

The Senate

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Rural and Regional Affairs and  
Transport References Committee

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Federal Government's response to the  
drought, and the adequacy and  
appropriateness of policies and measures  
to support farmers, regional communities  
and the Australian economy

October 2021

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ISBN 978-1-76093-310-4

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Printed by the Senate Printing Unit, Parliament House, Canberra

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# Executive Summary

The committee commenced this inquiry in November 2019 at a time when Australia was experiencing severe droughts—including the driest November across Australia on record.<sup>1</sup> Despite the recent rain that some parts of Australia have received, the drought is far from over and recovery will take many years. On top of this, bushfires and the COVID-19 pandemic have brought added challenges to rural and regional communities already under pressure.

In delivering this report, the committee has reviewed the Australian Government's drought response and identified a number of gaps that could be addressed to improve the ability of farmers, farm businesses and regional communities to withstand the impacts of drought and be prepared for and capable of managing through the next drought. These gaps include:

- restrictive eligibility criteria that exclude a number of business structures and many other people needing support;
- burdensome application processes which discourage individuals from accessing drought support;
- unclear communication about available drought support and how to access it, which impacts individuals' ability to access appropriate support; and
- reactive provision of some support during drought.

These issues cut across the suite of drought programs and measures. The committee has made several recommendations to enhance transparency, streamline application processes, ensure consistency of program design and eligibility criteria and improve communication and information sharing practices.

While droughts are a natural part of the historical climate variability in Australia, drought conditions are likely to become more frequent, severe and longer due to climate change. Therefore it is vital that the Australian Government reviews its policy settings and investments now to ensure we have the right policies and programs in place before we experience the challenges of the next drought. The report makes further recommendations calling for investment into particular areas of concern, including water security, mental health provision and support for the post-farmgate sector.

The committee urges the Australian Government to accept the findings and recommendations of this report to improve the effectiveness and efficiency of drought policies and programs to ensure that Australian agriculture and regional communities are supported through, and prepared for, future droughts.

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<sup>1</sup> Bureau of Meteorology, *Australia in November 2019*, <http://www.bom.gov.au/climate/current/month/aus/archive/201911.summary.shtml> (accessed 19 July 2021).





# List of Recommendations

## Recommendation 1

3.42 The committee recommends that the Australian Government develop a deliberative, transparent process for Future Drought Fund projects and funding.

## Recommendation 2

4.76 The committee recommends that the Australian Government communicate key information about drought support measures, and how to access them, in plain English.

## Recommendation 3

4.77 The committee recommends that the Australian Government consolidate online information and strengthens online tools, such as the National Drought Map.

## Recommendation 4

4.78 The committee recommends that the Australian Government consult and communicate closely with recipients of drought funding in the design and delivery of all its drought support projects.

## Recommendation 5

4.81 The committee recommends that the Australian Government develop guiding principles for determining program eligibility for drought support programs.

## Recommendation 6

4.82 The committee recommends that the Australian Government recognise the impact of drought on post-farmgate sectors and assess whether drought assistance is delivered throughout the supply chain.

## Recommendation 7

4.87 The committee recommends that the Australian Government revise, simplify and streamline application processes for drought support where possible. This should include prepopulating applications with information already held by government agencies.

## **Recommendation 8**

**4.92 The committee recommends that the Australian Government, in conjunction with state and territory governments, develop an agreed set of drought indicators to be applied consistently in program design for in-drought measures.**

## **Recommendation 9**

**4.94 The committee recommends that the Australian Government establish a clear framework ahead of time and based on drought indicators, to guide when, and if, the government should intervene with in-drought funding support beyond the support that is available at all times.**

## **Recommendation 10**

**5.69 The committee recommends that the Australian Government consider opportunities for increased funding for mental health services and service providers in regional, rural and remote areas.**

## **Recommendation 11**

**5.70 The committee recommends that the Australian Government fund research into the effectiveness of mental health services, which include a focus on outcomes such as cultural and attitudinal change.**

## **Recommendation 12**

**5.71 The committee recommends that the Australian Government, in consultation with rural and regional communities, introduce measures to provide targeted mental health services for at-risk groups, including men, young people and Aboriginal and Torres Strait Islander peoples.**

## **Recommendation 13**

**5.75 The committee recommends that the Australian Government review existing drought programs to identify further potential opportunities to support regional employment. This should include assessment of the following factors:**

- the possibility of decentralising public service staff;**
- the appropriateness of funding timeframes; and**
- opportunities for local workforce development.**

## **Recommendation 14**

**6.42 The committee recommends that the Australian Government invest further in monitoring and evaluation practices to ensure drought measures are appropriate, targeted and effective.**

### **Recommendation 15**

**6.44** The committee recommends that the Australian Government focus on the long-term financial sustainability of Local Government through increases to grant allocations, including fair increases to Financial Assistance Grants.

### **Recommendation 16**

**6.45** The committee recommends that the Australian Government utilise local government expertise to inform which future drought infrastructure initiatives are implemented based on local understanding and community needs.

### **Recommendation 17**

**6.46** The committee recommends that the Australian Government work with state, territory and local governments, industry and communities to develop a new National Drought Policy which ensures all drought-impacted farmers, irrespective of the commodity they produce, are able to access drought support. The policy should incorporate:

- a nationally consistent approach to drought policy, underpinned by an intergovernmental agreement that specifies roles and responsibilities for each level of government;
- a framework for jurisdictions to monitor, review and adapt drought programs with industry and local community involvement; and
- relevant complementary education and personal support services, and provides farmers and rural and regional communities with a full suite of risk management tools.

### **Recommendation 18**

**7.64** The committee recommends that the Australian Government consider opportunities to expand eligibility requirements for water infrastructure funding, including the On-Farm Emergency Water Infrastructure Rebate Scheme, to promote drought proofing and greater water security.

### **Recommendation 19**

**7.67** The committee recommends that the Australian Government direct significant public funding to research, development and extension of plant biotechnology to enhance water efficiency and reduce water wastage.

### **Recommendation 20**

**7.69** The committee recommends that the Australian Government support the establishment of the ONE Basin CRC as a centre of excellence that brings

**together industry, communities and research providers with complementary expertise.**

# Chapter 1

## Introduction

### Referral of inquiry

1.1 On 14 November 2019, the following matters were referred to the Senate Rural and Regional Affairs and Transport References Committee (the committee) for inquiry and report by 18 June 2020:

The Federal Government's response to the drought, and the adequacy and appropriateness of policies and measures to support farmers, regional communities and the Australian economy, with particular reference to:

- (a) loans and financial support;
- (b) water availability, infrastructure, agreement and supply measures;
- (c) various market impacts of the measures;
- (d) interaction with existing legislative and regulatory instruments across jurisdictions;
- (e) the response to the Drought Coordinator's report;
- (f) preparedness for the current drought and the capacity of the Australian Government to prepare for future drought; and
- (g) any other related matters.

1.2 On 15 May 2020, the Senate granted an extension of time to report until 7 October 2020. On 30 September 2020, the Senate granted a further extension of time to report until 11 February 2021. Following a resolution of the committee on 3 February 2021, the reporting date for the inquiry was further extended to 21 October 2021.

### Conduct of the inquiry

1.3 The committee advertised the inquiry on its website and invited submissions from a range of relevant stakeholders, including government agencies, industry, community groups and individuals. Details regarding the inquiry and associated documents are available on the committee's webpage.

1.4 The committee received 25 public submissions and one supplementary submission which are listed at Appendix 1 and are published on the committee's website.

1.5 The committee held one public hearing on 18 June 2021 in Canberra.

1.6 A list of the witnesses who provided evidence at the public hearing is available at Appendix 2.

### Acknowledgments

1.7 The committee thanks those individuals and organisations who contributed to this inquiry by preparing written submissions and giving evidence at the public hearing.

## References to Hansard

1.8 In this report, references to Committee Hansard are to proof transcripts. Page numbers may vary between proof and official transcripts.

## Structure of the report

1.9 This report addresses the committee's terms of reference and comprises seven chapters, including this introductory chapter, with the remaining chapters set out as follows:

- Chapter 2 provides a brief outline of Australian Government drought policy. It also considers the definition of drought, its impacts and the rationale for government spending in relation to drought.
- Chapter 3 evaluates preparedness support and summarises the various views on the effectiveness of this approach. It also considers evidence received in relation to the Future Drought Fund and opportunities for improvement.
- Chapter 4 outlines evidence received in relation to drought support for farmers and farm businesses and opportunities for improvement.
- Chapter 5 examines drought support for wider communities affected by drought and opportunities for improvement.
- Chapter 6 addresses evidence received in relation to other issues, such as the coordination of drought policy and measures and evaluation and review of drought support.
- Chapter 7 examines evidence received in relation to water management.

# Chapter 2

## Background

### Introduction

2.1 This chapter considers drought in Australia. Relevant drought policy frameworks are first presented, including an outline of drought support according to the three themes of the *Drought Response, Resilience, and Preparedness Plan* (the Drought Plan). This is followed by a discussion of how drought is defined and the ways in which the various social, environmental, health and economic impacts of drought are manifested. Subsequent chapters discuss areas where inquiry participants felt that current drought support could be improved.

### Drought policy

2.2 For the Australian Government, drought is considered 'just one of a number of hardships that can adversely impact farming businesses'.<sup>1</sup> Accordingly, the policy emphasis with respect to drought is largely one of self-reliance.

2.3 The Australian Government's approach to drought assistance is focussed on preparedness and was set following agreement between Australian, state and territory governments in 2008 and adoption of the *Intergovernmental Agreement on National Drought Program Reform* in 2013.<sup>2</sup> The Australian Government's current response is guided by two documents—the 2018 *National Drought Agreement* (NDA) and the 2019 Drought Plan.<sup>3</sup>

2.4 The NDA is the Australian Government's overarching approach to the provision of drought support and assistance.<sup>4</sup> Through the NDA, Australian, state and territory governments focus their drought assistance on encouraging farmers and farming communities to better prepare for drought and manage

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<sup>1</sup> Department of Agriculture, Water and the Environment, [National Drought Agreement](#), December 2018, p. 8.

<sup>2</sup> Prior to this, drought was treated as a natural disaster or exceptional circumstance. For further information, see Department of Agriculture, Water and the Environment, *History of Drought Policy and Programs*, last reviewed 1 October 2020, <https://www.agriculture.gov.au/ag-farm-food/drought/drought-policy/history> (accessed 5 July 2021).

<sup>3</sup> The *National Drought Agreement*, signed by the Council of Australian Governments on 12 December 2018, sets out a joint approach to drought preparedness, response and recovery. For further information, see Department of Agriculture, Water and the Environment, [National Drought Agreement](#), December 2018.

<sup>4</sup> The *National Drought Agreement* replaced the 2013 *Intergovernmental Agreement on National Drought Program Reform* and will remain in place until 30 June 2024, with a review commencing approximately two years before its expiry.

their business risks, rather than waiting until they are in crisis to offer assistance.<sup>5</sup>

- 2.5 The Drought Plan sets out the Australian Government's vision for drought management and investment plainly: '[t]o have farm businesses and rural communities that are prepared for, and capable of managing, drought in pursuit of a prosperous and sustainable future'.<sup>6</sup>

### *Shared responsibilities*

- 2.6 The NDA and the Drought Plan set out a number of roles and responsibilities for Australian, state and territory governments, industry and farm businesses.<sup>7</sup> Under the NDA, the role of the Australian Government includes funding and delivery of the Farm Household Allowance, establishment of the Future Drought Fund, providing continued access to incentives that support farm business risk management and improving and maintaining national, regional and local drought indicator information. There are also a suite of different actions for which there is shared responsibility between Australian, state and territory governments.<sup>8</sup>

### *Drought support*

- 2.7 There are a range of Australian Government measures in place—totalling more than \$10 billion in spending—which use various delivery mechanisms, including income support, financial counselling, taxation measures and concessional loans.<sup>9</sup> Some of these measures provide support that is broader than targeting the impacts of drought alone.
- 2.8 Under the Drought Plan, the Australian Government's drought response is focussed on three parts:
- taking immediate action to support those affected right now by the drought;
  - supporting the wider communities that depend on farmers for their livelihood; and

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<sup>5</sup> Department of Agriculture, Water and the Environment, [National Drought Agreement](#), December 2018.

<sup>6</sup> Department of Agriculture, Water and the Environment, [Drought Response, Resilience and Preparedness Plan](#), 2019, p. 5.

<sup>7</sup> For further information, see Department of Agriculture, Water and the Environment, [National Drought Agreement](#), December 2018; Department of Agriculture, Water and the Environment, [Drought Response, Resilience and Preparedness Plan](#), 2019, pp. 3–4.

<sup>8</sup> For further information on these roles and responsibilities, including those shared between the Australian, state and territory governments, see Department of Agriculture, Water and the Environment, [National Drought Agreement](#), December 2018, pp. 4–5.

<sup>9</sup> National Drought and North Queensland Flood Response and Recovery Agency, [2019-20 Implementation Report on the Drought Response, Resilience and Preparedness Plan](#), August 2020, p. 5.



- supporting long-term resilience and preparedness to withstand drought and encourage farm businesses and rural communities to be prepared for and capable of managing through the next drought.<sup>10</sup>

### Reviews

- 2.9 The Australian Government's drought response has been subject to a number of reviews which have scrutinised overarching policy settings.<sup>11</sup> In addition, the NDA and the Drought Plan establish annual reporting requirements.<sup>12</sup> Numerous reviews have also evaluated specific drought assistance programs and measures.<sup>13</sup> The committee has had regard to these matters during the course of its inquiry.
- 2.10 Of particular relevance is the National Drought and North Queensland Flood Response and Recovery Agency's review of the Australian Government drought response, completed in October 2020. Concerns raised in the review largely align with evidence received by the committee, including in relation to unclear communication, complex and restrictive eligibility, limited and inconsistent evaluation of drought support and reactive in-drought support.<sup>14</sup>

### Definition of drought

- 2.11 Drought is a natural part of the historical climate variability in Australia.<sup>15</sup> According to the Bureau of Meteorology:

Drought is a prolonged, abnormally dry period when the amount of available water is insufficient to meet our normal use. Drought is not

<sup>10</sup> Department of Agriculture, Water and the Environment, *Submission 20*, pp. 5–6.

<sup>11</sup> For further information, see Department of Agriculture, Water and the Environment, *History of Drought Policy and Programs*, last reviewed 1 October 2020, <https://www.agriculture.gov.au/ag-farm-food/drought/drought-policy/history#:~:text=The%20National%20Review%20of%20Drought,face%20of%20a%20variable%20climate.&text=An%20economic%20assessment%20of%20drought,undertaken%20by%20the%20Productivity%20Commission>. (accessed 4 June 2021).

<sup>12</sup> The Minister for Drought is required to report annually to Cabinet on the implementation of the *Drought Response, Resilience and Preparedness Plan* and other drought measures. Under the *National Drought Agreement*, the Agriculture Ministers' Forum will release an implementation progress report annually.

<sup>13</sup> For further information, see National Drought and North Queensland Flood Response and Recovery Agency, *Review of Australian Government Drought Response*, October 2020.

<sup>14</sup> For further information, see National Drought and North Queensland Flood Response and Recovery Agency, *Review of Australian Government Drought Response*, October 2020.

<sup>15</sup> For further information on major Australian drought years and effects, see Bureau of Meteorology, *Previous droughts*, <http://www.bom.gov.au/climate/drought/knowledge-centre/previous-droughts.html> (accessed 14 July 2021).

simply low rainfall; if it was, much of inland Australia would be in almost perpetual drought.<sup>16</sup>

- 2.12 There is no universal definition of drought. Instead, a wide range of definitions for drought exist across different industries. From a meteorological viewpoint drought relates to a deficiency in rainfall, agriculturalists rate the impact on primary industries, hydrologists compare ground water levels and sociologists define it by social expectations and perceptions. These definitions vary in climatic data, time periods, agricultural employment and other measures.<sup>17</sup>

## Climate outlook

- 2.13 The committee commenced this inquiry in November 2019 at a time when Australia was experiencing severe droughts—including the driest November across Australia on record.<sup>18</sup> Furthermore, 2019 was Australia’s warmest and driest calendar year on record, with all jurisdictions recording maximum temperatures in the top five warmest years since records began in 1910.<sup>19</sup>
- 2.14 At the end of 2019, many communities were facing severe rainfall deficiencies. This contributed to falls in agricultural production and devastating environmental consequences. Despite rainfall returning to some parts of eastern Australia in early 2020, national rainfall was below average with 2019–20 the sixth driest year on record.<sup>20</sup>
- 2.15 Recent rainfall has improved conditions across many areas. However, the end of La Niña saw April and May 2021 drier than average across much of mainland Australia.<sup>21</sup>

## Climate change

<sup>16</sup> Bureau of Meteorology, *Understanding drought*, <http://www.bom.gov.au/climate/drought/knowledge-centre/understanding.shtml> (accessed 11 May 2021).

<sup>17</sup> Australian Government, *Drought in Australia: Coordinator-General for Drought’s advice on a Strategy for Drought Preparedness and Resilience*, April 2019, p. 23.

<sup>18</sup> For further information, see Bureau of Meteorology, *Australia in November 2019*, <http://www.bom.gov.au/climate/current/month/aus/archive/201911.summary.shtml> (accessed 19 July 2021); Bureau of Meteorology, *Drought Statement*, 6 May 2021, <http://www.bom.gov.au/climate/drought/#:~:text=Rainfall%20for%20the%20period%201,Goldfield%20District%20in%20Western%20Australia>. (accessed 1 June 2021).

<sup>19</sup> Commonwealth of Australia, *National Drought Agreement Annual Report 2019-20*, August 2021, p. 6.

<sup>20</sup> Australian Bureau of Statistics, *Water Use on Australian Farms, 2019–20 financial year*, 14 May 2021, <https://www.abs.gov.au/statistics/industry/agriculture/water-use-australian-farms/latest-release> (accessed 22 June 2021).

<sup>21</sup> Bureau of Meteorology, *Drought*, 6 July 2021, <http://www.bom.gov.au/climate/drought/#:~:text=The%20Climate%20Outlook%20released%20on,towards%20wetter%20or%20drier%20conditions>. (accessed 19 July 2021).

- 2.16 While droughts are normal for Australia, drought conditions are likely to become more frequent, severe and longer due to climate change.<sup>22</sup> Over the last 20 years large changes in Australian climate have been observed, including reductions in average winter rainfall in southern Australia and general increases in temperature.<sup>23</sup> Climate models predict lower rainfall in southern Australia, increased temperatures and more severe droughts and floods.<sup>24</sup>
- 2.17 The Coordinator-General for Drought's report, released in April 2019, contained an overview of the situation faced by primary producers and communities in drought-affected regions. The report found that, as a consequence of climate change, drought is likely to be more regular, longer in duration and broader in area.<sup>25</sup>
- 2.18 The emergence of climate change is presenting a number of challenges for agriculture. According to the Australian Bureau of Agricultural and Resource Economics and Sciences:
- Droughts, fires and floods are likely to become more disruptive and severe, and agricultural commodity prices and market access may become more volatile.
  - Trends towards hotter and drier conditions will impact the profitability of agriculture and will drive changes in farming practices and the location of some types of farming. Well-functioning water markets and governance arrangements will remain crucial for irrigated agriculture, regional communities and other stakeholders.
  - Climate and emissions reductions policies around the world are likely to become more stringent over time, increasing demand for land sector carbon credits from new plantings as well as for reducing greenhouse emissions from livestock and other agricultural activities. Popular ideas of 'agriculture'

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<sup>22</sup> Australian Government, *Drought in Australia: Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience*, April 2019, p. xxvii.

<sup>23</sup> Department of Agriculture, Water and the Environment, Australian Bureau of Agricultural and Resource Economics and Sciences, *Climate and drought*, last reviewed 16 December 2020, <https://www.agriculture.gov.au/abares/research-topics/climate> (accessed 1 June 2021).

<sup>24</sup> Australian Government, *Drought in Australia: Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience*, April 2019, p. xxvii; Department of Agriculture, Water and the Environment, Australian Bureau of Agricultural and Resource Economics and Sciences, *Climate and drought*, last reviewed 16 December 2020, <https://www.agriculture.gov.au/abares/research-topics/climate> (accessed 1 June 2021).

<sup>25</sup> Australian Government, *Drought in Australia: Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience*, April 2019.

and 'farming' will increasingly include forestry and markets for environmental services.<sup>26</sup>

### **The impacts of drought**

2.19 According to the Coordinator-General for Drought, drought has a number of significant social, environmental and economic impacts and can seriously affect the productivity and profitability of farms, businesses and communities in drought-affected regions, as well as the health and wellbeing of farmers, their families and communities.<sup>27</sup> These impacts are discussed throughout the report.

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<sup>26</sup> Steve Hatfield-Dodds, Stefan Hajkowicz and Sandra Eady, Australian Bureau of Agricultural and Resource Economics and Sciences, 'Stocktake of megatrends shaping Australian agriculture (2021 update)', *ABARES Insights*, Issue 1, February 2021, p. 24.

<sup>27</sup> Australian Government, [\*Drought in Australia: Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience\*](#), April 2019.

# Chapter 3

## Preparedness support

### Introduction

3.1 This chapter outlines the broad support for the Australian Government's focus on drought preparedness offered by witnesses and submitters and the evidence which suggests that there are some areas for improvement at both the strategy level and individual program level—chiefly in relation to the \$5 billion Future Drought Fund (FDF).

### Preparedness

3.2 As noted in Chapter 2, the Drought Plan states the Australian Government's vision for drought management: '[t]o have farm businesses and rural communities that are prepared for, and capable of managing, drought in pursuit of a prosperous and sustainable future'.<sup>1</sup> Consistent with this, the Australian Government has increasingly prioritised interventions which support long-term drought preparedness and risk management, rather than crisis responses.

3.3 The vast majority of submitters welcomed this concept of preparedness. For many industry participants, this meant encouraging self-reliant, sustainable approaches to manage business risks through improved decision-making.<sup>2</sup> Others, such as the Australian Local Government Association (ALGA) and the National Mental Health Commission, stressed a need to build community resilience by investing in local leadership, employment, infrastructure and mental health.<sup>3</sup> A further concern related to water management. These areas are considered in more detail elsewhere in this report, but are highlighted here in order to foreshadow the essence of submitter views.

