

Review of the Australian Government Drought Response, Resilience and Preparedness Plan



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Department of Agriculture, Fisheries and Forestry

GPO Box 858 Canberra ACT 2601

Telephone 1800 900 090

Web agriculture.gov.au

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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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1 Introduction

Australia is the driest inhabited continent in the world, and drought is a recurring feature of the landscape. Australian farmers are some of the best in the world at innovation and adaptation, and are constantly getting better at managing dry conditions. However, the impacts of climate change are being felt by the agricultural sector and across regional Australia with drought events becoming more frequent, widespread, prolonged and severe in many regions (Trewin et al. 2021). These changes, and changes in other climate extremes, are expected to have a large and growing impact on the lives and livelihoods of Australians (BOM & CSIRO, 2022). By working proactively across the drought cycle to prepare, respond and recover, Australian farming can remain profitable and sustainable. Importantly, there is already evidence of strong farm adaptation to recent climate shifts (Hughes et al. 2017). The agriculture sector can continue to secure the nation's food supply, strengthen regional communities, help grow our economy and manage our natural resources sustainably. However, in the context of climate change this will be a significant challenge and will require a shared and sustained effort from all stakeholders.

Early drought policies focused on attempts to 'drought-proof' agriculture by expanding irrigation and offering in-drought support measures. In the 1970s, government policy shifted to recognise drought as a natural disaster. However, in 1989 drought was removed from these arrangements. A review of the drought policy found these arrangements provided support that was poorly targeted, distorted farm input prices and worked as a disincentive for farmers to prepare for drought. From 1990 to 2012, drought policy focused on Exceptional Circumstances (EC) arrangements as the main way farmers were supported during hardship. Over time, EC arrangements were shown to be inequitable (Productivity Commission, 2009). Eligibility was determined by administrative 'lines on maps', and farmers who experienced the same drought as their neighbours but were located on the other side of an administrative boundary could not access support. On 30 April 2012 the last EC declarations lapsed and there have been no EC declarations since.

Today, drought policy emphasises long-term preparedness, sustainability and risk management, with an appropriate safety net. Drought is increasingly considered a normal business risk that should be anticipated and planned for. As the climate changes, droughts are predicted to increase in frequency, intensity and duration in many regions. Preparedness is key to mitigating the impact of extreme events and enabling those affected to bounce back.

1.1 Background to the review

The current Australian Government Drought Response, Resilience and Preparedness Plan (the current plan) was published in 2019 and was intended to articulate and guide the government's drought policy and explain how the government would respond to drought. It reflects the severe drought conditions and priorities from that time, including support measures that have since ceased, and as such is increasingly out of date. Since then, conditions have changed significantly, creating an opportunity to review and refine the government's approach to planning for and responding to drought. The current plan does not have an end date but includes a clause for review in 2022–23.

The timeline and process for this review and subsequent development of a new plan was agreed by the Minister for Agriculture, Fisheries and Forestry, Senator the Hon Murray Watt, in August 2022. The recommendations of this review will be considered as part of the development of the new plan.

This review was undertaken by the Department of Agriculture, Fisheries and Forestry, which is the lead agency for drought within the Australian Government. This role includes administering drought policy, as well as coordinating whole-of-government responses to drought, communication, engagement and data. The department also administers the Future Drought Fund.

1.2 Scope and objectives of the review

This review combined feedback and lessons learned from the current plan and made recommendations for how a new plan can:

- respond to stakeholder needs
- help farmers and communities manage drought risk
- be user-friendly
- be fit for purpose
- communicate the government's drought policy.

The scope of this review excluded the evaluation of government programs and government responses to drought. However, learnings from such evaluations have been taken into consideration as part of this review.

The current plan is only one part of the wider drought policy landscape, which includes a range of complementary plans and agreements. The 2 most critical are:

- the National Drought Agreement (NDA), which provides a framework for how the Australian, state and territory governments work together on nationally coordinated drought policies and programs, including specifying division of responsibilities. [A review of the NDA was published in December 2022 and is available on the department's website.](#)
- the Future Drought Fund's Drought Resilience Funding Plan (the Funding Plan), which sets the high-level objectives to guide the FDF's investments over a 4-year cycle. The effectiveness of the Funding Plan is being considered as part of a Productivity Commission review due to be finalised in September 2023. This review will provide opportunities for stakeholders to provide feedback on the Future Drought Fund and the Funding Plan, and will help inform the development of, and consultation on, a new draft Funding Plan in late 2023.

