



Draft Drought Resilience Funding Plan 2024 to 2028

Climate change disproportionately impacts the agriculture sector and landscape. There is already a noticeable increase in the frequency and severity of droughts and the compounding impacts of consecutive natural disasters. Farmers, agricultural landscapes, and regional communities must continue to reorganise, adapt and potentially transform in response to these impacts now and into the future, to enable a thriving, sustainable sector. It is acknowledged that drought is one of a number of risks to farmers, communities, businesses and the landscapes they depend on, which calls for active preparation and adaptation.

The Future Drought Fund is a \$5 billion investment, from which \$100 million in returns is made available each year, to build drought resilience in Australia's agriculture sector, landscapes and communities. The fund does this alongside and in partnership with a range of stakeholder groups including across government, industry representatives, farming systems groups, First Nations communities, NRM organisations, professional advisers, and the private and not-for profit sector. The fund has been established in accordance with the agreed role of the Commonwealth under the National Drought Agreement and is aligned with the forthcoming Australian Government Drought Plan.

Purpose

The Drought Resilience Funding Plan 2024 to 2028 ensures a coherent and consistent approach for making arrangements with, or grants to, a person or body under section 21 of the *Future Drought Fund Act 2019* (the Act) and entering into agreements under section 22 of that Act setting out the terms and conditions of such grants.

For the purposes of the plan, 'drought resilience' means the ability to adapt, reorganise or transform in response to changing temperature, increasing variability and scarcity of rainfall and changed seasonality of rainfall, for improved economic, environmental and social resilience.

This definition recognises that more frequent and severe droughts are one of the many impacts of climate change. The fund supports broader climate resilience outcomes, where they are consistent with the funding principles outlined in this plan.

As stated in the *Future Drought Fund Act 2019*, the purpose of the fund is to enhance the public good by building drought resilience. This means the benefits generated from the funding must be able to be accessed and or shared by many (i.e. provide public benefits), rather than be captured solely by individual businesses or industries for private commercial gain (i.e. private benefits). It also means that the benefits achievable from the funding should outweigh the costs. Public good may be established where there are significant spill over benefits for society and the economy, well beyond those derived by private beneficiaries. Wherever activities could deliver both public and private benefits, the fund should seek to leverage private or industry co-contributions (financial or in kind).

The vision, aim, strategic objectives and funding principles, are the overarching requirements of the fund's activities. The Future Drought Fund Investment Strategy 2024 to 2028 is a supporting policy document which identifies the strategic priorities for investment across the next 4-year funding period and will facilitate better planning, sequencing and coordination of programs. It will also demonstrate links to the broader landscape of drought and climate resilience initiatives.

Vision

An innovative and profitable agriculture sector, a sustainable natural environment, and adaptable rural, regional and remote communities – all with increased resilience to the impacts of drought and climate change.

Aim

To build drought resilience, and by extension climate resilience, for the public good of the Australian agriculture sector, landscapes and communities.

By actively building drought resilience in the short, medium and long-term, this aim will support the vision of the fund.

Strategic objectives

There are 3 inter-connected strategic objectives to achieve the vision and aim of the fund.

The strategic objectives are to build economic, environmental and social resilience. The purpose and intention of these objectives is to ensure grants and arrangements delivered under the Fund are done so using a holistic, systems approach, which reflects the diversity of opportunities and challenges facing farmers, businesses, communities and landscapes.

The objectives are:

- 1) growing the productivity and self-reliance of the agricultural sector (to build economic resilience)
- 2) improving management of the natural capital on, and function of agricultural landscapes (to build environmental resilience)
- 3) strengthening the social capital, wellbeing and connectedness of rural, regional and remote agricultural communities (to build social resilience).

The 3 strategic objectives will guide the design of the fund's activities, although do not imply or require an equal funding allocation across the three areas.

Funding principles

There are 2 categories of funding principles.

Fund wide principles guide decision-making about the mix of programs that will provide the greatest benefit for the community. These principles are particularly relevant when used by the Consultative Committee to provide advice to the Drought Minister under section 36E of the *Future Drought Fund Act 2019* about the proposed design of fund programs, under which arrangements or grants are made.

As a whole, the fund should:

- support a range of activities across Australia at different scales, including farm, community, regional and national levels
- prioritise activities which achieve multiple outcomes across the 3 strategic objectives to build drought and climate resilience
- consider the opportunities for incremental, transitional and transformational change needed to strengthen drought resilience and foster innovation, and to promote transformational change where appropriate
- support activities that have enduring outcomes, including through longer term programs
- collaborate and partner with diverse stakeholders to design and deliver programs, through a user-based lens and leverage opportunities to enact community-led, co-design, and or end-user approaches
- ensure eligibility for programs is streamlined and where possible, minimises compliance costs on businesses, community organisations and individuals
- use transparent, structured and, where appropriate, contestable processes to identify the best value investments, considering qualitative and quantitative evidence
- require co-investment to maximise program outcomes, where appropriate
- ensure there are no unnecessary ongoing operational or maintenance dependencies from investments.

The remaining funding principles apply to any arrangements and grants made to a person or body under section 21 of the *Future Drought Fund Act 2019* and any further (devolved) arrangements and grants made by that person or body. These principles are particularly relevant when the Regional Investment Corporation Board is providing advice to the Drought Minister under section 28 of the *Future Drought Fund Act 2019*.

Arrangements and grants must:

- be consistent with the vision, aim and strategic objectives (to build economic, environmental and social resilience) outlined in this plan
- ensure activities deliver a public good
- not provide in-drought assistance to directly address hardship
- actively encourage participation of a diverse range of people, businesses and landscapes involved in the agricultural sector and rural communities, including First Nations people
- foster collaboration to improve coordination, planning and implementation of drought resilience activities
- be designed to deliver efficient and effective outcomes for stakeholders
- ensure knowledge obtained from the fund investment is shared and freely made available in the public domain

- ensure planned monitoring, evaluation, and learning activities are robust and in alignment with fund level monitoring, evaluation and learning expectations.

Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

© Commonwealth of Australia 2023

Unless otherwise noted, copyright (and any other intellectual property rights) in this publication is owned by the Commonwealth of Australia (referred to as the Commonwealth).

All material in this publication is licensed under a [Creative Commons Attribution 4.0 International Licence](https://creativecommons.org/licenses/by/4.0/) except content supplied by third parties, logos and the Commonwealth Coat of Arms.

The Australian Government acting through the Department of Agriculture, Fisheries and Forestry has exercised due care and skill in preparing and compiling the information and data in this publication. Notwithstanding, the Department of Agriculture, Fisheries and Forestry, its employees and advisers disclaim all liability, including liability for negligence and for any loss, damage, injury, expense or cost incurred by any person as a result of accessing, using or relying on any of the information or data in this publication to the maximum extent permitted by law.