3.4 The committee received overwhelming evidence that drought support should aim to build preparedness. For example, the Red Meat Advisory Council (RMAC) argued that it is 'vital that we continue to prepare for future droughts',<sup>4</sup> while the Tasmanian Farmers and Graziers Association (TFGA) noted that 'it is [] imperative to prepare for future droughts'.<sup>5</sup>

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<sup>1</sup> Department of Agriculture, Water and the Environment, [Drought Response, Resilience and Preparedness Plan](#), 2019, p. 5.

<sup>2</sup> See, for example, National Farmers' Federation, *Submission 21*.

<sup>3</sup> National Mental Health Commission, *Submission 11*; Australian Local Government Association, *Submission 16*.

<sup>4</sup> Red Meat Advisory Council, *Submission 15*, [p. 3].

<sup>5</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 4.

- 3.5 The RMAC also noted that '[t]he advice and recommendations from previous drought inquiries overwhelmingly points to better preparedness and support while conditions are good, in order to create greater resilience when drought returns'.<sup>6</sup>
- 3.6 Similarly, the Coordinator-General for Drought reported in 2019 that preparing for drought, rather than responding to it, is the best approach.<sup>7</sup>
- 3.7 Several submitters emphasised the need for ongoing preparation despite recent rain. GrainGrowers held the view that preparedness 'is essential in the context of a changing and variable climate which is impacting how and where we produce Australia's food and fibre'.<sup>8</sup>
- 3.8 Mr David McKeon, Chief Executive Officer, GrainGrowers, explained that now is the 'best time to be talking about drought support and whether it's effective – when we're having a great season and we're not in crisis'.<sup>9</sup>
- 3.9 Ms Hannah Wandel OAM, Executive Director, Drought, National Recovery and Resilience Agency, told the committee that '[e]ven when it is raining, we need to be planning for the next drought'.<sup>10</sup>
- 3.10 Likewise, Mr Tony Mahar, Chief Executive Officer, National Farmers' Federation (NFF), stated that '[n]ow is the time to talk more about drought, prepare for drought, review those policies and programs that are in place and try to get some more certainty for when the next big drought comes'.<sup>11</sup>

### *Reactive in-drought support*

- 3.11 Despite widespread support for the Australian Government's focus on preparedness, some submitters raised concern that drought assistance remains crisis-driven rather than proactive. This evidence is explored below and in subsequent chapters.
- 3.12 The ALGA reported that councils 'felt that the Government was reactionary and not preparing for future drought'.<sup>12</sup> It raised concern that drought

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<sup>6</sup> Red Meat Advisory Council, *Submission 15*, [p. 3].

<sup>7</sup> Australian Government, [Drought in Australia: Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience](#), April 2019, p. 4.

<sup>8</sup> GrainGrowers, *Submission 14*, [p. 2].

<sup>9</sup> Mr David McKeon, Chief Executive Officer, GrainGrowers, *Proof Committee Hansard*, 18 June 2021, p. 27.

<sup>10</sup> Ms Hannah Wandel OAM, Executive Director, Drought, National Recovery and Resilience Agency, *Proof Committee Hansard*, 18 June 2021, p. 51.

<sup>11</sup> Mr Tony Mahar, Chief Executive Officer, National Farmers' Federation, *Proof Committee Hansard*, 18 June 2021, p. 2.

<sup>12</sup> Australian Local Government Association, *Submission 16*, p. 9.

assistance was merely addressing the symptoms of drought, rather than the cause or limited resilience.<sup>13</sup>

3.13 The ALGA also expressed concern regarding 'the loss of corporate memory both between drought and within drought'. It noted that government action 'tends to slow or stop once the drought ends and only recommence when a new drought occurs'.<sup>14</sup>

3.14 Likewise, the RMAC lamented that 'once it rains and conditions are favourable, drought appears to become a forgotten issue despite knowing that it will return.'<sup>15</sup> The RMAC argued that the:

... inherent politicisation of drought, and the fluctuating effectiveness of regional policies has meant that governments have not focused on putting measures in place that truly incentivise and enable as many farm businesses and regional communities as possible to genuinely become better drought prepared.<sup>16</sup>

3.15 The committee notes that as part of its review of the Australian Government drought response, the National Drought and North Queensland Flood Response and Recovery Agency (NDNQFRA) found that 'Australian Government in-drought support has often been reactive rather than proactive'.<sup>17</sup>

### **Future Drought Fund**

3.16 The committee received evidence from inquiry participants, such as GrainGrowers and Cr Mark Reeves, Deputy Mayor, East Gippsland Shire Council, welcoming the Australian Government's commitment of ongoing funds toward drought preparedness under the \$5 billion FDF.<sup>18</sup> The following section outlines the evidence received in relation to the FDF, including evidence which suggests that there are some areas for improvement in terms of FDF processes and the programs which it funds.

#### *Establishment*

3.17 Under the *National Drought Agreement*, the Australian Government is responsible for establishing and operating a FDF to enhance drought

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<sup>13</sup> Australian Local Government Association, *Submission 16*, p. 9.

<sup>14</sup> Australian Local Government Association, *Submission 16*, p. 9.

<sup>15</sup> Red Meat Advisory Council, *Submission 15*, [p. 3].

<sup>16</sup> Red Meat Advisory Council, *Submission 15*, [p. 3].

<sup>17</sup> National Drought and North Queensland Flood Response and Recovery Agency, [Review of Australian Government Drought Response](#), October 2020, pp. 27–28.

<sup>18</sup> See, for example, GrainGrowers, *Submission 14*; Cr Mark Reeves, Deputy Mayor, East Gippsland Shire Council, *Proof Committee Hansard*, 18 June 2021, p. 11.



preparedness and resilience.<sup>19</sup> The Australian Government announced the \$5 billion FDF as part of its Mid-Year Economic and Fiscal Outlook 2018–19.<sup>20</sup>

3.18 The FDF was established in September 2019 by the *Future Drought Fund Act 2019* (Cth) and began with \$3.9 billion, drawn from the discontinued Building Australia Fund. Earnings will be reinvested by the Future Fund Board of Guardians until the balance reaches \$5 billion (expected in 2028–29).<sup>21</sup>

3.19 From 1 July 2020, the FDF has made \$100 million available each year to invest in drought resilience programs.<sup>22</sup> Despite the Australian Government's decision to establish the FDF in 2018, and the announcement of eight programs on 1 July 2020, a number of programs under the FDF did not commence until mid-2021. Current FDF programs are discussed below.

3.20 The *Drought Resilience Funding Plan 2020 to 2024* (Funding Plan) sets out three inter-connected strategic priorities for the FDF:

- economic resilience for an innovative and profitable agricultural sector;
- environmental resilience for sustainable and improved functioning of farming landscapes; and
- social resilience for resourceful and adaptable communities.<sup>23</sup>

3.21 In line with these strategic priorities, the Funding Plan states that funded projects aim to support:

- an innovative and profitable farming sector;
- a sustainable natural environment; and
- adaptable rural, regional and remote communities.<sup>24</sup>

3.22 In addition, funded projects must enhance the public good.<sup>25</sup> This means that:

... the benefits generated by the funding must be able to be accessed and/or shared by many (public benefits), rather than be captured solely by individual businesses or industries solely for private commercial gain.<sup>26</sup>

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<sup>19</sup> Department of Agriculture, Water and the Environment, [National Drought Agreement](#), December 2018.

<sup>20</sup> The Hon Josh Frydenberg MP, Treasurer, and Senator the Hon Mathias Cormann, Minister for Finance and the Public Service, [Mid-Year Economic and Fiscal Outlook 2018–19](#), December 2018.

<sup>21</sup> Department of Agriculture, Water and the Environment, *Future Drought Fund*, last reviewed 12 May 2021, <https://www.agriculture.gov.au/ag-farm-food/drought/future-drought-fund> (accessed 13 May 2021).

<sup>22</sup> Senator the Hon Mathias Cormann, Minister for Finance and the Public Service, and the Hon David Littleproud MP, Minister for Agriculture and Water Resources, '\$5 billion Future Drought Fund', *Media Release*, 3 December 2018.

<sup>23</sup> Future Drought Fund (Drought Resilience Funding Plan 2020 to 2024) Determination 2020 (Cth).

<sup>24</sup> Future Drought Fund (Drought Resilience Funding Plan 2020 to 2024) Determination 2020 (Cth).

<sup>25</sup> *Future Drought Fund Act 2019* (Cth), s. 3.



## *Programs*

3.23 According to the Department of Agriculture, Water and the Environment (the Department), the FDF is a long-term investment fund that will provide a sustainable source of funding to help Australian farmers and communities become more prepared for, and resilient to, the impacts of drought.<sup>27</sup>

3.24 Eight FDF programs were announced in July 2020.<sup>28</sup> Current FDF programs are set out below:

- The **Climate Services for Agriculture program** will fund the development and delivery of interactive digital 'climate information services' for the agriculture sector to assist farmers to make real-time decisions.
- The **Drought Resilience Self-Assessment Tool** will provide an online self-assessment tool for farmers to self-identify drought risks based on a range of social, economic and environmental indicators, and take action to build the drought resilience of their farm business.
- The **Drought Resilience Research and Adoption program** will invest in collaborative research, development, extension, adoption and commercialisation activities.
- The **Drought Resilience Soils and Landscapes program** will fund regional bodies to undertake projects to build drought resilience of natural resources on agricultural landscapes and there will also be grants available to organisations, farmer groups and individuals to undertake projects to build the drought resilience of natural resources on small scales.
- The **Networks for Building Drought Resilience program** will support community-driven projects that enhance drought resilience and strengthen networks, including small-scale infrastructure projects to make community facilities drought resilient.
- The **Drought Resilience Leaders program** will develop leadership capability in communities and include a mentoring component to foster uptake of innovative practices to build drought resilience of farmers and their businesses.
- The **Farm Business Resilience program** will provide farm businesses with training to strengthen their strategic business management skills and develop a farm business plan to build risk management capacity and drought resilience.

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<sup>26</sup> Department of Agriculture, Water and the Environment, [Drought Resilience Funding Plan 2020 to 2024](#), February 2020, p. 3.

<sup>27</sup> Department of Agriculture, Water and the Environment, *Submission 20*, p. 8.

<sup>28</sup> The Hon David Littleproud MP, Minister for Agriculture, Drought and Emergency Management, 'Building a drought resilient Australia', *Media Release*, 1 July 2020.

- The **Regional Drought Resilience Planning program** will provide funding to consortia of local councils or equivalent entities to develop Regional Drought Resilience Plans for agriculture and allied industries.<sup>29</sup>
- 3.25 There have been a number of announcements in recent months to deliver programs under the FDF:
- On 19 April 2021, the Hon David Littleproud MP, the then Minister for Agriculture, Drought and Emergency Management, announced eight Drought Resilience Adoption and Innovation Hubs.<sup>30</sup>
  - On 25 May 2021, the first of two funding rounds opened for the Networks to Build Drought Resilience program, with the second to open later in 2021.<sup>31</sup>
  - On 17 June 2021, applications opened for the Drought Resilience Leaders program, starting with two pilot regions before rolling out to a further 10 regions in October 2021.<sup>32</sup>
- 3.26 As part of the 2021–22 Budget, a series of funding announcements were also made to commit funds under the FDF to continue existing programs.<sup>33</sup>

### *Areas for improvement*

3.27 As noted above, implementation only commenced in mid-2021 for a number of the FDF programs. Because of this, Mr Mahar advised that 'it's early in the process at the moment to actually see if the Future Drought Fund has selected the right programs and policies'.<sup>34</sup> Nonetheless, the committee received evidence outlining areas for improvement in the types of projects which are supported by the FDF. The committee also received evidence regarding the Productivity Commission review of the Funding Plan. This evidence is explored below.

### **Types of projects supported**

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<sup>29</sup> Department of Agriculture, Water and the Environment, *Future Drought Fund*, last reviewed 6 July 2021, <https://www.agriculture.gov.au/ag-farm-food/drought/future-drought-fund> (accessed 9 July 2021).

<sup>30</sup> The Hon David Littleproud MP, Minister for Agriculture, Drought and Emergency Management, 'A new era in drought resilience research and innovation', *Media Release*, 19 April 2021.

<sup>31</sup> The Hon David Littleproud MP, Minister for Agriculture, Drought and Emergency Management, 'Future Drought Fund to build drought resilient communities', *Media Release*, 25 May 2021.

<sup>32</sup> The Hon David Littleproud MP, Minister for Agriculture, Drought and Emergency Management, 'Future Drought Fund is creating a new generation of drought resilient leaders', *Media Release*, 17 June 2021.

<sup>33</sup> For further information, see Department of Agriculture, Water and the Environment, *Future Drought Fund: forging a path towards drought resilience*, May 2021.

<sup>34</sup> Mr Tony Mahar, Chief Executive Officer, National Farmers' Federation, *Proof Committee Hansard*, 18 June 2021, p. 5.

- 3.28 GrainGrowers' view was that funding decisions should prioritise new initiatives 'which must be measurable in their impact and ability to deliver for farmers irrespective of their size or commodity type'.<sup>35</sup>
- 3.29 Similarly, Mr Mahar expressed high hopes for the FDF and called on the Australian Government to try new ideas:
- ... as we all know, drought policy for the last 100 or 200 years has not worked that well. We still have people in drought being missed by the assistance measures. So for us it's using the fund to think outside the square and think in an innovative way to say, 'What can we do that we haven't done before that might work?'<sup>36</sup>
- 3.30 In particular, Mr Mahar emphasised the importance of investing in technology:
- We need to make sure that we're getting the most out of the existing technology. Whether that's BOM or technology on farm for sensors and water efficiency and those sorts of things, technology can be a great weapon to fight the war on drought.<sup>37</sup>
- 3.31 For the TFGA, it is important that the FDF aligns with the National Agricultural Innovation Agenda.<sup>38</sup> It also highlighted the need to ensure that efforts are not duplicated and funds are invested as efficiently as possible.<sup>39</sup>
- 3.32 This concern was echoed by GrainGrowers. It argued that the FDF 'should not be used to cost shift existing Commonwealth or state funded activities or programs'.<sup>40</sup> Instead, the FDF should 'be used to accelerate activities or practice change that wouldn't happen without it'.<sup>41</sup>
- 3.33 Commenting on the four-year period during which each Funding Plan is in force, GrainGrowers argued that '[t]here needs to be long-medium and short-term strategic programs that span beyond the four-year plan'.<sup>42</sup>

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<sup>35</sup> GrainGrowers, *Submission 14*, Attachment 2 (GrainGrowers, *Submission on Drought Resilience Funding Plan*), [pp. 1–2].

<sup>36</sup> Mr Tony Mahar, Chief Executive Officer, National Farmers' Federation, *Proof Committee Hansard*, 18 June 2021, p. 5.

<sup>37</sup> Mr Tony Mahar, Chief Executive Officer, National Farmers' Federation, *Proof Committee Hansard*, 18 June 2021, p. 3.

<sup>38</sup> For further information, see Department of Agriculture, Water and the Environment, *National Agricultural Innovation Agenda*, last reviewed 4 May 2021, <https://www.agriculture.gov.au/ag-farm-food/innovation/national-ag-innovation-agenda> (accessed 29 July 2021).

<sup>39</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 4.

<sup>40</sup> GrainGrowers, *Submission 14*, Attachment 2 (GrainGrowers, *Submission on Drought Resilience Funding Plan*), [pp. 1–2].

<sup>41</sup> GrainGrowers, *Submission 14*, Attachment 2 (GrainGrowers, *Submission on Drought Resilience Funding Plan*), [p. 2].

<sup>42</sup> GrainGrowers, *Submission 14*, p. 4.

### **Review of the Funding Plan**

- 3.34 Each Funding Plan will be reviewed by the Productivity Commission before it expires to assess its effectiveness with regard to economic, social and environmental outcomes.<sup>43</sup>
- 3.35 GrainGrowers welcomed this measure as a suitable independent process to ensure drought remains on the agenda. However, in a submission which it made as part of the Department's consultation on the draft Funding Plan, GrainGrowers argued that this review process should not be limited to making comment on the effectiveness, efficiency and impact of the FDF's programs, but drought and resilience measures more broadly. It submitted that this 'will provide a complete picture of the level of preparedness and resilience and encourage alignment of effort and focus'.<sup>44</sup>

### **Committee view**

- 3.36 Because drought is a recurrent feature of the Australian landscape, the Australian Government must not only provide short-term support to farmers, communities and businesses in immediate need, but also provide longer term assistance for structural adjustment and drought preparedness. In addition, the implications of climate change for agriculture highlight the need to prepare before droughts have arisen.
- 3.37 The committee has repeatedly heard concerns that Australian Government drought support tends to be reactive, rather than proactive. This causes uncertainty amongst farmers and communities and means that support is not always available when it is needed most.
- 3.38 This was a particular source of frustration for farmers. The NFF highlighted this point, stating that ad hoc drought assistance measures during drought 'can undermine drought preparation and resilience measures'.<sup>45</sup>
- 3.39 It is clear that the future direction of drought policy should focus on investing in resilience and preparedness for future droughts and climate variability when farmers and communities are not in drought. For the long-term health of the agriculture sector, this needs to be done in ways that promote resilience and improved productivity and allow for adjustment and change.
- 3.40 There is no doubt that the Australian Government has begun the job of investing in preparedness and resilience measures and can point to various initiatives that have been, or will be, undertaken in pursuit of its objectives for

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<sup>43</sup> Department of Agriculture, Water and the Environment, *Future Drought Fund*, last reviewed 6 July 2021, <https://www.agriculture.gov.au/ag-farm-food/drought/future-drought-fund> (accessed 9 July 2021). The reports will be tabled in each House of Parliament.

<sup>44</sup> GrainGrowers, *Submission 14*, Attachment 2 (GrainGrowers, *Submission on Drought Resilience Funding Plan*), [p. 5].

<sup>45</sup> National Farmers' Federation, *Submission 21*, p. 9.

drought policy and reform. The Australian Government's FDF to support research and innovation is a good example of this approach.

- 3.41 The committee acknowledges that while the FDF was initially plagued by slow progress, it has since introduced eight programs which enjoy a broad level of support from stakeholders. It is equally clear, however, that there remain a number of areas for improvement. In particular, a deliberative, transparent process for developing and prioritising projects and funding is required.

#### **Recommendation 1**

- 3.42 **The committee recommends that the Australian Government develop a deliberative, transparent process for Future Drought Fund projects and funding.**



# Chapter 4

## Support for farmers and businesses

### Introduction

4.1 Since 1992, the Australian Government has had the policy aim of supporting farmers to manage climate variability through better preparation and self-reliance. A wide range of Australian Government support measures are currently available to assist farmers and farm businesses impacted by drought. This includes the Farm Household Allowance (FHA), Regional Investment Corporation (RIC) loans, the Farm Management Deposits Scheme (FMDS) and the Agriculture Stewardship Package.<sup>1</sup> Submitters largely welcomed this assistance. However, concern was expressed to the committee that many people needing support were ineligible or being discouraged from applying due to restrictive eligibility criteria, unclear communication and complex application processes. This evidence is discussed below.

### Income support, loans and taxation measures

#### *Farm Household Allowance*

- 4.2 The FHA provides assistance to farming families experiencing financial hardship through planning and training for long-term financial improvements, as well as income support for up to 4 years. The FHA is designed to help farmers make important decisions to improve their long-term financial situation.<sup>2</sup>
- 4.3 Submitters were largely supportive of the FHA. For example, the Tasmanian Farmers and Graziers Association (TFGA) submitted that the FHA 'is an important initiative in providing producers financial support needed during the drought'.<sup>3</sup>
- 4.4 The committee also notes that the Australian Government recently amended the FHA program settings to introduce an expanded off-farm income offset, increase the maximum time a person is able to access the FHA program and

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<sup>1</sup> For further information, see Department of Agriculture, Water and the Environment, [National Drought Agreement](#), December 2018, p. 4.

<sup>2</sup> Department of Agriculture, Water and the Environment, *Farm Household Allowance*, last reviewed 11 May 2021, <https://www.agriculture.gov.au/ag-farm-food/drought/assistance/farm-household-allowance> (accessed 21 May 2021).

<sup>3</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 1.

introduce a one-off lump sum payment for recipients who have exhausted 1460 days of FHA.<sup>4</sup>

### **Administrative burden**

- 4.5 Despite these improvements, several submitters raised concern that farmers may not be aware of the FHA or are daunted by the application process. Mr Tony Mahar, Chief Executive Officer, National Farmers' Federation (NFF), stated that 'the last thing that farmers need when they're really struggling in terms of drought is to have to wade through pages and pages and hours and hours of paperwork'.<sup>5</sup>
- 4.6 A number of submitters, including the TFGA and the NFF, encouraged streamlining administrative processes for drought support.<sup>6</sup> The committee heard that the application process was of particular concern for local governments in drought-affected areas. The Australian Local Government Association (ALGA) explained that prior to the Australian Government's simplification of the FHA application process several local governments had allocated staff resources to assist farmers to complete the application.<sup>7</sup>

### **Unclear communication**

- 4.7 The committee received evidence that unclear and complex communication for some producers is a 'serious impediment to producers completing paperwork to receive financial support'.<sup>8</sup> The TFGA argued that 'it is [] imperative to communicate to producers that this support is available'.<sup>9</sup>
- 4.8 The TFGA also noted that industry engagement is needed 'to help ensure messaging to producers on drought management and preparedness is consistent'.<sup>10</sup> The NSW Irrigators' Council echoed this view. It informed the committee that collaboration is a key guiding principle for the organisation and 'Government and industry must work together to ensure communication is informative, timely, and accessible'.<sup>11</sup>

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<sup>4</sup> Explanatory Memorandum to the *Farm Household Support Amendment (Relief Measures) Act (No. 1) 2019* (Cth), p. 2.

<sup>5</sup> Mr Tony Mahar, Chief Executive Officer, National Farmers' Federation, *Proof Committee Hansard*, 18 June 2021, p. 4.

<sup>6</sup> See, for example, Tasmanian Farmers and Graziers Association, *Submission 5*; Australian Local Government Association, *Submission 16*; National Farmers' Federation, *Submission 21*.

