



# SHIRE OF DUMBLEYUNG

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Ms Joanne Chong  
Commissioner  
Future Drought Fund  
Productivity Commission  
GPO BOX 1428  
CANBERRA ACT 2601

Dear Commissioner,

## Productivity Commission Future Drought Fund Inquiry

Please accept this advice as a formal Shire of Dumbleyung submission to the Productivity Commission Inquiry into Part 3 of the Future Drought Fund Act 2019.

### Introduction & Background

The Shire of Dumbleyung is a small rural local government area located in the Southern Wheatbelt region of Western Australia. Its economy is agricultural based, predominantly cereal grains and small livestock. Our rural community has experienced significant demographic downsizing shifts over many decades mainly driven by mechanisation and farming enterprises becoming bigger through consolidation. In more recent times, climate variability has led to inconsistent seasons due to lesser average annual rainfall particularly during the main growing times of the year (noting WA farmers only experience one harvest per year). For the first time ever in 2020, the Shire of Dumbleyung was declared as 'Water Deficient' by the WA State Government due poor seasonal conditions. This resulted in water being carted into the Shire from other locations to sustain basic community and farming (animal welfare) needs.

Together with four other neighbouring Shires, the Shire of Dumbleyung participated in an extensive pilot Regional Drought Resilience Planning process which culminated in the completion of a (draft) 2022 Southern Wheatbelt Drought Resilience Plan ('Plan'). The planning was facilitated as a joint Federal & State Government process with oversight and assistance provided by the Department of Primary Industries & Regional Development and the Wheatbelt Development Commission. As at the date of writing this submission, the draft Plan had been independently reviewed and validated and was awaiting final Federal Government endorsement.

The 'ground up' Plan was developed following extensive community and key stakeholder consultation and engagement across the Southern Wheatbelt. The Plan presents for consideration a range of interventions and actions aimed to support the preparedness of participating regional farming enterprises and community to build economic, environmental and social resilience to future droughts in the region. The actions and priorities presented in the plan are grouped under the following five drought resilience themes:-



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1. Resilient Water Systems
2. Resilient Community
3. Resilient Agricultural Systems
4. Resilient Landscapes
5. Resilient Regional Economy

These themes appear to generally align with the current Future Drought Fund strategic priorities of:-

- Economic resilience for an innovative and profitable agricultural sector
- Environmental resilience for sustainable and improved functioning of farming landscapes
- Social resilience for resourceful and adaptable communities

### Regional Economic Diversification

There appears to be, however, a critical gap between our region's Plan and current Future Drought Fund strategic priorities, particularly in relation to sustaining a strong and Resilient Regional Economy. The Southern Wheatbelt Plan identified that whilst focus should be given to the key (existing) Agricultural, Land and Community sector drivers for delivering improved resilience, it will not necessarily mitigate the risk of major economic upheaval resulting from drought occurrence(s). This is due to the primary interventions targeting a particular industry sector that is heavily reliant on seasonal (rainfall) conditions i.e. droughts will still bring economic & community hardship as there is no economic investment and available cashflow capacity circulating in the regional economy.

Economic resilience is built around industry and business diversification to offset impacts if one particular sector shows weakness or decline. The Southern Wheatbelt Plan has identified this important diversification requirement under the theme building a Resilient Regional Economy. The theme outcome is '*A diverse, forward looking, adaptable business sector, not wholly dependent on seasonal conditions*'. There are two key interventions identified, including:-

1. Addressing constraining enabling infrastructure to support industry growth and regional resilience to climate change
2. Supporting economic diversification and business development in the region to capitalise on growing agriculture and mining sectors and the region's unique features

### Regional Drought Resilience Plan Implementation

An Implementation Plan will now be established that looks to prioritise projects for delivery via a regional governance and assessment framework that gives prioritisation to project initiatives based on impact and readiness.

For key regional stakeholders (i.e. communities, business and local government authorities) prepared to undertake the required preparatory strategic research and investigations to identify and scope opportunities, the above mentioned framework will act as the regional mechanism to consider and endorse (or not) project proposals. Projects that align with the endorsed Plan will be given a higher level of assessment weighting.



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It will be important that the Future Drought Fund (FDF) is structured to be able to respond to these regional project submissions as considered, endorsed and submitted. At present, the primary FDF programs mainly focus on 'Harnessing Innovation' and 'Better Risk Management'. Other subprograms include 'More Resilient Communities', 'Better Climate Information' and 'Better Land Management'. Regional Drought Planning currently falls under the Better Risk Management program with funds notionally allocated towards the drought resilience planning phase, not for project delivery and implementation.

## Recommendations

Based on the content of this submission, it is recommended that:-

1. An additional (new) Strategic Priority is included for the FDF that reflects the following;  
'Economic diversification for strong, growing regional communities and economies'
2. An additional (new) Strategic Objective is included for the FDF that reflects the following;  
'Growing regional communities and economies through expanding industry and business sectors'
3. A new Regional Drought Resilience subprogram is established that allocates sufficient implementation funds (circa \$50m annually) towards prioritised projects identified through the Regional Drought Resilience Planning process, particularly those that demonstrate sustainable economic (& community) growth.

Thank you for the opportunity to submit to this important Inquiry.

Yours faithfully,

Gayln Treasure  
Chief Executive Officer

17/02/2023