural service providers, extension practitioners, researchers and others to grow and adapt their ways of working;
- Support on-ground learning, knowledge generation and practice change through collaborative projects; and
- Communicating and championing for regional priorities, needs and circumstances with DAFF and other FDF programs.

The value of the TAS hub is enhanced by the national network of eight hubs, which provides a broader network of tools, information, expertise and approaches to leverage for the benefit of Tasmania and industry more generally and supports learning across the network for ongoing improvement and adaptation of activities.

The hub's ability to deliver on the opportunity of our role would be strengthened by:

- A clear remit to have interconnected objectives of economic, environmental and social resilience. This would more appropriately reflect the needs and expectations of our agricultural community and would provide a clear mechanism for connectedness between FDF programs;
- Clear definitions of the role, objectives, relationships and potential interactions of the hubs and our role in relation to other programs;
- Longer-term allocation of core funding to provide a solid and stable foundation for hub partnerships and activities as part of the regional delivery model;
- Clearer rules around co-contribution requirements when dealing with other Commonwealth-funded entities could enable greater access, participation, and benefit from hub activities; and
- Stronger relationships with Research and Development Corporations – this has been limited to some extent by co-contribution issues. However, there is a significant potential for collaboration on regional needs and priorities, and connecting research, development, extension, adoption and commercialisation.

5. What implementation pathways and governance options are the most appropriate ways of actioning regional plans?

Community engagement processes for the development of regional plans are ongoing in Tasmania, led by the Department of Premier and Cabinet. A key goal of the engagement is to foster community ownership of the plans. As such, governance and implementation pathways need to reflect the aspirations and context of each of these communities or risks undermining community ownership. Pre-determining a particular agency or entity to take on an oversight role would undermine this process. Resourcing of time and capacity to undertake governance and coordination is critical, though specific arrangements need to be tailored and flexible to meet the needs of each region.

The TAS Farm Innovation Hub and RDRP are already working collaboratively, and the hub would be happy to work with regional communities in their plan implementation where their vision and activities align with our scope.

7. How should public and private good be balanced in a future iteration of the FBR program? Should the program require farmer co-contributions?

Strong farm businesses contribute to resilient communities. When farmers are facing tough times, this flows on to regional towns and economies. The FBR's work with individual farmers can contribute to broader community resilience and public benefit.

Co-contribution requirements may be appropriate in some instances, however, shouldn't become a barrier to participation in these types of programs. Programs need flexibility to moderate co-contribution based on the businesses capacity to contribute.

8. Should the FDF provide training on how best to use and interpret information from existing climate tools, including but not limited to 'My Climate View'? If so, who could benefit most from such training?

Investment of time and funding in the development of tools is wasted unless there is ongoing support for their use, including support to next- and end users in interpreting, adapting and applying information. Training or other support to agricultural service providers and extension practitioners to support greater application and benefits from My Climate View and other tools would be supported by the TAS Farm Innovation Hub. Part of this investment could also be used to identify gaps or needs that are unmet in existing tools.

9. *Should the long-term goal for CSA be providing information to better support practice change in response to climate projections?*

We re-iterate our response to question 8 – while this may be an appropriate general goal for CSA to contribute to, the role of a tool like CSA is more suited to prompting discussions on what is feasible and possible in the future. The diversity of farms and farming businesses means that it is unlikely that this kind of information can be usefully incorporated within the tool outputs. However, there is a valuable role for CSA, working with advisors, service providers, and farmers to facilitate discussions and translation of information in a way that is tailored to the specific goals, values and aspirations of a given business.

10. *Should the FDF prioritise natural capital management projects through discrete programs (such as a new Drought Resilience Soils and Landscapes program) or should NRM continue to be embedded throughout most streams of investment? Or both?*

The TAS hub is working effectively with regional NRM organisations and other partners to support natural resource management and natural capital-related projects. Natural capital management – at farm and landscape scale – is reflected in our regional drought resilience priorities and underpins economic and environmental resilience.

Federal leadership, coordination, and integration across the range of government departments and programs, including the Department of Agriculture Fisheries and Forestry (e.g. FDF and Natural Heritage Trust) and Department of Climate Change, Energy, the Environment and Water is fundamental to ensuring engagement and avoiding duplication and confusion.

Sustainable, climate resilient agricultural production requires a consideration of natural capital and natural resource management across land management programs and funding. Investment in natural capital, and appropriate accounting systems will be critical to ensure sustainable production (offsetting environmental impacts of productive landscapes where needed) and ensure ongoing market access and business resilience for producers.

11. *How can First Nations communities be supported so that their knowledge and practices to care for Country can be maintained for the benefit of their communities and land.*

In the TAS hub, we have focused on building our capacity, skills, and cultural awareness as a foundation to work meaningfully with First Nations communities.

