



Australian Government

Australian Government response to the Rural and Regional Affairs and Transport References Committee report:

**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**

Introduction

On 14 November 2019, the Senate moved that the Rural and Regional Affairs and Transport References Committee inquire into the Federal Government's response to the drought occurring at that time, and the adequacy and appropriateness of policies and measures to support farmers, regional communities and the Australian economy.

The Inquiry Report was released on 21 October 2021 and made 20 recommendations.

Australian farmers and their communities are used to working in various cycles – in market demand, commodity prices and weather. With a changing climate, the cycle of drought is accelerating in many regions, resulting in more frequent, more severe and longer-lasting dry conditions.

The impact of drought on farmers, rural communities and the economy is likely to worsen, unless we continue to adapt. Rather than look to the skies for relief, we need to build our capacity to manage the impacts when the rain doesn't fall. This applies to government as well as farmers. We all have a role to play to ensure we are better prepared to deal with drought.

The Australian Government welcomes the report. Our drought response is not 'set and forget'. The Government values feedback and is continually monitoring the effectiveness of drought policies and programs, to ensure they meet the need of farmers, regional communities and the economy. Through its own review in 2020, the Government identified similar issues and is already embedding improvements to identified gaps into our drought policy.

We are developing new resources, such as targeted, accessible climate data and self assessment tools that farmers can use to prepare their businesses for drought. We are developing drought indicators to help understand drought conditions and their impact. We are co-ordinating efforts to manage the drought cycle as a shared responsibility, by partnering with others to plan who does what, when and how. Our partners include industry, the finance sector, councils, charities and other community groups, as well as states and territories through the National Drought Agreement.

The Australian Government has committed over \$11 billion to drought-related measures since 2018–19 for farmers and rural communities. This investment is strengthening rural Australia's capacity to withstand drought, investing in drought preparedness and resilience activities as well as providing targeted support when and where it is needed most.

Response

Recommendation 1

The committee recommends that the Australian Government develop a deliberative, transparent process for Future Drought Fund projects and funding.

Response

The Australian Government supports this recommendation.

The \$5 billion Future Drought Fund (FDF) provides secure, continuous funding of \$100 million each year for drought resilience initiatives. It will help Australian farms and communities prepare for the impacts of drought.

Under the *Future Drought Fund Act 2019* (the FDF Act) all spending under the Fund must be in line with a documented Funding Plan (the Plan). The first Plan, covering the period 2020-2024, was developed by the independent expert-based Future Drought Fund Consultative Committee (the Committee). As required by the FDF Act, in developing the Plan, the Committee accepted submissions, as well as consulting extensively around Australia. Over 690 people participated in the consultation, which included 243 submissions, as well as feedback from more than 450 participants through 73 face-to-face discussions in 23 locations. This included public meetings as well as roundtable meetings with grower groups, universities, industry, local government, state and territory government officials, charities, banks, natural resource management and Landcare organisations. Once developed, the Plan was tabled in the Parliament as a disallowable instrument.

Under the FDF Act, the Committee must also advise the Minister responsible for Drought on the design of programs to take forward the Funding Plan. The Committee draws on consultation, formal and informal, in providing this advice. Decisions on the establishment of FDF programs is then a matter for Government, taken in the context of normal Budget processes.

The Consultative Committee's consultation process to develop the Plan also informed the first eight foundational programs identified through the 2020-21 Budget process. During 2020-21 the Committee (mainly via the Chair) and the Department of Agriculture, Water and the Environment met regularly with stakeholders to seek feedback on the foundational programs to inform the 2021-22 Budget. The Committee and the department continue to engage with stakeholders regarding program design and monitoring of performance.

On 29 October 2021, the Minister responsible for Drought released the first Annual Report of the FDF. This is not a regulatory requirement, rather something Government is doing to provide additional transparency and it formalises a process of consultation. The Annual Report outlines FDF activities, progress and performance against a defined framework of success indicators. The report also provides an opportunity through a public submission process for stakeholders to put forward their views on the work of the FDF (as highlighted in the annual report) and directions for the future. This input will inform advice from the Committee to the Minister on future programs and directions for the FDF. The Annual Report and Monitoring, Evaluation and Learning Framework for the FDF commits to the cycle of

reporting and feedback being an annual process. This consultation process will also be refined to ensure it is effective and efficient.

Details on all programs and projects funded under the FDF are made publicly available on the Department of Agriculture, Water and the Environment's website. This includes reporting the financial details of every individual funding agreement, as required by the FDF Act. A Monitoring, Evaluation and Learning Framework has also been established for the FDF and is published on the Department of Agriculture, Water and the Environment's website.

The FDF Act also establishes a four-yearly cycle of review, reporting and decision-making. Within three years of a Funding Plan commencing, the Productivity Commission must initiate a review of effectiveness. It must report at least five months before the expiry of the Funding Plan in question. A new Funding Plan must then be developed, with the advice of the Committee, and informed by submissions and other stakeholder input.

Recommendation 2

The committee recommends that the Australian Government communicate key information about drought support measures, and how to access them, in plain English.

Response

The Australian Government supports this recommendation.