<sup>7</sup> Australian Local Government Association, *Submission 16*, p. 7.

<sup>8</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 2.

<sup>9</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 2.

<sup>10</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 5.

<sup>11</sup> NSW Irrigators' Council, *Submission 7*, p. 3.



4.9 The committee also heard calls for communication campaigns targeted at primary producers to provide information on available financial assistance and how to access support. The TFGA argued that this is important and warrants further investment.<sup>12</sup>

### **Pilot program**

4.10 The TFGA called on the Australian Government to implement a pilot program to test support for FHA recipients 'as it will become increasingly important for producers to make decisions to help sustain their business under increasing financial and environmental stress'.<sup>13</sup> The committee notes that the same recommendation was made by the Coordinator-General for Drought in 2019.<sup>14</sup> However, no such pilot program has been carried out to date.<sup>15</sup>

### *Regional Investment Corporation loans*

4.11 Support for farmers and farm businesses is also available through concessional loans administered by the RIC. The committee heard that since its inception on 1 July 2018 the RIC has approved more than 1600 total loans valued at more than \$1.75 billion.<sup>16</sup>

4.12 The committee received evidence that there exists very high demand for concessional loans due to continued drought conditions.<sup>17</sup> Submitters were largely supportive of the RIC concessional loans—the NSW Irrigators' Council noted that '[t]he option of subsidised loans is often favoured by farmers, as this provides the flexibility to carry on in severe circumstances, whilst feeling dignity of paying it back in the future'.<sup>18</sup>

4.13 A number of submitters stated that these concessional loans have had a positive market impact. For example, the RIC and Mr David McKeon, Chief Executive Officer, GrainGrowers, shared the view that the concessional

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<sup>12</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 2.

<sup>13</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 2.

<sup>14</sup> Australian Government, *Drought in Australia: Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience*, April 2019, p. 6.

<sup>15</sup> Department of Agriculture, Water and the Environment, *Government actions addressing the Coordinator-General for Drought's advice*, last reviewed 11 November 2019, <https://www.agriculture.gov.au/ag-farm-food/drought/drought-policy/govt-actions-coordinator-generals-report> (accessed 14 July 2021).

<sup>16</sup> As at 31 December 2020. For further information, see Regional Investment Corporation, *Submission 23*, pp. 3–4.

<sup>17</sup> For further information, see Regional Investment Corporation, *Submission 23*, pp. 3–4.

<sup>18</sup> See, for example, Tasmanian Farmers and Graziers Association, *Submission 5*; NSW Irrigators' Council, *Submission 7*, p. 10; Department of Agriculture, Water and the Environment, *Submission 20*, p. 8; Regional Investment Corporation, *Submission 23*, p. 3.

interest rate has put downward pressure on interest rates and resulted in improved commercial lending arrangements.<sup>19</sup>

- 4.14 In addition, the committee heard evidence that the RIC loans not only help eligible farm and small businesses improve their long-term strength, resilience and profitability, but may also result in increased cash flow for 'local suppliers, retailers and other associated businesses and services and supports stable and ongoing employment in rural and regional areas'.<sup>20</sup>
- 4.15 The RIC noted that 'due to the infancy of the RIC and its concessional loans program, assessment of its performance and the ultimate impact or success of the loans is yet to be determined'.<sup>21</sup> The NFF recommended that the suite of RIC loans be reviewed for uptake and effectiveness.<sup>22</sup>
- 4.16 In addition, several inquiry participants identified a number of areas for improvement. These views are discussed below.

### **Administrative burden**

- 4.17 Some submitters stated that current application processes are unclear and complex.<sup>23</sup> These inquiry participants criticised the considerable administrative burden on people attempting to access the loans and called for this process to be simplified.
- 4.18 Mr McKeon explained that while many growers have successfully accessed concessional loans through the RIC, a large number have expressed frustration with the application process.<sup>24</sup> Mr Zachary Whale, General Manager, Policy and Advocacy, GrainGrowers, echoed these concerns and called for application processes to be simplified and processing time to be reduced.<sup>25</sup>
- 4.19 Similarly, the NFF argued that application processes be expedited and communication regarding products be improved.<sup>26</sup>

### **Timeliness**

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<sup>19</sup> Mr David McKeon, Chief Executive Officer, GrainGrowers, *Proof Committee Hansard*, 18 June 2021, p. 27; Regional Investment Corporation, *Submission 23*, p. 6.

<sup>20</sup> Department of Agriculture, Water and the Environment, *Submission 20*, p. 8; Regional Investment Corporation, *Submission 23*, p. 2.

<sup>21</sup> Regional Investment Corporation, *Submission 23*, p. 5.

<sup>22</sup> National Farmers' Federation, *Submission 21*, p. 16.

<sup>23</sup> See, for example, GrainGrowers, *Submission 14*; National Farmers' Federation, *Submission 21*.

<sup>24</sup> Mr David McKeon, Chief Executive Officer, GrainGrowers, *Proof Committee Hansard*, 18 June 2021, p. 27.

<sup>25</sup> Mr Zachary Whale, General Manager, Policy and Advocacy, GrainGrowers, *Proof Committee Hansard*, 18 June 2021, p. 28.

<sup>26</sup> National Farmers' Federation, *Submission 21*, p. 16.

4.20 Submitters also expressed concern about the amount of time to assess applications and process loans.<sup>27</sup>

4.21 Ms Carla Jago, Group Executive Director, Performance Audit Services Group, Australian National Audit Office, told the committee that loans approved in the second quarter of 2019–20 took an average of 184 days from application to settlement:

At that point, it was taking 29 days from submission to when it was deemed to be complete—that is, when all mandatory information had been received. It then took 15 days for the assessment—that is, for the external service provider to actually assess the application and provide a recommendation to RIC. It took another 54 days for RIC to make their final decision, and then 68 days from the time of their final decision to the disbursement of loan funds for those that were approved.<sup>28</sup>

4.22 In response to this evidence, Mr Bruce King, Chief Executive Officer, RIC, described the settlement process:

The settlement phase is a much more complex phase, and I think the ANAO actually referred to it as a separate phase, because we have to work in conjunction with the customers and their banks to secure deeds of priority and then have the banks acknowledge and accept the settlement of our loans.<sup>29</sup>

4.23 Mr McKeon explained that delays are particularly problematic for growers 'who [have] certain windows of operation when they need to get the crop in the ground'.<sup>30</sup>

4.24 In addition, the TFGA identified a need for long-term support as '2 years of interest free payments may not be enough to support producers in extended droughts'.<sup>31</sup> The committee repeatedly heard that there is a need for long-term support. This evidence is discussed further below and, in relation to support for the wider drought-affected community, in the following chapter.

## Restrictive eligibility

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<sup>27</sup> See, for example, Mr David McKeon, Chief Executive Officer, GrainGrowers, *Proof Committee Hansard*, 18 June 2021, p. 27.

<sup>28</sup> Ms Carla Jago, Group Executive Director, Performance Audit Services Group, Australian National Audit Office, *Proof Committee Hansard*, 18 June 2021, p. 41.

<sup>29</sup> Mr Bruce King, Chief Executive Officer, Regional Investment Corporation, *Proof Committee Hansard*, 18 June 2021, p. 53. For further information on the Australian National Audit Office's performance audit, see Australian National Audit Office, [Design and Establishment of the Regional Investment Corporation](#), Auditor-General Report No. 41, 2019–20.

<sup>30</sup> Mr David McKeon, Chief Executive Officer, GrainGrowers, *Proof Committee Hansard*, 18 June 2021, p. 27.

<sup>31</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 2.

- 4.25 Some inquiry participants raised concern that people needing support were ineligible due to restrictive eligibility criteria. For example, the Australian Meat Industry Council (AMIC) explained that current eligibility criteria exclude businesses further down the agriculture supply chain, such as meat, grain and fibre processes and 'do not recognise the post-farmgate sector that are directly reliant on farm livestock outputs'.<sup>32</sup> This is of particular concern given the fact that these processors are heavily reliant on the livestock output of farm businesses.<sup>33</sup>
- 4.26 The AMIC recommended that eligibility criteria for the RIC loans be revised to include 'those businesses that provide services, relating to primary production, for farm businesses, or are directly reliant upon farm agricultural outputs (e.g. livestock)'.<sup>34</sup>
- 4.27 When asked whether there was scope for the RIC to expand its eligibility criteria to include businesses further down the agriculture supply chain, Ms Rachel Connell, First Assistant Secretary, Water Division, Department of Agriculture, Water and the Environment (the Department), explained the AgBiz Drought Loans 'are designed to provide loans to businesses that supply the agriculture industry, rather than the next step along; the other side of the supply chain'.<sup>35</sup>
- 4.28 Ms Connell observed that such an expansion to eligibility criteria would open up the AgBiz Drought loans to 'a very broad number of businesses':
- There's a significant number of businesses that could potentially be captured if that eligibility were extended, so a significant amount of work would have to go into making sure there would be enough loan funding available.<sup>36</sup>

### *Farm Management Deposits Scheme*

- 4.29 The committee heard that there are a range of taxation measures to help drought-affected primary producers, including immediate tax deductions for capital expenditure and the FMDS.<sup>37</sup> The FMDS, introduced in 1999 and expanded in 2016, assists primary producers to deal more effectively with

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<sup>32</sup> Australian Meat Industry Council, *Submission 9*, p. 4.

<sup>33</sup> Australian Meat Industry Council, *Submission 9*, p. 4.

<sup>34</sup> Australian Meat Industry Council, *Submission 9*, p. 8.

<sup>35</sup> Ms Rachel Connell, First Assistant Secretary, Water Division, Department of Agriculture, Water and the Environment, *Proof Committee Hansard*, 18 June 2021, p. 58.

<sup>36</sup> Ms Rachel Connell, First Assistant Secretary, Water Division, Department of Agriculture, Water and the Environment, *Proof Committee Hansard*, 18 June 2021, p. 58.

<sup>37</sup> Australian Taxation Office, *Submission 34*, p. 3.

fluctuations in cash flows.<sup>38</sup> Under the FMDS, eligible farmers can set aside pre-tax income to draw on in future years when needed, such as for restocking or replanting when conditions improve.<sup>39</sup>

- 4.30 The National Drought and North Queensland Flood Response and Recovery Agency (NDNQFRA) explained that the policy intent of the FMDS is to help primary producers immediately deduct (rather than depreciate over three years) the cost of fodder storage assets, such as silos and hay sheds used to store grain and other animal feed, making it easier for them to invest in and stockpile fodder.<sup>40</sup>
- 4.31 The Australian Taxation Office noted that the balances held in farm management deposit accounts have steadily increased over the past decade.<sup>41</sup> Statistics published by the Department revealed that, as at April 2021, the total holdings in the FMDS were \$5.26 billion, held in over 44 000 farm management deposit accounts (compared with \$4.14 billion held across 45 710 accounts in June 2014).<sup>42</sup>
- 4.32 A GrainGrowers survey, with over 700 respondents, showed that where account holders had made withdrawals, these deposits were primarily used for operational and capital improvements, ongoing drought operational costs and post-drought mitigation activities (for further information, see Figure 4.1).<sup>43</sup>

#### **Figure 4.1 Use of farm management deposits**

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<sup>38</sup> For further information, see Department of Agriculture, Water and the Environment, *Submission 20*, p. 7.

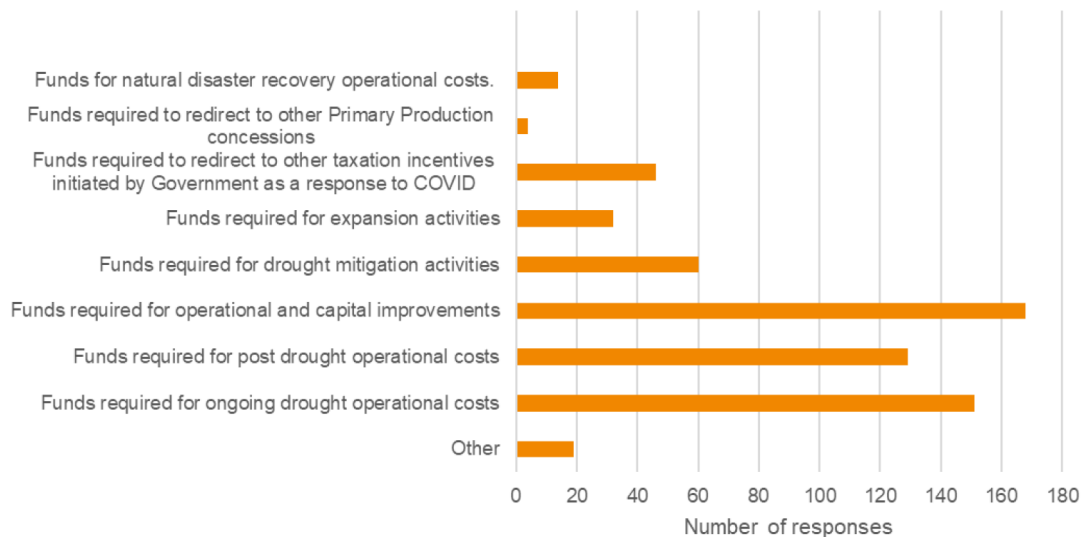
<sup>39</sup> Department of Agriculture, Water and the Environment, *Submission 20*, p. 7.

<sup>40</sup> For further information, see National Drought and North Queensland Flood Response and Recovery Agency, *Submission 17*, [p. 7]; Australian National Audit Office, *Farm Management Deposits Scheme*, Auditor-General Report No. 51, 2018–19.

<sup>41</sup> Australian Taxation Office, *Submission 24*, p. 5.

<sup>42</sup> Department of Agriculture, Water and the Environment, *Farm Management Deposits Statistics*, last reviewed 18 May 2021, <https://www.agriculture.gov.au/ag-farm-food/drought/assistance/fmd/statistics> (accessed 9 June 2021).

<sup>43</sup> GrainGrowers, *Submission to the Department of Agriculture, Water and the Environment's Farm Management Deposits Scheme Evaluation*, additional information received 21 June 2021, p. 9.



Source: GrainGrowers, *Submission to the Department of Agriculture, Water and the Environment's Farm Management Deposits Scheme Evaluation*, additional information received 21 June 2021.

4.33 Of the 20 per cent of survey respondents who indicated that they did not hold an FMDS account, a lack of information on the benefits and operation of the FMDS was highlighted as a barrier to uptake.<sup>44</sup>

#### **Ineligible business structures**

4.34 Another key criticism related to ineligible business structures, with some submitters arguing that the current eligibility criteria excluded people who ought to have access to the FMDS.

4.35 In a submission to the Department's evaluation of the FMDS, GrainGrowers reported that for a large number of growers 'business structure is impeding upon their ability to access and engage with the Scheme'.<sup>45</sup> It noted that 'the current arrangements forgo consideration that the activities of farming are the responsibility of the individual rather than that of the business entity'.<sup>46</sup>

4.36 Similarly, Mr Ash Salardini, Chief Economist, NFF, pointed out that '[e]ligibility around off-farm income or the definition of a primary production business might actually rule people out of that measure, despite the fact that they're very much farmers and farm businesses'.<sup>47</sup>

<sup>44</sup> For further information, see GrainGrowers, *Submission to the Department of Agriculture, Water and the Environment's Farm Management Deposits Scheme Evaluation*, additional information received 21 June 2021, p. 9.

<sup>45</sup> GrainGrowers, *Submission to the Department of Agriculture, Water and the Environment's Farm Management Deposits Scheme Evaluation*, additional information received 21 June 2021, p. 12.

<sup>46</sup> GrainGrowers, *Submission to the Department of Agriculture, Water and the Environment's Farm Management Deposits Scheme Evaluation*, additional information received 21 June 2021, p. 12.

<sup>47</sup> Mr Ash Salardini, Chief Economist, National Farmers' Federation, *Proof Committee Hansard*, 18 June 2021, p. 4.

- 4.37 Submitters called for adjustment to the FMDS 'to ensure it reflects the realities of farming practices'.<sup>48</sup> For GrainGrowers, this included expanding eligibility to encompass all farming businesses and reviewing income eligibility for non-primary production. It contended that this would improve uptake and the effectiveness of FMDS as a risk management tool.<sup>49</sup>
- 4.38 Despite concerns regarding the exclusion of certain business structures, Ms Kerren Crosthwaite, First Assistant Secretary, Drought and Bushfire Response Division, the Department, advised that the scope of the Department's current evaluation of the FMDS 'did not actually include the question of whether eligibility should be extended beyond sole traders and partnerships'.<sup>50</sup>

### *Instant asset write-off*

- 4.39 The instant asset write-off is another taxation incentive available to eligible farming businesses.<sup>51</sup> The NSW Irrigators' Council explained that this provides capacity for farmers to invest in drought-proofing infrastructure and reduce their tax burden in times when they need it most. It argued that this incentive should be adopted as a permanent measure for drought-proofing.<sup>52</sup>

## **Environmental stewardship**

- 4.40 A common theme brought up by inquiry participants was the role of farmers and other landholders in protecting and managing Australia's natural resources.<sup>53</sup> The committee heard that there is a need for farmers to be recognised and supported in their environmental stewardship role.<sup>54</sup> The NFF told the committee that 'Australian farmers are environmental stewards, owning, managing and caring for 51 per cent of Australia's land mass'.<sup>55</sup> Similarly, the NSW Irrigators' Council argued that '[i]rrigation farmers are stewards of tremendous local, operational and practical knowledge in water

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<sup>48</sup> GrainGrowers, *Submission to the Department of Agriculture, Water and the Environment's Farm Management Deposits Scheme Evaluation*, additional information received 21 June 2021, p. 12.

<sup>49</sup> GrainGrowers, *Submission to the Department of Agriculture, Water and the Environment's Farm Management Deposits Scheme Evaluation*, additional information received 21 June 2021, pp. 12–14.

<sup>50</sup> Ms Kerren Crosthwaite, First Assistant Secretary, Drought and Bushfire Response Division, Department of Agriculture, Water and the Environment, *Proof Committee Hansard*, 18 June 2021, p. 57.

<sup>51</sup> For further information, see National Recovery and Resilience Agency, *Australia's drought support*, <https://recovery.gov.au/recovery-support/australias-drought> (accessed 3 August 2021).

<sup>52</sup> NSW Irrigators' Council, *Submission 7*, p. 10.

<sup>53</sup> Red Meat Advisory Council, *Submission 15*, [p. 6].

<sup>54</sup> NSW Irrigators' Council, *Submission 7*, p. 10.

<sup>55</sup> National Farmers' Federation, *Submission 21*, [p. 4].

management'.<sup>56</sup> It submitted that there are 'many cases whereby farmers manage valuable ecological assets on their land, and these practices must be supported, particularly in times of water insecurity'.<sup>57</sup>

### *Agriculture Stewardship Package*

4.41 The committee heard that the \$34 million Agriculture Stewardship Package (the Package) aims to incentivise the adoption of sustainable practices to deliver farm business improvements and provide biodiversity outcomes to improve the availability and quality of water and vegetation over the agricultural landscape.<sup>58</sup>

4.42 The Red Meat Advisory Council (RMAC) proposed a number of potential improvements to the Package which it argued would keep land managers on the land, have environmental benefits and reduce the burden of restocking and rebuilding following periods of drought.<sup>59</sup> This included expanding the Package to include stewardship payments for landholders in the form of an ongoing wage to those impacted by drought and conditional on meeting certain activity requirements, such as the management of pest and weed species or the regeneration or management of the landscape for resilience.<sup>60</sup> Alternatively, it proposed a stewardship security levy in the form of 'a small payment taxed on customers that is used for the purposes of maintaining Australia's resource base through drought'.<sup>61</sup>

### **Information and advice**

4.43 The committee heard that there are several sources of information regarding Australian drought support. These include:

- **FarmHub:** a centralised source of information on support and programs from all levels of government, industry groups and not-for-profit organisations.<sup>62</sup>
- **National Drought Map:** an online tool that brings together population data, information on drought conditions and programs.<sup>63</sup>

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<sup>56</sup> NSW Irrigators' Council, *Submission 7*, p. 2.

<sup>57</sup> NSW Irrigators' Council, *Submission 7*, p. 10.

<sup>58</sup> For further information, see Department of Agriculture, Water and the Environment, *Submission 20*, pp. 13–14.

<sup>59</sup> Red Meat Advisory Council, *Submission 15*, [p. 6].

<sup>60</sup> Red Meat Advisory Council, *Submission 15*, [p. 6].

<sup>61</sup> Red Meat Advisory Council, *Submission 15*, [p. 6].

<sup>62</sup> For further information, see Department of Agriculture, Water and the Environment, *Submission 20*, p. 9.

<sup>63</sup> In May 2020, the National Drought and North Queensland Flood Response and Recovery Agency assumed responsibility of the National Drought Map platform.



- **Agency websites:** government organisations involved in the delivery of the drought response each have website with factsheets, links, guidelines, and other information about the programs they deliver.<sup>64</sup>
- 4.44 As noted above, several submitters argued that communication of available drought support lacks consistency and clear information about programs. This is of particular concern given that, as put by the TFGA, '[p]roducers are traditionally time poor and ensuring information is not duplicated and available in a single easily accessible location is paramount'.<sup>65</sup>
- 4.45 While submitters recognised the importance of these centralised information management tools, many raised concerns about accessibility, localised data, consistent messaging and drought indicators. Others called for constant communication, not only during drought events, but also in times without drought.<sup>66</sup> This evidence is discussed below.

### *Accessibility*

- 4.46 The TFGA noted that the National Drought Map is 'an important tool for producers, industry and government to understand drought in their region and beyond'.<sup>67</sup> However, it commented that 'to be truly effective and informative producers need to be aware of them, how to navigate the sites and the information on them'.<sup>68</sup>
- 4.47 The TFGA raised similar concerns in relation to FarmHub. It submitted that unified messaging and centralised information is 'very helpful for producers to understand what support is available'. However, there is a need to ensure that producers are aware of the website and understand how to access and navigate FarmHub. To this end, the TFGA recommended further investment in communication campaigns targeted at producers to provide information on financial assistance and resources available.<sup>69</sup>

### *Data*

- 4.48 The RMAC argued that, despite creation of the National Drought Map, 'there is still no comprehensive, easily accessible data on the extent of drought across

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<sup>64</sup> National Drought and North Queensland Flood Response and Recovery Agency, [Review of Australian Government Drought Response](#), October 2020, p. 31.

