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House of Representatives Standing Committee
Agriculture and water Resources
GPO Box 858
Canberra City ACT 2601

Opportunities and challenges for achieving a \$100 billion agricultural industry by 2030 submission

NRM Regions Australia welcomes the opportunity to have input into The House of Representatives Standing Committee on Agriculture and Water Resources inquiry into the opportunities and challenges to achieving a \$100 billion agricultural industry by 2030.

NRM Regions Australia is the collaborative body for the 54 regional natural resource management (NRM) organisations that cover Australia. The NRM organisations are a mix of government agencies and non-government organisations (NGOs) that deliver national, state, regional and local priorities for natural resource management on the ground.

The National Farmers Federation (NFF) and NRM Regions Australia, have forged a strong partnership which has been formalised through a Memorandum of Understanding. This MoU is founded on the NFF and NRM Regions Australia's shared vision for productive, profitable and sustainable farms. It is through this prism that NRM Regions Australia supports the intent and aspirations of the NFF "2030 Roadmap". This submission targets those elements of the roadmap more aligned to the business of NRM organisations and identifies possible barriers to achieving the \$100 billion target and opportunities to utilise the capacity of NRM organisations to enhance the likelihood of achieving the target.

Key issues Australia faces include climate change with increased extremes and reduced run-off, degradation of our natural capital or natural resource base, increased biosecurity risks, new technologies and changing international market conditions and consumer expectations. And all these factors are intertwined, each influencing the other.

NRM in Australia does or can play a significant role with each through our on-ground activities, planning and partnerships. We work with farmers for practice-change, collaborate with researchers and industries for practical knowledge, monitor and collect data about our natural capital, undertake biosecurity activities, build networks, explore new ecosystem service markets and so on. Underpinning these examples are the regional NRM plans. To address the issues outlined above we also need to work at a landscape-scale – to understand impacts and priorities across a landscape, understand trade-offs and manage for multiple benefits. This alignment also needs to occur vertically from the paddock, to region, State and national scale, managing priorities and capitalising on opportunities. Without adaptive capacity or resilience and a healthy natural resource base agriculture in Australia will not meet the \$100billion target.

The following provides further detail framed around the pillars in the NFF 2030 Roadmap.

Climate Change

The roadmap identifies climate change as playing a major role in Australian agriculture, “exacerbating climate risk, while creating diverse new income opportunities”. NRM Regions Australia believes that how governments, industry and communities respond to the challenges that climate change is posing will largely determine the likelihood of achieving a \$100 billion agriculture industry by 2030.

We agree that the carbon market does provide opportunities to drive diversification and innovation for agriculture, however there is a need to address some major challenges which exist within the existing arrangements. NRM Regions Australia provided input into the 2017 “Review of Climate Change Policy” paper. Our response can be found at ERF [review](#) and a summary is attached. The response identifies that regional climate change and **carbon economy ready strategic NRM plans** are not being utilised to their full capacity. The recognition of regional NRM plans in the legislation aims to influence carbon projects to ensure negative outcomes are avoided and to capitalise on the potential for co-benefits where possible. The co-benefits of improved soil condition and water quality, both of which are major determinants of improved agriculture production, need to be incorporated into our carbon economy.

Regional NRM organisations can play a greater **enabling role in the carbon economy** and other climate change adaptation and mitigation work. Regional NRM organisations are well placed to provide non-biased and trusted information, a support service to land managers, and to facilitate projects that enable participation by landholders and communities. Helping regions to support climate change adaptation, mitigation and carbon projects with clear environmental, social and economic benefits will help achieve the roadmaps aspirational targets.

As outlined further below regarding drought resilience NRM regions play an important role in building resilience and adaptive capacity for managing climate change, in our natural resource base and with our farmers and communities. For example healthier soils retain more moisture, connected communities with higher social capital manage change better.

Pillar 1: Customers and the Value Chain

The roadmap identifies the need to educate the public about agriculture to build the trust in the industry. This equates to **building a social license to operate**. Building community trust includes identifying those things that communities consider important and demonstrating that agriculture is being responsive to those community priorities. NRM organisations have experience in facilitating this process through activities such as developing community based NRM plans.

Industry Best Management Practice (BMP) programs is a mechanism which exists that can be used to build both community trust as well as agricultural profitability. The NFF/NRM Regions Australia MoU was developed to enhance partnership between industry organisations and NRM organisations to help implement Industry BMPs or sustainability frameworks and align efforts so that programs such as BMP can be delivered more efficiently and effectively. NRM organisations are involved in many BMP programs in partnership with industry groups for example FertSmart with the Dairy Industry (link [here](#)). These activities are primarily funded through the agricultural sustainability component of the National Landcare Program.

Another element of this pillar which has been identified as important in growing the value of agriculture in Australia, is the need to reinforce the importance of domestic biosecurity. Managing the **impact of established pests and diseases** is central to the business of NRM organisations. Our regional NRM bodies play a critical role in combatting biosecurity risks. Not only do they undertake biosecurity work, they act as a go-between with landowners and government agencies, build local groups and networks, can undertake surveillance, help inform landholders of new or potential risks, provide resources to tackle emerging issues and may serve as first port of call for landowners. Greater recognition and resourcing of this role by governments would result in industry and NRM organisations to facilitate increased primary producer and community awareness.