The Government is working to streamline and clarify the communication of drought measures available across the drought cycle – preparing, during and recovering. This includes updating websites, utilising on the ground networks, and improving communication collaboration across Australian Government agencies and with state and territory governments and industry.

The Government continues to refine information on the Australian Government's central support website Recovery Connect to ensure it is easy to navigate and contains relevant program information. On Recovery Connect, entrants to the website can find drought services and support in their local area, and national programs that are available to them.

Recovery Connect also connects users to the local Drought Community Outreach events coming to their areas across Australia. The National Recovery and Resilience Agency partners with Rotary to deliver the Drought Community Outreach events, which bring together Services Australia, the Rural Financial Counselling Service and local and state community aid directly to farmers and their communities. The events are also opportunities to distribute \$500 household vouchers to drought affected communities.

As part of local support, the Government has a network of officers, who live and work across regional Australia, and assist in connecting drought impacted Australians with information on drought support measures and how to access them. These networks include the National Recovery and Resilience Agency's Recovery Support Officers (RSOs), and the Rural Financial Counselling Service (RFCS). RSOs work in communities affected by disasters and natural hazards, including drought, to ensure there is a locally-led, locally understood and

locally implemented response. They understand from their own experiences what people face as they recover and rebuild, and are available to support local recovery and resilience efforts on the ground. The RSO network complements the RFCS, which also provides support to regional Australians. The RFCS provides free financial counselling to farmers, small businesses and a range of other groups experiencing, or at risk of, financial hardship, including as a result of drought.

Australian Government policy and service delivery agencies involved in drought preparedness, recovery and response collaborate on the communication of drought support through the Australian Government Drought Communications Network. Australian Government members include the Department of Agriculture, Water and the Environment, Department of Infrastructure, Transport, Regional Development and Communication, Department of Industry Science, Energy and Resources, Australian Taxation Office, National Recovery and Resilience Agency, Department of the Treasury, Department of Education, Skills and Employment, Department of Health, Bureau of Meteorology, Murray-Darling Basin Authority, Commonwealth Scientific Industrial Research Organisation, Regional Investment Corporation, Department of Human Services, and Services Australia. This network has recently been expanded to include additional agencies to ensure common, consistent and targeted communication approaches are adopted more widely across government. Through this network, the whole-of-government drought communication strategy is being updated to ensure that government continues to work closely with industry and other key influencers to ensure they are aware of available drought support, including drought preparedness and information tools, to assist communicating with farmers. To inform the development of this communication approach, the Government has invested in market research services to further develop an in-depth understanding of how people's communication needs in agricultural communities change across the different stages of the drought; and what activities, strategies and support have people found successful to manage the drought cycle in the past. The findings of this research will inform the Government's future communication and engagement programs.

The Government is continually monitoring the effectiveness of drought policies and rural support programs, including how these are communicated, through ongoing evaluation to ensure they meet the needs of farmers, regional communities and the economy. For example, the Government recently established the Farm Household Allowance (FHA) Communications Advisory Panel (the Panel) to continue to drive plain English outcomes for the FHA program. This was a recommendation from the 2018 farmer-led review of the program. The Panel comprises representatives from organisations that engage with and represent farmers and regional communities; and several individuals with a rural media profile, and who are actively engaged in the agricultural sector. This panel will provide a sounding board to test and help shape FHA communications in a manner that is accessible and relevant for farmers and their communities.

The RIC also employs three regionally-based Engagement Managers. They are responsible for working with banks, local and state government, agriculture industry bodies, the RFCS and customers' trusted financial advisors to assist stakeholders in understanding RIC loans, including the Drought and AgBiz Drought loans. Face-to-face engagement through this network, such as attendance at outreach events, supplements the information available through the RIC's website, which includes plain English guides to help potential applicants

navigate loan eligibility requirements. During COVID-19 restrictions, webinars and online events replaced on-the-ground events.

The Australian Government is also continuing to work with industry through the development of the shared responsibilities framework on roles and responsibilities in drought response. Through this work, agricultural industry bodies acknowledge they also have a role in promoting available and appropriate assistance and providing referrals through their networks to farmers.

Recommendation 3

The committee recommends that the Australian Government consolidate online information and strengthens online tools, such as the National Drought Map.

Response

The Australian Government supports this recommendation.

Further to the response to Recommendation 2, the Government is consolidating online information sources available to assist farmers and regional communities. Information about drought support has been centralised on the Recovery Connect website to create a consolidated summary of drought assistance information, and the published information continues to be refined. Other agencies' websites support this by linking back to Recovery Connect to ensure end users are provided continuous service. The Government is enhancing myGov to help citizens easily find and access government payments and services. Access to national disaster recovery information and services will be considered as part of the enhanced myGov service.

The Government is investing \$32 million from the FDF in Climate Services for Agriculture (CSA) and the Drought Resilience Self-Assessment Tool (DRSAT), making relevant data and decision-support tools more accessible to farmers. CSA will provide climate information on a 5km x 5km grid and include commodity-specific information, while DRSAT will use this information and farm-specific information to provide a personalised resilience assessment for individual farm businesses. Prototype versions of these tools came live on 2 July and 17 December 2021 for CSA and DRSAT respectively, and are being piloted in eight areas. Both tools will continue to expand and strengthen in the coming years. CSA builds on the regional climate guides and the information contained on the Climate Change in Australia website to enable users to interrogate the data to meet their needs. A further release of the CSA platform is planned for June 2022 and further releases of DRSAT are planned for April and July 2022. The Government is also consolidating the range of tools available to farmers by integrating the information provided through the National Drought Map into CSA and DRSAT.

