



Minister for Agriculture and Food; Forestry; Small Business

Our ref: 82-00528

Future Drought Fund
Productivity Commission
GPO Box 1428
CANBERRA ACT 2601

Dear Sir / Madam

PRODUCTIVITY COMMISSION INQUIRY – FUTURE DROUGHT FUND

I refer to the release of the paper by the Productivity Commission on the 19 January 2023 calling for submissions into the effectiveness, efficiency and appropriateness of Part 3 of the *Future Drought Fund Act 2019* (the inquiry).

I am pleased to attach Western Australia's submission that focuses on the merits of the Future Drought Fund supporting a broader resilience to climate change, opportunities to enhance engagement with and benefits for Aboriginal and Torres Strait Islander people, better coordination and more opportunity for cross-jurisdictional collaboration.

As signatory to the National Drought Agreement, Western Australia has a strong interest in these important matters. Please find attached our submission to the inquiry. I look forward to seeing the interim and final reports progress through Government.

Yours sincerely

Hon Jackie Jarvis MLC
MINISTER FOR AGRICULTURE AND FOOD

Attach. WA Submission Productivity Commission Review – Future Drought Fund

17 MAR 2023

RESPONSE TO THE PRODUCTIVITY COMMISSION REVIEW - FUTURE DROUGHT FUND - WESTERN AUSTRALIA

In Western Australia, drought is not an unexpected occurrence for farm businesses. Climate data records show that Western Australia, along with the rest of Australia, has regularly been affected by drought throughout history.

As a signatory to the National Drought Agreement (2018) the Western Australian Government is supporting farmers and their communities to better prepare for drought. This includes participation in the recent pilot year of the Future Drought Fund (FDF) Farm Business Resilience and Regional Drought Resilience Planning projects, the provision of data and information on seasonal weather via its network of automatic weather stations and seasonal climate forecasts, and in dry years by directly assisting growers and agribusiness to manage seasonal conditions and their consequences.

CSIRO and Bureau of Meteorology forecasts show a high likelihood that exceptionally low rainfall, exceptionally high temperatures and exceptionally low soil moisture levels will occur twice as much in most regions of Australia, and four times as much in the south-west of Western Australia. As Figure 1 below shows, rainfall in Western Australia has decreased over time. This has resulted in more areas with less than 175mm winter rainfall and more dryland farm businesses operating in areas which were once deemed unviable for farming. Farming in these areas has been made possible by new and improved farming systems and technology, however, these improvements alone are unlikely to ensure profitable and sustainable farming in low rainfall areas.

It is important the Future Drought Fund takes into consideration that drought resilience is not 'one size fits all' and there should be consideration of the unique agricultural landscapes across jurisdictions.

The Western Australian Government's response to the Productivity Commission's (PC) review of the FDF is attached.

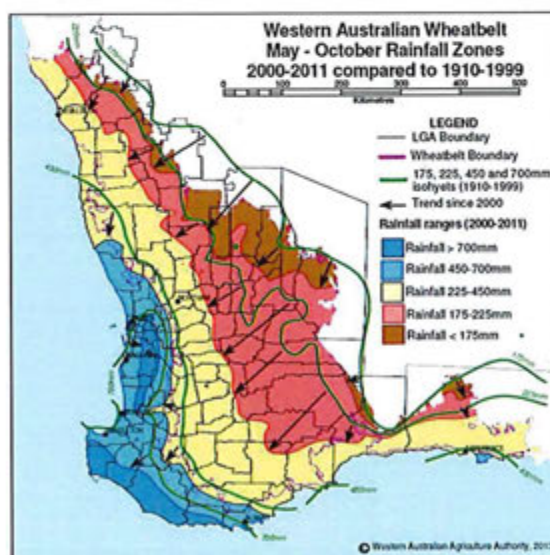


Figure 1 WA Rainfall Zones Comparison

1. Are the funding principles, vision, aim, strategic priorities, and objectives of the Funding Plan (attachment B) appropriate and effective?

