



Australia's National
Science Agency

CSIRO submission to inquiry into the Australian Government's Future Drought Fund

Productivity Commission

CSIRO Submission 23/818

March 2023

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Contents

Introduction	2
CSIRO response to the Terms of Reference	3
Consider the effectiveness and appropriateness of the Funding Plan in guiding progress towards the objective of drought resilience.	3
Provide specific and practical advice to inform the development of a new Funding Plan; the development, delivery, monitoring and evaluation of future programs, arrangements and grants; and the processes and systems to administer the Fund.	3
Opportunities to enhance engagement with, and benefits for, First Nations peoples.	4
The merits of longer planning and program timeframes in building resilience.	4
The merits of broadening the scope of the Fund to support resilience to climate change for the agriculture sector and communities dependent on agriculture.	4
References	5

Introduction

CSIRO welcomes the opportunity to provide input to the Productivity Commission Inquiry into the Future Drought Fund (FDF).

CSIRO has interacted with the FDF through several of its programs including:

- **Climate Services for Agriculture** where, in partnership with the Bureau of Meteorology, we are developing an online tool guided by users from the agriculture industry
- Providing feedback on Regional Drought Resilience Plans under development
- Leading two projects funded by the Natural Resource Management Drought Resilience Program (Grants)
- Collaborating on two projects funded through the Drought Resilience Innovation Grants via Department of Agriculture, Fisheries and Forestry (DAFF).

We also engage with several of the Drought Resilience Adoption and Innovation Hubs through our involvement with existing FDF programs and through other initiatives.

As CSIRO is involved in several of the current programs, our submission will not comment on the Terms of Reference (ToR) that address the make-up and omissions from the program. CSIRO's submission focuses on ToR relating to the operation of the fund based on the experiences gained through participation.

CSIRO response to the Terms of Reference

Consider the effectiveness and appropriateness of the Funding Plan in guiding progress towards the objective of drought resilience.

Several of the FDF's programs are focussed on building capacity in people or regions; others are developing enduring tools to support drought resilience. In order for these programs to result in improved drought resilience they may require support from the FDF beyond the original timeframe of the four-year plan. Extra time may be required to identify particular changes required and the resources needed to pilot and enact the changes.

Care needs to be taken that the adherence of Principle 16 in the funding plan "*16) ensure there are no ongoing operational or maintenance dependencies from the Fund when considering proposals for new or existing infrastructure*" does not limit funding of programs across multiple funding rounds if that will provide the time and resources to facilitate the desired outcome of improved drought resilience.

Provide specific and practical advice to inform the development of a new Funding Plan; the development, delivery, monitoring and evaluation of future programs, arrangements and grants; and the processes and systems to administer the Fund.

There were some initial difficulties identified at the start of the Fund's activities that could be addressed in the development and execution of future funding plans.

Initially, funds were approved for time periods shorter than the intended length of the program which introduced a level of uncertainty and redundant contingency planning. Securing approvals for the planned length of programs would alleviate this. This now seems to have been achieved for example, through the long-term field trial program currently open.

Sign off on the next four-year funding plan will be provided in May 2024, just 1-2 months before the plan is to commence on 1 July 2024. This potentially creates problems for maintaining staff continuity in any programs that the FDF may wish to continue from one four-year planning period to another. For the development of future plans, it may be beneficial to consider alternative approaches such as implementing a rolling review and change to the plan every two years, so that there is always at least two years of the plan to run before the next iteration is approved.

The FDF's initial programs had to be stood up in short timeframes. In the development of the next plan, we believe there is benefit in considering how the programs build upon each other to deliver the desired outcome of improved drought resilience. More formal interactions and planned collaboration between the programs would be advantageous to achieving these outcomes, for example regional planning and leadership programs.

Opportunities to enhance engagement with, and benefits for, First Nations peoples.

CSIRO has embarked on a range of drought-related activities with Indigenous communities. We are sharing information on the approaches with DAFF.

One way the FDF could enhance engagement with Indigenous Australians would be to identify relevant skill sets in the list of areas of expertise and experience that consultative committee members would need to demonstrate. This would embed the approach more fully in the early stages of planning via the consultative committee.

The merits of longer planning and program timeframes in building resilience.

A consequence of short and fixed planning and delivery periods for individual programs means that, for some farming systems, the desired number of seasons cannot be used for experimentation or demonstration. For example, contracting periods that start after the sowing window of particular crops can mean whole seasons are missed. Whilst the Fund has to manage expenditure in particular financial years, this could be achieved at the 'whole of fund' level rather than having all the projects in particular programs starting and finishing within the same time periods. The subject matter, and ultimately the outcome for some projects, would be best served by timeframes that are more tailored to each project's circumstances.

