

Productivity Commission Inquiry into the effectiveness of Part 3 of the *Future Drought Fund Act 2019*

Submission from the Department of Primary Industries
and Regions

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Government
of South Australia
Department of Primary
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Productivity Commission Inquiry into the effectiveness of Part 3 of the *Future Drought Fund Act 2019*: Submission from Department of Primary Industries and Regions

The Department of Primary Industries and Regions (PIRSA) welcomes the opportunity to make this submission to the Productivity Commission's Inquiry into the effectiveness of Part 3 of the *Future Drought Fund Act 2019* (the Inquiry).

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

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

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

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

This submission responds to the questions posed by the Productivity Commission in its call for submissions and provides perspectives from the implementation of programs to date in South Australia.

Are the funding principles, vision, aim, strategic priorities, and objectives of the Funding Plan appropriate and effective?

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

The Funding Plan should continue to:

- Reflect a triple bottom line approach to building resilience recognising that economic, environmental and social resilience are interconnected and required to build lasting resilience.
- Reflect the need for environmental resilience for sustainable and improved functioning of farming landscapes and improve on the natural capital of agricultural landscapes for better environmental outcomes and improved productivity.
- Ensure that projects and activities enhance the public good.

- Consider the incremental, transitional and transformational opportunities needed to strengthen resilience and encourage innovative proposals and the timeframes and funding certainty required to deliver these opportunities and demonstrate effectiveness.
- Recognise the diversity of people, businesses and landscapes involved in agricultural production, including Indigenous landholders.
- Where appropriate, use or collaborate with existing community networks, Indigenous organisations and communities, natural resource management organisations (regional landscape boards in SA), industry and farming systems groups.
- Ensure that all new knowledge is shared and freely made available in the public domain.

Do the programs, arrangements and grants focus on the right priorities to support drought resilience? If not what should the programs, arrangements and grants focus on and why?

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

The timing of grant rounds has been problematic at times. These have been conducted at short notice, often at times where organisations and individuals take leave and with limited consideration for the production calendar for farmers. Consideration should also be given to the capacity of smaller organisations to participate, collaborate and partner, particularly those with limited staff and capacity to participate in peak production periods.

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

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

Should the scope of the Fund be broadened to support resilience to climate change? Why or why not?

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

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

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

How could the Fund enhance engagement with and benefits for Aboriginal and Torres Strait Islander people?

There are eligibility criteria in some program frameworks which could be reviewed to provide more flexibility to enable further participation. Seeking advice directly from First Nations people is suggested.

What opportunities are there to enhance collaboration in planning and delivering drought resilience initiatives, including with state and territory governments?

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

From a state perspective there are opportunities to connect with:

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