As these documents are already subject to review processes, they are out of scope for this review. However, relevant learnings from each will be considered in the development of a new plan.

1.3 Consultation process for the review

Stakeholders have recently provided feedback relevant to the plan through a range of channels such as:

- *Drought in Australia: The Coordinator-General for Drought's advice on a Strategy for Drought Preparedness and Resilience* (2019)

- the 2019 to 2021 Senate inquiry into the *Federal Government's response to the drought, and the adequacy and appropriateness of policies and measures to support farmers, regional communities and the Australian economy*
- the former National Drought and North Queensland Flood Response and Recovery Agency's 2020 *Review of the Australian Government Drought Response*
- 2021 public consultation on shared responsibilities in drought response, recovery and preparedness
- 2022 public consultation on the NDA review
- public consultation on the Future Drought Fund, including but not limited to stakeholder engagement in conjunction with development of the first Drought Resilience Funding Plan.

Where applicable, learnings from these channels have been fed into the review.

To facilitate further consultation, a discussion paper was prepared that reflected previous feedback and suggested some ways forward. This discussion paper addressed 7 focus areas:

- meeting stakeholder needs
- minimising length and complexity of the new plan
- recognising the contributions of all players
- being enduring and relevant across the drought cycle
- clearly explaining the government's drought policy
- providing transparency about how and when government will respond across the drought cycle
- monitoring and evaluation for drought policy as a whole.

The discussion paper was circulated to targeted stakeholders and consultation was conducted for 6 weeks, closing in October 2022. Stakeholders were invited to participate in this review based on their previous engagement in Australian Government drought policy, and relevant expertise or experience. Stakeholders were given the option of providing feedback via long-form submission responding to the questions posed in the discussion paper or survey. Highly engaged stakeholders were also invited to participate in targeted group discussions with the review team. See [A new Australian Government Drought Plan on the department's Have Your Say Page](#) for more information about the consultation, including a summary of what we heard.

Box 1 Consultation statistics

Consultation statistics

- Organisations engaged in consultation: 108
- Submissions and survey responses received: 21
- Group discussion sessions held: 12

2 List of recommendations

- 1) The government publish a new dedicated Drought Plan, to act as a guiding document for drought policy and programs at the Australian Government level.
- 2) The new plan show how the government is delivering on its commitments under the National Drought Agreement.
- 3) The new plan acknowledge the diverse impacts of drought on a wider range of cohorts. This includes farmers, regional communities, families, young people, women, community organisations, First Nations peoples, and businesses and workers throughout the agricultural supply chain and across agriculture dependent regions.
- 4) While acknowledging the impacts of drought are felt widely, the new plan should maintain the current focus on drought's impacts on farmers, farming families and farming communities.
- 5) The new plan be written in plain English and make use of graphics to help convey information in an engaging way.
- 6) The new plan state the government's drought policy and explain what it means in practice across the drought cycle.
- 7) The new plan explain the distinction in government policy between drought and disaster response.
- 8) The new plan explain, at a high level, links to related policy areas, including but not limited to, climate resilience and adaptation, water, natural resource management and mental health in line with the government's current agenda.
- 9) The new plan avoid detailed point-in-time descriptions of assistance programs, and instead describe key streams of support at a high level and provide web links to detailed program information held on appropriate government websites such as [Recovery Connect](#), [drought.gov.au](#) or [agriculture.gov.au](#).
- 10) The new plan give greater weight to the government's role and activities to promote preparedness, without losing sight of the importance of in-drought response.
- 11) The department assess the government's current and potential approach to drought recovery policy and consider how this could be reflected in the new plan.
- 12) The new plan recognise the roles and contributions of farmers; industry bodies; the Australian, state, territory and local governments; banking and professional service sectors; charities and not-for-profits. This should draw on the draft shared responsibilities framework previously developed with stakeholders, be non-binding and consistent with the National Drought Agreement.
- 13) The new plan give greater transparency and clarity about how government may intervene with additional drought support, and how decisions about additional support will be made. Consideration should be given to including a public-facing version of the Drought Decision-making Framework in the new plan.