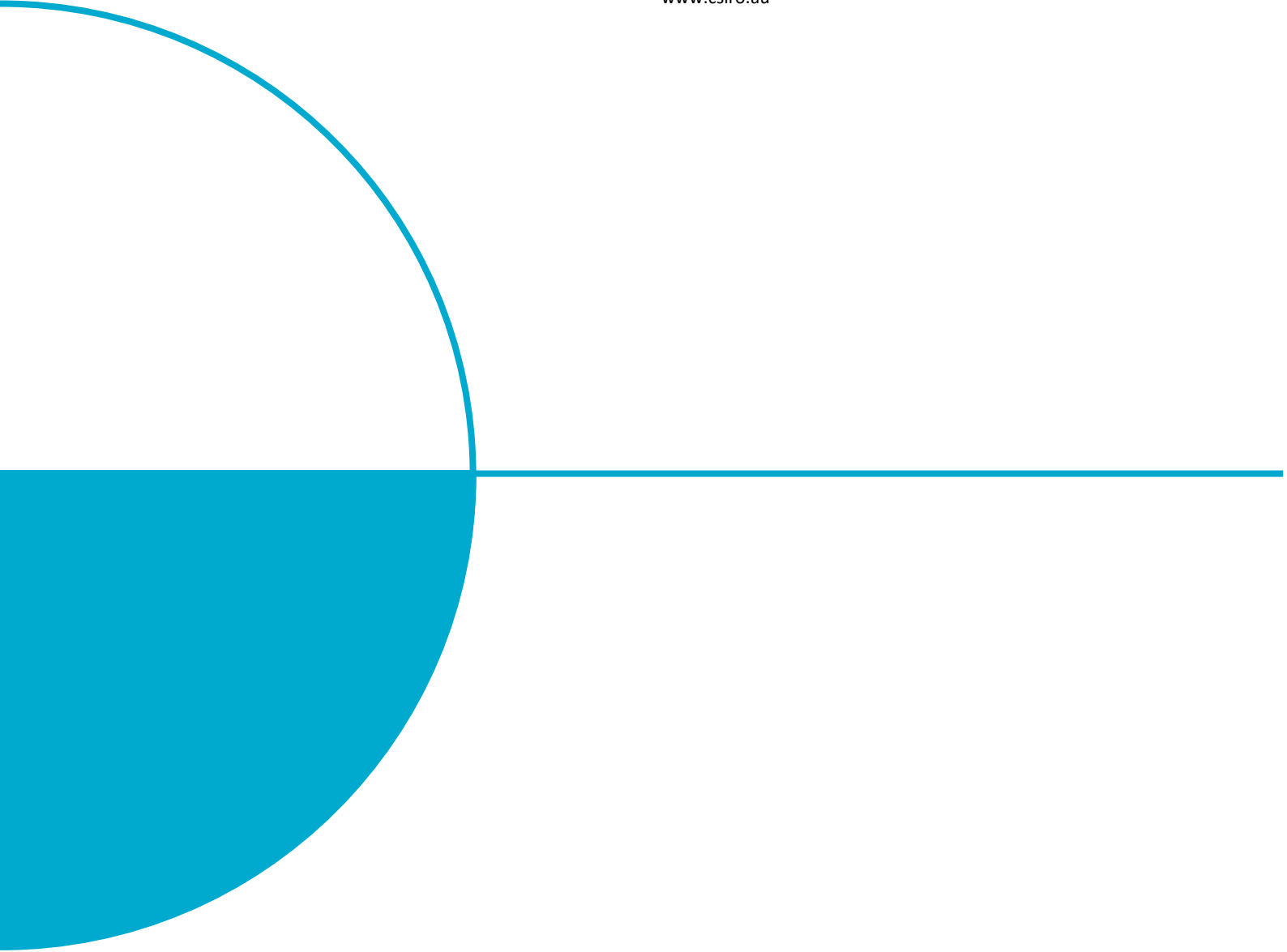
The merits of broadening the scope of the Fund to support resilience to climate change for the agriculture sector and communities dependent on agriculture.

The State of the Climate report 2022 (CSIRO & The Bureau of Meteorology, 2022) states Australia will experience: "Continued decrease, on average, in cool season rainfall across many regions of southern and eastern Australia, which will likely lead to more time in drought". It also points to continued increase in air temperature and more heat extremes which also affect the amount of water available for farmers and communities.

The boundary between future drought and climate change, and between resilience to drought and resilience to climate change, are increasingly blurred. Whilst maintaining a focus on drought, a less rigid definition of what the Fund can support with respect to climate change seems justified. This is particularly relevant as many aspects of climate change, including altered temperature, rainfall and run-off, directly impact upon drought and drought resilience.

References

CSIRO, The Bureau of Meteorology (2022) State of the Climate 2022. State of the Climate - CSIRO



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