



Informing the next phase of Future Drought Fund investment

Summary of public consultation feedback

Future Drought Fund Strategic Policy and Delivery Branch

1 Public consultation 2023

From 20 October to 6 December 2023, we invited our stakeholders to help inform the next phase of Future Drought Fund (FDF) investment from 2024 to 2028. Stakeholders were invited to comment on a draft Drought Resilience Funding Plan and a draft Future Drought Fund Investment Strategy. The draft funding plan sets out a high-level framework to guide funding decisions under the FDF. The draft investment strategy proposes options for implementing the Productivity Commission's recommendations and themes of future investment. We asked for feedback on the proposed:

- vision, aim and strategic objectives of the FDF
- high-level funding principles to guide funding decisions
- implementation options for the Productivity Commission's recommendations
- themes of future investment and funding options
- key features of new programs.

In association with the independent FDF Consultative Committee we conducted 20 face-to-face consultations across Australia as well as 2 virtual meetings. Over 320 people attended the public meetings, and we received 87 written submissions and 71 survey responses. We heard from FDF participants and partners, industry, state and territory governments, professional advisors, research institutes, non-government organisations, farmers and people living in rural communities.

1.1 Background

The FDF seeks to build drought resilience in Australia's agriculture sector, landscapes, and communities. Programs and spending under the FDF are guided by a 4-year funding plan, which is a disallowable legislative instrument. Every 4 years, the funding plan is reviewed and replaced with another as required by the *Future Drought Fund Act 2019* (the FDF Act). This legislated review process includes an inquiry by the Productivity Commission of Part 3 of the FDF Act, followed by public consultation on a draft funding plan.

2 Summary of stakeholder feedback

Stakeholders broadly endorsed the proposed approach for the next phase of the FDF. There was support for:

- a high-level framework centred on economic, environmental and social resilience
- a detailed and long-term plan for funding and activities
- fewer high-value, integrated and sequenced programs to maximise impact
- place-based partnerships to facilitate co-design, collaboration and alignment of activities that meet local needs
- a people-centred approach with greater engagement, acknowledging stakeholder diversity
- increasing engagement with First Nations peoples and communities
- an ongoing commitment to public good outcomes
- a balanced approach to driving change through new ideas and extension of tried and tested practices
- prioritising knowledge sharing and monitoring, evaluation and learning
- increasing preparedness and self-reliance.

2.1 Feedback on the draft funding plan

A high proportion of stakeholders agreed with the appropriateness of the draft funding plan. This was reflected in face-to-face meetings, written submissions, and survey responses.

Stakeholders strongly endorsed a holistic systems approach focusing on economic, environmental, and social resilience – reflected in the draft funding plan’s proposed strategic objectives and funding principles. Many noted the interconnectedness of these objectives, but that some activities, including community social resilience may require a dedicated effort.

Funding principles outlined in the draft funding plan were supported and reflected key issues raised by stakeholders. These included:

- promoting self-reliance and preparedness regardless of conditions, including in-drought hardship
- recognising the impact of climate change and focusing explicitly on activities which achieve both drought and climate resilience outcomes
- supporting enduring outcomes, including longer-term programs
- delivering robust monitoring, evaluation, and learning
- prioritising knowledge sharing, including opportunities to engage and communicate program outcomes.

Stakeholders called for greater emphasis on:

- best value and evidence-based proposals
- engagement, communication, and collaboration with a diverse range of stakeholders, including First Nations peoples and communities
- a flexible and place-based approach to program design and delivery to meet local needs
- collaboration and alignment between the FDF and other government and private sector initiatives, to avoid duplication and maximise outcomes.

Those who did not support the draft funding plan called for additional detail regarding funding priorities and activities. However, many stakeholders were supportive of the development of an investment strategy, which would provide a forward plan, including funding priorities and sequencing of programs and activities for the 2024-2028 funding cycle.

2.2 Feedback on the draft investment strategy

Most stakeholders agreed with the following proposed investment streams outlined in the draft investment strategy:

- place-based action and partnerships
- information, skills, and capacity building
- agricultural landscape management
- innovation and transformation
- enabling activities.

Stakeholders suggested that future funding should be focused on:

- increasing and enhancing partnerships with a diverse range of stakeholders to ensure a place-based approach, to meet local need
- cultivating broad skills including farm risk and land management and building personal resilience including mental health and wellbeing
- improving landscape function, including through integrated activities, while avoiding duplication
- undertaking a balanced and fair approach to driving change through new ideas and extension of tried and tested tools, practices, and approaches
- enhancing knowledge sharing and monitoring, evaluation, and learning.

Stakeholders also nominated a broad range of drought resilient practices, tools, technologies, and activities that should be supported by the FDF, consistent with these themes.

3 Key themes of feedback

3.1 A clear and longer-term focus

Stakeholders suggested that FDF program design was often rushed with a focus on short-term wins. It was suggested that programs should instead focus on delivering enduring outcomes, including through longer-term programs. Stakeholders said longer-term programs enable co-design, reduce administrative burden, and accommodate the realities of real-world farming conditions. Stakeholders specifically recognised the value of the Long-term Trials of Drought Resilient Farming Practices Grants program and suggested more programs should have long-term contracts of 6 years or more.

Many stakeholders noted difficulty in accessing and understanding the vast range of support and resources available under the FDF. Some stakeholders specifically supported fewer programs to deliver a more integrated suite of programs and reduce confusion. Stakeholders also called for greater transparency of FDF programs and activities, including intended purpose, beneficiaries, and timeframes. Making this information available early would help to ensure stakeholders have adequate time to prepare, engage and allocate resources to participate.