The Western Australian Government supports the funding principles outlined in the *Drought Resilience Funding Plan 2020 to 2024*.

Principle 4 outlines that arrangements and grants should not duplicate or replace existing Commonwealth, state, territory or local government funding programs. It is recommended that the PC consider the benefits of an analysis of jurisdictional drought and related programs compared to the FDF to determine duplication, replacement, or possible leverage of existing drought programs within the states and territories as part of adhering to this Principle.

2. Do the programs, arrangements and grants focus on the right priorities to support drought resilience? If not, what should the programs, arrangements and grants focus on and why?

Yes, FDF programs focus on the right priorities. It is important to note that states and territories are at different stages in their approaches towards drought resilience as evidenced by the Western Australian Government's expenditure analysis in the National Drought Agreement Annual Report 2021-22, refer Figure 2. Western Australia spends 99 per cent of relevant funding on resilience planning and preparedness, as opposed to direct drought response and support measures favoured by other states. This reflects Western Australia's unique needs, encourages farmers to prepare in advance for poor production years and not require direct Western Australian Government support. The FDF will need to maintain flexibility in how states and territories tailor response and planning funding to their own circumstances.

The initial FDF program broadly addressed the range of challenges facing regional communities in preparing for drought resilience. This was appropriate for commencement of the new national response. It is now appropriate to consider how to tailor FDF programs to acknowledge the different stages of states and territories' drought resilience progress. This could be supported indicators and tools specific to state and territory needs.

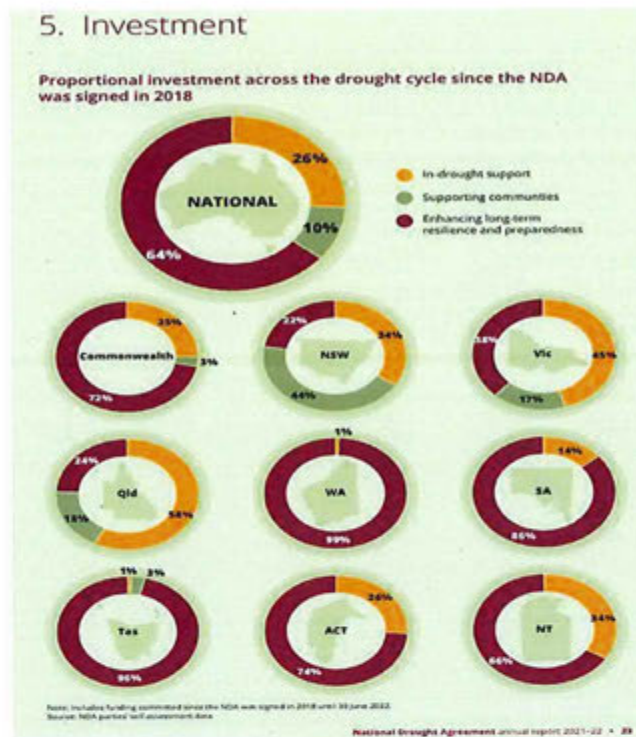


Figure 2 –State Expenditure Analysis (NDA Annual Report 2021-22)

In determining the correct FDF priorities and grants focus consideration of the alignment of FDF programs with other Federal Climate and Water funds and grants is required.

For example, the *On-farm Emergency Water Infrastructure Rebate Scheme* administered by the Australian Government Department of Climate Change, Energy, Environment and Water (DCEEW) and the 2022 \$1.54 billion *Off-farm Efficiency Program for off-farm water efficiency infrastructure projects in Murray Darling Basin* do not cross reference or consider eligibility as a result of involvement in FDF programs. A more complementary approach to the delivery of these programs would be beneficial for all jurisdictions.

A gap identified through the Regional Drought Resilience Planning (RDRP) pilot project in Western Australia is mental health resilience. While it falls broadly under community resilience mental health is a complex issue and difficult to respond to due to stakeholder and regional complexities. FDF could be used to provide assistance to states and territories to design, deliver and understand the efficacy of programs in building community resilience.

