

# Have Your Say – Future Drought Fund Investment Strategy and Funding Plan 2024-28

On 17 October 2023 the Minister for Agriculture, Fisheries and Forestry and Minister for Emergency Management, Senator the Hon Murray Watt released a draft Investment Strategy and Funding Plan for the Future Drought Fund and invited comments on the drafts to help inform new programs from 2024.

As the national coordinator of the plant biosecurity partnership between government and industry in Australia, Plant Health Australia (PHA) welcomes the Government's initiative in seeking to better support growers across Australia through enhancing preparedness and resilience.

PHA understands the purpose of the draft paper is to guide the next phase of funding from 2024 through to 2028, to enhance the ability of Australian farmers and regional communities to adapt, reorganise or transform in response to changing temperatures, increasing variability and scarcity of rainfall, and changed seasonality of rainfall, for improved economic, environmental and social resilience.

Preparedness is not only becoming more important as our climate changes, but also as the number of biosecurity incidents each year continues to increase. PHA is supportive of the Commonwealth's commitment to ongoing support of rural and regional preparedness, and especially so when undertaken in true partnership with industry. PHA agrees that it is important that preparatory work for future droughts is informed by engagement with stakeholders and/or those who are and will be impacted by drought and climate change.

PHA supports the plan's focus on innovation and resilience in the face of adversity, of which both drought and biosecurity disproportionately affects agriculture. This is because the impacts of biosecurity are often felt not only directly from the disasters themselves but also from our responses to emergencies in movement restrictions of personnel, food, fodder, machinery, and vehicles. PHA encourages the Australian Government to retain biosecurity vigilance, planning and preparation activities in its investments made under the future drought fund. PHA understands that resilience and innovation cannot be created overnight however, can be fostered and grown within regional communities with the right support.

PHA urges the Consultative Committee to consider the following points in the context of enhancing the drought and biosecurity preparedness and resilience of farm businesses and communities across Australia. Additional detail on these points is provided later in the document.

## Key points to enhance preparedness and resilience

- **Developing resilience and innovation** is critical when it comes to dealing with adversity and disasters of which drought and biosecurity disproportionately affects agriculture.
- **Biosecurity is important**, for example the annual costs of weeds, pests and diseases to Australian grain growers is already more than \$12b and significantly affects both agricultural production and commodity quality. Effective integrated disease, pest and weed management by producers sustained through droughts and other disasters, together with Australia's national biosecurity system, is keeping Australia free of additional harmful and costly exotic pests.
- **The movement of Biosecurity Risk Material increases** under drought conditions through the increased movement of feed, fodder, animals, and food. This is on top of the growing international passenger, mail and trade volumes, population expansion and increasing dispersal of pests globally and regional infrastructure development.
- **Changes to supply chain pathways** including minimising disruption to key food markets and food processors.
- **Biosecurity planning and maintaining biosecurity vigilance** are critical in recovery efforts after drought and other disasters. Early detection of exotic pests through effective surveillance provides the best chance of eradication. The cost of eradication responses is enormous, but if not eradicated, incursions of exotic

pests impacts industry by cutting production, increasing costs and threatening market access for our products. Overall, this has a cumulative impact on Australia's food security longer term.

## About Plant Health Australia [www.planthealthaustralia.com.au](http://www.planthealthaustralia.com.au)

Plant Health Australia (PHA) is the national coordinator of the government-industry partnership for plant biosecurity in Australia. Our purpose is to minimise plant pest impacts on Australia, boost industry productivity and profitability and enhance market access. Since being established in 2000, PHA has invested over \$75m directly in Australia's biosecurity system on behalf of our members.

A not-for-profit company, PHA's main activities are funded from annual subscriptions paid by members, with separately funded pest risk mitigation projects commissioned by individual members, groups of members or non-members. Our members comprise all major plant industry bodies that represent Australian growers and beekeepers (currently 39), plus all state and territory governments and the Australian Government.

