

Future Drought Fund: Draft Drought Resilience Funding Plan and draft Investment Strategy consultation

Submission from the Department of Primary Industries
and Regions

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Government
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Department of Primary
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The Department of Primary Industries and Regions (PIRSA) welcomes the opportunity to make this submission in relation Future Drought Fund Draft Drought Resilience Funding Plan and draft Investment Strategy consultation.

The establishment of the \$5 billion Future Drought Fund (FDF) and the Australian Government commitment to making \$100 million available from the FDF each year provides secure and continuous investment to support farmers, farming sectors, regional and rural communities build resilience and prepare for future droughts.

PIRSA delivers the Farm Business Resilience (FBR) Program and the Regional Drought Resilience Planning (RDRP) programs in South Australia and is also a key partner in the South Australian Drought Resilience Adoption and Innovation Hub (SA Drought Hub) led by the University of Adelaide.

Since July 2020 when the foundation programs of the Future Drought Fund were announced, substantial effort and investments have been made in implementing these three programs in South Australia. At a national level, this investment and effort in standing up the eight foundational year programs simultaneously across the country has been substantial. Now that these programs are being delivered there is an opportunity to make further connections between the existing eight programs to maximise outcomes.

It is still quite early in implementation of these programs. More time is needed to accurately measure their effectiveness, particularly noting the longer timeframes associated with practice change, and adoption of research, technology and knowledge. These impacts may not be seen within the life of the 4 year Funding Plan cycle. Progress has however been made on improving drought resilience for the farming sector and regional communities in South Australia.

The Funding Plan principles, vision, aim, strategic priorities and objectives are considered appropriate noting implementation of the Funding Plan through the delivery of programs is in the early stages.

The Funding Plan should continue to:

- Reflect a triple bottom line approach to building resilience recognising that economic, environmental and social resilience are interconnected and required to build lasting resilience.
- Reflect the need for environmental resilience for sustainable and improved functioning of farming landscapes and improve on the natural capital of agricultural landscapes for better environmental outcomes and improved productivity.
- Ensure that projects and activities enhance the public good.
- Consider the incremental, transitional and transformational opportunities needed to strengthen resilience and encourage innovative proposals and the timeframes and funding certainty required to deliver these opportunities and demonstrate effectiveness.
- Recognise the diversity of people, businesses and landscapes involved in agricultural production, including Indigenous landholders and communities.

- Where appropriate, use or collaborate with existing community networks, Indigenous organisations and communities, natural resource management organisations (regional landscape boards in SA), industry and farming systems groups.
- Ensure that all new knowledge is shared and made freely available in the public domain.

Consideration could be given to specific funding for dedicated programs for First Nations landholders and communities.

Both transformational change and incremental change are needed. There is a need for investment targeted into drought resilience and climate resilience research and development priorities and investments into infrastructure/equipment to support such transformational change would be helpful. Incentives for companies to commercialise transformational research trial outcomes to take these to scale could be of value.

A clear definition of the Drought Resilience Adoption and Innovation Hubs' (Hubs) role is needed, particularly given the additional functions which were added their remit. The Hubs' should continue to be focused on extension and adoption and avoid fundamental innovative research and development (R&D). There is current duplication of R&D activities by the Hubs with other Future Drought Fund programs, Rural Research and Development Corporation investments, and other State and University based R&D activities leading to unnecessary competition.

There remains a lack of extension and adoption of past drought preparedness R&D outcomes. A continued and clearer focus on drought and climate resilience extension and adoption of past R&D outcomes by the Hubs is needed to fill this gap. This will help to ensure Hubs are more targeted in their focus and approach and assist hubs in communicating their role in delivering Future Drought Fund activities to the community and to strengthen the interaction and integration of all Future Drought Fund Programs where appropriate. The independent review of the Hubs may also assist with defining the role, and consideration will need to be given to ensure the appropriate governance arrangement for the review to ensure independence.

The proposed funding options are appropriate; however, it is suggested that the Innovation Challenges would be best delivered as a separate Future Drought Fund program rather than incorporated within the Hubs, where the focus needs to be on extension and adoption of existing research and tools.

Due to the competitive nature of grants, grant programs are best led out of the Commonwealth. The Hubs are best placed to act in a supporting role to assist other organisations, particularly those with limited capacity and resources to co-design and co-implement multi-party projects. The current round one Future Drought Fund cross-Hub projects were not co-designed, due to the limited time available to design projects. An open tender call for cross-Hub projects led by the Commonwealth that is available for any organisation to co-design projects cross Hubs would enable more impactful future cross-Hub projects than those invested in the inaugural round that were only developed internally by the Hubs.