Feedback to the hub from Aboriginal leaders has emphasised that the nature of previous FDF grant rounds excluded their participation, with short timeframes and narrow guidelines that force compartmentalised approaches to resilience and emphasise agricultural land use. Effort to work with First Nations Communities needs to account for the existing heavy engagement load that weighs on First Nations people to engage in a large range of government and non-government initiatives, allow the time and space for communities to define their own goals within the FDF, recognise the diverse voices and perspectives of Aboriginal and Torres Strait Islander communities and to undertake this engagement underpinned by a long-term commitment to working together.

Any effort to work with First Nations communities need to recognise the different local contexts and diversity. The centralised approach taken with some previous FDF activities was not effective.

12. *Should the FDF focus on innovation, or broader extension and adoption of tried and tested practices to enable change at scale in Australia? Or both?*

If we understand innovation to refer to the process of using existing and new information and technology to deliver value, it cannot be separated from extension, adaptation, and use of existing knowledge. While we recognise there is a significant amount of existing information, the freedom to work with farmers and others in the agricultural community to experiment, learn, adapt and integrate new practices in context is fundamental to the broader goals of the FDF to support practice change at scale. It is also fundamental to goal of the hubs in better linking end users with researchers to inform the (applied) research agenda going forward, and

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ensuring research undertaken in universities and other institutes is informed by, and able to draw on, the practical expertise, local knowledge, and priorities of end users.

Furthermore, focusing only on extension of 'tried and tested' practices limits the ability of hubs (and other programs) to respond to farmer and industry needs, and assumes that current practices are sufficient to build drought and climate resilience.

13. Should transformational change, and partnerships that facilitate it, be prioritised by the FDF? What incentives or programs would best support transformational change?

Or should the FDF continue to also build incremental change – that eventually lead to transformation – and focus on the preconditions (knowledge, skills, and support etc) that enable individuals and communities to make transformational changes?

Continued support of both incremental and transformational change is critical for the programs and activities of the FDF to contribute to long-term sustainable change that is inclusive of the diverse contexts and circumstances across agricultural communities.

It is worth noting the different scales and relative nature of transformational change. Taking the Productivity Commissions' definition of transformational change as '*the ability to undertake wholesale change of a system when adverse events or risks make the current system untenable*,' transformational change can occur within the farming system, community, regional economy, and industry scale. Likewise, it can also refer to broader institutional and funding systems. To re-iterate comments made at the outset of this submission – the transformational change agenda of the FDF needs to include the funding and governance systems that often inhibit the incremental and transformational change sought at other levels or in other systems.

It is useful to consider how we define our goals for transformative and incremental change in terms of what systems are being transformed, who benefits and who bears the costs: We cannot assume the costs and benefits of transformation are experienced evenly. Often those best poised to take the risks of transformational change are those with the resources (time, money, headspace, knowledge resources) to do so, and can also better capitalise on the benefits of early change. Considering the impetus of the FDF to deliver public good, it is important that the programs of the FDF remain accessible (or become even more accessible) beyond the top 15-20 percent of producers. Focusing on incremental change is therefore important, noting that incremental changes can, over time, lead to transformative change.

14. What Drought Resilience Innovation Challenges could be targeted in the proposed new innovation pilot program?

It is critical to consider *how* the FDF funds a challenge-oriented approach, as much as *what* challenges are funded. Previous grant rounds funded through the FDF have had short timeframes to prepare applications, which have spanned peak agricultural and cultural periods. This kind of process inadvertently encourages applicants to rely on existing, trusted relationships and ideas in pulling together collaborative project proposals and misses an opportunity for more expansive partnerships and innovative thinking.

We encourage the FDF to consider lean approaches that allow for quick fails and continuous improvement, providing the structures for applying, allocating, and reporting on grant activities can be flexible enough to accommodate greater adaptation and direction setting through the process, rather than locking teams into fixed outputs and deliverables.

15. What enabling activities are essential to the success of the FDF and should be directly funded to support FDF programs?

- Appropriate resourcing of the administrative functions within DAFF with oversight of the FDF. We believe this will enable better coordination across FDF programs within DAFF (e.g. Natural Heritage Trust) and other agencies (such as the Department of Climate Change, Energy, the Environment and Water). Ideally, this would create greater transparency and reduce duplication across the different funding system in terms of who is funding what programs, and how they relate, interact and/or complement each other.
- Monitoring, evaluation and learning (MEL) at the fund level, including better communication and coordination of MEL across programs in a regionally tailored and relevant way would be useful to



maximise the value of data collected while minimising duplication and participant fatigue. The hub's MEL Community of Practice has been valuable in supporting effective MEL within the TAS hub and should continue, nested within a whole of FDF approach.

- A knowledge management strategy that provides clarity on roles, expectations and mechanisms for sharing different types of knowledge, for what purpose, across the FDF programs would be useful. The existing national Communities of Practice (formally, Hub Directors, Knowledge Brokers, Operations, and Monitoring Evaluation and Learning, informally Communicators and Adoption Officers) have been a critical mechanism for sharing information across the eight hubs. Any national or FDF-level knowledge management strategy needs to have sufficient flexibility for regionally tailored interpretation and information sharing pathways.



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