3.2 Coordination and avoiding duplication

Concerns were raised over the lack of coordination, integration, and sequencing of activities both within the FDF, and between the FDF and other government and private sector initiatives. While there was widespread support for natural resource management action, the risk of duplication between the FDF and the Natural Heritage Trust was frequently raised. Consequently, there were mixed views on supporting more FDF investment in natural resource management; some stakeholders supported its prioritisation as a dedicated investment or focus, while others supported the continued integration of activities throughout FDF investments, especially with regional and farm planning initiatives.

Some stakeholders suggested a map of all relevant initiatives and linkages with FDF programs would help minimise duplication. Others suggested that co-design is the best way to facilitate an enduring understanding of related initiatives, avoid duplication and enhance opportunities for integration.

3.3 Collaboration with stakeholders

Stakeholders supported place-based approaches to program design and delivery to ensure activities are locally relevant and draw on local expertise. Increasing place-based consultation would also help to identify and prioritise regional and local needs. Several stakeholders noted a need to prioritise genuine co-design, which would require longer program timeframes. Stakeholders also called for better collaboration and coordination across all levels of government and in communities to ensure funding is targeted, and to minimise duplication.

3.4 Diverse stakeholders

The importance of partnering with stakeholders and leveraging on-ground expertise was a key theme of feedback. Stakeholders said that people are at the centre of drought, drought resilience and behavioural change. It was suggested that the FDF should build drought resilience in partnership with farmers and stakeholder groups including rural, regional, and remote communities, First Nations peoples, industry representatives, farming systems groups, natural resource management organisations, professional advisors, universities and other research organisations, all levels of government, and the private and not-for-profit sectors.

Stakeholders also called for greater clarification and more inclusive program guidelines regarding intended outcomes, beneficiaries, and opportunities for partnerships. Stakeholders called for programs to include all primary production industries. It was also noted that competitive funding rounds and requirements for co-investment can result in small place-based organisations missing out on funding.

There was strong support for increased engagement with and improved outcomes for First Nations peoples and communities impacted by drought. There was support for a new dedicated funding stream for First Nations drought resilience initiatives. It was noted that building capacity, training, and education, including through cultural mapping, is vital. Further, all programs could improve culturally appropriate engagement and communication. Stakeholders suggested this would increase involvement of First Nations stakeholders and support higher-value projects.

Many noted the importance of personal resilience in behavioural and agricultural practice change. Stakeholders suggested existing mental health services and supports are insufficient in regional, rural, and remote areas. Conversely, concerns were raised regarding the risk of duplicating services, and stakeholders encouraged investments in specific non-clinical support and training as an alternative. Stakeholders called for the prioritisation of grassroots community initiatives with the intention of freeing up existing services.

3.5 Private and public good outcomes

Most stakeholders were broadly supportive of the recommendations in the 2023 Productivity Commission Review of Part 3 of the FDF Act Inquiry Report. However, there was some concern about the Productivity Commission's approach to improving the public benefit of the Farm Business Resilience program (recommendation 7.2). Stakeholders did not support recommended changes to eligibility, co-contribution requirements and learning and development content associated with the Farm Business Resilience program. The program was noted to be of significant value, with demonstrated early outcomes. Further, stakeholders believe the program delivers public good, citing the program's existing focus on interconnected economic, environmental, and social outcomes which benefit the broader community. For example, viable and profitable farm businesses support a healthy environment, which those businesses depend on. Some stakeholders were also concerned about the FDF's existing approach to co-contributions, which could be a barrier to engagement.

3.6 Balanced and fair approach to driving change

The Productivity Commission's proposed prioritisation of actions to support transformational change also garnered debate. Some stakeholders agreed transformational change is needed in the face of climate change. Others argued that incremental changes, such as improving water efficiency, will be sufficient in some cases to deliver drought resilience. It was also noted that transformational change should not be forced on those that are not ready; and there should be greater consideration given to the unique circumstances and contexts of farmers and regions.

There were also competing perspectives on the definition of transformational change. It was noted that while change at a large, spatial scale may be transformational, it can also be achieved at smaller scales. Further, incremental changes can accrue to result in transformational change. Most stakeholders agreed that the FDF's focus should be on the enabling conditions that lead to incremental, transitional, and transformational change. Stakeholders also supported a mix of investment across research, development, extension, and adoption to deliver change.

3.7 Knowledge sharing and monitoring, evaluation, and learning

Stakeholders recognised the value of enabling activities, including monitoring, evaluation and learning, and communication of FDF data and information. A common theme from feedback was the need to better share FDF outcomes through grassroots communication. Stakeholders suggested that dedicated funding is needed to support the dissemination of information and increase the adoption of tried and tested practices. Stakeholders also suggested investing in longitudinal data and upskilling delivery partners and participants in data collection and analysis. The lack of extension officers was also consistently raised.

3.8 Preparedness and self-reliance

Some stakeholders expressed concerns that the FDF may be supporting farmers who are not committed to actively building their resilience and preparedness for drought and climate risks. Stakeholders were adamant that the FDF should remain focused on building drought resilience through preparation and refrain from providing in-drought financial assistance.

4 Next Steps

Stakeholder feedback is helping us to ensure FDF investments are fit-for-purpose and that farmers and regional communities are better equipped to prepare for future droughts and climate change. Informed by stakeholder feedback:

- the new *Future Drought Fund (Drought Resilience Funding Plan 2024-2028) Determination 2024* commenced on 9 February 2024 and will guide FDF funding decisions.
- the Future Drought Fund Investment Strategy (2024 to 2028), and a government response to the Productivity Commission Inquiry, will be released in mid-2024.

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.

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