The Australian Government is working with Murray-Darling Basin states, the Bureau of Meteorology and the Murray-Darling Basin Authority to implement a Murray-Darling Basin Water Information Portal. The first version of the portal was released on 30 June 2021 and provides water and climate information on a catchment and basin wide scale. The portal will be further enhanced based on user feedback over the next three years.

Recommendation 4

The committee recommends that the Australian Government consult and communicate closely with recipients of drought funding in the design and delivery of all its drought support projects.

Response

The Australian Government supports this recommendation.

The Government actively uses knowledge and understanding of rural communities' needs to improve its programs and services. Recipients of drought support are consulted as part of the Government's regular reviews and evaluation of programs and broader drought policy. This feedback is then fed into the design and delivery of programs going forward.

In the past few years, a number of Australian Government drought measures have been reviewed, each consulting with stakeholders to understand opportunities to improve policy and delivery. Examples include the 2018 independent farmer-led panel review of the FHA program, the 2019 review of the RFCS program and the 2021 Farm Management Deposits (FMD) Scheme evaluation. Findings of the reviews are available on the Department of Agriculture, Water and the Environment's website.

More broadly, the Government engages regularly with stakeholders on drought policy through the Ministerial Roundtable on Drought, the Agriculture Ministers' Meeting Working Group on Drought, Charities Roundtables, the Shared Responsibilities Working Group, public consultation on shared responsibilities in drought support across the drought cycle, and the National Drought Forum. RSOs also enable the locally-led approach by providing direct feedback from the regions regarding drought impacts, as well as on the design and delivery of drought support programs. This includes feedback on specific programs such as those funded under the FDF, as discussed in Recommendation 1.

In 2022, the Australian Government will work with state and territory governments to take forward a review of the National Drought Agreement (the NDA). The review process will include extensive stakeholder and public consultation, with a view to improve how we all work together across the drought cycle.

The CSA platform and DRSAT are being developed in collaboration with farmers and other potential end users so that the tools meet their drought and climate information needs. Detailed engagement with users in four initial pilot regions commenced in March 2021. Four additional pilot regions were announced in November 2021 with consultation and co-design in these regions commencing early in 2022. The Government is working with Rural Research and Development Corporations (RDCs), states and territories and the eight FDF Innovation Hubs to leverage existing information and extension networks.

The Government understands that farmers and regional communities have unique and practical insights and knowledge about the challenges they face and the support that will work best for them. The Government will continue to consult regularly with recipients of drought support and seek feedback on options to best meet their needs, and those of their local communities.

Recommendation 5

The committee recommends that the Australian Government develop guiding principles for determining program eligibility for drought support programs.

Response

The Australian Government supports in principle this recommendation.

The eligibility criteria for Government drought support programs are often different by necessity. Programs with different objectives and target recipients will necessarily have some different eligibility criteria. This recognises the diverse needs and circumstances of people experiencing hardship due to drought.

However, the Government recognises that there are circumstances in which improved consistency of eligibility would be beneficial. For example, the geographical eligibility for access to in-drought support for communities could be applied more consistently. The ongoing work on drought indicators (discussed further in response to Recommendation 8) may in time assist in providing greater clarity around geographic eligibility.

Opportunities to better align eligibility are often considered in the context of designing future support, or as part of program centric reviews. The Government will explore the opportunity to develop guiding principles for program eligibility as part of the formal review of the Australian Government Drought Response, Resilience and Preparedness Plan in 2022. Importantly, the development of such principles must enable flexible application to account for stakeholder needs, program design and desired outcomes.

Recommendation 6

The committee recommends that the Australian Government recognise the impact of drought on post-farm gate sectors and assess whether drought assistance is delivered throughout the supply chain.

Response

The Australian Government supports in principle this recommendation.

The Government recognises that drought has impacts throughout the supply chain and the Australian Government Drought Response, Resilience and Preparedness Plan acknowledges that rural and regional communities are closely connected to farmers. The Australian Government has delivered a range of measures and programs to support rural and regional communities facing prolonged drought conditions, including the Drought Community Support Initiative, Drought Community Outreach Program, Country Women's Association Grant program, Drought Communities Program Extension, Drought Communities Program Extension - Roads to Recovery, Building Better Regions Fund – Drought Round and the Foundation for Rural and Regional Renewal - Tackling Tough Times Together program. The Government has committed over \$850 million since 2018-19 to these programs and they are in line with the Government's commitments under the NDA,

which include providing support to mitigate the effects of drought not just on farming businesses or families, but on farming communities more broadly.

The \$7 million pilot Drought Communities Small Business Support Program (DCSBSP), provides financial counselling support to small businesses experiencing, or at risk of, financial hardship due to the impacts of drought, bushfire or COVID-19. The program is delivered as a pilot through the RFCS, building on the trusted position the RFCS has in regional communities. In November 2021, the Government announced an \$8.6 million extension of this initiative, including renaming it to the Regional Small Business Support Program. The program will continue to support drought-impacted small businesses.

