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## **TFGA Submission: 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 Tasmanian Farmers and Graziers Association (TFGA) is the leading representative body for Tasmanian primary producers. TFGA members are responsible for generating approximately 80% of the value created by the Tasmanian agricultural sector.

Drought is a major issue in many parts of Australia, including areas of Tasmania. Australian producers are resilient and have adapted to managing periods of drought through preparations in prosperous times and tailored management during drought. However, while drought is a normal part of the Australian landscape, changes in climate, increased temperatures and reduced rainfall indicate droughts may become more common<sup>1</sup>.

As drought events may become more frequent and extended it becomes increasingly difficult for producers to manage during drought. Ensuring they are given the support needed is imperative in continuing to grow Australian agriculture. The below details the areas of consideration during ongoing drought management and to support producers before, during and after periods of drought.

### **Financial Support**

During times of drought, it is important to find a balance between providing financial support to producers in need and helping support producers to be as self-sufficient as possible. The Farm Household Allowance (FHA) is an important initiative in providing producers financial support needed during the drought.

While there are over 13,000 producers that have received the FHA across the Nation, including 140 in Tasmania since 2014<sup>2</sup>. There are however still many producers eligible that have not yet applied including in Tasmania, where a potential 700 eligible producers have not applied for the Farm Household Allowance<sup>2</sup>. This may suggest that producers are either not aware of the allowance and their eligibility for it, are unsure of how to apply for the allowance or are daunted by the application process. The changes to the process and application form such as allowing couples to use the same form, is an important step in encouraging producers to apply. It is important, however, to effectively communicate the application process and help producers in understanding what they are eligible for

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<sup>1</sup> State of the Climate 2018. Australian Government Bureau of Meteorology (2018) <http://www.bom.gov.au/state-of-the-climate/australias-changing-climate.shtml>

<sup>2</sup> Farm Household Allowance Data Dashboard, Department of Agriculture, Water and Environment, Australian Government (2020) <https://www.agriculture.gov.au/ag-farm-food/drought/assistance/farm-household-allowance/dashboard#apply>

and how to apply. The FarmHub website<sup>3</sup> is a welcome resource and is very useful in helping producers understand what grants and support they can receive. It is important to ensure that producers are aware of this site and understand how to access and navigate this important resource. Targeted communication campaigns to producers providing information on financial assistance and resources available is important and warrants further investment.

Another important consideration when structuring and developing grants and assistance applications is the literacy levels of some producers. Literacy levels in Tasmania have been assessed as 51% of Tasmanians possessing adequate prose skills and 49.3% having document literacy skills<sup>4</sup>. In essence a significant part of the Tasmanian community is profoundly and functionally illiterate. This may be a serious impediment to producers completing paperwork to receive financial support. Although services and help are available to assist producers in completing applications for programs such as the FHA, it is again imperative to communicate to producers that this support is available. It is also important to ensure the support is available when needed and the needs of producers, including literacy levels are considered. This support must remain in place and be accessible for producers to access and feel supported and empowered to apply for much needed financial aid in times of drought.

While the extension of the FHA eligibility to four years in every ten years is welcome, the issue of financial support for farmers in extended droughts or post severe drought periods is unclear. To sustain Australian agriculture during possible increases in drought events, a long-term support strategy for producers is paramount. While the additional one-payment of \$7,200 for a single person and \$12,000 for couples after payments cease is welcome<sup>2</sup>, a long-term strategy to assist producers in drought is needed. Similarly, the Drought Concessional loans are an important support for producers, however, 2 years of interest free payments may not be enough to support producers in extended droughts. It is important to recognise that as droughts continue and financial burdens increase, repayments become more difficult and these loans become more difficult to repay.

With climate projections indicating that Australia will experience continued increases in temperatures, more frequent and longer lasting heat waves, decreased cool-season rainfall in Southern regions and increases in the number of fire danger days<sup>5</sup>, the current payment system may not be enough for producers in some areas to survive these events. The Co-Ordinator General's report recommended a pilot study to evaluate behavioural insights into barriers and enablers to decision making<sup>6</sup>. This recommendation has not been accepted and it is worth reconsidering this decision as it will become increasingly important for producers to make decisions to help sustain their business under increasing financial and environmental stress. Understanding any barriers to this decision making and helping correct these issues will be helpful in assisting producers through the hardships of droughts.

