

FUTURE DROUGHT FUND INVESTMENT STRATEGY & FUNDING PLAN 2024-2028



CENTRAL NSW JOINT ORGANISATION

- Bathurst
- Blayney
- Cabonne
- Cowra
- Forbes
- Lachlan
- Lithgow
- Oberon
- Orange
- Parkes
- Weddin



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Chair Cr Kevin Beatty, Mayor, Cabonne Council

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Reference: jb:mm 231206
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Mr Brent Finlay
Chair
Future Drought Fund Consultative Committee
Department of Agriculture, Fisheries and Forestry

Email: droughtresilience@agriculture.gov.au

Dear Mr Finlay,

Re: Consultation on the Future Drought Fund Investment Strategy & Funding Plan 2024-2028.

Joint Organisations (JOs) were proclaimed in May 2018 under the NSW Local Government Act 1993. The Central NSW Joint Organisation (CNSWJO) represents over 177,000 people covering an area of more than 51,000sq kms comprising the eleven Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes and Weddin.

Tasked with intergovernmental cooperation, leadership and prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here: [Strategic Plan & Regional Priorities - Central Joint Organisation \(nsw.gov.au\)](#)

In 2018 Central NSW Councils (CNSWJO) commissioned the Western Research Institute to develop an issues paper that could be used to inform governments and other stakeholders of the impact of the drought on the Central West region of NSW. The issues paper made recommendations that have informed policy developed in region. This, together with lived experience supporting the communities of Central NSW through both the millennium and 2017-2020 drought, inform our response to this consultation. We provide high level commentary regarding future drought funding and program design and implementation. We also provide responses to a couple of specific questions asked in the consultation paper.

Overview

The CNSWJO Board has identified the need for improved drought preparedness to better plan for droughts of the future in addition to managing and assisting its regional communities suffering under drought conditions.

The impacts of drought are long-term and require a whole of government approach to assist primary producers, their families plus the business communities in regional areas to become more resilient to drought.

Local Government is a solid conduit for improving the understanding of local drought conditions and how to apply drought resilience measures to regional communities. This connectedness with our communities is the most efficient basis for monitoring the impacts of the drought and the success of drought preparedness funding provided in collaboration with other tiers of government, the business sector and other stakeholders. Unfortunately, Local Government does not always have a seat at the decision-making table in the design and delivery of funding programs where a place-based response

is the most appropriate. We appreciate this opportunity to provide general feedback to this consultative process.

Droughts are inevitable and planning for better ways to monitor and identify the triggers that can be indicators for when actions should be taken will assist in management through worsening farming conditions.

It is essential that farming and other regional businesses are equipped with skills to plan for management in periods of drought. In this respect any funding programs that support farmers to adopt innovative technologies and new practices are supported. Advice on work by this region in productive water and different ways of doing business in a more water constrained future is provided later in this response.

There is a raft of information services available, but the integration and interpretation of these data sources to develop an understanding of triggers and how they should be used to initiate actions to manage the impacts of future drought is still lacking. Funding allocated to activities that improve data collection and management, information sharing and dissemination, including through effective communications suitable for the audience are needed and supported.

Lacking in NSW currently is any inter-agency coordination for drought. The NSW Government has developed its Future Ready Regions Strategy to guide drought management, [Future Ready Regions 2023 Update \(nsw.gov.au\)](#) and have evaluated funding programs for drought with the findings being positive. [Drought Measures – Strategic Evaluation \(nsw.gov.au\)](#)

While it is pleasing that the work this region has been undertaking is recognised by the NSW Government in its 2023 update on drought preparedness, the activities being progressed fall well short of this region's policy particularly for urban communities. The Central NSW region continues to be challenged by water security which is impacting on the growth potential of the region. Further there is a lack of recognition of the productive value of urban water to the economy at both the local and national level. This has been recognised by both the Productivity Commission and Infrastructure Australia where clearly more work is needed to understand the impact of drought on the resilience of urban communities and the social and economic implications of this.