- 14) The new plan describe, at a high level, the key types of additional support the government may provide in the event of a drought, and the types of support the government will not provide.
- 15) The department consider if and how a set of high-level guiding principles for drought support program eligibility can be included in the new plan.
- 16) The department continue to explore how incident management approaches across government can be applied to drought, and how such arrangements can be explained in the new plan.
- 17) The new plan include mechanisms on how government and non-government players can improve the sharing of information about drought impacts and responses, taking into account relevant work flowing from the review of the National Drought Agreement.
- 18) The department explore options for how to assess and report on the effectiveness of drought policy as a whole.

3 Discussion

3.1 Identifying the purpose and scope of a new plan

Drought is a multilayered phenomenon, and there is an inherent complexity in drought policy. Feedback indicated that a central guiding document is needed to distil this and help the government communicate its policy position; its role; its approach to drought across the drought cycle of preparing, responding and recovering; and to give stakeholders confidence the government has a plan for drought. Accordingly, the new plan should:

- articulate and guide government drought policy
- make sense of the complex drought policy landscape
- explain how the government will respond to drought
- support stakeholders to prepare for and respond to drought.

During consultation, stakeholders reinforced the value they place on seeing the government has a plan for drought. While they may not always agree with aspects of specific policy or program settings, the most fundamental thing for stakeholders is that they know what to expect from government. Stakeholders also stated their preference for the new plan to be a single source of truth as much as possible. Many stakeholders reported they had referred to the current plan at various times to better understand the government's position and what support may be available. In these instances, the plan's utility is that it is focused on drought specifically and is easier to engage with during a crisis than a more wide-ranging document might be.

The department previously explored splitting the new plan into multiple complementary public-facing documents, for example a Drought Strategy or Drought Policy for the strategic and policy elements, and a Drought Plan for covering practical steps the government is taking on drought. However, considering stakeholder feedback on their use of the plan, keeping these elements together is preferred.

Recommendation 1

The government publish a new dedicated Drought Plan, to act as a guiding document for drought policy and programs at the Australian Government level.

Some stakeholders were unsure how the current plan and the NDA fit together. Stakeholder feedback emphasised that a new plan should include a section which clearly defines the role of each document and explains the links between them at a high level. One role of the plan is to show in greater detail how the government is delivering on its commitments under the NDA, so it is appropriate that the new plan refers to the NDA and explains how these critical parts of the drought policy landscape complement each other. Feedback also showed a preference for the new plan to be consistent with the NDA and avoid duplicating its function.

Recommendation 2

The new plan show how the government is delivering on its commitments under the National Drought Agreement.

Historically, drought policy has had a narrow focus on the financial impacts of drought on the agriculture industry, primarily farmers. During the last drought there was greater recognition of the impact of drought on wider communities, and this is reflected in the current plan.

During consultation, stakeholders strongly expressed the view that while farmers are often the most impacted by drought, drought is not just an issue for farmers. Stakeholders highlighted flow-on impacts across regional economies and communities, including for agricultural contractors, trades, retail, processors, tourism, freight and logistics, community organisations and workers across these sectors. Several stakeholders highlighted the loss of services, skills and capability from communities during drought and the lasting impact this has on recovery post-drought. Equally, strong, resilient communities provide invaluable support for farmers and farming families who are managing through or recovering from drought.

Stakeholders also suggested families, young people, women, and First Nations peoples had been overlooked in the current plan. In many cases, people in these cohorts have felt left out and potentially left behind in drought policy. This could also include people with disabilities, and culturally and linguistically diverse cohorts. Greater inclusivity in the consideration of drought impacts should be a focus for the new plan and this will better reflect the diversity of regional Australia.

Recommendation 3

The new plan acknowledge the diverse impacts of drought on a wider range of cohorts. This includes farmers, regional communities, families, young people, women, community organisations, First Nations peoples, and businesses and workers throughout the agricultural supply chain and across agriculture-dependent regions.

While there needs to be some broadening in the audience for the new plan, it is important to keep its scope contained. Stakeholders were primarily interested in drought's impacts on farmers, farming families and farming communities, and maintained that this should be the new plan's focus. The plan is not intended to be about the government's approach to broader issues in which drought is just one factor, such as environmental conservation, threatened species management, regional development, or water policy. In many cases the government has other strategies and plans that deal with these issues, and it would not be advisable to duplicate their content in the new plan. Ways relevant policy areas can be discussed within this scope are explored in Section 3.2.