For a recent description of PHA's program visit our recently published [2022-23 Annual Report](#)<sup>1</sup>.

## Feedback on Future Drought Fund Investment Strategy and Funding Plan 2024-28

The Department of Agriculture, Fisheries and Forestry's draft investment strategy and funding plan sets out proposed key features of the new program and proposed investment streams to guide funding for the next 4 years. Below are PHA's comments on the importance of biosecurity in preparing for, coping with, and recovering from drought in Australia.

### Developing resilience and innovation

Developing and fostering resilience and innovation is critical when it comes to dealing with adversity and disasters, of which, drought and biosecurity disproportionately affect agriculture. Unfortunately, we cannot be selective and choose which disasters we want to face each season just as we cannot afford to choose between different adversity events or disasters to respond to.

PHA supports the efforts to date in 'place based action and partnerships' investment stream that recognises local nuances, impacts, trauma and support networks and their strengths and vulnerabilities. It also recognises the need to foster innovation and innovative thinking and develop resilience within these communities on the topics of highest benefit and impact for them. Empowering rural and regional communities to come together in response to emergencies to natural hazards such as fires, floods, cyclones, droughts and biosecurity incidents can be incredibly powerful when integrated support is in place for the region.

#### Case Study.

##### Enhancing regional preparedness.

The Southern NSW Drought Resilience Adoption and Innovation Hub (Hub) has engaged the Regional Australia Institute (RAI) to develop a pilot methodology that could assist regional communities identify their role in biosecurity preparedness, from the ground up, and to prioritise their assets and mitigate their local limitations in the event of a biosecurity incursion.

The methodology is currently being summarised in a framework that the Hub can then test with a range of other communities. The pilot project is being guided by members of industry, Plant Health Australia, NSW DPI and extension specialists and is working with businesses and community members and groups in the Orange, NSW, region to understand their knowledge of and preparedness for biosecurity incursions; how

<sup>1</sup> Plant Health Australia (2023) Annual Report 2022-23

they see these incursions impacting local businesses and community amenities; and the role they could have in biosecurity preparedness. This will be undertaken in the context of Orange's wine, horticulture and livestock industries. The project concluded in November 2023.

The Hub is currently undertaking a biosecurity 'track and trace' pilot in the Orange region with winegrowers, NSW DPI, NSW Wine and Onside. This project leverages this recent engagement in the Orange region, as well as the region's economic development goals to build on the diverse agricultural industries present and the significant visitor economy (approximately 1million visitors annually), and the relationship between the two.

## Biosecurity is important

Like natural hazards, national response arrangements to biosecurity incidents are based on an 'all hazards, all agencies' approach. They apply across pests, diseases and weeds that impact: animal health, including aquatic animals; all plants, including grains, horticulture, nuts and forestry; and the environment, including marine. The [Australian Government Biosecurity and Agricultural Response Plan \(AUSBIOAGPLAN\)](#) offers further detail on for Australian Government coordination in response to plant and animal biosecurity and agricultural incidents.

Our biosecurity risks are amplified under extreme climatic and weather conditions such as drought. Australia's biosecurity system operates in a rapidly changing technical and risk environment. New pests and diseases can devastate our unique ecosystems, reduce social amenity, undermine agricultural production, reduce the sustainability of rural communities, increase the need for chemical use, reduce overseas markets for our produce and significantly damage the economy.

The adage that prevention is better than cure is completely correct. The costs of eradication responses can be significant, and the alternative, living with the new pest is also costly in the long term. Not all pests are eradicable, so the impacts of a new pest including loss of market access, damage to the environment, diminishing returns from agricultural production and potentially devastating effects on regions, are long lasting if not permanent.

Agriculture is Australia's fastest growing sector, second only to mining in terms of its importance to the national economy. As such, a strong biosecurity system to protect this asset is just as important as other fundamental services delivered through government and industry partnerships, and PHA believes that the way that biosecurity is integrated into programs such as the future drought fund should reflect this importance. Reaching \$100bn farm gate value by 2030 requires consistent investment in a strong biosecurity system and national dialogue on the support needed to ensure Australian agriculture reaches its full potential.

