

14 August 2008

Ms Jeanette Radcliffe  
Secretary  
Senate Standing Committee on Rural and Regional Affairs and Transport  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

By email: [rrat.sen@aph.gov.au](mailto:rrat.sen@aph.gov.au)

Dear Ms Radcliffe

**Re: Senate Standing Committee on Rural and Regional Affairs and Transport inquiry into Natural Resource Management and Conservation Challenges**

The WFA is the peak national body representing wine enterprises of all sizes across Australia. Our membership represents in excess of 90% of wine production in Australia and, together with our State Wine Industry Associations, more than 80% of wine businesses.

Unlike other alcohol beverages, wine is a regionally-based, value-added agricultural product. Employing almost 30,000 people directly and with a further 30,000 indirect jobs, the wine industry provides a substantial basis for many rural economies.

The industry has long understood the need for careful management of natural resources, and how those resources can provide a competitive advantage in terms of soil, climate and international image.

To this end, the WFA has positioned itself as a leader in national and international wine industry natural resource management activities, as evidence by:

- coordination of the Wine Industry National Environment Committee;
- administration of Australian Wine Industry Stewardship and its current evolution into a national environmental assurance scheme;
- participation in the international industry partnership to develop the International Wine Carbon Protocol and calculator; and
- WFA Director - Natural Resources is co-convenor and spokesperson for the Sustainability Committee of FIVS, the international alcoholic beverage trade association

The WFA obtained Natural Heritage Trust funding through the Sustainable Industries Initiative and Pathways to Industry EMS programs in 2005-2007, to implement Australian Wine Industry Stewardship and resource the industry's broader national natural resource management (NRM) activities.

The WFA has applied for funding through the 2008 Caring for our Country Open Grants.

### **Terms of Reference**

**i. the lessons learned from the successes and failures of three decades of Commonwealth investment in resource management including Landcare, the National Heritage Trust, The National Action Plan on Salinity and Water Quality, and other national programs.**

The WFA has generally been supportive of the mentioned NRM programs, however, there are a number of areas where improvements can be made.

The duration of funding grants needs to be balanced - short term funding does not provide for long term cultural and practice change required to address natural resource management issues, whereas long term funding can lead to a dependence on third party funding which is not sustainable.

It is not sustainable to use the availability of third party funding as the sole justification to drive practice changes needed to achieve improvements in natural resource condition and management.

Another area of real concern is that short term funding for coordinator and NRM staff positions has established an NRM practitioner industry suffering from:

- high turnover;
- early exit of older practitioners into other sectors with better employment prospects;
- inability to attract and retain experienced practitioners;
- over-reliance on volunteers and a high incidence of volunteer burnout; and
- repetitive stakeholder relationship-building as new staff start and finish in positions in quick succession over a short timeframe. This has given rise to cynicism and fatigue in the volunteer NRM community, loss of corporate memory in NRM organisations and difficulties for industry bodies to maintain working relationships with NRM project proponents.

**ii. how we can best build on the knowledge and experience gained from these programs to capitalise on existing networks and projects, and maintain commitment and momentum among land-holders,**

One of the key observations of past NRM programs has been the recognition of the different scales of NRM activity, and the need for different scales of funding as a result. It is acknowledged that small, short-term and often amenity-driven projects are important in raising community awareness of NRM issues. However, ongoing support for national and industry-wide initiatives that tackle significant NRM issues through long-term practice change and exercising of market forces is also necessary. In supporting this type of activity, there is a need for government and the wider community to recognise that outcomes are long term, and unable to be quantified through existing monitoring and evaluation frameworks in the short to medium term.

Commitment and momentum need to be maintained and improved by offering long-term support for NRM activities where the funding recipient is able to make a matching contribution, and therefore is less likely to become solely reliant on grant funding.

Opportunities for value adding, including partnerships with industry bodies, are important, especially in establishing NRM as a fundamental business issue, rather than a separate agenda pushed by interest groups.