<sup>65</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 5.

<sup>66</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 5; Red Meat Advisory Council, *Submission 15*, [p. 5].

<sup>67</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 5.

<sup>68</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 5.

<sup>69</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 2.

the country'.<sup>70</sup> It argued that without this data, drought policy and interventions are based on assumptions.<sup>71</sup>

4.49 The RMAC also advised that one 'key area to improve understanding to prepare for and manage droughts is weather predictions'.<sup>72</sup>

### *Drought indicators*

4.50 The committee received evidence that there exists a need to develop a consistent suite of drought indicators to better understand the impacts of emergent drought conditions and work more proactively.<sup>73</sup>

4.51 The Coordinator-General for Drought's report noted the complexity in developing drought indicators. Nonetheless, it concluded that the Australian Government should develop two sets of indicators (one for internal use and another to inform stakeholders) to better understand changing conditions and emerging impacts.<sup>74</sup>

4.52 During the course of its review of the Australian Government drought response, the NDNQFRA concluded that '[i]n the absence of agreed indicators ... determining eligibility criteria remains a challenge'.<sup>75</sup> Similarly, the Australian Government's first annual review of the *National Drought Agreement* found that '[w]hile complicated, there would be benefit in working towards greater inter-jurisdictional consistency in the criteria to define drought and inform government intervention on drought assistance'.<sup>76</sup>

4.53 Inquiry participants raised concern that, in the absence of agreed drought indicators, determining eligibility for in-drought support remains a challenge. For example, the TFGA echoed the Coordinator-General for Drought's recommendation. In its opinion, drought indicators are 'vital to understanding and managing drought'.<sup>77</sup>

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<sup>70</sup> Red Meat Advisory Council, *Submission 15*, [p. 5].

<sup>71</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 5.

<sup>72</sup> Red Meat Advisory Council, *Submission 15*, [p. 5].

<sup>73</sup> Indicators are variables or parameters, such as precipitation, temperature and groundwater levels, used to describe drought conditions. Under the National Drought Agreement, the Australian Government is responsible for improving and maintaining national, regional and local predictive and real time drought indicator information, drawing on the Bureau of Meteorology's observation network and forecasting.

<sup>74</sup> Australian Government, [Drought in Australia: Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience](#), April 2019; Department of Agriculture, Water and the Environment, *Submission 20*, p. 20.

<sup>75</sup> National Drought and North Queensland Flood Response and Recovery Agency, [Review of Australian Government Drought Response](#), October 2020, p. 27.

<sup>76</sup> Commonwealth of Australia, [National Drought Agreement Annual Report 2019-20](#), August 2021, p. 5.

<sup>77</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 5.

- 4.54 Furthermore, to be used effectively by primary producers, the TFGA argued that indicators must be applicable and accessible as a management tool. To this end, it called for ongoing collaboration between Australian, state and territory governments and industry to ensure consistent messaging.<sup>78</sup>
- 4.55 For the East Gippsland Shire Council, drought indicators should:
- be appropriately scaled to ensure that local variations are recognised;
  - monitor the transition into drought conditions as well as the recovery process; and
  - recognise the cumulative impact of drought as a changing climate impacts on the frequency and intensity of droughts.<sup>79</sup>
- 4.56 Ms Hannah Wandel OAM, Executive Director, Drought, National Recovery and Resilience Agency, advised that work is presently underway in line with the Coordinator-General for Drought's recommendation. She explained that this includes working with the Nous Group to develop drought indicators in order to better identify when areas are going into, and coming out of, drought.<sup>80</sup>
- 4.57 The committee notes that the Australian Bureau of Agricultural and Resource Economics (ABARES) has recently undertaken work to estimate the vulnerability of broadacre farms to drought. This study considered the definition and measurement of drought and developed a new outcome-based drought indicator which determines whether a given broadacre farm is in drought or not at a given point in time, based on the modelled effect of seasonal conditions on farm profits. According to the NDNQFRRRA, this will go some way to support the development of a framework for drought indicators that can be used as a consistent decision-making tool.<sup>81</sup>
- 4.58 The ABARES noted that while these drought indicators offer greater accuracy, careful consideration needs to be given to how they would be applied and communicated in practices. In addition, they offer assessments of drought for a

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<sup>78</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 5.

<sup>79</sup> East Gippsland Shire Council, *Submission 19*, p. 8.

<sup>80</sup> Ms Hannah Wandel OAM, Executive Director, Drought, National Recovery and Resilience Agency, *Proof Committee Hansard*, 18 June 2021, p. 48.

<sup>81</sup> For further information, see Neal Hughes, Wei Ying Soh, Chris Boulton and Kenton Lawson, Australian Bureau of Agricultural and Resource Economics, [Defining drought from the perspective of Australian farmers](#), ABARES Working Paper, November 2020; National Drought and North Queensland Flood Response and Recovery Agency, [Review of Australian Government Drought Response](#), October 2020, p. 27.

specific context (Australian broadacre farms) and may not accurately reflect drought impacts in other farming sectors or the wider community.<sup>82</sup>

## Related issues

4.59 In addition to the evidence received in relation to specific drought assistance measures for farmers and farm businesses, the committee has also received general evidence on related issues. This evidence is discussed below.

### *Increased, long-term support*

4.60 Several inquiry participants called on the Australian Government to provide long-term program investment and support at the strategic level for farmers and farm businesses. For example, the TFGA argued that 'the issue of financial support for farmers in extended droughts or post drought periods is unclear'. To this end, it proposed the development of a long-term support strategy for producers.<sup>83</sup>

4.61 Similarly, GrainGrowers was of the view that the Australian Government should provide a safety net for farmers. However, it cautioned that drought support should not foster market distortions or promote poor business operating practices.<sup>84</sup>

4.62 The committee received evidence that there is a need to increase the overall level of support for farmers with GrainGrowers, among others, concerned that 'Australian agriculture receives the lowest for any developed nation on earth'.<sup>85</sup> It explained that between 2000 and 2018, Australian farmers received an average of 3 per cent of their gross farm income as support, compared with 15 per cent in Canada, 12 per cent in the United States of America and 25 per cent across Europe.<sup>86</sup>

### *Post-farmgate support*

4.63 As noted above, some of the criticism levelled at current drought support by industry participants related to restrictive eligibility criteria that exclude post-farmgate businesses, such as handlers, processors, manufacturers and

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<sup>82</sup> Neal Hughes, Wei Ying Soh, Chris Boulton and Kenton Lawson, Australian Bureau of Agricultural and Resource Economics, [Defining drought from the perspective of Australian farmers](#), ABARES Working Paper, November 2020.

<sup>83</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 2.

<sup>84</sup> GrainGrowers, *Submission 14*, Appendix 1 (GrainGrowers, *GrainGrowers' Drought Policy*), [p. 1].

<sup>85</sup> GrainGrowers, *Submission to the Department of Agriculture, Water and the Environment's Farm Management Deposits Scheme Evaluation*, additional information received 21 June 2021, p. 5.

<sup>86</sup> GrainGrowers, *Submission to the Department of Agriculture, Water and the Environment's Farm Management Deposits Scheme Evaluation*, additional information received 21 June 2021, p. 5.

exporters. For the RMAC, this is of particular concern given that 'drought impacts are felt equally in post-farm gate industries'.<sup>87</sup>

- 4.64 The AMIC submitted that this issue cut across various programs, including water infrastructure funding (discussed further in Chapter 7), drought assistance loans and other financial support:

[T]he government's current drought assistance measures fail to adopt a whole of supply chain approach, and the current government policy setting actually creates pain-points along the supply chain, which fundamentally results in policy inconsistency and reductions in farm-gate returns.<sup>88</sup>

- 4.65 Both the RMAC and the AMIC argued that the Australian Government's drought response should be reevaluated and redefined to ensure that the intent of drought assistance is consistently maintained throughout the supply chain.<sup>89</sup>

### *Market access*

- 4.66 For the AMIC, drought preparedness needs to focus on 'ensuring that producers can get the best possible prices for their stock'. It argued that by increasing funding for the Department, 'they [would be] able to effectively maintain and grow export opportunities for Australian producers, through effective negotiations to reduce technical barriers to trade'.<sup>90</sup>

### *New entrants*

- 4.67 Another issue related to the impediments faced by new entrants into farming and a lack of support for these 'most vulnerable farming enterprises'.<sup>91</sup> Mr Whale argued that 'new entrants often face greater impediments in implementing preparedness and resilience measures compared to more established businesses'.<sup>92</sup> GrainGrowers called on the Australian Government to recognise the critical role of new entrants in ensuring a strong and enduring agricultural sector.<sup>93</sup>

### *Support for small businesses*

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<sup>87</sup> Red Meat Advisory Council, *Submission 15*, p. 2.

<sup>88</sup> Australian Meat Industry Council, *Submission 9*, p. 4.

<sup>89</sup> Australian Meat Industry Council, *Submission 9*, p. 4; Red Meat Advisory Council, *Submission 15*, pp. 2–3.

<sup>90</sup> Australian Meat Industry Council, *Submission 9*, p. 7.

<sup>91</sup> GrainGrowers, *Submission 14*, Appendix 1 (GrainGrowers, *GrainGrowers' Drought Policy*), [p. 8].

<sup>92</sup> Mr Zachary Whale, General Manager, Policy and Advocacy, GrainGrowers, *Proof Committee Hansard*, 18 June 2021, p. 27.

<sup>93</sup> GrainGrowers, *Submission 14*, Appendix 1 (GrainGrowers, *GrainGrowers' Drought Policy*).

4.68 Some submitters expressed concern that the Australian Government's drought response does not adequately support small businesses. The ALGA reported that councils were generally of the view that '[t]he government's focus is too much on farmers and not enough on small business. Small business is not in the picture at all'.<sup>94</sup> The ALGA argued that, for example, the AgBiz Drought Loan, announced in November 2019, 'has come too late for many farm-dependent businesses'.<sup>95</sup>

### **Committee view**

4.69 Australian farmers are driving the success of our nation's agriculture sector, with the value of production in 2019–20 reaching \$66 billion. This success is thanks in large part to the resilience, innovation and hard work of farming families and their communities.

4.70 However, drought has a significant impact on the productivity and profitability of farms. Farmers have lost revenue, reduced their stock and struggled to put food on the table, while others have left their home towns to search for work.

4.71 Until farmers in affected regions receive consistent rain and their soil moisture improves, they will not be in a strong position to recover. As a result, it is critical that drought-affected farmers and farm-related businesses have access to financial support to aid drought preparedness, management and recovery.

### *Unclear communication*

4.72 The committee notes evidence that communication about drought support measures and how to access them is unclear and impacts individuals' ability to access appropriate support. Of particular concern is the evidence that there is insufficient information available about programs, such as program objectives, eligibility and how to access funding.

4.73 To enable sound decision-making, individuals need clarity about what support is available to them and how to access it. There is a strong need for more targeted information on the broad range of support available that details available assistance in plain English.

4.74 The committee notes that the numerous online sources of information regarding Australian Government drought support increases the likelihood of mixed messaging. Therefore, it is critical that the Australian Government consolidate online information and strengthen online tools.

4.75 The committee understands that the National Response and Recovery Agency employs a number of Regional Recovery Officers who provide face-to-face

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<sup>94</sup> Australian Local Government Association, *Submission 16*, p. 8.

<sup>95</sup> Australian Local Government Association, *Submission 16*, p. 8.

communication with drought-affected farmers and communities regarding government assistance and information. The committee welcomes this initiative and recommends that the Australian Government continues to fund on-ground government officials to communicate the range of drought support available, listen to those it targets to understand the challenges and hesitations of taking up that support and relay feedback to inform program design.<sup>96</sup>

## **Recommendation 2**

**4.76 The committee recommends that the Australian Government communicate key information about drought support measures, and how to access them, in plain English.**

## **Recommendation 3**

**4.77 The committee recommends that the Australian Government consolidate online information and strengthens online tools, such as the National Drought Map.**

## **Recommendation 4**

**4.78 The committee recommends that the Australian Government consult and communicate closely with recipients of drought funding in the design and delivery of all its drought support projects.**

### *Rigid and complex eligibility*

4.79 While the committee acknowledges the need for robust eligibility to ensure support is targeted, some programs, such as the RIC loans and FMDS, have rigid requirements that can limit the impact for those most in need.

4.80 The committee notes the evidence that eligibility for drought programs has caused ineffective and sometimes unfairly targeted outcomes. A number of submitters called for a range of funding measures to be made available to businesses further down the agriculture supply chain, such as meat, grain and fibre processes.<sup>97</sup>

## **Recommendation 5**

**4.81 The committee recommends that the Australian Government develop guiding principles for determining program eligibility for drought support programs.**

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<sup>96</sup> A similar finding was made by the National Drought and North Queensland Flood Recovery and Response Agency. For further information, see National Drought and North Queensland Flood Response and Recovery Agency, [Review of Australian Government Drought Response](#), June 2020, pp. 30–31.

<sup>97</sup> See, for example, Australian Meat Industry Council, *Submission 9*.



## Recommendation 6

**4.82 The committee recommends that the Australian Government recognise the impact of drought on post-farmgate sectors and assess whether drought assistance is delivered throughout the supply chain.**

### *Burden of application processes*

4.83 The effectiveness of drought support is dependent on whether people in need can access funding. Reducing complexity is increasingly important at times when those eligible are subject to family and economic pressures and a potential reluctance to ask for assistance.

4.84 The committee received evidence that, for a range of reasons, drought assistance is not accessible. Submitters raised concern that the application process required to access funding across a number of different programs, such as the FHA and RIC loans, is complex and that the administrative burden on applicants is considerable.

4.85 Given the constant calls from farmers and businesses for support, the committee is concerned about the burden of application processes. This situation is particularly alarming as applicants are often time-poor and experiencing financial and emotional distress due to drought. We therefore recommend that the Australian Government streamline the administrative processes for obtaining drought assistance to reduce the burden on those seeking to access assistance.

4.86 One promising option is the establishment of a centralised information management tool that uses existing information held by government agencies to prepopulate program application forms to simplify drought support for individuals and reduce the repetitive nature of information provision.<sup>98</sup>

## Recommendation 7

**4.87 The committee recommends that the Australian Government revise, simplify and streamline application processes for drought support where possible. This should include prepopulating applications with information already held by government agencies.**

### *Information and advice*

4.88 Accurate and accessible information is vital to decision-making—not only for governments, but also for farmers and communities. The committee is

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<sup>98</sup> A similar finding was made by the National Drought and North Queensland Flood Recovery and Response Agency which advised that this could be linked to an enhanced and improved myGov portal and the National Drought Map. For further information, see National Drought and North Queensland Flood Response and Recovery Agency, [Review of Australian Government Drought Response](#), June 2020, p. 25.



concerned that information from the government is not always being communicated in a clear and timely manner.

- 4.89 The overwhelming evidence supports the development of drought indicators. While the committee acknowledges that is a challenging exercise, it is clear that indicators would provide a useful picture of emerging conditions, trends and patterns and assist governments, communities and farmers to better prepare for and respond to drought.
- 4.90 The committee welcomes the Australian Government's efforts so far to develop drought indicators. However, there is more to be done. The drought indicators developed by ABARES are complex and careful consideration needs to be given to how they would be applied and communicated in practice to ensure they are useful and trusted. Importantly, the usefulness of drought indicators is dependent on the ability of governments, communities and farmers to access and apply them.
- 4.91 To this end, the committee supports the development of a framework for drought indicators that can be used as a consistent decision-making tool, as agreed by the Agriculture Minister's Working Group on Drought at its inaugural meeting on 6 February 2020.

#### **Recommendation 8**

- 4.92 **The committee recommends that the Australian Government, in conjunction with state and territory governments, develop an agreed set of drought indicators to be applied consistently in program design for in-drought measures.**
- 4.93 Furthermore, the committee is of the view that the Australian Government should establish a clear framework ahead of time and based on drought indicators, to guide when, and if, the government should intervene with in-drought funding support beyond the support that is available at all times. This would ensure that support is always available when it is needed most.

#### **Recommendation 9**

- 4.94 **The committee recommends that the Australian Government establish a clear framework ahead of time and based on drought indicators, to guide when, and if, the government should intervene with in-drought funding support beyond the support that is available at all times.**



# Chapter 5

## Support for communities

### Introduction

- 5.1 The committee received evidence that drought has a number of social and economic impacts on communities in drought-affected areas, including on community resilience, financial wellbeing, mental health, employment and family relationships. For Aboriginal and Torres Strait Islander communities, which share a deep connection to country, drought can also damage traditional culture and exacerbate socioeconomic disadvantage.<sup>1</sup>
- 5.2 This chapter discusses evidence received in relation to support for wider communities affected by drought, including areas where inquiry participants felt that current drought support could be improved—namely, clear and consistent communication, expanded eligibility and long-term funding. Inquiry participants stressed the need for drought support for communities, with some arguing that current drought policy settings are too focussed on farmers.<sup>2</sup> The committee received further evidence that drought support for communities should aim to build resilience by supporting local employment and investing in community infrastructure, local leadership and mental health.

### *Drought Communities Program Extension*

- 5.3 Funding is available to eligible councils to support local infrastructure and other drought relief projects under the Drought Communities Program (DCP) Extension.<sup>3</sup> The National Drought and North Queensland Flood Response and Recovery Agency (NDNQFRA) informed the committee that, since 2018–19, the Australian Government has committed \$301 million to 180 Local Government Areas (LGA) in all states and territories, excluding the Australian Capital Territory.<sup>4</sup>

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<sup>1</sup> For further information, see CropLife Australia, *Submission 6*, [p. 2]; NSW Irrigators' Council, *Submission 7*, p. 4; National Mental Health Commission, *Submission 11*, [p. 3]; GrainGrowers, *Submission 14*, [p. 1]; National Drought and North Queensland Flood Response and Recovery Agency, *Submission 17*, p. 17.

<sup>2</sup> See, for example, Mr Benjamin Cronshaw, *Submission 4*, [p. 4].

<sup>3</sup> Department of Agriculture, Water and the Environment, *Drought Programs*, last updated 5 July 2021, <https://www.regional.gov.au/regional/programs/drought-communities.aspx> (accessed 7 July 2021).

<sup>4</sup> National Drought and North Queensland Flood Response and Recovery Agency, *Submission 17*, [p. 7].

5.4 Inquiry participants recognised the important role of the DCP Extension in providing short-term economic stimulus for drought-affected communities.<sup>5</sup> However, submitters, such as the Australian Local Government Association (ALGA), raised concern in relation to eligibility criteria, timeframes and 'the bureaucratic nature of the process and the lack of responsiveness and agility'.<sup>6</sup> This evidence is discussed below.

### Eligibility

5.5 The DCP Extension was made available to councils declared eligible by the Minister for Drought.<sup>7</sup> The Department of Infrastructure, Transport, Regional Development and Communications draws upon a number of factors to determine eligibility, including rainfall deficiency data from the Bureau of Meteorology and economic and industry data, such as the workforce employed in agriculture, forestry and fisheries.<sup>8</sup>

5.6 Some submitters questioned the reliability and suitability of the criteria used to determine the eligibility of councils.<sup>9</sup>

5.7 The committee notes that the DCP Extension was subject to criticism in 2019 when it was revealed that:

- An eligible council reported that, even though it had rainfall deficiency, rain occurred at the right times and hence the LGA was not experiencing the effects of drought.<sup>10</sup>
- A council was made eligible for funding despite recent rainfall in the area.<sup>11</sup>
- A council was not determined as eligible due to the proportion of agricultural workforce requirements in the eligibility criteria. However, the

<sup>5</sup> See, for example, Australian Local Government Association, *Submission 16*, [p. 4].

<sup>6</sup> Australian Local Government Association, *Submission 16*, [p. 2].

<sup>7</sup> Eligibility criteria are detailed in the grant opportunity guidelines. For further information, see Australian Government, *Funding for councils for drought relief projects*, last updated 20 January 2021, <https://business.gov.au/grants-and-programs/drought-communities-programme-extension#:~:text=The%20Drought%20Communities%20Programme%20%2D%20Extension,in%20areas%20impacted%20by%20drought>. (accessed 28 May 2021).

<sup>8</sup> Department of Infrastructure, Transport, Regional Development and Communications, *Departmental statement on DCP Extension – 1 October, 2019*, last updated 2 October 2019, [https://www.infrastructure.gov.au/department/media/mr\\_20191001-dcp.aspx](https://www.infrastructure.gov.au/department/media/mr_20191001-dcp.aspx) (accessed 28 May 2021).

<sup>9</sup> See, for example, Australian Local Government Association, *Submission 16*.

<sup>10</sup> Courtney Howe and Selina Green, "Tatiara considers accepting drought money when not in drought, but "won't be shouting it from rooftops", *ABC News*, 8 November 2019, <https://www.abc.net.au/news/2019-11-08/council-not-in-drought-considering-accepting-drought-money/11685248> (accessed 7 July 2021).

<sup>11</sup> Sky News, 'Moyne Shire Council rejects \$1M drought assistance', *Sky News*, <https://www.skynews.com.au/australia-news/moyne-shire-council-rejects-1m-drought-assistance/video/36a78f06553937edcdb915479074ee6d> (accessed 7 July 2021).

area was approximately 0.1 per cent below the threshold and was experiencing significant rainfall deficiencies.<sup>12</sup>

- 5.8 In November 2019, the Australian Government commissioned an independent review of the DCP Extension which found, among other things, that the DCP Extension program design has 'limited ability to target areas being economically affected because of drought'.<sup>13</sup>
- 5.9 The last funding announcement in January 2020 took into account a range of factors, including stricter 24-month consecutive rainfall deficiency data, economic exposure to drought in both agriculture and related downstream manufacturing, and population size with funding tiered at up to \$500 000 for councils of less than 1000 people and up to \$1 million for councils with larger populations.<sup>14</sup> However, the ALGA argued that this tiered approach was 'very blunt'. Instead, it recommended that a portion of the funding allocation be distributed on a per capita basis, with the remainder disbursed on as-needed or fixed-share basis.<sup>15</sup>
- 5.10 Alternatively, the ALGA recommended that the Australian Government establish a non-competitive, direct allocation process similar to the funding methodology used for the Regional and Local Community Infrastructure Program that set a proportion of funds available to all drought-affected councils based on a formula agreed with state grants commissions.<sup>16</sup>

### **Administrative burden**

- 5.11 The committee heard that eligible councils are able to apply through the Business Grants Hub to have project proposals assessed against what one submitter characterised as 'broad' program guidelines.<sup>17</sup> For a number of councils, this ambiguity led them to submit projects that appeared eligible and had the support of their local communities but were subsequently deemed ineligible.<sup>18</sup>

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<sup>12</sup> Warwick Long, 'Government acknowledges it got it wrong on Moira Shire drought grant', *ABC News*, <https://www.abc.net.au/news/rural/2019-11-01/moira-shire-wins-drought-grant/11661476> (accessed 7 July 2021).