As already stated, climate change impacts will likely see increases in drought events and if producers are to be sustainable and not continually reliant on Government financial assistance, understanding decision making and assisting decision making will be vital. The inclusion of a required Drought Management Plan to receive Drought Concessional Loans<sup>7</sup> is a welcome requirement to assist producers in future planning. It is important, however, to ensure support is available to help producers

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<sup>3</sup> <https://farmhub.org.au/>

<sup>4</sup> Adult Literacy and Life Skills Survey, Australian Bureau of Statistics (2006)

<sup>5</sup> Climate Change in Australia, CSIRO, Australian Government Department of Environment, Bureau of Meteorology (2019)  
<https://www.climatechangeinaustralia.gov.au/en/>

<sup>6</sup> Drought in Australia, Coordinator General for Drought's Advice on a Strategy for Drought Preparedness and Resilience (2019)

<sup>7</sup> Drought in Australia: Australian Government Drought Response, Resilience and Preparedness Plan (2019)

create and update this plan and recognise potential literacy issues impeding the uptake and upkeep of plans as well.

It is also important for the Federal Government to work alongside the states and territories to ensure financial aid is streamlined and consistent across state and territory borders. The recommendation in the Co-Ordinator Generals Report for the alignment in definitions and criteria of primary production status between the Federal Government and States and Territories<sup>5</sup> is important to reduce confusion. Alignment of agricultural definitions and requirements for assistance during drought is important to reduce red tape to ensure producers in drought in any area of the country receive the support they need.

The impacts of climate change to Australia are already noticeable, with a recorded increase in temperatures of 1°C in the last 100 years<sup>4</sup>. Ongoing droughts in particular areas may make agricultural production increasingly difficult and even impossible. Recognising this and assisting producers in these areas to move into other more viable agricultural production areas is vital for their health and welfare. Providing leave packages for producers in areas where it is proven to be extremely difficult to farm should be considered by the Federal Government as a final support measure for producers. While it is always difficult and unfortunate to see producers leave their farms, these packages may help save lives by providing a reprieve for those who need it.

Financial support beyond producers, such as Drought Communities Program grants to drought affected Councils is also important. However, ensuring these grants are delivered to Councils in areas most in need of support due to drought is vital and has been lacking previously. In Tasmania, the delivery of a grant to the Devonport Council<sup>8</sup> was surprising when other Councils in the State were far more drought effected. The management of these grants therefore needs improvement to ensure they are granted to those areas most in need of support due to ongoing and severe drought conditions. Further communication with State Governments or State farming bodies should be undertaken, to check relevance of the local council, before future funding is provided under this program.

## **Water Management**

A critical area of drought management and preparedness is water management. A key to managing water is to understand how much is available and where. The Drought Co-Ordinator's report recommends an evaluation of Australian water resources, including surface and ground water basins, considering the effects of climate change and population growth<sup>5</sup>. As population growth continues, water use is expected to double by 2050<sup>9</sup> and agricultural water use is also expected to increase by 80% by 2050<sup>7</sup>. It is therefore vital to understand our water reserves and availability to plan for this increasing demand.

The creation of the National Water Grid Authority is an important step in aligning the Federal Government, states and territories in water management and investment. To effectively manage water supplies working together to create and align water infrastructure developments will be vital as water demands continue to increase. The continued investment of the Federal Government into water infrastructure projects across states and territories is a welcome and necessary step in preparing Australian agriculture for future droughts.

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<sup>8</sup> Drought Communities Programme Extension – 52 Eligible Councils (January 2020) <https://www.business.gov.au/Grants-and-Programs/Drought-Communities-Programme-Extension>

<sup>9</sup> CSIRO 2015, Australian National Outlook 2015, CSIRO, Australia

Throughout Tasmania, one of the single biggest opportunities to improve on-farm productivity, product quality, product range and reliability of supply, is and has been by irrigation. Irrigation development across the state has been on the back of a Federal, state and private partnership model, which now has 14 schemes operational (Tranche 1 and 2) and 10 schemes in development (Tranche 3) that will deliver up to 180,000ML to irrigators.

It is also important to work towards continuing to use water as efficiently as possible. Investment into research and development in managing water efficiently is important to manage droughts and the growing demand for water in agriculture.

The Tasmanian Government has undertaken a number of programs to assist producers towards increasing profits and using water efficiently, namely Water for Profit and Enterprise Suitability Mapping.

The Water for Profit program provides effective irrigation and cropping decision support tools and soil management practices under irrigation. While, the Enterprise Suitability Maps can assist producers to analyse potential crop or enterprise options for their property or district. The maps are taking in a range of factors including frost, winter chilling, summer heat, drainage, slope and salinity.