Relevant to this consultation is the need for more effective inter-governmental collaboration at the regional level inclusive of Local Government to inform the development of fit-for-purpose policy, program design and implementation plans to ensure that funding and effort is aligned with the region's strategic priorities and leverage its strengths.

Through the review of the CNSWJO Statement of Strategic Regional Priorities (SSRP) 2022-2025, the Board endorsed the addition of productive water as a priority for this region with activities to include support for the value of town water and alternative approaches to water use, for example the 'Dutch Model'. More detail is provided below on this.

The CNSWJO Board commitment to productive water reflects the Australian Government's budget commitments including to foster climate-smart, sustainable practices that:

- build climate resilience, increase market access and agricultural growth while supporting sustainability outcomes.
- support farmers to manage climate risks and invest in their on-farm natural capital and effective natural resources management while protecting their productivity.

- support the agriculture sector to transition to a low emissions future and foster sustainable agriculture, including climate adaptation practices and emissions reductions technologies, and tools and extension services that support greater engagement in carbon and biodiversity markets; and
- enable the implementation of practices that address local and regional natural resource management priorities and deliver long term sustainable agriculture outcomes.

The region supports the Government's target of a \$100 billion agriculture sector by 2030 and has the potential to be a big contributor to this but not without access to a more secure and reliable water supply.

For regional communities to grow and prosper they need to:

- have ambitious plans to generate economic growth
- prioritise local needs with a context of nationally significant reform, including actions that drive productivity and competition
- take a long-term approach to achieve transformative change
- identify the 'game-changers' and catalyst actions that will deliver a step-change in growth outcomes
- prioritise delivery
- deliver action and reform that are additional to governments' usual operations and finally
- always be mindful to our changing environment.

It is with consideration to the above that we provide the following commentary on a couple of specific questions asked in the Future Drought Fund Investment Strategy.

Response to specific questions in the Future Drought Fund Investment Strategy

1. Which current FDF programs should be retained?

Any programs that support farmers to adopt innovative technologies and new practices to make transformational change are supported. This includes learning from international best practice, for example the Netherlands.

The Dutch Model

The CNSWJO Board are supportive of what it refers to as the 'Dutch Model'. There are real opportunities for a transformational step change in water management to drive innovation and drought resilience in agricultural production and value-adding for agri-business particularly in the Lachlan valley that could be supported through future drought funding programs.

Almost two decades ago the Dutch made a commitment to sustainable agriculture with the aim to produce twice as much food with half as many resources. Since then, farmers have reduced dependence on water for key crops by as much as 90%. They've almost completely eliminated the use of chemical pesticides on plants in greenhouses, and since 2009 Dutch poultry and livestock producers have cut their use of antibiotics by as much as 60%.

Fresh fruit and vegetables are now shipped around the clock. They have also developed agribusiness not only through their own food production but through importing food products in bulk to the port of Rotterdam where they are processed and packaged for consumers and then shipped to markets via air, rail and sea.

The Dutch example shows that when farmers, businesses, government, scientists and the community work collaboratively to develop technological and social innovation to produce good, healthy and safe food that is produced sustainably, the country and the world benefit. This should be the aim of any future drought resilience funding.

Aside from growing food and agribusiness, food knowledge is now also a key export product. The Netherlands is smaller than the Central NSW region, 1/10 the size of NSW and yet it is the second largest food exporter in the world by value.

It is this step change in water management and agricultural practices that we need to encourage through programs that work towards achieving increased productivity with less water. There are real opportunities to leverage the Parkes Special Activation Precinct and the Lachlan River as a terminal system to explore this new way of doing business.

<https://assets.kpmg.com/content/dam/kpmg/au/pdf/2017/western-sydney-fresh-food-precinct.pdf>

For communities, irrespective of which programs from the current suite are retained, the three tiers of government need to work together to develop tools and advisory services that build on best practice drought management techniques. These responses should be place based and, in some cases, farm based, to ensure the best allocation and actions are taken.