<sup>13</sup> Ernst & Young Australia, [\*How can the DCPE be designed to rapidly respond to the effects of drought through economic stimulus?\*](#), January 2020, p. 20.

<sup>14</sup> Department of Infrastructure, Transport, Regional Development and Communications, *Drought programs*, last updated 5 July 2021, <https://www.regional.gov.au/regional/programs/drought-communities.aspx> (accessed 7 July 2021).

<sup>15</sup> For further information, see Australian Local Government Association, *Submission 16*, [p. 6].

<sup>16</sup> For further information, see Australian Local Government Association, *Submission 16*, [p. 6].

<sup>17</sup> Australian Local Government Association, *Submission 16*, [p. 2].

<sup>18</sup> Australian Local Government Association, *Submission 16*, [p. 2].

- 5.12 The ALGA also expressed concern regarding 'the bureaucratic nature of the process and the lack of responsiveness and agility'.<sup>19</sup> To improve the DCP Extension program, the ALGA suggested that any further 'funds are distributed to eligible local governments with minimal application requirements and robust reconciliation requirements'.<sup>20</sup>
- 5.13 Speaking more broadly, the East Gippsland Shire Council argued that drought support programs need to provide an appropriate balance between ensuring effective use of public funds and conditions of access.<sup>21</sup> It submitted that this is critical 'because the effectiveness of the support arrangements in the community will be determined by the ability of those affected to access the programs available'.<sup>22</sup>

### **Funding timeframes**

- 5.14 Further concerns were raised in relation to the narrow window (less than 12 months on average) in which councils must determine projects, apply for funding under the DCP Extension, have the contract executed and then deliver the project. The committee heard that allowing more time to deliver projects would have allowed councils to focus more on projects relevant to long-term community resilience and solutions for drought mitigation.<sup>23</sup>
- 5.15 The ALGA observed that '[f]unding programs that have an effective implementation time of twelve months or less do not necessarily result in the optimal suite of projects being funded'.<sup>24</sup> As a result, councils would use the funding for repairs and maintenance and minor upgrades rather than the development of strategic, impactful infrastructure that would deliver lasting and tangible economic benefits.<sup>25</sup>
- 5.16 The ALGA also reported that often there was a 'considerable lag' between the time of the announcement of councils being eligible for funding and the grant opportunity guidelines and online portal being available for councils to submit applications. This was highlighted as being particularly problematic where funds were used for local infrastructure projects, which typically involve development timeframes in excess of twelve months.<sup>26</sup>

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<sup>19</sup> Australian Local Government Association, *Submission 16*, [p. 2].

<sup>20</sup> Australian Local Government Association, *Submission 16*, [p. 3].

<sup>21</sup> East Gippsland Shire Council, *Submission 19*, p. 8.

<sup>22</sup> East Gippsland Shire Council, *Submission 19*, p. 9.

<sup>23</sup> Australian Local Government Association, *Submission 16*, [pp. 1 and 5].

<sup>24</sup> Australian Local Government Association, *Submission 16*, [p. 5].

<sup>25</sup> Australian Local Government Association, *Submission 16*, [p. 5].

<sup>26</sup> Australian Local Government Association, *Submission 16*, [p. 4].

5.17 Additionally, the committee heard that short timeframes for project completion had placed extreme pressure on staff, contractors and community groups assisting to deliver the projects.<sup>27</sup>

### **Lack of continuity in funding**

5.18 As noted in the previous chapter, the need for long-term funding has been a recurrent theme throughout this inquiry. The committee heard that a 'long-term issue such as drought needs a long-term program'.<sup>28</sup> The ALGA argued that continuity of funding is essential in order to realise the economic and other benefits of the DCP Extension, as short-term funding arrangements do 'not provide stimulus funding to sustain communities through the early stages of drought recovery'.<sup>29</sup> In particular, it highlighted that skilled workers were leaving regional communities 'due to the time lag between drought impacting and stimulus funds being made available'.<sup>30</sup> To combat this, it argued that funding should be committed for two to three years.<sup>31</sup>

## **Mental health**

### *Impact of drought on mental health*

5.19 The committee heard evidence that residents of farming communities experience substantial distress and trauma as a result of drought. For example, Mr Benjamin Cronshaw submitted that '[f]inancial pressure combined with extreme weather events (such as drought), putting some people in a seemingly hopeless position, can have a serious, debilitating impact on mental health'.<sup>32</sup>

5.20 Unlike other natural disasters, that often pose a contained acute stress and crisis period, the nature of drought is such that it continues long term resulting in sustained chronic stress and a prolonged impact on communities.<sup>33</sup>

5.21 The National Mental Health Commission (NMHC) pointed out that the agriculture industry has been particularly exposed to the impacts of climate change, with some research indicating that higher average temperatures correlate with higher suicide rates.<sup>34</sup> This is particularly concerning given that

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<sup>27</sup> Australian Local Government Association, *Submission 16*, [p. 3].

<sup>28</sup> Australian Local Government Association, *Submission 16*, [p. 4].

<sup>29</sup> Australian Local Government Association, *Submission 16*, [pp. 5–6].

<sup>30</sup> Australian Local Government Association, *Submission 16*, [p. 6].

<sup>31</sup> Australian Local Government Association, *Submission 16*, [p. 4].

<sup>32</sup> Mr Benjamin Cronshaw, *Submission 4*, [p. 4].

<sup>33</sup> National Mental Health Commission, *Submission 11*, [p. 3].

<sup>34</sup> National Mental Health Commission, *Submission 11*, [p. 6].

Australians living in rural and regional areas are already at higher risk of suicide than their urban counterparts.<sup>35</sup>

- 5.22 The NMHC drew the committee's attention to certain at-risk groups, such as men and young people. Similarly, the TFGA submitted that '[y]ounger producers living and working on the farm under financial hardship or isolation can be more prone to drought related stress'.<sup>36</sup> It added that those with a lower income were also at greater risk of mental illness.<sup>37</sup>
- 5.23 Of particular concern to submitters was the significant impact of drought on Aboriginal and Torres Strait Islander peoples and poor health outcomes in this population group. For example, the NMHC informed the committee that, in 2016, Aboriginal and Torres Strait Islander peoples were 2.1 times more likely to have died as a result of suicide.<sup>38</sup>
- 5.24 The committee heard that connectedness to land and rivers has particular significance for Aboriginal and Torres Strait Islander peoples.<sup>39</sup> The NMHC explained that prolonged drought compounds existing underlying disadvantage, while drought-induced degradation of land and loss of income can lead to migration of adults from traditional land to regional centres, leaving communities of young children and grandparents.<sup>40</sup>
- 5.25 In addition to the impacts outlined above, the NMHC advised that the stressful effects of drought and subsequent loss of income can have far-reaching implications for extended families.<sup>41</sup>

### *Areas for improvement*

- 5.26 As at 30 June 2020, the Australian Government had committed \$29.8 million since 2018 for drought mental health initiatives.<sup>42</sup> Submitters, such as the TFGA, welcomed the Australian Government's investment in mental health

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<sup>35</sup> Australian Institute of Health and Welfare, *Suicide and self-harm monitoring*, last updated 3 March 2021, <https://www.aihw.gov.au/suicide-self-harm-monitoring/data/geography/suicide-by-remoten-ess-areas> (accessed 16 June 2021).

<sup>36</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 6.

<sup>37</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 6.

<sup>38</sup> National Mental Health Commission, *Submission 11*, Attachment 1 (National Mental Health Commission, *Submission to the Senate Community Affairs References Committee*), p. 8.

<sup>39</sup> National Mental Health Commission, *Submission 11*, [p. 10].

<sup>40</sup> National Mental Health Commission, *Submission 11*, [p. 8].

<sup>41</sup> National Mental Health Commission, *Submission 11*, [p. 8].

<sup>42</sup> This investment comprises the Empowering our Communities (\$24.4 million), Trusted Advocates Network Trial (\$463 815), Better Access Telehealth (\$1.2 million), changes to the Medicare Benefits Schedule for General Practitioners (\$3.6 million) and ReachOut (\$225 000). For further information, see National Drought and North Queensland Flood Response and Recovery Agency, [2019-20 Implementation Report on the Drought Response, Resilience and Preparedness Plan](#), August 2020, p. 29.



services.<sup>43</sup> Mr Cronshaw highlighted the importance of mental health programs and support. He submitted that '[a]ssistance from government to adapt and manage to drought conditions can help relieve financial and psychological pressures on farmers'.<sup>44</sup>

- 5.27 However, several inquiry participants called for better access to mental health services to address local need, with some submitters highlighting a shortage of mental health professionals.<sup>45</sup> This evidence, as well as other opportunities for improvement, is discussed below.

### **Better access to mental health services**

- 5.28 Submitters raised concern that residents of rural and remote communities face difficulty accessing health services due to isolation and the limited number of practitioners in regional areas.<sup>46</sup>
- 5.29 Following its 2018 inquiry into the accessibility and quality of mental health services in rural and remote Australia, the Senate Community Affairs References Committee concluded that '[o]ne of the biggest barriers to accessing services in rural and remote Australia is the tyranny of distance'. This distance impacts not only the availability of mental health services, but also the ability of people to travel to those services.<sup>47</sup>
- 5.30 While telehealth is becoming an increasingly popular method of service delivery in rural and remote areas to combat the lack of available local services, the committee heard that a lack of telecommunications infrastructure is limiting telehealth as a viable option. For example, the NMHC submitted that 'reliance on internet for telehealth and online mental health services is not sufficient given some Australians may not have internet connections of the required quality to sustain this'.<sup>48</sup>
- 5.31 The committee also heard evidence that there is a need for more mental health practitioners in drought-affected communities.<sup>49</sup> For example, the NMHC explained that 'access to psychiatrists is currently very limited for Aboriginal

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<sup>43</sup> See, for example, Tasmanian Farmers and Graziers Association, *Submission 5*, p. 6.

<sup>44</sup> Mr Benjamin Cronshaw, *Submission 4*, [p. 4].

<sup>45</sup> See, for example, Mr Benjamin Cronshaw, *Submission 4*; Tasmanian Farmers and Graziers Association, *Submission 5*; National Mental Health Commission, *Submission 11*; National Aboriginal Community Controlled Health Organisation, *Submission 18*.

<sup>46</sup> National Mental Health Commission, *Submission 11*, [p. 3]; National Mental Health Commission, *Submission 11*, Attachment 1 (National Mental Health Commission, *Submission to the Senate Community Affairs References Committee*), p. 9.

<sup>47</sup> Senate Community Affairs References Committee, *Accessibility and quality of mental health services in rural and remote Australia*, December 2018, p. 70.

<sup>48</sup> National Mental Health Commission, *Submission 11*, [p. 4].

<sup>49</sup> National Mental Health Commission, *Submission 11*, [p. 4].

and Torres Strait Islander peoples and those living in remote and rural locations due to the maldistribution of the workforce'.<sup>50</sup>

- 5.32 To address this need, the National Aboriginal Community Controlled Health Organisation (NACCHO) argued that additional funding should be allocated to employ environment health workers.<sup>51</sup> In addition, the NMHC proposed greater utilisation of local community responses, 'such as involving peer workers, community wellbeing centres and outreach services independent of availability of clinical staff'.<sup>52</sup>

### **Lack of help-seeking**

- 5.33 The committee heard that communities in need of mental health support are often affected by 'a lack of help-seeking via clinical services'.<sup>53</sup> As noted by the Coordinator-General for Drought in 2019, farmers are more likely to try and manage stress and mental issues themselves rather than seek help from the health system.<sup>54</sup> The NMHC added that 'for men in particular, lack of help-seeking can be attributed to barriers such as perceptions around vulnerability, denial or fear and low mental health literacy'.<sup>55</sup>

- 5.34 Similarly, the TFGA observed that:

Producers are renowned for the stoicism and resilience as they cope with the extreme weather events Australia is known for. This stoicism can also be a potential downfall, however, as producers continue to 'wait out' periods of drought. Producers are less likely to visit a GP or report mental health issues than those not working on a farm and in terms of extreme and enduring drought, this is a serious risk to their health and wellbeing.<sup>56</sup>

- 5.35 For this reason, the TFGA recommended continued investment 'into encouragement of producers to seek help for mental health issues'.<sup>57</sup>

### **Education**

- 5.36 The NSW Irrigators' Council submitted that mental health support 'must include public education, due to the abuse, bullying and threats made towards

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<sup>50</sup> National Mental Health Commission, *Submission 11*, Attachment 1 (National Mental Health Commission, *Submission to the Senate Community Affairs References Committee*), p. 11.

<sup>51</sup> National Aboriginal Community Controlled Health Organisation, *Submission 18*, p. 4.

<sup>52</sup> National Mental Health Commission, *Submission 11*, [p. 4].

<sup>53</sup> National Mental Health Commission, *Submission 11*, [p. 4].

<sup>54</sup> Australian Government, [\*Drought in Australia: Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience\*](#), April 2019, p. 19.

<sup>55</sup> National Mental Health Commission, *Submission 11*, [p. 4].

<sup>56</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 6.

<sup>57</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 6.

farmers and the farming industry, particularly through social media, at times of critical water insecurity'.<sup>58</sup>

5.37 Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, expanded on this:

During the most recent drought, this targeted and very public bullying did affect the mental health and wellbeing of regional communities and particularly the irrigation farmers whose livelihoods were being called into question'.<sup>59</sup>

5.38 As a result, Ms Miller argued that there is a need to improve the water literacy of the broader public so that people can better understand how water is shared and allocated and how that hierarchy works.<sup>60</sup>

### **A national mental health program**

5.39 The committee heard repeatedly that mental health support should form a strong focus of drought policy. To this end, inquiry participants, such as the National Farmers' Federation (NFF) and NMHC, called on the Australian Government to develop effective mental health strategies and programs.<sup>61</sup>

5.40 The NMHC recommended the development of a long-term national mental health program which aims to improve service access and coordination, links farming communities to more effective local responses to emerging mental health needs and incorporates mental health outreach and care coordination. It argued that such an approach would be consistent with the Australian Government's shift toward a focus on preparedness, rather than responding in crisis, by preventing rural mental health risks from drought rather than managing the consequences.<sup>62</sup>

5.41 The committee notes that a similar recommendation was made by the Senate Community Affairs References Committee. In its response, the Australian Government committed to consider the potential for a rural and remote mental health strategy in collaboration with the NMHC and raise the issue with the Council of Australian Governments Health Council.<sup>63</sup> No update has been provided to the committee on this work.

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<sup>58</sup> NSW Irrigators' Council, *Submission 7*, p. 10.

<sup>59</sup> Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, *Proof Committee Hansard*, 18 June 2021, p. 15.

<sup>60</sup> Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, *Proof Committee Hansard*, 18 June 2021, p. 15.

<sup>61</sup> National Farmers' Federation, *Submission 21*, pp. 17 and 19.

<sup>62</sup> National Mental Health Commission, *Submission 11*, [p. 5].

<sup>63</sup> Australian Government, [Australian Government response to the Senate Community Affairs References Committee Inquiry report: Accessibility and quality of mental health services in rural and remote Australia](#), April 2019.

### Limited review and evaluation

5.42 The NMHC highlighted the limited evidence available regarding the effectiveness of drought-related mental health initiatives. It also noted a further shortcoming—namely, that evaluation studies tend to focus on reach, acceptability, implementation and sustainability without reference to outcomes such as cultural and attitudinal change or improved mental health wellbeing. As a result, the NMHC recommended the Australian Government fund further research in these areas.<sup>64</sup>

### Targeted support

5.43 Various submitters argued that policy settings need to be amended to provide vital mental health services to people in need. For example, the TFGA argued that due to the wide-ranging impacts of drought, mental health services should not only be available to producers but also their households and communities.<sup>65</sup>

5.44 A number of submitters expressed the view that specific responses are required for groups at high risk of needing mental health services as well as for suicide prevention in drought-affected communities, including men, young people and Aboriginal and Torres Strait Islander peoples.<sup>66</sup>

5.45 The NACCHO recommended that the Australian Government provide additional funding to extend social and emotional health and wellbeing programs focused on building resilience against the impacts of climate change.<sup>67</sup>

5.46 In addition, the NHMC expressed concern that the above at-risk groups are not referenced in the current *Drought Response, Resilience and Preparedness Plan*.<sup>68</sup> It urged the Australian Government to consult with local communities to develop appropriate responses that could include 'additional Aboriginal mental health workers, social emotional wellbeing workers and healers to provide mental health services both in Aboriginal Community Controlled Health Services and also in mainstream services'.<sup>69</sup>

### Job losses

5.47 For a number of submitters, drought is a major factor contributing to job losses 'on-farm, in regional communities and across the full length of the supply

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<sup>64</sup> National Mental Health Commission, *Submission 11*, [p. 5].

<sup>65</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 6.

<sup>66</sup> See, for example, Tasmanian Farmers and Graziers Association, *Submission 5*, p. 6; National Mental Health Commission, *Submission 11*, [p. 2].

<sup>67</sup> National Aboriginal Community Controlled Health Organisation, *Submission 18*, p. 4.

<sup>68</sup> National Mental Health Commission, *Submission 11*, [p. 1].

<sup>69</sup> National Mental Health Commission, *Submission 11*, [p. 10].

chain'.<sup>70</sup> The committee heard that this is particularly the case for sectors which are heavily reliant on seasonal conditions, such as agriculture.<sup>71</sup>

5.48 For example, Mr John McKillop, Independent Chair, Red Meat Advisory Council, highlighted the cyclical nature of the cotton industry:

In times when there was no water, you laid off staff, because you just couldn't keep them on. Once you let staff go at a place like Bourke, you didn't get them back again. So, when the water flowed again, suddenly you're back there without tractor drivers and people to do the work.<sup>72</sup>

5.49 Mr McKillop also emphasised the difficulty associated with securing workers—'[o]nce people go, they tend to head to the cities and not come back again'.<sup>73</sup>

5.50 Similarly, Mr Zachary Whale, General Manager, Policy and Advocacy, GrainGrowers, remarked that laid off workers are 'not necessarily going to be there with the ready-made skill set when you need them again'.<sup>74</sup>

### *Public service jobs*

5.51 Inquiry participants called on the Australian Government to better support employment in drought-affected communities. Some suggested that this could be achieved by increasing public service jobs in regional communities, while others argued that consistent and targeted funding would enable businesses to retain staff during periods of water scarcity.

5.52 Mr Michael Tull, Assistant National Secretary, Community and Public Sector Union (CPSU), advised that between December 2013 and December 2020 there was a net decline of 1528 (18 per cent) public service jobs in drought-affected areas.<sup>75</sup>

5.53 Some submitters highlighted the flow on effect of job losses for rural and regional communities—such as families relocating, less money being spent in

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<sup>70</sup> See, for example, NSW Irrigators' Council, *Submission 10*, p. 7.

<sup>71</sup> National Farmers' Federation, *Submission 21*, p. 4.

<sup>72</sup> Mr John McKillop, Independent Chair, Red Meat Advisory Council, *Proof Committee Hansard*, 18 June 2021, p. 23.

<sup>73</sup> Mr John McKillop, Independent Chair, Red Meat Advisory Council, *Proof Committee Hansard*, 18 June 2021, p. 23.

<sup>74</sup> Mr Zachary Whale, General Manager, Policy and Advocacy, GrainGrowers, *Proof Committee Hansard*, 18 June 2021, p. 30.

<sup>75</sup> Mr Michael Tull, Assistant National Secretary, Community and Public Sector Union, *Proof Committee Hansard*, 18 June 2021, p. 6. Agencies with regional job losses included the National Disability Insurance Agency, the Department of Defence, the Australian Broadcasting Corporation, the Bureau of Meteorology and the Commonwealth Scientific and Industrial Research Organisation.

the local economy and the loss of infrastructure and services.<sup>76</sup> Mr Tull estimated the economic impact of these job losses:

The CPSU assesses that the impact of job cuts has a multiplier of about 1.8: every lost dollar in wages has about \$1.80 in economic impact. When we round those things up, that's \$665 million of lost wages from drought affected communities; the total economic impact of that now tops \$1 billion ... It's a huge amount of money that's no longer going through the local businesses and local shops of those drought affected regions, particularly at a point where they were doing it tough and every dollar counted.<sup>77</sup>

5.54 The CPSU made the case for more public service jobs in regional communities to make them more resilient to drought. It submitted that public sector jobs in regional communities encourage local consumer spending, provide career opportunities for young people and women, increase government services and support new economic opportunities.<sup>78</sup>

5.55 The CPSU further explained that:

Increasing the number of jobs in regional Australia will not only reverse the impact of job cuts but demonstrates that government has a commitment to both service delivery and strengthening regional economies affected by drought.<sup>79</sup>

5.56 The solution, according to Mr Tull, is simple: 'we need to see those jobs restored to regional areas'. He told the committee that 'a well-targeted job placement, can get the ball rolling and be an anchor and be an attractor point for other investment, to get jobs into those regions that locals can apply for'.<sup>80</sup>

5.57 The CPSU also detailed a number of data gaps which it argued should be publicly available 'to assist with discussions around public sector jobs in regional Australia' and provide a 'more holistic understanding of the entire workforce in the APS [Australian Public Service] and where it is located is required'. In particular, it requested access to headcount datasets by location, agency, classification, job family, employment category and length of service.<sup>81</sup>

### *Employee assistance program*

<sup>76</sup> See, for example, Mr John McKillop, Independent Chair, Red Meat Advisory Council, *Proof Committee Hansard*, 18 June 2021, p. 23.