### **Preparedness and Future Management**

While it is important to continue to manage the current drought and support producers, it is also imperative to prepare for future droughts. Australian average temperatures have increased by just over 1°C since 1910<sup>1</sup>. Australia is expected to continue to experience increased sea and air temperatures, increased hot days and decreased rainfall in southern Australia with more time spent in periods of drought<sup>1</sup>. It is, therefore, vital that we continue to prepare for future droughts and with projections of more time spent in droughts, understanding the best management practices for these times is vital.

With a changing climate, understanding and adapting new management practices will be key in continuing to sustain and grow agriculture. Investment into research, development and extension to further understand and adapt to our changing climate is a must if we are to continue to produce food and fibre and meet demands. With the current review of the Research and Development Corporations (RDCs) underway, consideration of the most efficient use of research and development investment must consider climate change and drought. Drought impacts are felt across commodities and therefore investment into water management, drought mitigation, industry preparedness, suitability and efficiencies are vital across all of agriculture.

As well as investment into research and development relating to climate and drought, investment must also be directed to extension. Ensuring producers can access, understand and use innovations and technologies resulting from research and developments will enable them to increase their resilience and drought management. Empowering producers with as much information as possible will be paramount in managing future droughts and help reduce reliance on financial aid from the Federal Government.

The Future Drought Fund will assist in further research and development into drought resilience and assist producers in adapting to droughts, with the aim of reducing reliance on support. It is important that the fund aligns with the current review of the RDCs and research, development and extension work on drought is not duplicated and funds are invested as efficiently as possible.

Encouraging producers to also access and consider programs related to changing energy and environmental management such as the Emissions Reduction Funds and Small-Scale Renewable

Energy Scheme is also important in future drought preparedness. The link between increased greenhouse gas emissions and climate change has been scientifically demonstrated and globally recognised<sup>10</sup>. Assisting producers in reducing emissions and increasing renewable energy is an important step in future environmental management to reduce emissions, climate change and climate change impacts such as reduced rainfall and increased temperatures<sup>1</sup>.

A key area of recommendation from the Co-Ordinator General's Report was informing farmers, communities and Governments, with the Federal Government implementing these recommendations<sup>5</sup>. The recommendation to develop drought indicators to assist the Australian Government in preparedness and drought response is vital to understanding and managing drought. It is also imperative that these indicators are applicable and accessible to producers as also recommended. Assisting producers in preparing for drought conditions and their impacts through using these indicators as a management tool, will be vital moving forward.

Following on from this recommendation, communication with producers should be consistent with research-backed principles. The implementation of this recommendation by the Department of Agriculture alongside other Commonwealth agencies is a positive step in informing producers of drought management and preparation. It is important for this work to continue and for collaboration between Federal Government, state and territory governments and industry to help ensure messaging to producers on drought management and preparedness is consistent. Producers are traditionally time poor and ensuring information is not duplicated and available in a single easily accessible location is paramount.

The establishment of the FarmHub website<sup>3</sup> is an important component of creating this unified messaging and the central location of information is very helpful for producers to understand what support is available. Similarly, the interactive Drought Map website<sup>11</sup> is also an important tool for producers, industry and government to understand drought in their region and beyond. Both websites are great tools for producers, however, to be truly effective and informative producers need to be aware of them, how to navigate the sites and the information on them. Therefore, continued communication is needed to producers and ongoing support provided to help them utilise and gain the most out of them to assist in drought management.

It is also important to communicate drought management not only during times of drought, but in times without drought, as highlighted in the Co-Ordinators General's Report. Communicating preparedness for droughts and considering management strategies for extended periods of drought is important to assist producers manage during droughts. Assistance in business risk management and planning will help reduce the impact on producers by enabling them to be proactive in drought preparedness. This will in turn assist in reducing the length of time producers are reliant on financial support during droughts.

Another key area to improve understanding to prepare for and manage droughts is weather predictions. The \$77.2 million investment into improving weather monitoring in Queensland and New South Wales<sup>7</sup> will be important in drought preparations. Investment into weather monitoring, however, should also consider other areas across the county that are also experiencing drought, including Tasmania. The investment for the Bureau of Meteorology to develop climate guide for the 56 Natural Resource Management Regions<sup>7</sup> will also be important in helping producers understand weather and prepare for changes in weather patterns in their local areas. Investment into weather

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<sup>10</sup> IPCC, 2014: Summary for Policymakers. In: Climate Change 2014: Mitigation of Climate Change

<sup>11</sup> <https://map.drought.gov.au/>

predications must continue as enabling the accurate and precise prediction of weather patterns at a National, State and local level will be an important strategy in preparing for and managing drought.