The RDRP also identified better and early engagement with First Nations communities in drought resilience planning and programs was required, as noted in the FDF 2021-22 Annual Report. This could also fall broadly under the banner of community resilience, it is an area that requires input and the expertise of First Nations peoples themselves for meaningful program planning. This would benefit from additional FDF resourcing.

3. Should the scope of the Fund be broadened to support resilience to climate change for the agriculture sector and communities dependent on agriculture? Why or why not?

Drought is recognised as one of the most significant impacts of climate change. Taking a broader approach of climate resilience could strengthen the impact and benefits of the FDF program for the agricultural sector and the community, as well as improve delivery for stakeholders and the Commonwealth.

Western Australia has incorporated drought within its Climate Resilience agenda, as part of the Western Australian Climate Change Policy (2022). The Policy sets out the plan for a climate-resilient community and a prosperous low-carbon future. Supporting resilient cities and regions is a priority under the Policy and aligns with the FDF program objectives. Enhancing our climate resilience by safeguarding the health and resilience of our community, economy and environment will require a better understanding of the ways climate will change, and strategies to enhance preparedness (including drought).

The Western Australian Department of Primary Industries and Regional Development (DPIRD) Primary Industries Plan 2020–2024 (the Plan) is a strategic plan to guide the development of Western Australia's primary industries. The Plan aims to support increasingly sophisticated and globally competitive primary industries that make a significant contribution and create prosperity across Western Australia. Climate change is a key strategic initiative within one of the Plan's five themes and commits DPIRD to undertake strategic investment to improve the drought resilience of our primary industries and communities.

The Western Australian Government has invested \$15 million into the Agriculture Climate Resilience Fund (ACRF) to assist Western Australian farmers and industry to respond to the challenges of climate change. The ACRF will support projects that will assist farmers develop resilience to changes in climate, and the consequential changes in market expectations.

In summary, drought resilience policy in Western Australia has been incorporated within a broader climate change agenda and it would seem appropriate that the FDF be broadened to support resilience to climate change for the agriculture sector and communities, while taking into consideration other existing or planned programs to avoid duplication and ensure alignment. States and territories should be able to tailor these programs specific to circumstances resulting from the impacts of climate change in their region. Consideration should be given to the below:

- Drought issues could be completely consumed by the funding required for climate resilience. There would need to be a clear association between the two, and overall more funding for climate resilience provided.
- After three years of operation, the FDF has a network of people and organisations across the country – most of whom are also working in climate adaptation and/or emissions reduction. Building on this network would be an efficient way of addressing climate resilience needs in regional Australia.
- Regional communities want to see responsiveness to adverse climatic events. If the outcome is better regional resilience, then broadening the scope of the FDF, without duplicating other Commonwealth initiatives, may be appropriate.

- A specific Seasonal Fund or Drought and Climate Resilience Fund may address the 'climate' element. There is a challenge to avoid confusion with the many existing climate programs. This aligns to Western Australia's position to use the terminology of long-term dry season, rather than drought.
- A broader program would need to be cognisant of the differences between the states and territories in responses and interventions related to drought and climate adverse events, for example in ground and surface water infrastructure, farming practices, supply chain and energy.

4. How could the Fund enhance engagement with, and benefits for, Aboriginal and Torres Strait Islander people?

In Western Australia the Regional Drought Resilience Planning (RDRP) program included a specific consultation program in each of the three pilot regions. Including a 'Valuing Noongar People and Practices in Drought Resilience' report.

The work considered existing literature, undertook case studies, interviewed Elders and facilitated workshops. The case study links are provided below for reference. The work was invaluable in providing an understanding of how some indigenous communities in Western Australia consider, respond and prepare for drought and a version of an expansion of this approach could be considered for FDF.