In terms of implementation of grants programs to date there could be some improvements made to increase the opportunities for collaboration between partners and likelihood of innovative proposals.

The timing of grant rounds has been problematic on occasions, being conducted at short notice, often at peak holiday periods and or with limited consideration for the production calendar for farmers. Consideration should be given to the capacity of smaller organisations to participate, collaborate and partner, particularly those with limited staff and capacity to participate in peak production periods.

While competitive grant programs in theory provide the most competitive applications there is a case for considering an alternative approach particularly if it enhances the capacity for collaboration and provides time for innovative proposals to be developed. Elements that should be considered are:

- Alternative models to the competitive grants model. The competitive grants model can create a sense of competition, resulting in less collaboration and potentially less innovative proposals that could be developed over time in a more collaborative manner.
- The capacity of small organisations with limited staff resourcing who are looking to collaborate and partner.
- Lead time and timeframes provided for the development and submission of applications.

The impacts of climate change are and will continue to be a significant challenge to agriculture and rural communities in South Australia.

South Australia has already become hotter and drier with more variable and extreme weather and these trends are projected to continue over this century and beyond.

Building resilience to climate change impacts, as they relate to drought is already a significant element of current Future Drought Fund delivery. This is evidenced in the on-ground delivery of programs in South Australia and the significant investment by the Australian Government in the Climate Services for Agriculture (CSA) Program. The CSA online platform gives Australian farmers and communities climate information for their local area to help them better prepare for climate risks.

Both innovative new practices and extension and adoption of past practices for drought and climate resilience are needed. To support a renewed focus on extension and adoption for Hubs, the Future Drought Fund Long term trials and Innovation Challenges programs should focus on the innovation. There is a need to continue to generate innovations to advance our farming systems (Long-term trials, Innovation challenges), whilst also ensuring we have the network and pathway to facilitate the extension and adoption of the best innovations directly to our producers (Hubs, farming system groups) from the commencement of a research project. Past research outcomes should be extended across different regions and tested across different scales from small field trial plots to paddock strip trials to whole paddock trials.

There is a need for longer term trials (10-15+ years). This would be assisted by a re-investment into continue successfully established Future Drought Fund long-term trials from the round one Future Drought Fund Long term trial program (currently 6 years). Extension of current long-term trials for another 6 years, would enable more reliable assessment of applied treatments and testing of parameters, such as soil health and whole of system rotations, that we know take considerable time to respond to treatments across different environments.

The climate resilience Discovery Farms and Innovator Sites currently being established in South Australia through round one of the Long-term trials program are core sites that provide the infrastructure to test novel research innovations and to scale these innovations across commercial farms. The sites will ensure benchmarking data is collected across soil, water, plant and livestock traits for current and future R&D activities. Rather than establish more trials sites in the future, there is value in continuing Discovery Farms and Innovator Sites and to build on these well characterised sites to test new/future innovations both to be the most cost-effective but to also ensure the most value is obtained from these sites.

The Drought Resilience Innovation Challenges that could be targeted in the proposed new innovation pilot program include:

- soil practices to increase carbon in sandy soil types
- agronomy practices to hold/maintain established crops through to the next rain event

- overcome heat stress in livestock through embryo banks.

PIRSA works collaboratively with the Australian Government in the delivery of drought resilience initiatives through the National Drought Agreement. The current review of the National Drought Agreement provides an opportunity to strengthen and enhance delivery of drought resilience initiatives and strengthen existing collaboration between the Australian Government, state and territory governments and non-party groups including charities, National Farmers Federation, the banking sector and local government.

From a state perspective there are opportunities to connect with:

- Commodity groups through industry blueprints like the SA Sheep Industry, SA Beef Industry and SA Grain Industry Blueprints.
- Regional landscape planning undertaken by the regional landscape boards in consultation with their local communities and the State Landscape Strategy developed in partnership by landscape boards, peak bodies and state governments agencies. To find out more visit Landscape SA <https://www.landscape.sa.gov.au/>.
- Water security planning led by the Department for Environment and Water in partnership with local groups to support regions as they adapt to a changing climate and increasing demands for water. To find out more visit <https://www.environment.sa.gov.au/topics/water/water-security>.
- Climate change planning – the state government is delivering a range of actions to progress towards these targets and strengthen South Australia's climate change response.
- South Australia – Responding to Climate Change
<https://cdn.environment.sa.gov.au/environment/docs/South-Australia-Responding-to-Climate-Change.pdf> outlines the priority actions that the South Australian Government will be focussing on in the near term to build a strong, net zero emissions future and adapt to climate change. These priority actions build upon a strong foundation of existing government action to address climate change mitigation and adaptation. To find out more see <https://www.environment.sa.gov.au/topics/climate-change/government-action-on-climate-change>.