Recommendation 4

While acknowledging the impacts of drought are felt widely, the new plan should maintain the current focus on drought's impacts on farmers, farming families and farming communities.

The new plan will need to be easy to read and understand for a range of audiences. Stakeholders reported most farmers are unlikely to read the plan and will most likely get the same information

from more concise government communications products or via industry bodies, charities, professional advisors, Drought Resilience Adoption and Innovation Hubs, and Rural Research and Development Corporations. In most cases the plan will likely be read by these stakeholders and translated into products farmers and community members can quickly and easily digest. To make this process as streamlined as possible, and to avoid misinterpretation, stakeholders felt the new plan needs to make use of plain English, avoid overly technical language and employ tools such as graphics to convey information in an engaging way.

Recommendation 5

The new plan be written in plain English and make use of graphics to help convey information in an engaging way.

3.2 Clarifying the government's drought policy

It is important that the government has a clear policy on drought and that this is explained in any drought plan. During consultation, stakeholders made it clear they wanted the new plan to spell out the government's drought policy, and said the current plan is not adequate in this respect. The position put to stakeholders in the discussion paper was:

Drought is an inevitable and recurring feature of the Australian landscape, and farmers and communities need to manage drought risk just as they do other risks to their businesses or communities. The government will facilitate and encourage preparedness to address a range of climate risks including drought, noting droughts are expected to become more frequent, severe and longer lasting in many regions as the climate changes. The government also recognises that preparedness alone is not always enough, and the government will maintain an effective safety net to assist farmers and communities to the extent that assistance measures do not undermine preparedness.

There was strong support for drought policy continuing to have preparedness as its primary focus, and broad agreement with the above policy position among stakeholders. Stakeholders voiced their interest in understanding more of what this policy means in practice across each stage of the drought cycle, noting the above does not refer to the drought recovery stage explicitly.

In order to meet future challenges, especially those posed by climate change, the plan needs to be forward-looking and chart where we want to get to. Stakeholders agreed having a vision for drought policy was important. They suggested the new plan could better explain what current policy settings aim to achieve, for example, contribute to a resilient, sustainable and profitable agriculture sector. The current plan includes a vision statement:

To have farm businesses and rural communities that are prepared for, and capable of managing, drought in pursuit of a prosperous and sustainable future.

This vision statement is broadly consistent with some of the priorities stakeholders communicated during consultation but could better recognise that preparedness alone is not always enough and an appropriate safety net is needed. It could also tie in more strongly with sustainability, climate adaptation and Australia's trade agenda where these relate to drought, as well as ensuring access to

assistance and encouraging rather than undermining effective risk management in an efficient and productive agriculture sector.

Recommendation 6

The new plan state the government's drought policy and explain what it means in practice across the drought cycle.

A small number of stakeholders voiced their view that drought response should be handled similarly to disasters regarding the provision of financial assistance to impacted farmers and communities. There are well established policy reasons for the differing approaches to drought support and disaster support but these are not explained in the current plan. Most stakeholders consider drought a normal business risk that can be anticipated and planned for, while disasters are exceptionally difficult to plan for and often happen with little warning. From 1971 to 1989 government policy treated drought as a disaster, however this practice undermined preparedness (Productivity Commission, 2009). The differences between drought and disaster necessitate drought policy having a stronger emphasis on long-term preparedness, sustainability and risk management, while maintaining an appropriate safety net that does not undermine preparedness. This approach has contributed to a more resilient agricultural sector that is successfully adapting to climate change (Hughes et al. 2017). The rationale for, and value of, current policy settings could be made clearer in the new plan.

Recommendation 7

The new plan explain the distinction in government policy between drought and disaster response.

Stakeholders are interested in understanding the bigger picture of how drought policy links with related government policies. Key areas of interest highlighted by stakeholders were climate resilience and adaptation, water, natural resource management (including soils, stewardship and sustainable agriculture) and mental health. Infrastructure; regional investment; research, development and extension; environment; health other than mental health; education; taxation and animal welfare were secondary concerns. Addressing these policy areas in the new plan would reflect the department's ongoing work across government on these cross-cutting issues where they intersect with drought, and the need for a whole-of-government approach to drought.