- **Case Study 1** - documents the culturally based land management practices on [Dowrene Farm](#) between Franklin River and Cranbrook in Western Australia. The 720-hectare property is managed by the Dowrene Farm Aboriginal Corporation and was the first to become a member of the Noongar Land Enterprise Group. Dowrene Farm was bought by the Indigenous Land Corporation in 1999 and divested to the Dowrene Farm Aboriginal Corporation in 2009.
- **Case Study 2** - documents the [Beemurra Aboriginal Corporation's](#) thriving business in sustainable cattle agistment and backgrounding. The case study was made possible through funding through the Future Drought Fund as part of a project NLE undertook 'Valuing Noongar People and Practices in Drought Resilience'.
- **Case Study 3** - documents the regenerative farming practices on [Yaraguia Farm](#) in the Shire of Beverley located 122 km east of Perth. The Yaraguia Property (Avondale Park) is 832 hectares and was acquired by the McGuire family in 2008 under the environmental stream of the Land Acquisition Program of Indigenous Land Corporation.

DPIRD's Aboriginal Economic Development (AED) program aims to unlock significant and impactful regional Aboriginal economic development opportunities. It builds local capacity and supports new business and jobs for Aboriginal people through primary industries and strategic regional projects. Should other states and territories have similar initiatives, a program area of FDF could seek better alignment between states and territories' AED programs, such as DPIRD's, with a focus on agriculture, and better engagement in and leverage of FDF themes.

The RDRP program completed Aboriginal Community Consultation and provided a report on these activities. The report showed that Noongar people see drought and

drying in the context of a wider range of changes to the natural environment and in the understanding of 'caring for country'.

Improvement is needed on how FDF engages effectively with First Nations people in their own terms and language that describes adverse climatic events and again wherever possible link to other national programs and policy.

Feedback received through the RDRP noted there needs to be better and early engagement with First Nations communities in drought resilience planning and programs.

5. What opportunities are there to enhance proactive collaboration in planning and delivering drought resilience initiatives, including with state and territory governments?

Following participation in two pilot FDF projects over 2021-22, DPIRD recommend improved collaboration in the planning and delivering of drought resilience initiatives, particularly across state and territory governments. This includes:

- Improved information sharing and collaboration between states and territories on FDF programs. For example, the sharing of information and approaches between those working on Regional Drought Plans could have accelerated the states and territories planning and delivery in the pilot years.
- A Commonwealth lead in each state and territory to have responsibility for coordination of FDF programs on a state basis. This would support program delivery if there was coordination and cross FDF program engagement within each state. This could be as simple as a quarterly e-newsletter for all Western Australia program leads or a six monthly one-day workshop. This would enable FDF participants to inform and benefit from one another, as well as prevent duplication, cross-promote and leverage programs.
- The range of templates and tools provided by Department of Agriculture Fisheries and Forestry (DAFF) is appreciated for planning, reporting and acquitting FDF funded projects, as well as annual reporting of the NDA. A transparent, simplified and more streamlined approach to this administrative material would greatly benefit state planning and project delivery.
- Areas for improvement identified during reporting periods highlight collective effort can be prioritised. For example, the National Drought Agreement (NDA) annual report noted there is ongoing jurisdictional work to fund a greater level of community-driven, place-based resilience activities. This reflects the growing recognition that communities are best able to self-identify what actions or skill sets they need to increase their resilience to drought. Opportunities exist for jurisdictions to further work together to support local governments, regional organisations, communities, and industry, to identify actions to prepare for and recover from drought.
- Western Australia reiterates its support for a drought early warning system that analyses drought indicator data to help forecast drought conditions and provide an accurate picture of the impacts of drought on farmers, along with a national drought decision-making framework. Drought indicators can feed into a framework for all jurisdictions to support drought decision making. This framework will need to ensure climatic, social, and economic data are verified with organisations, governments, and industries in affected regions.

In addition to the general evaluation questions the review will consider:

1. The merits of longer planning and program timeframes in building resilience.

A longer planning and program timeframe is strongly supported. From an administrative perspective longer timeframes assist with planning, funding arrangements, governance and attracting and retaining staff working on the projects in regional communities. Western Australia is also aware longer timeframes are more reflective of the speed of change of natural systems and would be better aligned to the long-term outcomes identified in the Monitoring Evaluation and Learning Plan outcomes as set out in the FDF program plans.