Following a couple of strong years of production due to favourable conditions the gross agricultural value is forecast to fall by 14% from record value of \$92 billion in 2022-23, with drier conditions causing crop production to fall from record levels. In addition, global prices for most commodities are expected to decline reflecting higher global supply. Inflation remains a risk for producer profits and also expected to weigh on consumer demand.

The annual costs of weeds, pests, and diseases to the Australian grains industry for example is already more than \$12b and significantly affects both agricultural production and commodity quality. While these costs are increasing, the rate of increase is being managed by producers through effective integrated disease, pest and weed management, together with Australia's national biosecurity system which is keeping Australia free of harmful and costly exotic pests.

## Increased movement of Biosecurity Risk Material

The movement of Biosecurity Risk Material increases under drought conditions through the increased movement of feed, fodder, seed, animals, and food.

It is essential that biosecurity remains a key focus of any drought preparedness, assistance, and recovery

work as the movement of biosecurity risk material increases during these times and includes:

- drought relief food and supplies for drought affected communities coming from non-traditional supply chains and sources.
- feed and fodder movements from non-traditional sources, production systems, supply chains and from further afield.
- different make up of feed types, rations and mixes (i.e. cotton seed meal, molasses, food waste, horticulture waste etc.)
- supply chain flow and direction changes for raw ingredient supply /demand for regional food processing centres.
- Food movement from different suppliers.
- Importing feed / food / ingredients that are normally produced in Australia.

Our [Farm Biosecurity Program](#), a joint PHA and Animal Health Australia initiative, is a national communications-focused project providing plant and livestock producers with practical information about on-farm biosecurity to prevent pests and diseases, coming onto, and leaving their properties.

An engagement element focuses on creating opportunities such as the On-Farm Biosecurity Summit held in Queensland earlier this year, to bring together plant and animal industry to explore and encourage the uptake of good biosecurity practices and planning; deepen the connection between industry and peak bodies and identify gaps in the current system requiring a coordinated approach. It is a great channel for producer awareness and should be considered as a vehicle to amplify messaging of the potential risks to producers during drought events and other natural hazards when there is increased need and movement of potential biosecurity carriers such as machinery and feed.

Investments made under the "Place based action and partnership stream" will also be important for both biosecurity and drought programs as locals are best placed in a post border scenario to spot and report anything unusual. These hubs will take time to embed themselves in each of the regions to be able to engage, deliver demonstrable impact and show outcomes.

## Changes to supply chains

During extended periods of drought, the supply chain pathways of raw ingredients undergoes significant changes in Australia as key food markets and food processors look to secure continuity.

The impact of any potential incursion experienced during drought conditions would be exacerbated through the increased movement and altered supply chain pathways to regional processing centres.

The adverse effects or impacts on crop and livestock productivity are relatively well known, however, the indirect supply chain repercussions are still unclear and not front of mind. For example, whilst the food and grocery sector has shown remarkable resilience to events such as the 2019-20 bushfires, the COVID-19 pandemic and 2022 floods which highlighted the sector's ability to adapt and ensure the uninterrupted flow of essential supplies to affected communities, it did expose vulnerabilities within the supply chain. This was particularly in terms of critical logistical and processing infrastructure and the need for enhanced digitalisation to bolster tracing, pricing transparency, biosecurity and operational efficiency.

Digitalisation of the domestic supply chain and identifying key road and rail routes vulnerable to disruption are critical steps toward a more resilient and efficient food and grocery supply sector. As Australia continues to face evolving challenges such as natural disasters and biosecurity incidents the need for greater supply chain resilience is essential. There are many resilience and innovation issues facing both industry and their respective supply chains. These include areas such as traceability, food safety, pricing, and stock transparency as well as certification and assurance schemes for production methodologies.