It would be wise to discuss links with these policy areas in the new plan, and do so at a high level to avoid duplication and diluting the plan's focus on drought and agriculture. This would provide further opportunities to link drought to the government's climate agenda. Australian farmers are some of the best in the world at preparing for and managing drought, putting them at the forefront of climate adaptation – this is something to be celebrated.

Recommendation 8

The new plan explain, at a high level, links to related policy areas, including but not limited to, climate resilience and adaptation, water, natural resource management and mental health in line with the government's current agenda.

3.3 Remaining relevant over time and across the drought cycle

If the plan is to be the guiding document for the government's drought policy across the drought cycle, it needs to remain relevant over time. The current plan has been criticised for becoming out of date too quickly. It includes many detailed point-in-time descriptions of programs that have since become outdated as programs have changed or ceased. This has caused confusion about what support is available. The new plan could be updated regularly to reflect the latest program information. However, stakeholders were opposed to it becoming a 'live' document that may change frequently.

Programs are central to any drought response and stakeholders indicated they want to see information about programs in the plan – although they understand the complications this presents. In general, stakeholders were comfortable with the new plan describing key streams of support at a high level. As part of this approach, stakeholders were eager for the new plan to include web links to direct readers to more detailed program information held on appropriate government websites, such as [Recovery Connect](#), [drought.gov.au](#) or [agriculture.gov.au](#). Stakeholders also highlighted the need for the new plan to direct people to resources able to assist them in finding support, such as the National Emergency Management Agency's Recovery Support Officer network and the Rural Financial Counselling Service.

Recommendation 9

The new plan avoid detailed point-in-time descriptions of assistance programs, and instead describe key streams of support at a high level and provide web links to detailed program information held on appropriate government websites such as [Recovery Connect](#), [drought.gov.au](#) or [agriculture.gov.au](#).

Stakeholders felt the plan needs to be relevant across the drought cycle. They criticised the current plan for being too strongly orientated towards the in-drought stage of the cycle. A stronger emphasis on preparedness would also more accurately reflect the government's drought policy.

Recommendation 10

The new plan give greater weight to the government's role and activities to promote preparedness, without losing sight of the importance of in-drought response.

Several stakeholders highlighted that the impacts of drought can drag on for years after drought has broken and raised concerns communities are being left behind and feeling forgotten when conditions begin to improve. They pointed out that the current plan does not deal with drought recovery. Historically, drought recovery has received less attention than either preparedness or in-drought response. While the government offers a range of programs that can assist in the aftermath of drought, to-date there has not been an explicit focus on recovery. There may be value in considering drought recovery policy in the context of the new plan.

Recommendation 11

The department assess the government's current and potential approach to drought recovery policy and consider how this could be reflected in the new plan.

3.4 Recognising the contributions of all players

While the government is a key player in drought policy and response, it does not act alone. A wide range of groups, institutions and individuals also help farmers and communities prepare for, manage through and recover from drought. The current plan recognises the contributions of farmers, small businesses, industry bodies and the Australian, state and territory governments. However, there are other players involved including the banking and professional service sectors, local governments, charities and not-for-profits.

During 2021 and early 2022, the department worked with stakeholders to develop a draft framework for *Shared responsibilities in drought response, recovery and preparedness*. During consultation on the review of the current plan, stakeholders said a new plan needs to be clearer about what is expected of all players, and several suggested incorporating the roles identified in the draft shared responsibilities framework into the new plan. Stakeholders also reaffirmed their strong view that we all have a role in drought, and a shared effort will make sure we are better placed come the next drought.

Recognising the contributions of these players will maximise the effectiveness of the new plan and has benefits for stakeholders as well as the government. Recognition sets expectations about the roles of all players across the drought cycle, reinforcing the concept of shared responsibilities in drought. Stakeholders said this would help them plan ahead, understand who is likely to be doing what, and reduce duplication of effort. For example, this would help farmers and community members know who to talk to about specific issues and show service providers who else is likely to be delivering certain types of assistance.

Importantly and in line with previous work on shared responsibilities, this recognition should be non-binding and acknowledge the diversity of purpose, capacity and capability within the identified stakeholder groups.

Recommendation 12

The new plan recognise the roles and contributions of farmers; industry bodies; the Australian, state, territory and local governments; banking and professional service sectors; charities and not-for-profits. This should draw on the draft shared responsibilities framework previously developed with stakeholders, be non-binding and consistent with the National Drought Agreement.