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?

With reference to our response to question 1 – the Hubs present the opportunity to bring together farmers, businesses, government, scientists and the community to work collaboratively to develop technological and social innovation to produce good, healthy and safe food that is produced sustainably and that uses less resources- notably water.

There is an opportunity to bring regional representation of local government into this collaboration through engagement with Joint Organisations of Councils. The principal role of JOs is to collaborate, plan, set priorities and deliver projects on a regional scale. They are the key mechanism through which Government delivers funding and programs to regional NSW and are well placed to ensure that the Hubs deliver the outcomes needed in the region. These regional collaborations are often not well enabled in funding programs.

The CNSWJO, informed by its membership, has collective lived experience and knowledge of managing communities through two droughts. This includes in the supply of water for critical human need but also in collaborative programming aimed at sustaining communities through the social and economic impact of new climate extremes- droughts and floods.

The CNSWJO and Charles Sturt University (the shopfront for the Southern NSW Hub) have signed a MoU to deliver Policy Labs including on Productive Water. This is aligned with the work of the Southern NSW Hub and has potential to drive a step change in innovative farming and water use to increase the production of food while delivering on the Government's vision for sustainable agricultural precincts.

We see value in extending funding for the Drought Resilience Adoption and Innovation Hubs for 2 years under the next funding plan, in the hope that we can engage as a region through the CNSWJO with our Hub to co-design an appropriately targeted place-based project that will deliver the transformational and innovative outcomes that we are looking for.

Where the CNSWJO Board is committed to exploring the potential for productive water, we see a real opportunity particularly in the Lachlan Valley to do business differently to support the nation's growth aspirations while preparing our farmers for a future with less water – the Dutch Model.

We would welcome the opportunity to work collaboratively with the Southern NSW Hub to co-design and deliver a funded project.

We see merit in funding to deliver regional priority projects (including potential RDRP projects) that are aligned with the JO strategic priorities for their regions and that optimise the opportunities afforded by JOs for delivery of collaborative programming.

We support the idea that the Hubs should be connecting and assisting proponents with funding opportunities to adopt innovative technologies and new practices. Operational funding for regional engagement and communication including adoption/outreach officers and knowledge brokers to connect farmers and communities to relevant science, innovation, networks and government initiatives including funding is needed.

We would also be interested to know more about what the Hub is doing and how we can engage.

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

As detailed in response to question 4, the principal role of JOs is to collaborate, plan, set priorities and deliver projects on a regional scale. They are the key mechanism through which Government delivers funding and programs to regional NSW.

JOs are governed by a Board comprising elected representatives from their member councils. Recognised under the Local Government Act, JOs operate within a stringent governance framework with legal powers to support councils to work together for better rural and regional outcomes. A NSW government employee nominated by the Secretary of the Department of Premier and Cabinet, as well as the Chair of the region's Regional Development Australia Board also sit on the Board.

Working across its 12 member councils, the CNSWJO priorities align with the following:

- Community Strategic Plans and Local Strategic Planning Statements of member councils
- NSW Government 20 Year Regional Economic Vision and Regional Economic Development Strategies
- Regional Plan: NSW Government Central West and Orana Regional Plan
- Central West and Orana Regional Transport Plan
- The Regional Water Strategies for the Lachlan and Macquarie
- The Central West Destination Management Plan
- The Central West Food and Fibre Strategy

The challenge continues to be that JOs for the most part are not enabled in the design and delivery of funding programs.

This means that the collective strategic planning, prioritisation and collaboration that is the hallmark of the JOs is disabled and the shared value to both governments and communities from the collaborative delivery of projects and alignment of key strategic plans for the region is lost. A

classic example of this is the recent rollout of the Regional Drought Resilience Planning in the Central NSW region.

