



# **Submission on the Future Drought Fund, Drought Resilience Funding Plan 2020 to 2024**

13 December 2019

Prepared by Dr Prudence Gordon, General Manager, Trade and Economics

# NFF Member Organisations





The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

## **Statistics on Australian Agriculture**

---

Australian agriculture makes an important contribution to Australia's social, economic and environmental fabric.

### **Social >**

---

There are approximately 88,000 farm businesses in Australia, 99 per cent of which are wholly Australian owned and operated.

### **Economic >**

---

In 2017-18, the agricultural sector, at farm-gate, contributed 2.4 per cent to Australia's total Gross Domestic Product (GDP). The gross value of Australian farm production in 2017-18 is estimated to have reached \$60.1 billion.

### **Workplace >**

---

The agriculture, forestry and fishing sector employs approximately 323,000 people, including full time (236,700) and part time employees (84,300).

Seasonal conditions affect the sector's capacity to employ. Permanent employment is the main form of employment in the sector, but more than 26 per cent of the employed workforce is casual.

### **Environmental >**

---

Australian farmers are environmental stewards, owning, managing and caring for 51 per cent of Australia's land mass. Farmers are at the frontline of delivering environmental outcomes on behalf of the Australian community, with 7.4 million hectares of agricultural land set aside by Australian farmers purely for conservation/protection purposes.

In 1989, the National Farmers' Federation together with the Australian Conservation Foundation was pivotal in ensuring that the emerging Landcare movement became a national programme with bipartisan support.

## Recommendations

---

**Recommendation 1:** The Future Drought Fund ‘program designs’ are made available for public comment before they are used to guide FDF allocations.

**Recommendation 2:** That the Plan explicitly mention the need for coherence and consistency with a national drought policy or plan.

**Recommendation 3:** That the Plan detail the formal arrangements that will ensure coherence and consistency with a national drought policy or plan.

**Recommendation 4:** That Principles 2, 6, 8, 9, 11, 12, and 13 be redrafted to provide more guidance as to the kinds of initiatives that would align with these principles.

**Recommendation 5:** That any ‘comprehensive monitoring, evaluation and learning framework’ developed to ‘help determine the effectiveness of the Fund and improve its impact’ will include monitoring and evaluation of the initiatives that are funded via FDF arrangements and grants.

**Recommendation 6:** That the Consultative Committee clarify the extent to which the FDF is dependent on Commonwealth Government budgetary processes.

The NFF welcomes the Commonwealth Government's commitment to establish a long-term funding facility to invest in Australia's drought resilience. We also welcome the process of drafting a Drought Resilience Funding Plan (the Plan) to guide funding decisions and this opportunity to provide input to that process.

The NFF has a number of recommendations for improving the Plan. Our recommendations are based on our understanding of what the Plan is supposed to do in relation to the \$100m of funds to be allocated from the Future Drought Fund (FDF) from July 2020.

We note the *Future Drought Fund Act 2019* Section 25 reads 'In exercising a power conferred on the Drought Minister by section 21 [Arrangements and Grants] or 22 [Terms and conditions of grants], the Drought Minister must comply with a Drought Resilience Funding Plan that is in force.' We take this to mean the Plan should identify the characteristics of projects, research, advice, services, technology, or matters incidental to these<sup>1</sup>, that deems them eligible for funding, under an arrangement or grant of financial assistance, from the FDF. Or put another way, the Plan is supposed to act as a guide as to which initiatives the Minister should and should not agree to fund.

## **PROGRAM DESIGNS**

Our key concern is that the Plan as currently written provides high-level and general guidance and that we must wait to see the 'program designs' before there is clarity as to which initiatives may or may not be eligible for funding. ('Funding allocation will be determined through the Fund's program design, based on this plan, and the quality of applications received'). So there appears to be another level of detail yet to be worked out before there is certainty regarding the criteria determining funding allocations.

We appreciate tight deadlines exist around the legislative and regulatory processes that must be completed to enable funds to flow from 1 July 2020. We consider, however, that the Consultative Committee would have received more useful input on how funds should be allocated if both the draft Plan and program designs had been made available for comment at this point. The NFF requests the program designs will similarly be open to public comment before they are implemented.

**Recommendation 1:** The Future Drought Fund 'program designs' are made available for public comment before they are used to guide FDF allocations.