<sup>77</sup> Mr Michael Tull, Assistant National Secretary, Community and Public Sector Union, *Proof Committee Hansard*, 18 June 2021, p. 6.

<sup>78</sup> Community and Public Service Union, *Submission 10*, [p. 2].

<sup>79</sup> Community and Public Service Union, *Submission 10*, [p. 2].

<sup>80</sup> Mr Michael Tull, Assistant National Secretary, Community and Public Sector Union, *Proof Committee Hansard*, 18 June 2021, pp. 6–7.

<sup>81</sup> Community and Public Service Union, answer to question on notice, 18 June 2021 (received 29 June 2021).

5.58 As noted earlier, the committee received evidence from a number of submitters that primary producers struggle to retain workers during periods of drought. As a result of being laid-off, these workers often relocate or take up other employment which poses a further challenge to the businesses that are then unable to secure workers when needed. To address this, the NFF proposed that the Australian Government develop a new employee assistance program aimed at maintaining the skilled rural and farm labour workforce during drought.<sup>82</sup>

### *Infrastructure funding*

5.59 As discussed above in relation to the DCP Extension, infrastructure projects also generate local employment. However, the ALGA advised that this outcome is undermined by restrictive timeframes in which to deliver projects and short-term funding. The committee heard that, for infrastructure projects to boost local employment and spending, funding should be committed for two to three years.<sup>83</sup>

5.60 In addition, the Australian Meat Industry Council argued that infrastructure funding under current programs, such as the Building Better Regions Fund, should be made available to agricultural-dependent businesses as this 'will achieve similar if not better return on investment, through the creation of jobs immediately via infrastructure construction, as well as additional meat processing jobs post-construction'.<sup>84</sup>

### **Committee view**

5.61 The devastating impacts of drought on rural and regional communities dependent on agriculture cannot be understated. Drought has had a number of consequences for these communities, including loss of employment, financial hardship for families and local businesses and increased stress which extends beyond family relationships to impact regional life more broadly.

5.62 The evidence discussed throughout this chapter clearly indicates that drought assistance should focus on wider community preparedness, not just farm businesses.

5.63 The committee acknowledges the evidence received regarding the importance of and significant investment made by the Australian Government in local infrastructure and other drought relief projects under the DCP Extension. Whilst welcoming the drought support offered by the DCP Extension, the committee is deeply concerned that there have been significant issues with the timing and design of the program. In particular, the committee notes the

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<sup>82</sup> National Farmers' Federation, *Submission 21*, p. 17.

<sup>83</sup> Australian Local Government Association, *Submission 16*, [p. 4].

<sup>84</sup> Australian Meat Industry Council, *Submission 9*, p. 8.

evidence of submitters that the success of this program has been limited by inflexible eligibility and a burdensome application process. Additionally, councils have struggled to deliver strategic, meaningful infrastructure due to short funding timeframes and a lack of continuity in funding.

- 5.64 The committee notes that these issues cut across the suite of drought programs and measures. In response, the committee has made a number of recommendations to build resilience, streamline application processes, ensure consistency of program design and eligibility criteria and improve information sharing practices. A comprehensive list of recommendations can be found at the start of this report.
- 5.65 This evidence also demonstrates that there is a need to give local government greater flexibility to choose the projects that will have the biggest impact in their community. The role of local government in responding to and preparing for drought, as well as opportunities for improvement, are discussed further in the following chapter.

### *Mental health*

- 5.66 Of particular concern to the committee and raised throughout this inquiry is the detrimental impact drought has on mental health: farmers experience stresses from seeing their crops fail, selling breeding stock, increased workloads (which result in social isolation from friends, family and community) and land deterioration. Importantly, the committee notes that stressful effects of drought extend beyond farmers to impact individuals in the wider community. The committee heard that financial hardship is leading to increased stress, anxiety, depression and family breakdown.
- 5.67 The committee acknowledges the long-standing challenges associated with attracting and retaining appropriately qualified health professionals, such as psychologists, in regional areas. These issues have been compounded by the increased mental health burden on communities affected by drought.
- 5.68 Ensuring that there is better access to mental health services in regional communities is essential. To this end, the committee has made a series of recommendations with the aim of better supporting the mental health of regional communities.

### **Recommendation 10**

- 5.69 The committee recommends that the Australian Government consider opportunities for increased funding for mental health services and service providers in regional, rural and remote areas.**



## Recommendation 11

5.70 The committee recommends that the Australian Government fund research into the effectiveness of mental health services, which include a focus on outcomes such as cultural and attitudinal change.

## Recommendation 12

5.71 The committee recommends that the Australian Government, in consultation with rural and regional communities, introduce measures to provide targeted mental health services for at-risk groups, including men, young people and Aboriginal and Torres Strait Islander peoples.

5.72 In addition, the committee has had regard to a number of related recommendations made by the Senate Community Affairs References Committee as part of its 2018 inquiry into the accessibility and quality of mental health services in rural and remote Australia. Recommendations 1 and 17, reproduced below, are of particular relevance:

- **Recommendation 1:** The committee recommends the development of a national rural and remote mental health strategy which seeks to address the low rates of access to services, workforce shortage, the high rate of suicide, cultural realities, language barriers and the social determinants of mental health in rural and remote communities.
- **Recommendation 17:** The committee recommends that Commonwealth, State and Territory Governments, as well as mental health service providers and local communities, continue to educate rural and remote communities about mental health and advertise local and digitally-available support services, with a view to reducing the associated stigma.

5.73 The committee notes the Australian Government's support of these recommendations and would welcome an update on progress made towards the development of a national rural and remote mental health strategy.<sup>85</sup>

### *Boosting employment in drought-affected communities*

5.74 The committee is deeply concerned that drought has resulted in substantial job losses. This has significant implications for drought-affected communities, with families relocating, less money being spent in the local economy and loss of infrastructure and services. It is abundantly evident that we need to grow employment in the regions. To this end, the committee recommends the Australian Government urgently look to identify opportunities to support regional employment.

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<sup>85</sup> Australian Government, [Australian Government response to the Senate Community Affairs References Committee Inquiry report: Accessibility and quality of mental health services in rural and remote Australia](#), April 2019.

**Recommendation 13**

**5.75** The committee recommends that the Australian Government review existing drought programs to identify further potential opportunities to support regional employment. This should include assessment of the following factors:

- the possibility of decentralising public service staff;
- the appropriateness of funding timeframes; and
- opportunities for local workforce development.

# Chapter 6

## Governance and coordination

### Introduction

6.1 While the committee has received considerable evidence on specific drought support measures, it has also received evidence on other related issues. In this section of the report, the committee summarises the views of inquiry participants regarding related policies and coordination as well as arguments in favour of a new National Drought Policy (NDP) and the evaluation and review of drought support.

### Related policies

6.2 A number of inquiry participants raised concern about the impacts flowing from uncoordinated government interventions in related policy fields. Submitters, including the National Farmers' Federation (NFF) argued that it is important that drought not be addressed in isolation but considered in conjunction with related fields—such as water management, taxation, animal welfare, regional development, healthcare and climate change.<sup>1</sup>

6.3 In addition, the Tasmanian Farmers and Graziers Association (TFGA) remarked that '[d]rought impacts are felt across commodities and therefore investment into water management, drought mitigation, industry preparedness, suitability and efficiencies are vital across all of agriculture'.<sup>2</sup>

6.4 The Productivity Commission has previously identified several policy areas that interact with drought policy:

- water reform—for example, rules governing water allocation and trading, or investment in infrastructure improvement;
- climate change—for example, adaptation and mitigation (such as the proposed carbon pollution reduction scheme);
- natural resource management—for example, land clearing, soil erosion, salinity, native vegetation and feral pest control;
- taxation—for example, fuel excise, income averaging and managed investment schemes;
- innovation—for example, the provision of public funding for research and development and extension services;
- animal welfare—for example, the condition of livestock when water and feed are scarce and during transport; and

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<sup>1</sup> See, for example, National Farmers' Federation, *Submission 21*, p. 9.

<sup>2</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 4.

- regional development—for example, population distribution, horizontal fiscal equalisation and the provision of services in regional areas.<sup>3</sup>
- 6.5 Irrigators, in particular, stressed the need to be cognisant of the interactions and potential tensions between water policy and drought policy.<sup>4</sup> Water management is discussed further in the following chapter.

### **Drought coordination**

- 6.6 As noted in Chapter 2, roles and responsibilities for drought policy are shared across Australian, state and territory governments, industry and farm businesses. However, complexity of drought governance and poor coordination was a clear theme arising from submitters. This evidence is discussed below in relation to governmental coordination and the roles of other stakeholders.

#### *Governmental coordination*

- 6.7 Evidence received by the committee highlighted the need for the Australian Government to work with state and territory governments to ensure consistency for drought support—particularly in relation to messaging, definitions and eligibility—and to avoid duplication.
- 6.8 A number of submitters noted that without effective coordination there is the potential for overlap between Australian Government, state and territory drought measures, confusion and inconsistent delivery. A number of these, including the NFF and the National Mental Health Commission, emphasised the importance of governments coordinating their responses 'to ensure a consistent approach that aligns initiatives without duplication of effort'.<sup>5</sup>
- 6.9 Mr Tony Mahar, Chief Executive Officer, NFF, remarked that '[t]here are measures at each of those levels, but our view is that we can do better in terms of coordinating, collaborating and getting a more consistent approach'.<sup>6</sup>
- 6.10 The TFGA called for alignment of agricultural definitions, such as primary producer status, and requirements for assistance during drought across Australian, state and territory governments. It argued that this would reduce confusion and ensure producers in drought in any area of the country receive the support they need.<sup>7</sup>

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<sup>3</sup> Productivity Commission, [Government Drought Support](#), Inquiry Report No. 46, February 2009, p. 9.

<sup>4</sup> See, for example, NSW Irrigators' Council, *Submission 7*.

<sup>5</sup> National Mental Health Commission, *Submission 11*, [p. 3]; National Farmers' Federation, *Submission 21*.

<sup>6</sup> Mr Tony Mahar, Chief Executive Officer, National Farmers' Federation, *Proof Committee Hansard*, 18 June 2021, p. 2.

<sup>7</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 3. A similar recommendation was made by the Coordinator-General for Drought in 2019.

### *Australian Government agencies*

- 6.11 In addition, the committee heard that there would be benefit in improving the coordination across the 11 Australian Government agencies which deliver drought measures. In its 2020 review of the Australian Government drought response, the National Drought and North Queensland Flood Response and Recovery Agency (NDNQFRA) reported that current arrangements present a risk for duplication and unclear messaging about available support.<sup>8</sup>
- 6.12 The committee notes that the Australian Government facilitates drought coordination through the National Recovery and Resilience Agency. In addition, the Department of Agriculture, Water and the Environment facilitates ongoing drought coordination through the following groups:
- National Drought Coordination Group (Australian, state and territory governments, drought coordinators and the Australian Local Government Association (ALGA));<sup>9</sup>
  - Agricultural Ministers' Forum and Working Group, chaired by the Hon Shane Stone AC QC and comprising Australian, state and territory governments and the NFF;<sup>10</sup>
  - Inter-Agency Drought Communication Network; and
  - Deputy Secretaries' Standing Group on Drought.<sup>11</sup>
- 6.13 Earlier coordination included the appointment of Coordinator-General for Drought, Major General Stephen Day DSC AM, on 19 August 2018 who provided advice to the Australian Government to inform development of a strategy for drought preparedness and resilience. The Joint Agency Drought Taskforce, led by the Coordinator-General for Drought, was established to support this work. Both the role of Coordinator-General for Drought and the Joint Agency Drought Taskforce concluded in July 2019.<sup>12</sup>

### *Other stakeholders*

- 6.14 The committee heard that industry, farm businesses, local government and communities also play an important role in drought management. Inquiry

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<sup>8</sup> National Drought and North Queensland Flood Response and Recovery Agency, *Review of Australian Government Drought Response*, October 2020, p. 24.

<sup>9</sup> Department of Agriculture, Water and the Environment, *Drought Response, Resilience and Preparedness Plan*, 2019, p. 23.

<sup>10</sup> Department of Agriculture, Water and the Environment, Agriculture Ministers' Forum, *Communique*, 10 December 2019, <https://www.awe.gov.au/news/stay-informed/communiques/ag-ministers-forum-december-2019> (accessed 21 May 2021).

<sup>11</sup> Department of Agriculture, Water and the Environment, *Submission 20*, p. 16.

<sup>12</sup> National Drought and North Queensland Flood Response and Recovery Agency, *About*, <https://www.droughtandflood.gov.au/about> (accessed 5 July 2021).

participants generally agreed that coordination across these groups, and in some cases an enhanced role, is essential for an effective drought response.<sup>13</sup>

### **Local government**

6.15 Submitters highlighted the role of local government in responding to, and preparing for, drought. The ALGA highlighted that, as well as playing 'a critical role in building local identity, community wellbeing and social cohesion and contributing to national productivity' during times of drought, rural and regional councils deliver services and infrastructure to their communities to support resilience.<sup>14</sup>

6.16 In addition, councils possess a wealth of local knowledge which is essential for planning for events like drought.<sup>15</sup> Cr Reeves explained that a 'sound grassroots understanding of individual communities is critical to understanding how best to plan for and respond to the challenges they will face'.<sup>16</sup>

6.17 The ALGA argued that councils must play a leadership role in drought preparedness and regional planning more broadly:

Regional planning, including planning for the drought must be undertaken in an integrated and collaborative way involving the three levels of government, business and community groups in development and implementation of the plan. We need to move away from the current siloed approach where we see economic development plans, community strategic plans at the local level, infrastructure plans at the state and national levels and separate disaster resilience, climate change adaptation and drought plans at the national level for example.<sup>17</sup>

6.18 Evidence from the East Gippsland Shire Council echoed this view.<sup>18</sup> According to Cr Reeves, 'increased input from the local government sector into the design of any future operational drought relief funding streams will significantly improve outcomes'.<sup>19</sup>

6.19 Given the important role of local government in drought management, and the 'considerable strain' that drought imposes on these councils and the

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<sup>13</sup> Department of Agriculture, Water and the Environment, *Submission 20*, p. 18.

<sup>14</sup> See, for example, Australian Local Government Association, *Submission 16*, [p. 3].

<sup>15</sup> Australian Local Government Association, *Submission 16*, [p. 3].

<sup>16</sup> Cr Mark Reeves, Deputy Mayor, East Gippsland Shire Council, *Proof Committee Hansard*, 18 June 2021, p. 11.

<sup>17</sup> Australian Local Government Association, *Submission 16*, p. 10.

<sup>18</sup> Cr Mark Reeves, Deputy Mayor, East Gippsland Shire Council, *Proof Committee Hansard*, 18 June 2021, p. 11.

<sup>19</sup> Cr Mark Reeves, Deputy Mayor, East Gippsland Shire Council, *Proof Committee Hansard*, 18 June 2021, p. 11.

communities that they support, it is unsurprising that both the ALGA and East Gippsland Shire Council recommended that increased funding be made available to local government.<sup>20</sup>

- 6.20 The ALGA called for an increase in funding of at least 1 per cent of taxation revenue to 'ensure that rural and regional councils can deliver services and infrastructure to their communities that support community resilience in times of drought and other disasters'.<sup>21</sup>
- 6.21 Cr Reeves recommended that future funding for drought infrastructure initiatives be modelled on the Australian Government's Roads to Recovery Program—funding is provided to local councils who then choose road projects on which to spend their Roads to Recovery funding based on local priorities. He argued that:
- All that is needed is a funding model that provides flexibility to identify and deliver those projects based on the local understanding and community needs within the broad program guidelines.<sup>22</sup>
- 6.22 Cr Reeves explained that this would enable local government areas with small rates base and large areas to build resilience before crisis hits and not to be so reactive to the drought aspects of natural disaster.<sup>23</sup>

### **Communities**

- 6.23 Submitters also highlighted the importance of community engagement as an opportunity to share local, practical and operational knowledge and expertise. The NSW Irrigators' Council explained that '[t]o best utilise this knowledge requires participatory decision making and extensive consultation to ensure this knowledge can be incorporated into best-practice, evidence-based policy'.<sup>24</sup>
- 6.24 The East Gippsland Shire Council noted the need for local communities to develop local capacity and leadership skills to 'think long term and to plan for the challenges and opportunities that may be encountered'. To this end, it argued that funding to undertake capacity-building work through individually funded and focussed projects should be provided to councils to enhance existing efforts.<sup>25</sup>

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<sup>20</sup> Australian Local Government Association, *Submission 16*, p. 10; East Gippsland Shire Council, *Submission 19*.

<sup>21</sup> Australian Local Government Association, *Submission 16*, p. 10.

<sup>22</sup> Cr Mark Reeves, Deputy Mayor, East Gippsland Shire Council, *Proof Committee Hansard*, 18 June 2021, p. 12.

<sup>23</sup> Cr Mark Reeves, Deputy Mayor, East Gippsland Shire Council, *Proof Committee Hansard*, 18 June 2021, p. 12.

<sup>24</sup> NSW Irrigators' Council, *Submission 7*, p. 2.

<sup>25</sup> East Gippsland Shire Council, *Submission 19*, p. 5.

- 6.25 The committee notes that these concerns are addressed to some extent through measures such as the Drought Resilience Leaders program, which provides funding to community members to undertake training in leadership.<sup>26</sup>
- 6.26 In addition, the National Aboriginal Community Controlled Health Organisation argued that '[e]xisting and future measures intended to address the current drought crisis would benefit from the traditional expertise of Aboriginal and Torres Strait Islander people in land and water management'.<sup>27</sup>
- 6.27 The NFF proposed the creation of a new National Drought Policy (NDP) which, among other things, denotes responsibilities for industry, farm businesses, local government and community groups.<sup>28</sup> The proposed NDP is discussed below.

### *A new National Drought Policy*

- 6.28 A number of submitters across industry and local government argued in favour of a new NDP to ensure the long-term viability of Australian agriculture.<sup>29</sup> Reasons given in support of the NDP included a lack of coordination and continued hardship as a result of drought and inconsistency across drought support measures. In addition, the NFF submitted that an NDP is needed due to:
- the continued introduction of ad hoc drought assistance measures during drought which undermine drought preparation and resilience measures;
  - significant variation between drought measures introduced in different jurisdictions;
  - a lack of information about program criteria and application processes;
  - uncertainty regarding the measures available to farmers and rural communities to help them successfully manage drought; and
  - the absence of a coordinated approach to drought preparation and management which includes representatives of impacted stakeholders.<sup>30</sup>
- 6.29 The NFF put forward a draft NDP which combined several elements of the current *National Drought Agreement* with its own drought policy objectives. A particular focus was the role of industry, community groups and research organisations. For example, it suggested that farming businesses, industry services providers, agribusiness financial institutions, community

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<sup>26</sup> For further information, see Department of Agriculture, Water and the Environment, *Drought Resilient Leaders*, last reviewed 21 July 2021, <https://www.agriculture.gov.au/ag-farm-food/drought/future-drought-fund/drought-resilience-leaders> (accessed 4 August 2021).

<sup>27</sup> National Aboriginal Community Controlled Health Organisation, *Submission 18*, p. 5.

<sup>28</sup> National Farmers' Federation, *Submission 21*, p. 9.

<sup>29</sup> See, for example, Red Meat Advisory Council, *Submission 15*; Australian Local Governments Association, *Submission 16*; National Farmers' Federation, *Submission 21*.

<sup>30</sup> National Farmers' Federation, *Submission 21*, p. 9.



organisations and local government should partner with Australian, state and territory governments to support rural communities to prepare for, respond to and recover from drought.<sup>31</sup>

- 6.30 The NFF proposed a number of mechanisms to ensure the participation of these groups in the implementation, monitoring, review and amendment of the NDP. This included creation of an oversight committee, comprised of representatives across industry, government and community, and a biennial drought forum.<sup>32</sup>
- 6.31 The Red Meat Advisory Council reiterated the NFF's concerns that current response measures are largely crisis driven. It argued that Australia requires an NDP that is cross-jurisdictional, cross-disciplinary and 'takes a future perspective when dealing with drought'.<sup>33</sup>
- 6.32 Similarly, GrainGrowers submitted that there is 'a need for an enduring, coordinated and effective national drought policy in Australia'.<sup>34</sup>
- 6.33 The ALGA also argued that an NDP would ensure better responsiveness.<sup>35</sup> It explained:

Councils also noted that we need a national drought policy that ensures that Governments do not take three to five years to respond to the onset of drought. It was felt that there could be different 'triggers levels' for the types of assistance provided to farmers, businesses and communities.<sup>36</sup>

### **Review and evaluation**

- 6.34 A further concern raised by submitters was that evaluation and review has been inconsistent across drought programs. This evidence was discussed earlier in relation to support for farmers, communities and mental health.
- 6.35 In their proposed NDP, the NFF identified the need for an 'effective and mandated process for reviewing the National Drought Policy that includes monitoring and evaluation of specific drought programs and measures'. Specifically, the NDP recommends that overall policy effectiveness of each specific measure and program be reviewed every four years in order to inform program amendments.<sup>37</sup>

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<sup>31</sup> National Farmers' Federation, *Submission 21*, p. 9.

<sup>32</sup> National Farmers' Federation, *Submission 21*, p. 20.

<sup>33</sup> Red Meat Advisory Council, *Submission 15*, p. 2.

<sup>34</sup> GrainGrowers, *Submission 14*, [p. 2].

<sup>35</sup> Australian Local Government Association, *Submission 16*, p. 9.

<sup>36</sup> Australian Local Government Association, *Submission 16*, p. 9.

<sup>37</sup> National Farmers' Federation, *Submission 21*, p. 13.

6.36 The committee notes that a similar concern was raised by the NDNQFRRA as part of its review of the Australian Government drought response:

The lack of meaningful data and evaluation makes continuous improvement and evidence-based assessment challenging. For example, it is very difficult to understand if the government's investment in preparedness and resilience has resulted in better outcomes.<sup>38</sup>

### **Committee view**

6.37 The nature of drought in Australia will always require and necessitate the need to coordinate efforts across Australian, state and territory governments, as well as various stakeholders.