The development of a drought strategy<sup>7</sup> as recommend in the Co-Ordinator General's report is a positive step in planning and preparing for future droughts. The plan to review the strategy in 2022-23 is also a positive in ensuring ongoing preparations for drought as the climate changes and drought frequencies and expected lengths also change. It was also recommended in the report to create a consistent definition of drought across all government agencies, which has not been accepted by the Federal Government. While there are many factors defining drought, consistency across Government sectors as much as possible is important in aligning policy and planning for drought.

## **Mental Health**

Producers are renowned for the stoicism and resilience as they cope with the extreme weather events Australia is known for. This stoicism can also be a potential downfall, however, as producers continue to 'wait out' periods of drought. Producers are less likely to visit a GP or report mental health issues than those not working on a farm<sup>12</sup> and in terms of extreme and enduring drought, this is a serious risk to their health and wellbeing. With the lowest December record of rainfall for Australia, increased long term rain fall deficiencies, continuing dry soil conditions and reducing water storages<sup>13</sup>, the current drought continues to significantly impact producers.

It has been demonstrated that the more severe a drought, the greater the impacts on mental health of producers<sup>14</sup>. As droughts continue for longer periods of time, and farm productivity is impacted more and more, we can expect to see the pattern of higher mental health problems in producers continue<sup>3</sup>. Supporting farmers over longer periods of time and increasing support as droughts extend will be a challenge but is a vital support service that cannot be underestimated.

The current investment by the Federal Government of \$29.4 million towards drought specific mental health support is a positive step in supporting producers. However, as the drought continues, investments will likely need to increase as mental health of producers continues to be affected more and more by the stress of surviving the drought. Ongoing support services will be needed and funding for services used as efficiently as possible.

Research into drought impacts on mental health of producers continues but has shown there can be groups of producers more at risk than others. Younger producers living and working on the farm under financial hardship or isolation can be more prone to drought related stress<sup>15</sup>. Those living in areas with reduced rainfall, less than 30% water allocations and average daily temperatures of over 32°C or with a lower income were at risk of worse mental health<sup>16</sup>. Therefore, it is important to ensure mental health services are targeted to reach these groups and provide them the support they need.

Investment also needs to continue into encouragement of producers to seek help for mental health issues. Services need to be easily accessible for producers and ongoing support available for those

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<sup>12</sup> Brew, B., Inder, K., Allen, J., Thomas, M. and Key, B. (2016) The Health and Wellbeing of Australian Farmers: A Longitudinal Cohort Study, *BMC Public Health*

<sup>13</sup> Australian Government Bureau of Meteorology (2020) <http://www.bom.gov.au/climate/drought/#tabs=Drought>

<sup>14</sup> Edwards, B., Gray, M. and Hunter, B.H. (2014) The Impact of Drought on Mental Health in Rural and Regional Australia, *Social Indicators Research*, 121 (1)

<sup>15</sup> Austin, E.K., Handley, T., Kiem, A.S., Rich, J.L., Lewin, T.J., Askland, H.H., Askarimarnani, S.S., Perkins, D.A. and Kelly, B.J. (2018) Drought-Related Stress Among Farmers: Findings from the Australian Rural Mental Health Study, *The Medical Journal of Australia*, 209 (4), 159-165

<sup>16</sup> Yazd, S.D., Wheeler, S.A. and Zuo, A. (2020) Understanding the Impacts of Water Scarcity and Socio-Economic Demographics on Farmer Mental Health in the Murray-Darling Basin, *Ecological Economics*, 169

who need it. It is also important to ensure support services are also available for all members of producer households as well as rural communities. Those living in rural communities are more likely to experience the mental health impacts of drought, compared to those in urban environments<sup>17</sup> and it is important they also receive support.

Overall, support of producers through droughts is reliant upon concise and accurate communications, simple applications for financial aid when needed, on-going business management and drought resilience support, water management, research and investment into future drought management and preparedness and accessible mental health support services.

Yours sincerely,

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<sup>17</sup> Obrien, L.V., Berry, H.L., Coleman, C. and Hanigan, I.C. (2014) Drought as a Mental Health Exposure, *Environmental Research*, 131. 181-187