3.5 Improving transparency

Stakeholders expect to see the government has a plan for responding to drought, in much the same way it has plans for responding to floods and disease outbreaks. A key part of such a plan is explaining how decisions will be made and setting expectations about how and when government will and will not provide support. Stakeholders have repeatedly called for greater transparency around decision-making, and certainty or clarity about how and when government will provide

support. This is most needed for the in-drought stage of the drought cycle when the pressure on farmers and communities is at its highest, but transparency is also needed for the recovery and preparedness stages. During consultation, stakeholders raised several aspects they want to understand:

- how long they will be expected to manage dry conditions using their own preparedness and existing support measures before government steps in with additional support
- trigger points for additional support
- the kinds of additional assistance measures government will consider
- how additional support will be targeted by need and location
- what information government will use when making decisions about additional support
- what processes government will use when making decisions about additional support
- how compounding impacts of drought and other factors impacting resilience, such as recent disasters, will be considered in a drought response.

During the last drought there was no clear, public framework governing how and when the government's response to drought would escalate as conditions deteriorated. The former National Drought and North Queensland Flood Response and Recovery Agency's 2020 *Review of the Australian Government Drought Response*, found:

Reactive funding cycles can cause uncertainty for farmers and communities, and result in the slow rollout of programs, and means support is not always available when it is needed most. This is a source of frustration for farmers and hinders considered and strategic decision making and planning.

Stakeholders reported some farmers felt unexpected additional support sent the wrong message, disincentivised drought preparedness and undermined their own risk management. A strategic and transparent approach to delivering support in line with deteriorating conditions is required.

Filling this gap will address one of the most significant stakeholder concerns in drought policy. There is work underway to develop a suite of drought indicators and a Drought Decision-making Framework to support a more strategic and evidence-based approach to drought by the government. However, there are limits to how prescriptive such a framework can be, as each drought is different and has different impacts in different places, and government decision-making must account for this. Importantly, such a framework should not create automatic trigger points for support. This work will take into account feedback received through this review.

Recommendation 13

The new plan give greater transparency and clarity about how government may intervene with additional drought support, and how decisions about additional support will be made. Consideration should be given to including a public-facing version of the Drought Decision-making Framework in the new plan.

To assist stakeholders to plan their own drought responses, the new plan could describe the key types of additional support government may provide at a high level, similar to Recommendation 9.

The new plan is also an opportunity to clarify the types of support the government will not provide, acknowledging some types of support are highly distortionary or have been unsuccessful in the past, and stakeholders have expressed a desire for government to avoid these in future. This will similarly set expectations and help farmers and others plan with the knowledge that certain types of support have been ruled out. The former National Drought and North Queensland Flood Response and Recovery Agency's 2020 *Review of the Australian Government Drought Response*, stated:

It is also important to be clear from the outset about the type of programs the government will and will not fund. This helps farmers plan, but also ensures policymakers can develop sound programs that are evidence-based.

Recommendation 14

The new plan describe, at a high level, the key types of additional support the government may provide in the event of a drought, and the types of support the government will not provide.

A number of stakeholders also pointed to program eligibility as an area that lacks transparency, especially for in-drought support. Concerns around eligibility are not new. The former National Drought and North Queensland Flood Response and Recovery Agency's 2020 *Review of the Australian Government Drought Response*, called eligibility for drought programs 'complex and inconsistent' and highlighted the lack of guiding principles for program eligibility. Subsequently, the 2019 to 2021 Senate inquiry into the *Federal Government's response to the drought, and the adequacy and appropriateness of policies and measures to support farmers, regional communities and the Australian economy* recommended the government develop guiding principles for determining program eligibility for drought support programs. In its March 2022 response to the inquiry, the then-government supported this recommendation in principle and committed to explore the opportunity to develop guiding principles for program eligibility as part of this review.

As different drought support programs frequently have differing but complementary objectives and target recipients, eligibility criteria vary by necessity. This recognises the diverse needs and circumstances of people experiencing hardship due to drought. A set of high-level guiding principles could be developed that allow sufficient flexibility to account for this diversity and give stakeholders a measure of comfort that the government is taking a principles-based, rather than ad hoc, approach to eligibility requirements. The plan, as the guiding document for drought policy at the Australian Government level, may be a logical home for these principles.