## Biosecurity planning and maintaining biosecurity vigilance

Biosecurity planning and maintaining biosecurity vigilance are critical in recovery efforts after drought and other disasters. During periods of reduced rainfall and persistent heat, natural water sources can quickly become depleted and both wild and feral animals (e.g., feral goats and pigs) will compete with livestock for water if they can gain access to it. This poses a significant risk of disease transmission, particularly in extensive and free-range operations where wild and feral animals are most likely to gain access to dams, troughs, surface water and water tanks that are not bird-proof. Some examples of diseases that can be transmitted in water include botulism and salmonellosis, as well as some emergency animal diseases such as foot and mouth disease (FMD) and highly pathogenic Avian Influenza (HPIA).

In addition, when rainfall decreases, the pasture supply and quality is impacted. Farmers may need to buy in feed from other regions or states to meet the nutritional and energy requirements of their livestock. This, like with most farm inputs, increases the risk of pests, weeds and diseases being brought into the area and onto farms. It is also important to note that states may have biosecurity requirements for the importation of livestock fodder and feed. For example, hay is a vector for pests such as Red Imported Fire Ant and weed seeds, with Victoria requiring sampling of hay for the presence of annual ryegrass seeds.

## Integration is key

Whilst significant efforts have been made in developing specific innovations and focused resilience for Australian agricultural industries, some of the most pressing challenges impacting farmers during times of adversity is the lack of integration across the different support programs and services available. Now more than ever, Australian farmers require a system that coordinates, energises, and leads our collective development of resilience and innovation that supports rural and regional Australia preparing for, coping with, and recovering from times of adversity.

Increased collaboration builds and nurtures resilience and PHA believes building on the “Place based action and partnership” stream with more formal commitments from other investors such as the Research and Development Corporations and Agricultural Innovation Australia, would deliver significant industry and regional value. PHA recommends the Australian Government reaffirm its commitment to ‘Place based action and partnerships’ and establish the right combination of funding and strategic support for a more formal system of collaboration. Further development of the hubs will ensure the successful and meaningful collaboration with the right organisations on the most important cross sectoral issues within each region. Strengthened collaboration, capacity and infrastructure focused on the innovations and resilience of regional communities are just some of the benefits moving away from short term to longer term regional funding and investment.

The costs of carrying out biosecurity functions across the continuum increase each year. Governments and industries alike are under pressure to meet these additional costs and to maintain funding among the myriad of other competing priorities, so we need to make every dollar count and ensure that every dollar invested is delivering value for both drought and biosecurity resilience.

## Conclusion

This submission has not focused on any specific proposed feature or investment stream and has instead focused on the overarching issue of integrating biosecurity together with drought preparedness and resilience. PHA recognises that the Consultative Committee will receive numerous submissions and be provided with wide ranging feedback from many different agricultural, community and environmental interest groups and research organisations.

Whilst these will all be incredibly important, the biggest challenge that the Consultative Committee will face is trying to fund a long-term preparedness system that has to date never been developed as a system. PHA believes that a collaborative approach to developing collaborative regional investment strategies based on leading science together with the regional adoption and innovation hubs to deal with the priorities, tensions, complexities, and nuances that each sector and scientific discipline presents, will deliver the best outcome for

farmers, the economy and Australia's biosecurity system.

PHA would be pleased to hold further discussions with the Consultative Committee on the issues raised in this submission or any other matter relating to enhancing the drought and biosecurity preparedness and resilience of farm businesses and communities across Australia. PHA would also be pleased to assemble a panel of 'collective' plant industries for the Consultative Committee to engage with in a collaborative approach to enhance the drought preparedness and resilience of farm businesses and communities.

If you would like to hold further discussions with PHA or would like us to assemble an industry panel, please contact Stuart Kearns, National Manager, Preparedness and RD&E on 02 6215 7700 or email [skearns@phau.com.au](mailto:skearns@phau.com.au)

I look forward to seeing the outcomes from this critical piece of work.

Yours sincerely



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