The Government will continue to provide support to those highly impacted by drought including primary producers and farm-related small businesses, and will continue to monitor drought conditions and the subsequent impact.

Recommendation 7

The committee recommends that the Australian Government revise, simplify and streamline application processes for drought support where possible. This should include prepopulating applications with information already held by government agencies.

Response

The Australian Government supports this recommendation.

The Government continues to simplify and streamline application processes across a range of drought programs, including the FHA. The Government will continually review drought support programs to pursue opportunities to revise, simplify and streamline processes wherever possible.

Services Australia, the delivery agent for FHA, has invested in online application processes and presents prepopulated information to the applicant who can then either accept that information, or make an update. This can dramatically reduce the time required to fill out an application. The Government is enhancing myGov to help citizens easily find and access government payments and services. Access to information and support services, such as FHA will be considered as part of the enhanced myGov service.

The RIC has also worked to streamline its loan application forms including digitising application forms for all current loan products. These application forms are designed to improve the customer experience by being faster and easier for applicants and reducing some common mistakes made in hard copy application forms, which can lead to delays during assessment. These forms also provide more data to the RIC on the common challenges experienced by applicants throughout the application process, allowing the RIC to constantly improve its online forms and the supporting application process.

In addition to streamlining processes where possible, the RSOs are uniquely positioned to understand the range of support measures available, and to assist farmers to navigate application processes. In addition, the RFCS assists farmers to holistically assess their

financial position through case management, which can include support to access eligible grants, loans and allowances.

More broadly, the Government is working to streamline data sharing. The Intergovernmental Agreement (IGA) on data sharing between Commonwealth and State and Territory governments came into effect on 9 July 2021. This is an Agreement to share data across jurisdictions, where it can be done securely, safely, lawfully and ethically.

Recommendation 8

The committee recommends that the Australian Government, in conjunction with state and territory governments, develop an agreed set of drought indicators to be applied consistently in program design for in-drought measures.

Response

The Australian Government supports in principle this recommendation.

The Australian Government has commenced work to develop improved drought indicators that will help governments, and stakeholders, better understand changing conditions and emerging impacts of drought.

In 2020, the National Drought and North Queensland Flood Response and Recovery Agency commissioned the management consultancy Nous Group to identify drought vulnerability and impact indicators. Nous Group reported that applying specific indicators for drought is complex and requires more work. Environmental indicators such as rainfall, soil moisture and time of rainfall are relatively simple to identify and apply, but socio-economic indicators such as regional profit, household wealth and wellbeing are more complex. Further work is required to correlate these types of indicators to drought conditions.

Building on the work of the Nous Group, the Government is investing \$4.1 million to develop a Drought Early Warning System. This system will bring together a broader suite of the best available data, including rainfall deficiency, soil moisture, pasture growth and socio-economic indicators, to provide an accurate picture of the impact of drought on farming businesses and communities.

By better understanding what is happening on the ground, the Australian Government can work more effectively with farmers, communities, industries and state and local governments to prepare for, manage and recover from drought.

In undertaking this work, the Government will engage with states and territory governments, and other key stakeholders, to seek their input and identify opportunities to align efforts to develop drought indicators. Importantly, drought indicators will not automatically trigger government support for farmers and rural communities.

Recommendation 9

The committee recommends that the Australian Government establish a clear framework ahead of time and based on drought indicators, to guide when, and if, the government should intervene with in-drought funding support beyond the support that is available at all times.

Response

The Australian Government supports this recommendation.

A new framework to guide Australian Government decisions in relation to drought will be implemented. The framework will be informed by the Drought Early Warning System, and on-ground government, industry and community networks, to more fully understand the real-life impacts of drying conditions on farming businesses and communities.

The framework will help Government assess changing conditions and their impact. It will allow for more transparent, consistent, targeted and collaborative responses to drought. Importantly, the framework will not include any automatic trigger for government support for farmers and rural communities.

Recommendation 10

The committee recommends that the Australian Government consider opportunities for increased funding for mental health services and service providers in regional, rural and remote areas.

Response

The Australian Government supports in principle this recommendation.

Australians living outside the major cities have faced significant challenges including drought, bushfires, floods and the COVID-19 pandemic. We know that these crises have significantly affected the mental health and wellbeing of individuals, families and communities, and continue to do so. Australians living in rural and remote areas are exposed to additional vulnerabilities including reduced access to services, workforce shortages, increased prevalence of suicide and language barriers.

Drought can be a major source of stress and significant contributor to mental ill health for farmers and their communities. The Australian Government acknowledges the toll drought can take and in response has invested \$29.8 million since 2018 for drought mental health initiatives. The investment comprises:

- Empowering our Communities measure (\$24.4 million)
- Trusted Advocates Network Trial (\$0.5 million)
- Expansion of telehealth services for the Better Access to Psychiatrists, Psychologists and General Practitioners under the Medicare Benefits Schedule (Better Access) to improve access to mental health support in drought-affected areas (\$1.2 million).