## **DROUGHT POLICY GOVERNANCE**

The NFF is also concerned that the Plan lacks any formal arrangements for ensuring initiatives funded by the FDF are consistent with the National Drought Agreement, the Commonwealth Drought Plan, or state and territory drought plans.

---

<sup>1</sup> *Future Drought Fund Act 2019* Division 2(21)(1)(c)-(h).

We note the Plan aims to set out ‘a coherent and consistent approach for making arrangements or grants in relation to drought resilience, or entering into agreements in relation to such grants’. As written, this aim refers to internal coherence and consistency rather than coherence and consistency with any overarching drought policy or strategy. The introductory pages to the Plan identify the need for consistency with broader drought and drought-related policies, but there is no mention of this as either a principle, priority or objective in the Plan itself.

Without clearly linking the FDF to broader drought policies and objectives, we are concerned that the FDF could support initiatives that may not align with, and could potentially counter, broader government and or non-government measures aimed at building drought resilience.

The NFF believes there needs to be an explicit recognition of the need for the FDF, and the initiatives it supports, to be integral to, and supportive of, a comprehensive and national approach to drought. We also consider the Plan needs to detail the formal arrangements for ensuring consistency and coherence between the FDF, and the initiatives it funds, and any national drought policy that includes government drought objectives and measures.

**Recommendation 2:** That the Plan explicitly mention the need for coherence and consistency with a national drought policy or plan.

**Recommendation 3:** That the Plan detail the formal arrangements that will ensure coherence and consistency with a national drought policy or plan.

## **FUNDING PRINCIPLES**

The NFF is supportive of most of the Funding Principles, despite their relative generality. We particularly support principles 4, 5, 7, 10, 15, 16, 17, 18, and 19.

Our key concerns with funding principles 2, 6, 8, 9, 11, 12, and 13 is that the language used to articulate them is so broad and obscure as to make it extremely difficult to identify the kinds of initiatives that might align with these principles. We acknowledge that the program designs will hopefully provide greater clarity, but still consider it important that the Plan include clearer principles considering it is the Plan with which the Minister must comply under the legislation and not the program designs. We would also note the Regional Investment Corporation Board must also provide advice in compliance with the Plan and not the program designs.

**Recommendation 4:** The Principles 2, 6, 8, 9, 11, 12, and 13 be redrafted to provide more guidance as to the kinds of initiatives that would align with these principles.

## VISION, AIM AND STRATEGIC PRIORITIES

The NFF agrees with the Plan's vision, aim and strategic priorities.

## CONSULTATION DRAFT

The Drought Resilience Funding Plan 2020 to 2024 Consultation Draft makes a number of points independent of the Plan that also raise concerns for the NFF.

## MONITORING and EVALUATION

The NFF welcomes the statement that a 'comprehensive monitoring, evaluation and learning framework ... will help determine the effectiveness of the Fund and improve its impact.' We note this framework will be prepared as part of the 'Fund's program design'. Again, it would have been helpful to see the draft program designs and this framework at this point in the process.

A more specific concern with the substance of the description of the framework is that it will be designed to evaluate 'the Fund' and its impact. It is unclear in the description whether the framework will include evaluation of the initiatives funded by the FDF. The current wording seems to imply that it will only be the administration of the FDF ('benefits of *the Fund*', 'processes and outputs used to *administer* the program', and '*funding* is adaptive, responsive and continually improving') that will be evaluated under the framework. This may just need to be clarified in the wording of that section of the consultation paper, but the NFF is of the strong view that any monitoring and evaluation framework include evaluation of the effectiveness of the initiatives funded by the FDF for achieving their stated objectives.

**Recommendation 5:** That any 'comprehensive monitoring, evaluation and learning framework' developed 'to help determine the effectiveness of the Fund and improve its impact' will include monitoring and evaluation of the initiatives that are funded via FDF arrangements and grants.

NFF supports that 4-yearly review of the Plan. Four years enables some certainty to be provided regarding how the Future Drought Fund will work, but also allows for improvements to be implemented after a review.

## NEXT STEPS

The NFF assumes the need to present the programs for consideration through the Australian Government's Budget process is because the programs include the allocation of Government administrative resources. It would be extremely helpful to have clarified the extent to which the FDF and the funding it provides is dependent on Federal Government budgetary processes.

**Recommendation 6:** That the Consultative Committee clarify the extent to which the FDF is dependent on Commonwealth Government budgetary processes.