### **iii. the overall costs and benefits of a regional approach to planning and management of Australia's catchments, coasts and other natural resources,**

Regional NRM bodies are unable to align with national industry initiatives, as there is no national coordination or alignment of their activities, nor is there a national body with whom industry bodies can liaise. Instead, to seek NRM body support, industry groups are required to approach each individual NRM body. The wine industry attempted this in 2005/06, contacting each of the 34 NRM bodies relevant to wine grape growing regions of Australia. The response of these groups varied markedly. A very small number of bodies were positive and cooperative when approached by a national industry body but the vast majority were dismissive or entirely non-responsive. As a result, the WFA quickly decided to use NRM bodies as passive partners, and made use of their planning documents without expending further effort to engage the NRM bodies.

The WFA regards the role of regional NRM bodies as being best suited to regional monitoring and reporting of biophysical conditions only. This then enables regional and national industries to tackle NRM in the most appropriate way for their particular operating context, with the NRM body able to assess and report as to whether or not practices being implemented by industries within their regions are having any real impact on the region's natural resources. NRM bodies could also assist volunteer organisations (eg Landcare, Waterwatch etc) to undertake 'public good' works if there are legitimate natural resource improvements that can be achieved. In many regions, it has been observed that the redirection of funding from voluntary groups to regional NRM bodies has discontinued or scaled back many voluntary organisations, and given rise to some antagonism in the NRM community of practice.

Despite the above comments, it is acknowledged that there are some positive partnerships between regional wine industry bodies and regional NRM groups which are working well within the current structure to tackle local projects.

### **iv. the need for a long-term strategic approach to natural resource management (NRM) at the national level,**

It is beyond dispute that a long-term strategic approach is needed for national NRM. However previous activity has delivered little improvement at the scale needed to achieve sustainable NRM. Going forward, funding programs need to be more supportive of alternative approaches, for example:

- Supporting incorporation of messages around the sustainable land management practices used by Australian land managers in AUSTRADE-type campaigns to enhance market drivers for sustainably produced goods;
- Investing in generic domestic consumer awareness raising to improve the perceived value of sustainably produced goods and, in the longer term, make consumers more likely to pay a price premium for this type of product where costs of sustainable production are legitimately higher than conventional production;

- Improved government involvement, and therefore Australian representation, in environmental standard developments in Australia's export markets, recognising that Australian producers are at the mercy of these standards if imposed by retailers. For example, Australian Government participation in the World Resources Institute's new consultative process to develop a life cycle greenhouse gas assessment protocol; and
- Resourcing the Australian Bureau of Statistics to improve NRM data collection through existing industry surveys.

**v. the capacity of regional NRM groups, catchment management organisations and other national conservation networks to engage land managers, resource users and the wider community to deliver on-the-ground NRM outcomes as a result of the recent changes to funding arrangements under the Caring for our Country program, and**

To date, the WFA has only had limited involvement in the Caring for our Country program. However, it does appear that industry, government and NRM groups are all set up to compete directly for the same funding, which does little to encourage cross-sector engagement.

**vi. the extent to which the Caring for our Country program represents a comprehensive approach to meeting Australia's future NRM needs.**

Given the limited exposure of the wine industry to Caring for our Country at this stage, it is difficult to comment. However, the WFA did submit an application to the Open Grants round that closed on 1 August 2008. During the course of preparing the application, the WFA became aware of the intense competition for funding, with other wine industry organisations, other industry bodies, private companies, NRM boards and even government agencies (eg Bureau of Rural Sciences) all seeking funding from the same round.

Comparing projects from such a diversity of stakeholder groups must be a complex process and it must be difficult to compare the different merits of projects put forward by this range of organisations. The WFA also questions the appropriateness of Australian Government grant funds being sought by Australian Government project proponents.

**Conclusion**

The WFA applauds the Senate's action in establishing this inquiry into Australia's natural resource management and has welcomed the opportunity to comment on its terms of reference.

To clarify any of the issues raised above, or to seek further information, please do not hesitate to contact Amy Russell, WFA Director Natural Resources on 08 8222 9255

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Yours sincerely

Stephen Strachan  
Chief Executive