Through the 2021-22 Budget, the Government is investing \$2.3 billion in the National Mental Health and Suicide Prevention Plan to deliver significant reform of the mental health system

and ensure that Australia's recovery from events such as drought, bushfires and the COVID-19 pandemic continues.

The mental health workforce, and the health workforce more broadly, is the most critical part of the mental health system and underpins the Government's reform endeavours. As part of the *National Mental Health and Suicide Prevention Strategy*, \$77.3 million will be provided to attract, train and retain skilled workers in the mental health workforce, including in rural and remote areas.

This investment complements other priority health workforce reforms such as the 10-year *Stronger Rural Health Strategy*, and the \$123 million announced in May 2021 to grow the number of local doctors, nurses and allied health workers in regional Australia. The Government is progressing a new 10-year *National Mental Health Workforce Strategy* (Workforce Strategy) to grow, strengthen and support the mental health workforce.

To address the reduced service availability for rural and remote Australians, the Government has a number of other mental health initiatives available to all Australians:

- The 2021-22 Budget provides \$278.6 million over the next four years to strengthen, enhance and expand the headspace network, with some in regional Australia. This will bring the total number of headspace services up to 164 nationally by 2025-26.
- The Better Access Telehealth initiative allows eligible people in rural and remote areas who may not otherwise have been able to take up psychological services because of where they live to access some of, or all 10 services annually, from their home via videoconference.
- An additional 10 Medicare-subsidised mental health treatment sessions so all eligible patients can access up to 20 psychological therapy sessions per calendar year until 30 December 2022.

Furthermore, in response to the COVID-19 pandemic, the Government has provided additional funding to rapidly establish Head to Health mental health support clinics across Victoria (15), NSW (10) and the ACT (1). This funding has been provided through Primary Health Networks and clinics are located within existing primary care settings or other community sites where people usually access general health services, providing access to multidisciplinary teams which include mental health workers, psychologists, mental health nurses, social workers, peer workers and alcohol and drug workers.

All of the Head to Health mental health clinics offer COVID safe face-to-face, video and phone supported mental health and assessment services, ensuring people across NSW, Victoria and ACT can access the services on site or from their own homes if they are unable to travel. The Head to Health service also offers Australians living in all regions of Victoria, NSW and the ACT a free, dedicated 1800 number. Callers will be triaged through this therapeutic service that assesses individual needs to direct people to the most appropriate care. These services will operate until 30 June 2022.

After the 2019-20 bushfires, the National Mental Health Commission led the development of the first National Disaster Mental Health and Wellbeing Framework. The Framework offers an integrated cross-jurisdictional approach to supporting the mental health and wellbeing of people impacted by disasters and other hazards. The Framework will inform how the

Government responds to future national disasters and other hazards, such as drought, including the provision of mental health and wellbeing services.

Recommendation 11

The committee recommends that the Australian Government fund research into the effectiveness of mental health services, which include a focus on outcomes such as cultural and attitudinal change.

Response

The Australian Government supports in principle this recommendation.

The Million Minds Mental Health Research Mission funds innovative mental health research and aims to support a million Australians with mental health issues access new approaches to prevention, diagnosis, treatment and recovery. The Medical Research Future Fund is providing \$125 million over 10 years from 2018–19 for this Mission.

As part of the 2021-22 Budget, the Australian Government is investing \$117.2 million to establish a comprehensive evidence base to support real time monitoring and data collection for our mental health and suicide prevention systems, enabling services to be delivered to those who need them, and improving mental health outcomes for Australians. This includes:

- Enhancing national data systems and fill information gaps
- Monitoring population risk of suicide and self-harm
- Funding to enhance forecasting of population mental health need, and to develop a nationally agreed framework for mental health regional planning
- Developing a national evaluation strategy and evaluation fund
- Funding for a longitudinal child mental health and wellbeing study, and
- Measuring, for the first time, the prevalence of mental health in the Aboriginal and Torres Strait Islander population.

Recommendation 12

The committee recommends that the Australian Government, in consultation with rural and regional communities, introduce measures to provide targeted mental health services for at-risk groups, including men, young people and Aboriginal and Torres Strait Islander peoples.

Response

The Australian Government supports in principle this recommendation.

Mental health and suicide prevention is one of the Australian Government's highest priorities. The Health Portfolio investment in mental health and suicide prevention services and supports in 2021-22 is estimated to be a record high of \$6.5 billion - doubling since 2012-13.

The Government recognises that some vulnerable groups in the community may be disproportionately impacted by national disasters, such as drought, including men, young Australians, older Australians, culturally and linguistically diverse Australians and Aboriginal and Torres Strait Islander peoples. These groups may experience additional barriers to accessing information, support and services which is why a targeted approach is required. Some initiatives include:

- Support for men's mental health and wellbeing through funding services such as MATES in construction – suicide prevention program; Health in Gear – the Truck Driver Wellbeing Program; SMS4Dads – perinatal mental health support for new and expectant fathers; and the Australian Men's Shed Association.
- The Smiling Mind Regional and Rural Schools Program supports educators and school children across 600 of Australia's rural and regional primary schools to implement mindfulness practices into learning.
- The creation of a national network of child, youth and adult mental health centres and satellites through the Head to Health and headspace programs.
- Supporting Aboriginal and Torres Strait Islander Australians by addressing the devastating and disproportionate impact of suicide and mental ill-health through key initiatives under a renewed Indigenous-led National Aboriginal and Torres Strait Islander Suicide Prevention Strategy.
- \$16.9 million to fund mental health early intervention supports and preventive measures for migrants and multicultural communities. This includes \$10 million in 2021-22 to be provided to Program of Assistance for Survivors of Torture and Trauma (PASTT) organisations to continue services and respond to increased client complexity, client demand and provision of rural and regional services. It also includes \$5.1 million over four years (2021-22 to 2024-25) to Mental Health Australia to promote mental health among culturally and linguistically diverse (CALD) communities, and build the cultural competence of the broader health workforce.

