

Issue

The Federal Government is conducting a national review of drought policy comprising an economic assessment by the Productivity Commission; an assessment of the social impacts of drought by an expert panel; and a climatic assessment by the Bureau of Meteorology and the CSIRO. It should be noted that this review process is totally separate to the current review of Exceptional Circumstances (EC) declarations in NSW.

National Drought Policy Review

1. Economic Assessment

The Productivity Commission has been asked to:

- Report on the appropriateness, effectiveness and efficiency of the Commonwealth, State and Territory Governments' business support and income support measures provided to help farmers, farm businesses and farm-dependent rural small businesses manage drought.
- Identify impediments to farmers, farm businesses and farm-dependent rural small businesses improving self-reliance and preparedness for periods of financial difficulty.
- Identify the most appropriate, effective and efficient Commonwealth, State and Territory Government response to build farmers' farm businesses' and farm dependent rural small business' self-reliance and preparedness to manage drought.

The Commission held a preliminary meeting with the Association Monday 30 June 2008 to discuss the review. The Commission is currently finalising an issues paper, which is expected to be released for comment in the week commencing 7 July 2008. Comments on the issues paper are due 22 August 2008. The Commission will then hold hearings and produce a draft report by the end of October 2008 with comments due by December 2008. The final report will be presented to Government by the end of February 2009. The inquiry will be supported by the social impact assessment and climatic assessment below. It should be noted that the Commission is taking a medium-term approach and as such any recommended policy instruments are expected to be based on a 5-10 year timeframe.

The Association will be providing a detailed submission to the Productivity Commission focusing on:

- *Commonwealth Drought Support Measures*
 - EC Interest Rate Subsidies (eligibility criteria; common reasons for declined loans; current, past and future demand; applicability to all sectors etc);
 - EC Relief Payments (eligibility criteria; current, past and future demand; comparisons to other 'safety nets'; demand hotspots etc)
 - Farm Management Deposits (as a farm management tool, not just a drought tool)
 - Uptake of Irrigation Grants, FarmHelp, Professional Advice and Planning Grant etc
 - Likely impact of the new Transitional Income Support Package
 - Interpretation and application of policy instruments (eg how RAA administers EC IRS)
- *State Drought Support Measures*
 - Transport Subsidy Scheme (impact of three-month rolling funding arrangements; equivalence across sectors; past, current and future demand)
 - Drought Support Workers (impact of short-term funding arrangements; key areas of activity; demand beyond drought etc)
 - Uptake of DOCS Drought Household Assistance, Pest Insect Levy, Western Division Wild Dog Destruction Board Rates etc
 - Comparisons to drought assistance programs provided by other States/Territories
- *Drought Preparedness/Self Reliance*
 - Explaining that farmers cannot commence preparedness for the next drought until they are well and truly out of the current drought.
 - Consideration of 'mutual obligation' concepts
 - Impact of past, current and future research, development and extension.

Key dates and further information:

- ↪ Issues Paper comments close 22 August 2008
- ↪ Public Hearings late November/early December 2008
- ↪ Final Report February 2009
- ① Productivity Commission website <http://www.pc.gov.au/inquiry/drought>

2. Social Impact Assessment

An expert panel (chaired by AgForce President Peter Kenny and including NSW Farmers' Association immediate past President Mal Peters) has been appointed to review the social impacts of drought, reporting on:

- a) The social dimensions of the impacts of drought on farm families and rural communities;
- b) The objectives, extent and range of Commonwealth, State and Territory Governments' and non-government social support services (including counselling and advisory services) available to farm families and rural communities during periods of stress and change such as drought
- c) Gaps in the application of Commonwealth, State and Territory Governments' and non-government social support services for mitigating the impacts of stress and change such as drought on farm families and rural communities; and
- d) Possible social support services for mitigating the impacts of stress and change such as drought on farm families and rural communities.

The panel has released an issues paper to assist in the preparation of submissions focusing on five key themes, namely Education and Training; Community Development and Sustainability; Families; Employment and Professional Development; and Mental and Physical Health. The panel has been asked to consult widely and will be visiting the following six locations in NSW:

Inverell	Thursday 24 July	2pm – 5pm	RSM Club
Bourke	Friday 25 July	9am – 12pm	Bourke Bowling Club
Gilgandra	Monday 18 August	1pm – 4pm	Gilgandra Services Club
Forbes	Tuesday 19 August	10am – 1pm	Forbes Services Memorial Club
Griffith	Thursday 21 August	9am – 12pm	Catholic Club Yoogali
Goulburn	Friday 22 August	9am – 12pm	Goulburn Workers Club

The panel has been asked to provide a final report to the Federal Agriculture Minister by September 2008. Both the Association and the Association's Rural Mental Health Network will be making submissions to the expert panel focusing on the five key themes above, as well as:

- *Social Impacts of Drought*
 - Impact of drought on farm families (social isolation, impact on education, mental health etc)
 - Impact of drought on rural businesses (impacts of increased debt levels, social isolation, impact of drought on 'accidental counsellors' eg stock and station agents, bankers etc)
- *State and Federal Social Support Services*
 - Past and current access to social support services (regional variations, innovative solutions (eg e-counselling), funding regimes, demand on Rural Financial Counsellors etc)
 - Key gaps (eg rural chaplaincy services) and possible solutions (eg co-locating services)
 - Role of NGOs (eg Salvation Army, St Vincent de Paul, Anglicare etc)

Key dates and further information:

- ↪ Issues Paper comments close 8 August 2008
- ↪ Regional Consultation (NSW) 24 July – 22 August 2008
- ↪ Final Report 30 September 2008
- ① http://www.daffa.gov.au/agriculture-food/drought/national_review_of_drought_policy/social_assessment

3. Climatic Assessment

The Bureau of Meteorology and CSIRO were asked to assess:

- a) Likely changes to temperature regimes over the next 20-30 years across significantly sized regions;
- b) Likely changes in the nature and frequency of severe rainfall deficiencies over the next 20-30 years;
- c) The likely effect of projected climate changes on integrated measures of drought over the same period;
- d) The place of past exceptional climatic events in the context of the likely frequency and severity of future climatic events.

As such, BoM and CSIRO have been asked to comment on the appropriateness of the current one-in-20-25 year Exceptional Circumstances event trigger based on the historic record. Submissions were not invited as part of this process, however, the Association wrote to the Federal Agriculture Minister to outline a number of gaps in the Terms of Reference. The key findings of the final report released 6 July 2008 were as follows:

- The existing 1 in 25 year EC trigger is not appropriate under a changing climate;
- On average, exceptionally high temperatures are likely to occur every 1-2 years;
- There is large variability in observed trends in exceptionally low rainfall years;
- Under one scenario considered in the report, EC declarations could be triggered about twice as often and over twice the area under on the basis of rainfall and soil moisture;
- Farmers and suppliers need user-friendly, reliable and up-to-date location-specific information on historical climatic conditions and future climate variability.

Key dates and further information:

- ↪ Final report released 6 July 2008
- ① http://www.daffa.gov.au/agriculture-food/drought/national_review_of_drought_policy