6.38 It is clear that a self-reliant and prepared farming sector that is well placed to manage risks will benefit farmers, businesses and communities. However, achieving this outcome will require a degree of policy coordination which, as of yet, is not evident. The committee accepts that drought policy is a complex area, with many interconnected issues. However, the committee has formed the view that better communication, coordination and, in some cases, integration between policy areas is needed. The committee notes that the establishment of the National Resilience and Recovery Agency goes some way in addressing this concern.

6.39 While there have been strong efforts across the jurisdictions to share information and data about drought programs, there is a need for continued focus. Evidence discussed throughout this report highlights the risk of duplication, administrative inefficiencies and confusion. Therefore it is the committee's view that collaboration should be prioritised, particularly in relation to the following matters:

- inter-jurisdictional consistency in the criteria, thresholds and indicators used to define drought and information about government intervention on drought assistance; and
- communication about available support to those in need.

6.40 These issues cut across the suite of drought programs and measures and have been addressed in greater detail throughout this report. A comprehensive list of recommendations can be found at the start of this report.

6.41 In addition, meaningful monitoring and evaluation is essential to ensure value for money and to make certain that farmers and communities are better prepared for future droughts. As a result, it is vital that the Australian Government invest further in monitoring and evaluation practices.

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<sup>38</sup> National Drought and North Queensland Flood Response and Recovery Agency, [Review of Australian Government Drought Response](#), October 2020, p. 33.

#### **Recommendation 14**

**6.42 The committee recommends that the Australian Government invest further in monitoring and evaluation practices to ensure drought measures are appropriate, targeted and effective.**

6.43 Local government is crucial to the delivery of services in the community during times of drought, including local infrastructure projects and drought relief activities. Submitters identified the need for local government—by virtue of its wealth of local knowledge—to play a greater leadership role in drought preparedness. In addition, a number of submitters called for increased financial assistance and improved funding arrangements which provide greater discretion to local government to invest in projects that will have the biggest impact in their community.

#### **Recommendation 15**

**6.44 The committee recommends that the Australian Government focus on the long-term financial sustainability of Local Government through increases to grant allocations, including fair increases to Financial Assistance Grants.**

#### **Recommendation 16**

**6.45 The committee recommends that the Australian Government utilise local government expertise to inform which future drought infrastructure initiatives are implemented based on local understanding and community needs.**

#### **Recommendation 17**

**6.46 The committee recommends that the Australian Government work with state, territory and local governments, industry and communities to develop a new National Drought Policy which ensures all drought-impacted farmers, irrespective of the commodity they produce, are able to access drought support. The policy should incorporate:**

- **a nationally consistent approach to drought policy, underpinned by an intergovernmental agreement that specifies roles and responsibilities for each level of government;**
- **a framework for jurisdictions to monitor, review and adapt drought programs with industry and local community involvement; and**
- **relevant complementary education and personal support services, and provides farmers and rural and regional communities with a full suite of risk management tools.**



# Chapter 7

## Water management

### Introduction

7.1 The committee considered 'water availability, infrastructure, agreement and supply measures' as part of its terms of reference. Australia's water resources serve various vital functions, including servicing communities and amenities, recreational and cultural purposes. In addition, Australians rely on water for almost every industry in the nation's economy, particularly agriculture.<sup>1</sup> This chapter provides a brief overview of submitters' views on the demand for water and the legislative and administrative arrangements for federal water management. The following discussion then addresses the evidence of inquiry participants regarding opportunities for improvement to the ways in which water is shared, managed and used.

### Demand for water

7.2 Despite being the world's driest inhabited continent, Australia is one of the highest per capita water consumers in the world with the vast majority of water extractions used in agricultural production.<sup>2</sup> In most parts of Australia, surface water is the main source of water supply, making it vulnerable to droughts.<sup>3</sup>

7.3 There are a number of demands on Australia's limited water resources. The committee received evidence that '[w]ater is the most limiting factor to agriculture in Australia'.<sup>4</sup> The Australian Meat Industry Council (AMIC) explained that the meat processing industry is also a significant water consumer, with water used for both food safety and meat hygiene throughout operations.<sup>5</sup> Figure 7.1 outlines historical water taken for agriculture, urban and industrial users.

### Figure 7.1 Historical water taken for agriculture, urban and industrial users

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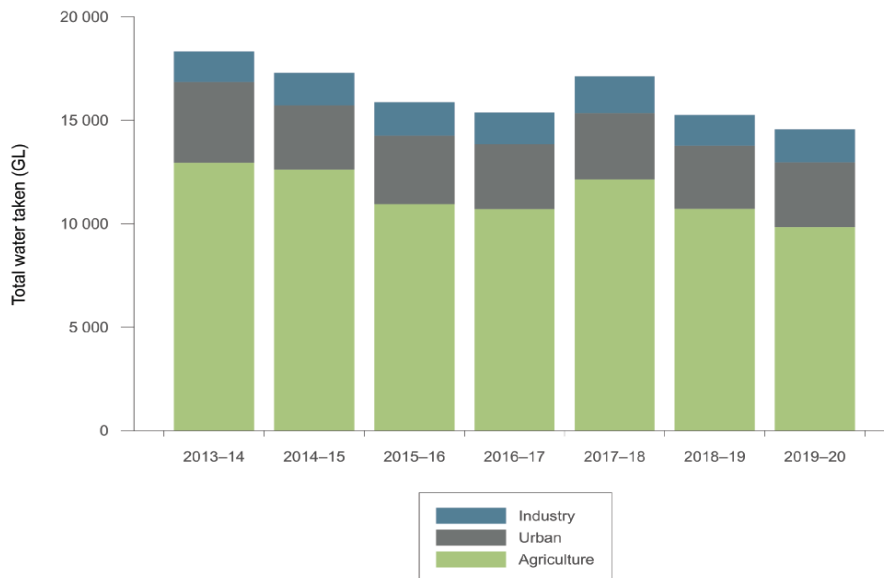
<sup>1</sup> Brian Pink, Australian Bureau of Statistics, [Australia's Environment: Issues and Trends](#), December 2007, p. 4.

<sup>2</sup> For further information, see Bureau of Meteorology, [Water in Australia 2018–19](#), June 2020, p. 5.

<sup>3</sup> For further information, see Industry and Transport Committee, New South Wales Parliament, [Augmentation of water supply for rural and regional New South Wales](#), May 2018, p. 1.

<sup>4</sup> NSW Irrigators' Council, *Submission 7*, p. 7.

<sup>5</sup> Australian Meat Industry Council, *Submission 9*, p. 7.



Historical water taken for agriculture, urban and industrial users

© Commonwealth of Australia 2021, Bureau of Meteorology

[Source: Bureau of Meteorology, *Water in Australia 2019–20*, June 2021, p. 45.]

- 7.4 Increasing demand for water use is expected in Australia due to a growing population and drying climate.<sup>6</sup> In 2019, the Coordinator-General for Drought warned that Australia's finite water resources are under increasing pressure. The report particularly highlighted the following factors:
- climate change is making water availability less predictable and secure;
  - increasing frequency and intensity of droughts;
  - population growth; and
  - growth in the agriculture and other sectors, such as mining, that are competing for water.<sup>7</sup>
- 7.5 In addition, the Australian Government's *Drought Response, Resilience and Preparedness Plan* (the Drought Plan) predicts that 'demand for agricultural water use will increase by 80 per cent by 2050, requiring a step-change in the productivity and efficiency of water use'.<sup>8</sup>
- 7.6 The NSW Irrigators' Council provided its view as the peak body representing over 12 000 water access license holders in New South Wales:

<sup>6</sup> For further information, see Jon Heggie, 'Making Every Drop Count: How Australia is Securing its Water Future', *National Geographic*, August 2019, <https://www.nationalgeographic.com/environment/article/partner-content-how-australia-is-securing-its-water-future> (accessed 1 July 2021).

<sup>7</sup> Commonwealth Scientific and Industrial Research Organisation, *Australian National Outlook 2015: Economic activity, resource use, environmental performance and living standards, 1970–2050*, October 2015; Australian Government, *Drought in Australia: Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience*, April 2019, p. 9.

<sup>8</sup> Department of Agriculture, Water and the Environment, *Drought Response, Resilience and Preparedness Plan*, 2019, p. 16.

At the present time, water availability for irrigation farmers is dramatically reduced because of both climatic water availability (with the worst drought in Australia's recorded history), as well as regulatory water availability with the implementation of arguably the largest water reform in Australia's history (Murray–Darling Basin Plan) and 0% allocations.<sup>9</sup>

7.7 In its annual overview report of Australia's water situation for 2019–20, the Bureau of Meteorology reported that:

- Dry conditions were experienced across most of Australia for the second successive year.
- Combined water storage across Australia on 30 June 2020 was 46 per cent of capacity, similar to the previous year.
- Total water taken in Australia for consumptive use was 14 270 GL, six per cent less than the previous year.<sup>10</sup>

### Climate change

7.8 In a changing climate, planning for future climate variability and climate change is extremely important. Throughout this inquiry, the committee heard repeatedly that climate change is worsening drought events—droughts are becoming more severe due to hotter and drier conditions. In addition, submitters raised concern regarding declining water security caused by climate change.<sup>11</sup>

7.9 Mr Benjamin Cronshaw submitted that '[r]ising temperatures have already meant that droughts have become hotter with implications for water availability for human use'.<sup>12</sup> He added that climate change and increasingly severe drought conditions are likely to exacerbate current water pressures. As a result, we 'need to adapt and change our lifestyles to meet the new challenges'.<sup>13</sup>

7.10 For Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, irrigators are 'on the front line of climate change'.<sup>14</sup> She framed the key question for drought management as follows: 'is there a better way to share the

<sup>9</sup> NSW Irrigators' Council, *Submission 7*, p. 4.

<sup>10</sup> Bureau of Meteorology, [Water in Australia 2019–20](#), June 2021.

<sup>11</sup> See, for example, Mr Benjamin Cronshaw, *Submission 4*, [p. 1]; NSW Irrigators' Council, *Submission 7*, p. 2.

<sup>12</sup> Mr Benjamin Cronshaw, *Submission 4*, [p. 1].

<sup>13</sup> See, for example, Mr Benjamin Cronshaw, *Submission 4*, [p. 3].

<sup>14</sup> Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, *Proof Committee Hansard*, 18 June 2021, p. 15.

water and to accept that the rivers of living memory are not going to be what the rivers look like in the future with climate change?'<sup>15</sup>

## Federal water management

- 7.11 In 1994, the Council of Australian Governments (COAG) agreed to a national Water Reform Framework in recognition of the fact that the 'management of Australia's water resources ... would require cooperation between the Commonwealth and basin states'.<sup>16</sup>
- 7.12 In 2004, the Water Reform Framework was renewed by the COAG with the introduction of the National Water Initiative which is a 'shared commitment by governments to increase the efficiency of Australia's water use, leading to greater certainty for investment and productivity, for rural and urban communities and for the environment'.<sup>17</sup>
- 7.13 Subsequently, the Australian Government enacted the *Water Act 2007* (Cth) (the Water Act) which established the Murray–Darling Basin Authority (MDBA) and provided the legislative framework for ensuring that the Murray–Darling Basin is managed in the national interest.<sup>18</sup> In doing so, the Water Act recognises that Australian states in the Murray–Darling Basin continue to manage Basin water resources within their jurisdictions.<sup>19</sup>

### *The Murray–Darling Basin*

- 7.14 The committee is aware that the management of the Murray–Darling Basin, and the allocation and monitoring of its water resources, is the topic of ongoing debate and discussion.
- 7.15 Water is shared according to rules set out in the *Murray–Darling Basin Agreement* (the Basin Agreement), which forms part of the Water Act. In addition, the *Murray–Darling Basin Plan* (the Basin Plan), which came into effect in late 2012, guides governments, regional authorities and communities in sustainably managing and using the surface and underground waters of the

<sup>15</sup> Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, *Proof Committee Hansard*, 18 June 2021, p. 15.

<sup>16</sup> Senate Select Committee on the Murray–Darling Basin Plan, *Refreshing the plan*, March 2016, p. 6. For an overview timeline of Australia's history of water reform and key events, see Productivity Commission, *National Water Reform*, Productivity Commission Issues Paper, May 2020, p. 29.

<sup>17</sup> Department of Agriculture, Water and the Environment, *National Water Initiative*, last reviewed 4 November 2019, <https://www.agriculture.gov.au/water/policy/nwi#:~:text=The%20NWI%20is%20a%20shared,1994%20COAG%20Water%20Reform%20Framework.&text=better%20manage%20urban%20water%20demands>. (accessed 1 July 2021).

<sup>18</sup> Productivity Commission, *National Water Reform*, Issues Paper, May 2020, p. iii.

<sup>19</sup> Department of Agriculture, Water and the Environment, *Commonwealth water legislation*, last reviewed 14 October 2020, <https://www.agriculture.gov.au/water/policy/legislation> (accessed 30 June 2021).



Murray–Darling Basin. Implementation of the Basin Plan, led by the MDBA, has now been underway for nine years, with full implementation due by 2024.<sup>20</sup>

### Review of the Basin Agreement

7.16 The committee heard that the climatic and regulatory environment is fundamentally different today than at the time the Basin Agreement was developed. The NSW Irrigators' Council submitted that 'to be effective, the MDB Agreement must reflect the contemporary climatic and regulatory conditions'.<sup>21</sup> To this end, a review of the Basin Agreement is needed 'to ensure it remains appropriate to contemporary times'.<sup>22</sup> However, it noted that this is addressed to some extent through the Interim Inspector-General of Murray–Darling Basin Water Resources' inquiry into the management of Murray–Darling Basin water resources.<sup>23</sup>

### Sustainable Diversion Limits Adjustment Mechanism

7.17 The Basin Plan sets sustainable diversion limits (SDLs) on the amount of water allocated to consumptive use. To provide flexibility, the Basin Plan includes a mechanism (known as the SDL Adjustment Mechanism) to adjust SDLs in the southern Murray–Darling Basin. The mechanism requires a suite of projects, including supply and efficiency measures, to be implemented.<sup>24</sup>

7.18 The NSW Irrigators' Council submitted that SDLs are 'the most critical component to future implementation of the Basin Plan, providing the lowest risk to communities, and realising targeted environmental outcomes'.<sup>25</sup> However, it expressed concern that several projects under the SDL Adjustment Mechanism have been poorly developed without input from local communities and 'are thus not supported'.<sup>26</sup>

7.19 The committee heard that community input is critical to the design and implementation of these projects. In addition, the NSW Irrigators' Council

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<sup>20</sup> Under the *Water Act 2007* (Cth), the Murray–Darling Basin Authority was charged with developing the Basin Plan, as a significant step in ongoing management of the Basin's water for the benefit of all its users and the environment. For further information, see Dr Robert Argent, Bureau of Meteorology, *Australia State of the environment 2016: Inland water*, 2016, p. 8.

<sup>21</sup> NSW Irrigators' Council, *Submission 7*, p. 5.

<sup>22</sup> NSW Irrigators' Council, *Submission 7*, p. 5.

<sup>23</sup> NSW Irrigators' Council, *Submission 7*, p. 5. A report was submitted to the Minister for Resources, Water and Northern Australia on 27 March 2020 and publicly released on 17 April 2020.

<sup>24</sup> Murray–Darling Basin Authority, *Sustainable diversion limit adjustment projects*, <https://www.mdba.gov.au/basin-plan-roll-out/sustainable-diversion-limits/sdl-adjustment-proposals-state-projects> (accessed 2 August 2021).

<sup>25</sup> NSW Irrigators' Council, *Submission 7*, p. 5.

<sup>26</sup> NSW Irrigators' Council, *Submission 7*, p. 5.

argued that flexibility and adaptability for new and improved SDL Adjustment Mechanism projects are essential to the Basin Plan's success.<sup>27</sup>

### Water allocations

7.20 Basin states allocate water within each water catchment, depending on how much water is available.<sup>28</sup> The NSW Irrigators' Council expressed concerns that South Australian irrigators are disadvantaged by water sharing arrangements under the Murray–Darling Basin Plan—namely, '[t]his management regime effectively concentrates the drought burden on the Murray'. It noted that:

... the requirement for large parcels of environmental water to move downstream, and the extensive drought across the Basin has put enormous pressure on the Murray when the Northern Basin has been out of water from extreme drought.<sup>29</sup>

7.21 In addition, Ms Miller raised concern that irrigators are the lowest priority in the allocation hierarchy and as a result 'are the first and hardest hit of all water users when it comes drought ... This is severely impacting the profitability and viability of many farming businesses'.<sup>30</sup>

### Failure to meet water recovery target

7.22 It is now widely recognised that taking too much water out of Australia's rivers and groundwater systems can have detrimental economic and environmental consequences. The Australian Government has a legislated requirement to recover an additional 450 gigalitres (GL) for enhanced environmental outcomes by June 2024. However, the *First Review of the Water for the Environment Special Account* found that '[t]he volume of water recovered through efficiency measures programs and transferred to the Commonwealth at 30 June 2024 will be well short of 450 GL'.<sup>31</sup>

### Water infrastructure

7.23 In order to combat the challenge of Australia's naturally variable rainfall, water infrastructure is used to store water and enhance efficiency. Under the

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<sup>27</sup> NSW Irrigators' Council, *Submission 7*, p. 5.

<sup>28</sup> For further information, see Murray–Darling Basin Authority, *How allocations work in the Murray–Darling Basin*, <https://www.mdba.gov.au/water-management/allocations-states-mdba/guide-allocations> (accessed 30 June 2021).

<sup>29</sup> NSW Irrigators' Council, *Submission 7*, p. 6.

<sup>30</sup> Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, *Proof Committee Hansard*, 18 June 2021, p. 15.

<sup>31</sup> Sally Farrier, Simon Lewis AO PSM and Merran Kelsall, *First Review of the Water for the Environment Special Account: Report to Commonwealth Minister for Water Resources as required under Section 86AJ of the Water Act 2007*, March 2020, p. 2.

Drought Plan, the Australian Government supports long-term resilience and preparedness by building infrastructure to increase water security.<sup>32</sup>

7.24 According to the Department of Agriculture, Water and the Environment, '[w]ater infrastructure activities have focused primarily on improving the efficiency of delivery of water and on-farm use'.<sup>33</sup> Key Australian Government initiatives include:

- The Sustainable Rural Water Use and Infrastructure Program;<sup>34</sup>
- The \$3.5 billion National Water Grid Fund, administered by the National Water Grid Authority;<sup>35</sup>
- The On-farm Emergency Water Infrastructure Rebate Scheme;<sup>36</sup>
- The Water for Fodder program, which provides 100 GL of discounted water to primary producers to grow fodder, silage and pasture; and
- The \$27.6 million Improving Great Artesian Basin Drought Resilience program which co-funds eligible water supply infrastructure projects over five years from 1 July 2019.<sup>37</sup>

7.25 According to the Bureau of Meteorology, large storages are essential for coping with the highly variable rainfall and high temperatures that are prevalent in much of Australia.<sup>38</sup> In its 2020 report, *Water in Australia 2018–19*, the Bureau of Meteorology reported that the total accessible storage capacity is about 81 000 GL.<sup>39</sup> This comprises over 500 major storages, several thousand small storages and in excess of two million farm dams.<sup>40</sup>

### *Areas for improvement*

7.26 The committee heard that water infrastructure is critical for all water users as it 'enables improved management of scarce water resources, by improving

<sup>32</sup> Department of Agriculture, Water and the Environment, [Drought Response, Resilience and Preparedness Plan](#), 2019, p. 6.

<sup>33</sup> Department of Agriculture, Water and the Environment, *Submission 20*, p. 5.

<sup>34</sup> For further information, see Department of Agriculture, Water and the Environment, *Sustainable Rural Water Use and Infrastructure Program*, last reviewed 14 April 2021, <https://www.agriculture.gov.au/water/mdb/programs/basin-wide/srwuip> (accessed 2 July 2021).

<sup>35</sup> For further information, see the Hon Michael McCormack MP, former Minister for Infrastructure, Transport and Regional Development, 'Budget 2021-22: Delivering Australia's water future', *Media Release*, 12 May 2021.

<sup>36</sup> For further information, see Department of Agriculture, Water and the Environment, *On-farm Emergency Water Infrastructure Rebate Scheme*, last reviewed 21 April 2021 <https://www.agriculture.gov.au/water/national/on-farm-infrastructure-rebate> (accessed 2 July 2021).

<sup>37</sup> Department of Agriculture, Water and the Environment, *Submission 20*, p. 5.

<sup>38</sup> Bureau of Meteorology, [Water in Australia 2018–19](#), June 2020, p. 20.

<sup>39</sup> Bureau of Meteorology, [Water in Australia 2018–19](#), June 2020, p. 20.

<sup>40</sup> Bureau of Meteorology, [Water in Australia 2018–19](#), June 2020, p. 20.

efficiencies, reducing losses, and enhancing river operations'.<sup>41</sup> The Australian Government's investment in water infrastructure was largely welcomed; however inquiry participants identified a number of opportunities for improvement.

### **An assessment of Australia's water resources**

7.27 In 2019, the Coordinator-General for Drought warned that:

Australia has no strategic vision for management efforts and investment in water resources which recognises current and future needs and takes account of future challenges under various credible scenarios.<sup>42</sup>

7.28 Inquiry participants reiterated this situation. One submitter argued that that '[t]he management of environmental resources such as water is critical to preparing for and managing drought'.<sup>43</sup>

7.29 The Tasmanian Farmers and Graziers Association (TFGA) told the committee that the 'key to managing water is to understand how much is available and where'.<sup>44</sup> It pointed out that by 2050 urban water use is expected to double and agricultural water use is expected to increase by 80 per cent. The TFGA explained that '[i]t is vital to understand our water reserves and availability to plan for this increasing demand'.<sup>45</sup>

7.30 The NSW Irrigators' Council expressed concern that recent population growth has not been accompanied by a corresponding growth in necessary water infrastructure. It recommended that the Australian Government undertake an assessment to determine what additional water storage capacity is required to withstand droughts into the future, including a 'program for the identification, construction and operation of innovative infrastructure to improve the total available water balance for all water users'.<sup>46</sup>

7.31 Relevant to this inquiry, the Coordinator-General for Drought recommended that the Australian Government undertake a systematic and prioritised assessment of Australia's water resources to inform future management effort and investment, including:

- evaluating each of the nation's surface and groundwater basins; and

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<sup>41</sup> NSW Irrigators' Council, *Submission 7*, p. 7.