Recommendation 13

The committee recommends that the Australian Government review existing drought programs to identify further potential opportunities to support regional employment. This should include assessment of the following factors:

- The possibility of decentralising public service staff
- The appropriateness of funding timeframes; and
- Opportunities for local workforce development

Response

The Australian Government notes this recommendation.

Over 24,000 Australian Public Service employees are located in regional Australia, accounting for over 16 per cent of all employees. Employees working in the regions are engaged by a range of agencies, including the Department of Agriculture, Water and the Environment, the National Recovery and Resilience Agency, the Department of Social Services, the Department of Infrastructure, Transport, Regional Development and Communications, and the Australian Taxation Office. The Government announced the

establishment or relocation of 432 public service positions from 13 agencies to the regions between 2017 and 2020.

The Government announced, in the 2021-22 Budget, a Scoping Study on establishing Australian Public Service Hubs in regional Australia. Hubs would be multi-agency workspaces that accommodate employees who live and work in regional Australia. They would capitalise on the growing population movement to the regions, strengthen the Australian Public Service as an employer of choice, and deepen the Australian Public Service recruitment pool. A larger Australian Public Service presence in regional Australia would create jobs, build local skills and offer a career path for those working in the regions. The National Recovery and Resilience Agency's RSO Network is being recruited and employed from within regional and rural communities. Most Counsellors and Counsellor Support staff with the RFCS are also recruited and based in the regional and rural communities they support.

Programs that support communities in drought can also provide economic stimulus and support regional employment. This can be done by providing payments to local governments for local community infrastructure and other drought relief projects that: provide work for people whose employment has been impacted by drought; stimulate local community spending; use local resources, businesses and suppliers; and also provide long-lasting benefits to communities. The Government recognises that this type of funding has to be rolled out quickly to be most effective. The Government has learnt lessons from previous drought support programs in this space, and from successful stimulus programs delivered in response to the COVID-19 pandemic. These lessons will be taken into consideration in any future drought response.

Recommendation 14

The committee recommends that the Australian Government invest further in monitoring and evaluation practices to ensure drought measures are appropriate, targeted and effective.

Response

The Australian Government supports this recommendation.

Since the Government's own review in 2020, principles and guidelines for improved monitoring and evaluation of drought programs now accompany the Australian Government's Drought Response, Resilience and Preparedness Plan.

The Department of Agriculture, Water and the Environment leads an ongoing program of review and evaluation. This includes formal reviews of the NDA (2022); the Australian Government Drought Response, Resilience and Preparedness Plan (2022-23); and the FDF (2023), as well as annual implementation reporting on each.

The upcoming NDA review will consider the ways the NDA's evaluation provisions can be strengthened to better inform continuous improvement of collective effort.

Annual NDA reports include a cumulative list of all reviews and evaluations of drought measures that have been undertaken by Commonwealth, state and territory governments since 2018. The most recent report (2020-21) included an analysis of the common findings of these evaluations. They were consistent with the findings of this inquiry.

Recommendation 15

The committee recommends that the Australian Government focus on the long-term financial sustainability of Local Government through increases to grant allocations, including fair increases to Financial Assistance Grants.

Response

The Australian Government notes this recommendation.

Local governments are established by state and territory legislation. The Financial Assistance Grant program is administered under the *Local Government (Financial Assistance) Act 1995* and is indexed annually based on population and economic growth. Funding to local governments through the Financial Assistance Grant program increases annually in line with this indexation. The Financial Assistance Grant program provides certainty of funding and ongoing assistance to all local governments across Australia to improve their financial sustainability.

In addition, since 2020, the Government has committed an addition \$2.5 billion to local governments through the Local Roads and Community Infrastructure program. The program supports local councils to deliver priority local road and community infrastructure projects across Australia, supporting jobs and the resilience of local economies to help communities bounce back from the COVID-19 pandemic.

Recommendation 16

The committee recommends that the Australian Government utilise local government expertise to inform which future drought infrastructure initiatives are implemented based on local understanding and community needs.

Response

The Australian Government supports this recommendation.

Delivery of grants programs, particularly those which fund local infrastructure, events and other drought related activities, should be informed by local need. Local governments are well placed to identify drought infrastructure projects, in consultation with their communities and Regional Development Australia committees, and to ensure alignment with local development and recovery plans. The Australian Government acknowledges the importance of involving local perspectives in program design and decision making. The Government has drawn on this expertise. Projects funded from the Drought Communities Programme Extension, for example, are delivered by councils to meet local needs, create local jobs and support local businesses. Many projects being funded were selected following consultation

by local governments with their communities.