Pillar 2: Growing Sustainability

NRM Regions supports the ethos that any growth in agriculture needs to be sustainable from an economic, environmental and social perspective. The roadmap identifies land used for farming has declined in recent decades and that new levels of **co-existent land use** needs to be reached. NRM Regions Australia recommends that the adoption of landscape-scale planning and management will facilitate a way to build co-existence of land use resulting in diversification in income. Landscape-scale planning and management, or integrated landscape management, brings together diverse land managers, sectors and stakeholders to coordinate planning and implementation across an entire landscape. It seeks to coordinate vertically, as well as integrating horizontally, helping connect, align and coordinate across scales. This offers the potential to reconcile competing objectives at different scales. In Australia, the dominant landscape-scale natural resource planning process is undertaken by the regional NRM organisations which cover the entire continent.

Building **environmental stewardship frameworks** that reward the production of ecosystem services, continue to be a priority for NFF and NRM Regions Australia. In the last few years several ecosystem services programs have been established and are starting to produce positive outcomes for primary producers and the environment. The Reef Credit program is an example of one of these programs. Reef primary producers are being financially rewarded for reducing their fertilizer inputs which results in less nitrogen entering the Barrier Reef. These credits are being purchased by large corporate organisations. Another program in its infancy is the Queensland Land Restoration Fund. This program is built around the carbon market but is taking the extra step of generating a premium for environmental, social or environmental

co-benefits from carbon projects. Queensland's NRM organisations are very involved in the development and delivery of both programs. Other examples are occurring in other areas such as Victoria's work on providing off-sets for the State's water corporations. There is great potential for these, and other programs, to be replicated across Australia.

For ecosystem payment programs to be successful there needs to be a robust and trusted methodology that can value and measure the ecosystem service. The roadmap has identified the need to develop a **natural capital accounting system**. A great deal of research and development has already gone into developing such a system. The Wentworth Group and NRM Regions Australia have partnered to pilot the "Accounting for Nature" framework. This framework is being used by the Queensland government to measure the co-benefits generated for the Land Restoration Fund.

NRM Regions Australia supports the roadmaps desire to have **water policy** that builds regional community resilience, increase farm profitability and improves the health of our waterways. For this to occur, the link between land management and water outcomes needs to be made explicit at the national level and managed at the catchment scale. NRM Regions Australia provided input into the 2017 National Water Reform Inquiry and can be found at Water Reform Inquiry [Submission](#). In this submission attention was drawn to the latest State of the Environment which identified "risks have arisen as resources allocated to ongoing broad-scale monitoring, analysis and reporting have diminished".

Pillar 3: Unlocking Innovation

NRM Regions Australia supports the need to build more effective **research collaboration** and believes unless this is done, \$100 billion agriculture industry being in place by 2030 is unlikely to occur. NRM Regions Australia have focused on improving the relationship between NRM organisations and research institutions for example an agreement has been signed with Geoscience Australia. We believe the way research and innovation is undertaken could be improved for example through strengthening regional knowledge hubs – where researchers, grower groups, NRM organisations collaborate in relevant local conditions. Other examples of where this innovation is occurring can be found at NRM case-[studies](#).

NRM Regions Australia will provide more detail on how it feels this collaboration can be built through their response to the discussion paper "Modernising the Research and Development Corporation System".

Pillar 4: Capable People, Vibrant Communities

The desire for vibrant communities which provide **career pathways** for young Australians and a **safe workplace** is shared by NRM Regions Australia. The vast majority of NRM organisations are based in regional and remote areas of Australia. Their staff are major contributors to their communities. There are major challenges facing organisations who operate in regional and remote regions. Attracting staff to centres where some basic services are being withdrawn is one of these. For communities to thrive in regional and remote Australia, government policies

and programs need to be customised to consider the differing social, economic, cultural and environmental needs of a vast and varied society and landscape.

Vibrant communities are **resilient communities**. NRM Regions Australia worked with Jackie Schirmer and Kimberly Brown of the University of Canberra to establish if targeted investment in NRM can help farmers build **resilience to drought**. The details of the finding can be found at [Building drought resilience](#). In summary, the research indicated that “some types of NRM investment are strongly associated with higher resilience to drought. Investing in helping farmers engage in forward planning and actions to plan for and manage risk on the farm (including forward planning for drought), in feral animal control and groundcover management strategies amongst graziers, in improving water use efficiency, and in supporting graziers to build feed reserves, all help farmers cope more successfully with drought. It is likely that a range of other NRM practice also confer resilience to drought, but this could not be examined within this project.” (K Brown & J Schirmer, 2018).

Pillar 5: Capital and Risk Management

The need to help primary producers to **better plan for the future**, manage risk, and increase profit is supported by NRM Regions Australia. Coupling the need to better manage the business with the need to better manage the natural resources that business is built on is essential. Programs have existed, or still do, such as Grazing BMP. There is an opportunity to take these programs and replicate them in different industries or locations and ensure they cover the range of topics.

Financial institutions are becoming increasingly aware of the need to ascertain the **condition of the natural resources** and risks to those resources as a part of their due diligence process when assessing loans. NRM organisations can play a role in helping establish the natural resource condition and ongoing monitoring of that condition.

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