



6 December 2023

NRM Regions Australia Submission to Draft Drought Resilience Funding Plan

NRM Regions Australia is the national peak body for Australia's 54 regional natural resource management (NRM) organisations. The regional NRM model was established over 20 years ago because previous ad-hoc or project-based initiatives were preventing whole of system and whole of landscape change.

Australia is the only country where NRM organisations and integrated landscape-scale strategic plans cover the entirety of the nation. This national infrastructure, developed over many years, constitutes organisational capacity and systems; knowledge and skills; networks and relationships; strategic plans, and committed people. It enables communities to make a difference, and Governments to deliver objectives across the country, even where capacity is limited.

NRM Regions Australia acknowledges and thanks the Australian Government for its commitment to the FDF Act and associated planning and funding, including funding to regional NRM organisations. Regional NRM organisations have been a valuable partner with the Future Drought Fund (FDF) to deliver some of the important outcomes of the first cycle of FDF funding.

The participation and collaboration of regional NRM organisations in the first cycle of the FDF funding, combined with two decades of experience in working with regional communities, means we are well-placed to provide considered input to the next FDF investment cycle.

The first FDF funding cycle highlighted many positive outcomes including:

- **A symbiotic relationship between the FDF and regional NRM organisations.**
In order for the FDF to meet its aim of building drought and climate resilience that will lead to the Australian community being better off overall, it needs needs farmers to enhance their natural and social capital. Likewise, regional NRM organisations need profitable farmers to invest in enhancing their natural and social capital if NRMs are to effectively influence the management of natural landscapes across Australia.
- **Complementary strengths of the FDF and NRM relationships**
The FDF benefits from its embedded research programs and university affiliations, while regional NRM organisations have clear skillsets in extending this through their knowledge brokering and place-based relationships).
- **Regional NRM organisations as key partners of the FDF**
The first funding cycle demonstrated that regional NRMs can support a farming sector that is more resilient to climate impacts by transforming farm natural and social capital through long-term, coordinated, place-based action tailored for the unique needs of each region.

The first FDF funding cycle also pinpointed areas to improve. These are well articulated by the Productivity Commission (PC) Inquiry recommendations and the proposed Investment Strategy investment streams. Critical areas that should be addressed in the next funding cycle are:

More focus on building farm natural and social capital (*PC Recommendations 3.1 and 7.2; investment stream 6.1*).

- The public good benefits of investing in natural and social capital programs over individual farm profitability are well described in the PC inquiry.
- Australia's national network of 54 NRM organisations, trusted for over 20 years to guide the integrated management of natural resources, is uniquely positioned to support the FDF to deliver this.

Longer term funding to support transformative goals (*PC Recommendations 3.1, 7.6; investment stream 6.4*)

- Transformation takes time and demands longer funding cycles with innovative program design and delivery.
- The sector is more likely to be transformed by longer-term funding commitments to match the timeframe needed, based on multi-stakeholder regional processes co-designed with sufficient time to maximise efficiency and effectiveness.
- It should be noted also that specific, ambitious FDF goals must be consistent with existing government, industry, and international goals for sustainable agriculture.

Deeper FDF-NRM integration to reduce duplication, and harness the different but complementary FDF-NRM strengths (*PC Recommendations 3.1, 3.2, 3.4, 7.3, 7.4, 7.6; investment streams 6.1, 6.2*)

- 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 have undermined or replicated content, diluting the ownership and implementation of the regional plans.
- The number of PC recommendations and investment streams listed above shows the single greatest impact on the next funding cycle will be to have the 54 nation-wide regional NRM organisations working in close partnership with the Drought and Innovation Hub network to improve efficiency and effectiveness (reduce duplication) as well as ensuring that natural and social capital are priority investment areas.
- In the first investment cycle, these relationships were extremely variable across the country, working very well in some jurisdictions and not as well in others. This should not be surprising given this was a new arrangement involving dozens of organisations. The learning is that it takes time, trust and effort to recognise and respect the differences in our missions, values and strategies and to find ways to collaborate and support each other's success. However, going forward the Hubs must have a strong principle and accountability around partnerships with a focus on building capacity in their delivery partners rather than internalising skill development within their own institutions leading to scope creep. These deeper relationships will optimise long-term benefits to landholders, landscapes and the communities that rely on them.
- This increased focus on FDF and NRM integration must include alignment with the policies and programs being delivered by all levels of government and agriculture industries to better manage and measure farm natural and social capital, and to avoid duplication. These all share the same FDF strategic priorities of building economic, social, cultural and environmental resilience to benefit farmers, society and nature.
- There is an urgent need for this genuine collaboration and coordination, as multiple programs and communications from multiple stakeholders to build natural, social and financial capitals cause confusion, lack of trust, participation (consultation) fatigue, and ultimately inaction from farmers or land managers.

- The influx of companies seeking to maximise private benefit from public good natural capital has amplified landholder confusion and heightened the urgency for consistency and trusted sources of truth.
- The regional NRM organisation network is embedded in rural and regional communities and well trusted through long standing relationships. Farmers for Climate Action (2023) reinforced this in their findings that NRM organisations and Landcare are the most trusted source of information about climate adaptation.

Use existing, emerging frameworks to measure change in stocks of the five capitals, and the drivers that most impact (positively and negatively) these stocks of capital in each region (PC Recommendation 5.1, investment stream 6.5)

- Evaluation and Learning is the key proposed FDF enabling activity, but there is no need to reinvent the wheel – and much to be gained by building on existing initiatives.
- Regional NRM organisations are progressively increasing their involvement in developing environmental accounts at various scales across the country, in conjunction with their many partners.
- A proof of concept natural and social capital sustainability data framework being developed in Australian agriculture – funded in part through a Department of Agriculture and Fisheries grant – provides another existing model to adopt.
- Using either or both of these will reduce FDF costs and increase alignment with existing industry and government actions.

Why are regional NRM organisations the partner FDF needs?

Regional NRM organisations provide an obvious and compelling framework to lead the transformative change the FDF is seeking.

Regional NRM organisations are diverse yet interconnected across the country; they are place-based, well-trusted, and responsive to specific needs and priorities in their regions and jurisdictions. They are able to rapidly adapt to changing needs driven by regional seasonal, industry, political and market variability. At the same time, they are woven together by common principles, shared approaches to planning, partnerships and innovation, through interlinked networks and communities of practice.

For two decades they have continued to protect and restore the natural environment and build and support sustainable agriculture through many iterations of Australian Government programs.

The first iteration of the FDF has shown that the NRM regional entities are key drivers of effective and efficient program delivery to build natural and social capital. Partnering with all other stakeholders remains the key priority for the NRM sector and its widely dispersed regional framework. The opportunity for NRM regions to continue supporting the aspirations of the FDF is welcomed. The need to do this even better through a more integrated NRM-FDF approach is acknowledged.

In closing this submission, I reiterate that NRM Regions Australia is appreciative and supportive of the Future Drought Fund and the Drought Resilience Funding Plan. Thank you for the opportunity to contribute, and we would welcome the opportunity to discuss this further.