Recommendation 15

The department consider if and how a set of high-level guiding principles for drought support program eligibility can be included in the new plan.

3.6 Better coordinating responses to drought

During consultation on this review, many stakeholders highlighted the need for better coordination of responses to drought. Experience from the last drought shows good coordination between government agencies, different levels of government, and other organisations that deliver services to drought-affected communities is critical. Strong coordination arrangements can improve situational

awareness, facilitate the sharing of learnings, ensure messaging is consistent and allow for gaps in the response to be recognised and addressed in a timely way.

Stakeholders drew comparisons with the way disasters and other incidents are managed, by involving all key players and using predefined responsibilities and structures that facilitate reporting and disseminating information. This approach helps to maximise situational awareness for all players involved in the response and facilitate an agile, adaptable and joined-up response in rapidly evolving circumstances.

The department has begun to explore what arrangements would be most appropriate to apply in the drought context to improve coordination within the Australian Government and with states and territories. Some mechanisms for coordination already exist, such as the Whole-of-Government Drought Communication Network, and the Agriculture Ministers' Meeting Working Group. However, experience and stakeholder feedback indicate an overarching coordination mechanism may be needed.

Recommendation 16

The department continue to explore how incident management approaches across government can be applied to drought, and how such arrangements can be explained in the new plan.

Stakeholders were also interested in improving coordination between themselves and government. Stakeholders said they found it challenging at times to share information with government that might assist decision-making on drought responses. Improved two-way communication would further improve situational awareness and consistency of messaging, particularly during a drought response. The department has been working with a select group of stakeholders to improve two-way communication through the Shared Responsibilities Working Group, and there are opportunities to apply these learnings more widely.

The review of the NDA also recognised that coordination between the Australian, state and territory governments, as well as information sharing with other stakeholders have been gaps in the past. The NDA review recommended the development of a mechanism for interjurisdictional coordination and consideration of options for improved 2-way communication with non-party stakeholders.

Recommendation 17

The new plan include mechanisms on how government and non-government players can improve the sharing of information about drought impacts and responses, taking into account relevant work flowing from the review of the National Drought Agreement.

3.7 Improving monitoring, evaluation and learning arrangements

Effective monitoring, evaluation and learning (MEL) is critical for success in drought policy and successive governments have regularly reviewed drought programs and wider drought policy settings. Recently completed, underway, and soon to commence reviews include:

- 2018 independent farmer-led panel review of the Farm Household Allowance program

- 2019 *Internal review into the 2016 to 2020 Rural Financial Counselling Service program*
- 2020 *Review of the Australian Government Drought Response*
- 2021 *Evaluation of the Farm Management Deposits Scheme*
- 2022 Evaluation by Nous Group of the Rural Financial Counselling Service and Regional Small Business Support Program Pilot
- annual implementation reviews of the plan and NDA
- annual reporting, a 2022 mid-term evaluation and 2022-23 Productivity Commission review of the Future Drought Fund
- the 2022 *Review of the National Drought Agreement*.

These activities have in many cases attracted substantial engagement from stakeholders, contributing to a range of evidence-based improvements to drought programs and policy. However, consultation showed many stakeholders believe the government is not doing enough to show drought policy is working. Stakeholders' suggestions for improved MEL fell into 2 main categories:

- measuring the wider impact of drought policy as a whole (stakeholders suggested metrics such as vegetation cover and overall resilience of farmers)
- program reporting (stakeholders suggested metrics such as number of applicants and number of grants approved).

Measuring the wider impact of drought policy and programs is difficult due to the enormous complexity of economic, social and environmental systems, and the influence of other variables such as prevailing conditions, macroeconomic forces, and commodity and input prices.

The department is working to strengthen MEL for the Future Drought Fund, particularly at the program level. However, more work is needed to identify more effective MEL approaches for the whole of drought policy that satisfy stakeholders. Several stakeholders have acknowledged the challenges associated with what they are asking for. There may be value in unpacking this more with stakeholders to better understand what they want to get out of MEL, explore the limitations of previously proposed options and test where and how it would be most beneficial to concentrate effort and resources.

Recommendation 18

The department explore options for how to assess and report on the effectiveness of drought policy as a whole.

References

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