The FDF's Regional Drought Resilience and Planning Program is investing over \$40 million to support regional organisations, local government, communities and industry to partner together to develop regional drought resilience plans. These plans will be community-led and owned, leveraging local knowledge and perspectives to identify actions that meet regional communities' drought resilience needs, including infrastructure projects where appropriate. The program also includes small grants for regions to take forward priority actions identified in their plans. Regional drought resilience plans will then help to inform future Government investments in these regions. This program is being delivered by the Department of Agriculture, Water and the Environment in partnership with state and territory governments, working with local governments and other regional stakeholders.

Recommendation 17

The committee recommends that the Australian Government work with state, territory and local governments, industry and communities to develop a new National Drought Policy which ensures all drought-impacted farmers, irrespective of the commodity they produce, are able to access drought support. The policy should incorporate:

- a nationally consistent approach to drought policy, underpinned by an intergovernmental agreement that specifies roles and responsibilities for each level of government;
- a framework for jurisdictions to monitor, review and adapt drought programs with industry and local community involvement; and
- relevant complementary education and personal support services, and provides farmers and rural and regional communities with a full suite of risk management tools.

Response

The Australian Government supports in principle this recommendation.

The Australian Government works closely with state, territory and local governments, industry and communities to develop drought policy. As detailed in response to Recommendation 4, there are a number of mechanisms for engagement between the Australian Government, state, territory and local governments, industry and communities, including;

- reviews and evaluations of existing policy,
- membership of the Agriculture Minister's Meeting Working Group on Drought,
- the Ministerial Roundtable on Drought,
- the Shared Responsibilities Working Group,
- public consultation on shared responsibilities in drought support across the drought cycle,
- the National Drought Forum, and
- through the Recovery Support Officers located across Australia.

The NDA sets out a joint approach between states and territories and the Commonwealth to drought preparedness, response and recovery, with a focus on accountability and transparency. It provides a consistent framework for drought policy nationally, including

establishing roles and responsibilities of jurisdictions, and encouraging long-term preparedness and resilience. There are opportunities to strengthen this agreement and its associated governance arrangements and the Government will consider this recommendation as part of the formal review of the NDA in 2022. The agreement specifies that the review needs to commence at least two years prior its expiry to allow sufficient time for states and territories to work collaboratively towards agreement of shared arrangements. The Government will also consider this recommendation as part of the formal review of the Australian Government Drought Response, Resilience and Preparedness Plan in 2022-23. Reviews of these key documents will provide the mechanism to embed improvements from lessons learnt such as those identified in the 2020 review of the Australian Government's drought response.

The Australian Government makes a wide range of risk management tools available to farmers to help them manage drought risk. In addition to the CSA and DRSAT discussed in the response to Recommendation 3, the Government's FDF is investing \$116.82 million over four years to 2023-24 to help farmers and regional communities manage drought risk through the Farm Business Resilience Program and Regional Drought Resilience Planning Program. The Farm Business Resilience Program aims to build the capacity of farmers to plan for and manage risks, including drought. It provides farmers access to subsidised learning and development opportunities in strategic business management, farm risk management and decision-making, natural resource management, and personal and social resilience. The Regional Drought Resilience Planning Program supports regions to develop regional plans that identify actions to manage drought risk and prepare for future droughts, build on existing plans, and draw out regional needs to inform future investments. Both programs are delivered in partnership with state and territory governments.

Recommendation 18

The committee recommends that the Australian Government consider opportunities to expand eligibility requirements for water infrastructure funding, including the On-Farm Emergency Water Infrastructure Rebate Scheme, to promote drought proofing and greater water security.

Response

The Australian Government supports in principle this recommendation.

State and territory governments are primarily responsible for the management and regulation of water in their respective jurisdictions through their own policies and legislation. The Australian Government provides national leadership, coordination and support to drive reforms needed to manage our water resources sustainably and productively.

The Government welcomes the committee's support for the On-farm Emergency Water Infrastructure Rebate Scheme. The scheme helps Australian farmers to better prepare for, respond to and recover from drought. Primary producers and horticulture farmers can apply for rebates to buy and install on-farm water infrastructure to water livestock and permanent plantings. Due to the popularity of the program, the Government has doubled funding to \$100 million and extended the program until June 2022.

To be eligible, applicants must be primary producers or horticulture farmers; a property owner, share farmer or lease holder; in an area defined as drought affected; and in the grazing or horticulture industries. 'Drought-affected' is defined by states and territories in the scheme guidelines. Program eligibility requirements may be amended over the life of the scheme in response to changing conditions and needs.

Recognising that this was an emergency measure at the height of the drought, the focus was on providing practical water infrastructure to help meet animal welfare needs and support permanent plantings. Expenditure on infrastructure also supports small businesses in rural communities that depend on agricultural businesses.