<sup>42</sup> Australian Government, [\*Drought in Australia: Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience\*](#), April 2019, p. 9.

<sup>43</sup> Mr Benjamin Cronshaw, *Submission 4*, [p. 2].

<sup>44</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 3.

<sup>45</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 3.

<sup>46</sup> NSW Irrigators' Council, *Submission 7*, p. 7.

- taking account of future challenges such as changes in climate, population, industry growth and environmental needs.<sup>47</sup>

7.32 The committee understands that, at the time of writing, this assessment is presently underway, led by the National Water Grid Authority.<sup>48</sup> No update on this work has been provided to the committee.

### Improved coordination

7.33 The committee notes that a number of key Australian Government agencies are responsible for managing water. Submitters, such as the TFGA, welcomed the creation of the National Water Grid Authority—announced on 1 October 2019—as 'an important step in aligning the Federal Government, states and territories in water management and investment'.<sup>49</sup> Despite this, Mr Tony Mahar, Chief Executive Officer, National Farmers' Federation (NFF), expressed concern that a key barrier to water infrastructure development is 'getting that cooperation between industry and government, and state governments and/or local governments'.<sup>50</sup>

### Strategic investment

7.34 The NSW Irrigators' Council also called on the Australian Government to develop new innovative water infrastructure to ensure our water supply can endure long droughts.<sup>51</sup>

7.35 Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, stated that 'pet projects', such as the Bradfield scheme, were not drought resilience solutions, but there were many smaller projects that had merit.<sup>52</sup> She argued that:

You can see overseas benefits from things like building weirs that just hold water back a bit longer, help to keep the system hydrated and help actually to keep rivers flowing for longer. They are not big ribbon-cutting things that politicians often like ... these other opportunities, these other types, [] are usually smaller, because smaller has less impact and less negative

<sup>47</sup> Australian Government, *Drought in Australia: Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience*, p. 10.

<sup>48</sup> Department of Agriculture, Water and the Environment, *Government actions addressing the Coordinator-General for Drought's advice*, last reviewed 11 November 2019, <https://www.agriculture.gov.au/ag-farm-food/drought/drought-policy/govt-actions-coordinator-generals-report> (accessed 1 July 2021).

<sup>49</sup> Tasmanian Farmers and Grazier Association, *Submission 5*, p. 3.

<sup>50</sup> Mr Tony Mahar, Chief Executive Officer, National Farmers' Federation, *Proof Committee Hansard*, 18 June 2021, p. 3.

<sup>51</sup> NSW Irrigators' Council, *Submission 7*, pp. 10–11.

<sup>52</sup> Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, *Proof Committee Hansard*, 18 June 2021, p. 16.

impact and can often actually have more of a positive impact than those big, grand schemes.<sup>53</sup>

7.36 However, Ms Miller warned against building dams. While dams may bring benefits in some cases, she explained that 'building dams is not only phenomenally expensive', but that it also 'impacts on landholders whose land is inundated where the dam footprint is and issues around downstream environmental and other impacts'.<sup>54</sup>

### **Funding eligibility**

7.37 As noted in earlier chapters, some submitters argued that there is an 'absence of appropriate measures for the post-farm gate sector'.<sup>55</sup> The AMIC pointed out that the post-farmgate industry is not currently eligible for any water efficiency infrastructure grants'. Instead, 'these rebates are only available to primary producers, and can only be used for very specific infrastructure such as pipes, water storage and bores on farms'.<sup>56</sup>

7.38 The AMIC argued that businesses dependent on agricultural production in drought-declared areas, such as meat processing establishments, should be considered for water infrastructure rebates. It suggested that 'rebates could encompass building or upgrading of current infrastructure' which would not only decrease town water usage, 'but also lead[] to future drought proofing and greater water security, which in turn results in economic and environmental benefit for the broader community'.<sup>57</sup> In summary:

The government's response to drought assistance should be reevaluated and redefined to ensure that the intent of drought assistance is consistently maintained throughout the supply chain—that is, support provided at the start of the supply chain is not compromised by government policy at the end of the supply chain.<sup>58</sup>

7.39 These concerns were echoed by the Red Meat Advisory Council (RMAC).<sup>59</sup> Similarly, the NFF recommended that the On-Farm Emergency Water Infrastructure Rebate Scheme be extended to all farm businesses.<sup>60</sup>

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<sup>53</sup> Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, *Proof Committee Hansard*, 18 June 2021, p. 16.

<sup>54</sup> Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, *Proof Committee Hansard*, 18 June 2021, pp. 15–16.

<sup>55</sup> See, for example, Australian Meat Industry Council, *Submission 9*.

<sup>56</sup> Australian Meat Industry Council, *Submission 9*, pp. 4 and 7.

<sup>57</sup> Australian Meat Industry Council, *Submission 9*, pp. 7–8.

<sup>58</sup> Australian Meat Industry Council, *Submission 9*, p. 4.

<sup>59</sup> Red Meat Advisory Council, *Submission 15*, pp. 2–3.

<sup>60</sup> National Farmers' Federation, *Submission 21*, p. 17.

## Water delivery

7.40 Some submitters raised concern regarding the prohibitive cost of carting water to small communities. For example, the ALGA advised that:

In June 2019 Lachlan Shire Council had spent \$90k in 12 months carting water to one town but at that time were only getting \$50k back from the State Government. The southern Queensland town of Stanthorpe has been trucking in water at the cost of \$800,000 a month.<sup>61</sup>

7.41 The AMIC pointed out that producers in areas of severe drought are similarly 'facing the imminent prospect of carting water, which is economically unfeasible'.<sup>62</sup>

7.42 The ALGA noted that, in addition to the costs of carting water, 'there is the wear and tear on road infrastructure that will take years to repair because of the impact of water and hay cartage'.<sup>63</sup> It reported that councils believe that the cost of carting water should be fully subsidised by the Australian and state governments.<sup>64</sup>

## Research and development

7.43 The importance of research and development is recognised in the Drought Plan which notes that 'innovation is a key driver of farm productivity and competitiveness'.<sup>65</sup>

7.44 The Commonwealth Scientific and Industrial Research Organisation (CSIRO) outlined its work to improve farm resilience and water efficiency. This included improved farming systems practices, such as dual-purpose crops and early sowing, and developing innovative technologies that improve farm profitability and productivity.<sup>66</sup>

7.45 Inquiry participants called for further investment in research, development and innovation. Of these, a number emphasised the role of innovation and new technology to increase water efficiency, thereby reducing the amount of water needed for the same crop or product.

7.46 Submitters, such as Mr Benjamin Cronshaw, explained that we have the knowledge, technology and economic resources to manage our water resources much more efficiently and effectively.<sup>67</sup>

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<sup>61</sup> Australian Local Government Association, *Submission 16*, p. 8.

<sup>62</sup> Australian Meat Industry Council, *Submission 9*, p. 7.

<sup>63</sup> Australian Local Government Association, *Submission 16*, p. 8.

<sup>64</sup> Australian Local Government Association, *Submission 16*, p. 8.

<sup>65</sup> Department of Agriculture, Water and the Environment, [Drought Response, Resilience and Preparedness Plan](#), 2019, p. 16.

<sup>66</sup> Commonwealth Scientific and Industrial Research Organisation, *Submission 13*, p. 2.

<sup>67</sup> Mr Benjamin Cronshaw, *Submission 4*.



- 7.47 The NSW Irrigators' Council argued that '[t]he future of our agriculture sector should be a future of continuous improvements in water governance and management through innovative technologies and best-practice management options'.<sup>68</sup>
- 7.48 Similarly, the TFGA called for further investment into research to better understand opportunities to use water as efficiently as possible.<sup>69</sup> Importantly, the TFGA noted that in addition to research and development, funding must also be directed to extension as '[e]nsuring producers can access, understand and use innovations and technologies resulting from research and developments will enable them to increase their resilience and drought management'.<sup>70</sup> Similarly, the RMAC submitted that '[i]nvestment into research, development and extension ... is a must'.<sup>71</sup>
- 7.49 The AMIC suggested a number of changes which can lead to substantial water conservation—from efficient spray nozzles and high pressure cleaning rings to water reuse systems and recycling. It argued that, although these water saving methods are available, their adoption is hindered by long payback times.<sup>72</sup>

### *Plant biotechnology*

- 7.50 The committee heard that plant biotechnology, such as genetic modification and crop protection products, has the potential to help Australian farmers 'address the unprecedented challenges that are facing in a changing climate', such as 'drought, soil acidity and/or salinity, as well as emergent diseases'.<sup>73</sup>
- 7.51 CropLife Australia argued that to combat the impacts of climate change while remaining internationally competitive, 'farmers must be able to adopt the latest safe and proven agricultural technologies and innovations'. It submitted that this includes access to agricultural biotechnology innovations as well as biological and chemical crop protection products.<sup>74</sup>
- 7.52 The committee heard evidence that genetically-modified crops bring about a number of benefits, including: reducing pesticide usage; reducing carbon dioxide emissions; increasing crop yields; and using fewer natural resources, such as water.<sup>75</sup> CropLife Australia noted that since genetically-modified crop

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<sup>68</sup> NSW Irrigators' Council, *Submission 7*, p. 8.

<sup>69</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 3.

<sup>70</sup> Tasmanian Farmers and Graziers Association, *Submission 5*, p. 4.

<sup>71</sup> Red Meat Advisory Council, *Submission 15*, [p. 3].

<sup>72</sup> Australian Meat Industry Council, *Submission 9*, p. 7.

<sup>73</sup> CropLife Australia, *Submission 6*, [p. 5].

<sup>74</sup> CropLife Australia, *Submission 6*, [p. 3].

<sup>75</sup> CropLife Australia, *Submission 6*, [p. 5].



cultivation began, more than 183 million hectares of land have been saved from ploughing and cultivation, leading to improved water storage, limited soil erosion and increased availability of land for other environmental uses.<sup>76</sup>

- 7.53 CropLife Australia called for further investment to support development and introduction of new crop protection products better targeted to Australian pests and climate. It explained that it takes over 11 years of research and development and a cost of over \$3.6 million to bring just one new successful crop protection product to the market.<sup>77</sup>
- 7.54 In addition, the committee heard that 'one threat to the potential success of [crop biotechnology] is the lack of a nationally consistent scheme for gene technology regulation in Australia'.<sup>78</sup> CropLife Australia submitted that responsible use of agricultural chemicals must be supported by a regulatory scheme that 'maximises the benefits associated with their responsible use, while minimising the costs from excessive, unnecessary, inappropriate and/or ineffective regulation'.<sup>79</sup>

### *ONE Basin CRC*

- 7.55 The NSW Irrigators' Council expressed alarm that there is presently no national research body looking into constraints on water availability, water productivity and on-farm management. It argued that new and sustained investment into research and development will 'underpin prosperity, sustainability and resilience for the future in which water security is most likely to become increasingly under threat'.<sup>80</sup>
- 7.56 To this end, the NSW Irrigators' Council expressed its support for a ONE Basin CRC as a centre of excellence that brings together research providers with complementary expertise, industry and the community into partnership to address research priorities for enduring irrigation farming and its dependent communities.<sup>81</sup>
- 7.57 Ms Claire Miller explained that 'we want that CRC to look more broadly at what are some of the things that can be done in terms of good farm practice and changing farm practice'.<sup>82</sup>

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<sup>76</sup> CropLife Australia, *Submission 6*, [p. 5].

<sup>77</sup> CropLife Australia, *Submission 6*, [p. 3].

<sup>78</sup> CropLife Australia, *Submission 6*, [p. 5].

<sup>79</sup> CropLife Australia, *Submission 6*, [pp. 4–5].

<sup>80</sup> NSW Irrigators' Council, *Submission 7*, p. 7.

<sup>81</sup> NSW Irrigators' Council, *Submission 7*, p. 8. For further information, see ONE Basin CRC, *About*, <https://onebasin.com.au/> (accessed 1 July 2021).

<sup>82</sup> Ms Claire Miller, Chief Executive Officer, NSW Irrigators' Council, *Proof Committee Hansard*, 18 June 2021, p. 18.

- 7.58 The NSW Irrigators' Council called on the Australian Government to 'invest in research and development so Australia continues to be world-leading in agricultural water efficiency and productivity'.<sup>83</sup>
- 7.59 Ms Rachel Connell, First Assistant Secretary, Water Division, Department of Agriculture, Water and the Environment, advised that (as at June 2021) the then Minister for Industry, Science and Technology, the Hon Christian Porter MP, was yet to announce if the ONE Basin CRC had been successful in its bid for funding under the CRC Program.<sup>84</sup>

### *Greenhouse gas mitigation*

- 7.60 The committee heard that a key initiative of the red meat and livestock industry is to be carbon neutral by 2030.<sup>85</sup> The RMAC discussed the greenhouse gas mitigation potential of the Australian red meat production and processing sectors:

Efforts to avoid GHG [greenhouse gas] emissions and improve carbon storage are important steps for industry to make towards reducing exposure to future risks, such as the effects of drought, of hotter and drier conditions on soil moisture availability and surface water storage.<sup>86</sup>

- 7.61 The committee was informed that, as a result, the red meat industry's proportion of national greenhouse gas emissions reduced from 21.4 per cent in 2005 to 10.4 per cent in 2016. The RMAC argued that with the right policy settings and new investment in research, development and adoption, the industry's Carbon Neutral 2030 target can be utilised as a drought resilience measure.<sup>87</sup>

### **Committee view**

- 7.62 Managing water is a complex undertaking. However, it is clear that the management of water resources is critical to preparing for and managing drought. It is the committee's view that if we are to have a thriving agricultural sector into the future this means both increasing water supply and simultaneously working to enhance water efficiency.
- 7.63 In pursuit of these objectives, the committee has concluded that water infrastructure rebates are an effective measure to improve water efficiency and reduce loss. To this end, the committee supports the Australian Government's continued investment in strategic water infrastructure to ensure our water

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<sup>83</sup> NSW Irrigators' Council, *Submission 7*, pp. 10–11.

<sup>84</sup> Ms Rachel Connell, First Assistant Secretary, Water Division, Department of Agriculture, Water and the Environment, *Proof Committee Hansard*, 18 June 2021, p. 58.

<sup>85</sup> Red Meat Advisory Council, *Submission 15*, [p. 7].

<sup>86</sup> Red Meat Advisory Council, *Submission 15*, [p. 7].

<sup>87</sup> Red Meat Advisory Council, *Submission 15*, [p. 7].

supply can sustain communities and producers through periods of water scarcity. This includes exploring opportunities to make water infrastructure funding available to agriculture-dependent businesses.

### **Recommendation 18**

**7.64 The committee recommends that the Australian Government consider opportunities to expand eligibility requirements for water infrastructure funding, including the On-Farm Emergency Water Infrastructure Rebate Scheme, to promote drought proofing and greater water security.**

7.65 While such investments in water infrastructure are crucial, the committee notes the evidence that more can be done to enhance water efficiency through innovation and research. In particular, submitters identified several sound priorities for investment in research and innovation activities.

7.66 One promising option is further investment in plant biotechnology which has the potential to increase crop yields while using fewer natural resources, such as water. The committee notes that the Future Drought Fund's Research and Adoption program provides an opportunity to fund activity in this area. The committee urges the Australian Government, as part of its priority setting under the national Drought Resilience Research and Adoption Investment Plan, to explore opportunities to fund plant biotechnology research and development.

### **Recommendation 19**

**7.67 The committee recommends that the Australian Government direct significant public funding to research, development and extension of plant biotechnology to enhance water efficiency and reduce water wastage.**

7.68 There is also compelling evidence that the establishment of the ONE Basin CRC will build resilience and effectively manage climate and water risks in the Murray–Darling Basin. To this end, the committee welcomes the proposed ONE Basin CRC and recommends that the Australian Government support its establishment as a centre of excellence that brings together research providers with complementary expertise, industry and the community into partnership to address research priorities for enduring irrigation farming and its dependent communities.

### **Recommendation 20**

**7.69 The committee recommends that the Australian Government support the establishment of the ONE Basin CRC as a centre of excellence that brings together industry, communities and research providers with complementary expertise.**

- 7.70 While there is no doubt that Australian Government investment in water programs and coordination is substantial, there is strong evidence that an assessment of Australia's water resources is needed in order to guide planning and investment. This is of particular concern given projected population growth and climate change predictions. The committee understands that an assessment of Australia's water resources is presently underway, led by the National Water Grid Authority. The committee looks forward to the conclusion of this assessment.
- 7.71 The focus of this inquiry has not been to assess federal water management arrangements. Instead evidence received was primarily concerned with the design and implementation of, and improvements to, drought support measures in Australia. The committee notes the comprehensive work of the Productivity Commission in its recent inquiry into the progress of reform in Australia's water resources sector. The committee encourages the Australian Government to act expeditiously in response to the Productivity Commission's final report.
- 7.72 In addition, the committee is currently undertaking an inquiry into potential further amendments to the *Water Legislation Amendment (Inspector-General of Water Compliance and Other Measures) Act 2021* (Cth) which will provide the opportunity to further investigate the appropriateness of administrative and legislative arrangements in the Murray–Darling Basin.

**Senator Glenn Sterle**  
**Chair**

# Appendix 1

## Submissions and additional information

### *Submissions*

- 1 Mr Sam Hoskin
- 2 Pooh Solutions
- 3 Australian National Audit Office
- 4 Mr Benjamin Cronshaw
- 5 Tasmanian Farmers and Graziers Association
- 6 Crop Life Australia
- 7 NSW Irrigators' Council
- 8 Regions Matter
  - Attachment 1
- 9 Australian Meat Industry Council
- 10 Community and Public Sector Union
- 11 National Mental Health Commission
  - Attachment 1
- 12 Catholic Women's League Australia
- 13 Commonwealth Scientific and Industrial Research Organisation
- 14 GrainGrowers
- 15 Red Meat Advisory Council
- 16 Australian Local Government Association
- 17 National Drought and North Queensland Flood Response and Recovery Agency
  - Attachment 1
- 18 National Aboriginal Community Controlled Health Organisation
- 19 East Gippsland Shire Council
- 20 Department of Agriculture, Water and the Environment
- 21 National Farmers' Federation
- 22 Bureau of Meteorology
- 23 Regional Investment Corporation
  - 23.1 Supplementary to submission 23
- 24 Australian Taxation Office
- 25 SOURCE Global

### *Additional Information*

- 1 Additional information provided by the Green Shirts Movement Australia (dated 13 March 2019).
- 2 Additional information provided by GrainGrowers (received 21 June 2021).

*Answer to Question on Notice*

- 1 Answers to questions taken on notice by the Community and Public Service Union at a public hearing on 18 June 2021 (received 29 June 2021).

*Correspondence*

- 1 Correspondence from Mr John Bradley, Secretary of Department of Environment, Land, Water and Planning to the Rural and Regional Affairs and Transport Committee dated 24 December 2019.

*Tabled Documents*

- 1 Opening statement provided by the East Gippsland Shire Council at a hearing on 18 June 2021.
- 2 Opening statement provided by the National Recovery and Resilience Agency at a hearing on 18 June 2021.
- 3 Communique provided by the National Recovery and Resilience Agency at a hearing on 18 June 2021.
- 4 A3 Map provided by the National Recovery and Resilience Agency at a hearing on 18 June 2021.
- 5 National Relative Root Zone Soil Moisture document provided by the National Recovery and Resilience Agency at a hearing on 18 June 2021.
- 6 National 24-month Rainfall Deficiency document provided by the National Recovery and Resilience Agency at a hearing on 18 June 2021.

# Appendix 2

## Public hearings and witnesses

*Friday, 18 June 2021*

Senate Committee Room 2S3

*National Farmers Federation*

- Mr Tony Mahar, Chief Executive Officer
- Mr Ash Salardini, Chief Economist

*Community and Public Service Union*

- Mr Michael Tull, Assistant National Secretary
- Mr Osmond Chiu, Senior Policy and Research Officer

*East Gippsland Shire Council*

- Cr Mark Reeves, Deputy Mayor

*NSW Irrigators' Council*

- Ms Claire Miller, Chief Executive Officer

*Australian Meat Industry Council*

- Mr Patrick Hutchison, Chief Executive Officer

*Red Meat Advisory Council*

- Mr Reith Parker, Chief Executive Officer
- Mr John McKillop, Independent Chair

*GrainGrowers*

- David McKeon, Chief Executive Officer
- Mr Zachary Whale, General Manager, Policy and Advocacy

*Commonwealth Scientific and Industrial Research Organisation*

- Dr Graham Bonnett, Director, Drought Resilience Mission
- Dr Chris Chilcott, Deputy Director, Land and Water
- Dr Richard Matear, Climate Intelligence Portfolio Lead, Climate Science Centre

*Bureau of Meteorology*

- Dr Peter Stone, Group Executive, Business Solutions Group
- Mr Matthew Coulton, General Manager, Water Sector Program

*Australian National Audit Office*

- Ms Carla Jago, Group Executive Director
- Ms Peta Martyn, Executive Director

- Mr Stephen Cull, Senior Director

*National Recovery and Resilience Agency*

- Mr Shane Stone AC QC, Coordinator General
- Mr Nico Padovan, Deputy Chief Executive officer and Chief Operating Officer
- Ms Hannah Wandel OAM, Executive Director, Drought

*Regional Investment Corporation*

- Mr Bruce King, Chief Executive Officer
- Mr Chris Rawlins, Executive Director, Transformation and Engagement

*Department of Agriculture, Water and the Environment*

- Ms Kerren Crosthwaite, First Assistant Secretary, Drought and Bushfire Response Division
- Ms Rachel Connell, First Assistant Secretary, Water Division
- Ms Kirsty Bunfield, Assistant Secretary, National Water Policy Branch
- Ms Courtney Bryant, Assistant Secretary, Drought Policy Branch
- Dr Peta Derham, Assistant Secretary
- Mr Jared Greenville, A/g Executive Director, Australian Bureau of Agricultural and Resource Economics and Sciences