Funding was delivered by Functional Economic Zones with planning and implementation staggered across the various projects.

From a Governance perspective, at the heart of all CNSWJO programming is to deliver value to member Councils and through them to the communities of Central NSW. CNSWJO reports value to its members every quarter in each CNSWJO Board Agenda and through its General Managers' Advisory Committee, who oversee programming delivered primarily by various operational teams across the region including the CNSWJO.

Examples of regional programming can be found here: <https://www.centraljo.nsw.gov.au/co-operative-projects/>

The region has advocated for some time now for a whole-of-government approach enabled at the regional level for program co-design, delivery and governance and implementation that includes Local Government with a seat at the decision-making table – this is the missing piece and is needed for drought preparedness.

In our view this is the most appropriate way of actioning any regional plans and their success relies on their enablement through a Governance and Implementation Plan co-designed with Local Government to deliver on the options identified. Without this these place-based Strategies and Plans risk not delivering on the outcomes needed and, at worst, becoming shelf ware.

Information, Skills, and Capacity Building

As a general comment, funding should be allocated to activities that improve data collection and management, information sharing and dissemination, including through effective communications suitable for the audience.

We agree that it is essential to capture and disseminate the work undertaken by the FDF to ensure farmers and regional communities are aware of and have access to the knowledge that is being generated. It is also essential that MEL activities support this knowledge transfer, as well as report on and improve the effectiveness and impact of the Fund.

The commission's recommendation that the FDF's monitoring, evaluation, and learning (MEL) system be strengthened, and that funding should be allocated to build capability, including of delivery partners, and implement fit-for-purpose MEL activities (see Table 1, Recommendation 5.1) is supported.

We also support the suggested development of a knowledge management strategy to improve the generation, dissemination, and uptake of knowledge (see Table 1, Recommendation 3.4).

Innovation and Transformation

Refer to our responses above where the CNSWJO region's vision for productive water is aligned to that of the Government's Climate-Smart Agriculture package to ensure its agricultural sector has a secure future and can continue to support thriving and prosperous regional communities.

Having said this we know that for the Central NSW agriculture sector to produce more food and fibre to meet global demand and improve their economic resilience through drought we need to look to international examples of how we can produce more with less water while building sustainability and demonstrating performance to consumers and trading partners.

There is an opportunity for the FDF to support this level of innovation and transformation through programs that bring together farmers, businesses, government, scientists and the community to work collaboratively to develop technological and social innovation to produce good, healthy and safe food that is produced sustainably and that uses less resources- notably water.

Summary

Better drought preparedness is essential – the three tiers of government need to work together to develop tools and advisory services that build on best practice drought management techniques.

There is a need for more effective inter-governmental collaboration at the regional level inclusive of Local Government to inform the development of fit-for-purpose policy, program design and implementation plans to ensure that funding and effort is aligned with the region's strategic priorities and leverage its strengths.

The opportunities through the FDF are:


- **Better water management and security** - to look differently at the way we manage our natural assets such as water and how we use technology to monitor their use. We need to look at international best practice such as in the Netherlands who almost two decades ago, set themselves an ambitious target of 'twice as much food, half the resources. Better water security supports not only agriculture but population growth and industry development.
- **Agriculture** - With better water security, new technologies and the opportunity to develop additional income streams through net zero initiatives such as carbon trading and soil sequestration – the future of agriculture in Central NSW is positive.

The challenge is that we need more reliable, secure water.

Local Government is well placed to assist and improve the substantial efforts being implemented to support drought preparedness and resilience. However, better coordination is required to ensure the right people are getting the right sort of assistance and barriers to accessing the assistance are reduced. It is appreciated that this consultation seeks to do this.

If you require further information or clarification on comments in this submission, please do not hesitate to contact Jenny Bennett on 0428 690 935.

Yours sincerely,



Jenny Bennett
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Central NSW Joint Organisation (CNSWJO)