In addition to the \$100 million investment in the On-Farm Emergency Water Infrastructure Rebate Scheme, the Government is working closely with state and territory partners to identify priority water infrastructure projects to increase water security and build greater resilience. For example:

- The National Water Grid Fund is a \$3.5 billion Australian Government investment that will help grow Australian agriculture, increase water security, build resilience to drought and support regional prosperity. The Australian Government works in partnership with state and territory governments to provide a national approach to plan for and help meet the water needs of farmers and regional communities. The National Water Grid Fund has been established as a 10 year rolling program, with 70 construction projects currently in the pipeline across Australia. The National Water Grid Investment Framework, developed in consultation with state and territory governments, provides the long term approach to investment in water infrastructure, underpinned by investments in science. More information on the Government's investments is available on the National Water Grid Authority's website: nationalwatergrid.gov.au.
- The Off-farm Efficiency Program is a \$1.54 billion Government investment designed to recover water for the environment, meeting the targets required by the Murray–Darling Basin Plan. Projects funded under the program will also provide long-term benefits to irrigators by upgrading water delivery infrastructure to reduce water losses and provide benefits to communities and agriculture by improving water availability and creating jobs. The Government's investment in water delivery infrastructure will help Basin communities adapt to emerging pressures and future challenges. More information is available at on the Department of Agriculture, Water and the Environment's website: awe.gov.au/water/policy/mdb/programs/basin-wide/off-farm-efficiency-program.
- The Improving Great Artesian Basin Drought Resilience (IGABDR) Program provides basin jurisdictions (SA, NSW, Qld and NT) up to \$27.6 million of Australian Government funding over 5 years from 2019–20 to 2023–24 which the jurisdictions must match. The funding supports the delivery of strategic investments in immediate and long-term infrastructure and non-infrastructure projects that improve water security and drought resilience through increasing artesian pressure and reducing wastage of the resource. Basin jurisdictions are responsible for managing the day-to-day delivery of the projects under the program.

The Government continues to invest in programs that improve the efficiency of water use, enhance water security, and improve the nation's resilience to droughts when they occur.

Recommendation 19

The committee recommends that the Australian Government direct significant public funding to research, development and extension of plant biotechnology to enhance water efficiency and reduce water wastage.

Response

The Australian Government supports this recommendation.

The Australian Government is providing over \$1.1 billion for rural research, development and extension activities (RD&E), including plant biotechnology to enhance water efficiency and reduce water wastage.

The rural Research and Development Corporations (RDCs) allow the Government and primary producers to co-invest in RD&E to benefit industry and regional communities. Currently, there are 15 RDCs that are funded by a co-investment model based on statutory industry levies on various commodities and matching Government funding on a 1:1 basis up to legislated limits. The Government contribution sits at approximately \$300 million annually.

The RDCs investment priorities are set out in their Strategic Plans. These Strategic Plans align with the Australian Government's Science and Research Priorities and will need to align with the four priorities in the recently released National Agricultural Innovation Policy Statement. Importantly, the climate resilience priority in the Policy Statement recognises the need to expand the use of varieties and genetics that thrive under future climate scenarios. RDCs invest in plant biotechnology to enhance water efficiency and reduce water wastage including:

- Wine Australia's 'Grow Sustainable Environments' strategic priority includes projects that research better ways to manage water and its use in wine production.
- Grains Research and Development Corporation projects that utilise genomic sequencing or gene manipulation to enable grain crops to tolerate hot and low moisture environments.

The establishment of Agricultural Innovation Australia with all RDCs will facilitate joint investment, including from the private sector, and collaboration in cross-industry agricultural issues of national importance, such as the impacts of climate. To leverage investment and commercialisation partners from around the world the RDCs, led by AgriFutures Australia, created the grow^{AG} platform with Australian Government support. AgriFutures Australia also hosts evoke^{AG} as a forum for innovators to engage with the agricultural industry.

On 6 October 2021, the Australian Government announced that the focus of the eight Drought Resilience Adoption and Innovation Hubs would be expanded to broader agricultural innovation activities. An additional \$20 million was announced to support this expansion enabling the Innovation Hubs, across their more than 40 locations around the country, to provide a local 'shopfront' for farmers, community groups and key players in the agricultural innovation system to improve their capabilities and on-farm efficiencies through geographic-specific and needs-based training, advice and support through seminars, workshops, trials and information sharing within industry.

The Government also invests in RD&E for climate resilience through numerous other organisations and initiatives including the Commonwealth Scientific Industrial Research Organisation, Cooperative Research Centres, universities and other education providers, Australian Research Council grants, R&D Tax incentives and the national collaborative research infrastructure strategy.

Recommendation 20

The committee recommends that the Australian Government support the establishment of the ONE Basin CRC as a centre of excellence that brings together industry, communities and research providers with complementary expertise.

Response

The Australian Government notes this recommendation.

The Cooperative Research Centres (CRC) Program is a competitive, merit-based grants program that is open to all industry sectors. Applications must address important industry-identified priorities and have clearly articulated and tangible outcomes. They must also demonstrate significant merit against the assessment criteria and be highly competitive against other applications.

The proposed ONE Basin CRC submitted an application under Round 23 for the CRC Grants stream, which is currently under consideration. The application will be assessed against the merit criteria along with other applications.

The CRC Advisory Committee is responsible for assessing grant applications based on their merits, and providing independent expert advice and funding recommendations to the Minister for Science and Technology, as the responsible minister for the CRC Program.