

National Drought Agreement

An agreement between:

- the Commonwealth of Australia and
- the states and territories, being:
 - New South Wales
 - Victoria
 - Queensland
 - Western Australia
 - South Australia
 - Tasmania
 - the Australian Capital Territory
 - the Northern Territory.

Context

Droughts are part of Australia's landscape and managing drought is a feature of Australian agriculture. Australian farming businesses and farming communities are adopting increasingly sophisticated and effective strategies to deal with drought and respond to climate change and variability.

This agreement continues to build on drought policy reform including moving away from Exceptional Circumstances arrangements and associated lines on maps to qualify for drought support.

It prioritises objectives and outcomes that enhance long-term preparedness, sustainability, resilience and risk management for farming businesses and farming communities in Australia.

It describes the way Commonwealth, state and territory governments will cooperate and collaborate on drought-related issues and outlines responsibilities when supporting farming businesses, farming families and farming communities.

The agreement provides a framework to enable consistency of drought policy and reform objectives and complementarity of drought preparedness, response and recovery programs.

This agreement also complements other measures taken by jurisdictions to promote adaptation to climate change.

Preliminaries

1. This agreement replaces the 2013 Intergovernmental Agreement on National Drought Program Reform.
2. This agreement is between the Commonwealth of Australia (the Commonwealth) and the states and territories. Where the terms 'jurisdictions' or 'parties' are used these refer to the Commonwealth, states and territories.
3. In entering this agreement, the jurisdictions recognise their common interest in continuing to reform drought-related programs and the need to work together to help farming businesses, farming families and farming communities manage and prepare for future challenges and risks in a variable and changing climate.
4. This agreement will commence as soon as the Commonwealth and one other state or territory signs this agreement and is scheduled to expire on 30 June 2024.
5. This agreement will also apply to any other drought-related programs introduced by jurisdictions within the term of this agreement.

Objectives

6. This agreement is intended to:
 - a. provide a framework for jurisdictions to ensure:
 - i. collaboration in drought preparedness, response and recovery;
 - ii. consistency of drought policy and reform objectives;
 - iii. complementarity of drought preparedness, response and recovery programs; and

- iv. efforts are not unnecessarily duplicated or critical issues overlooked.
- b. enable farming businesses, farming families and farming communities to manage and prepare for drought, climate change and variability, by supporting their long-term sustainability and resilience, the adoption of robust risk management practices and sound natural resource management.
- c. increase the adoption by farming businesses and the farming sector of self-reliant, sustainable and resilient approaches to manage business risks, through improved skills and business decision-making, and the adoption of new knowledge and tools from research and development.
- d. ensure services to mitigate the effects of drought on health and wellbeing are accessible to farming families and farming communities.
- e. ensure support measures are accessible and clear information is available for those in need, in collaboration with relevant stakeholders.
- f. provide decision makers, industry and the public with access to common sources of quality, drought-related data to improve policy and business decision making.

Outcomes

7. This agreement will facilitate achievement of these outcomes:
- a. farming businesses have an improved capability to manage business risks and the tools to implement sustainable and resilient risk management practices.
 - b. farming businesses, industry service providers, agri-finance, community organisations and local government are partners of government and support rural communities to prepare for, and respond to, drought.
 - c. farming businesses, farming families and farming communities are supported in times of hardship and have an increased understanding of, and access to, available support.
 - d. roles and responsibilities of jurisdictions in responding to drought:
 - i. are clear;
 - ii. promote consistency of drought policy and reform objectives;
 - iii. complement drought preparedness, response and recovery programs; and
 - iv. reduce gaps and unnecessary duplication.
 - e. improved sharing, and quality, of common sources of data and information across jurisdictions to strengthen policy and business decision making.
 - f. future programs related to the objectives of this agreement are consistent with the principles for reform at Attachment A.
 - g. future programs providing temporary in-drought support are consistent with the principles and processes at Attachment B.

Roles and responsibilities

8. To realise the objectives and outcomes in this agreement, each party has specific roles and responsibilities, as outlined below.

Role of the Commonwealth

9. The Commonwealth is responsible for:
- a. funding and delivering a time-limited household support payment based on individual and farming family needs, including:
 - i. reciprocal obligations that encourage resilience; and
 - ii. case management to support reciprocal obligation requirements.
 - b. establishing and operating a Future Drought Fund, to enhance drought preparedness and resilience.
 - c. providing continued access to incentives that support farming businesses' risk management, including taxation concessions, the Farm Management Deposit Scheme and concessional loans.
 - d. improving and maintaining national, regional and local predictive and real time drought indicator information, drawing on the Bureau of Meteorology's (BOM) observation network and forecasting.

Role of the states and territories

10. Each state or territory is responsible for:
- a. encouraging the delivery and uptake of capability-building programs to improve farming businesses' skills and decision making that are flexible and tailored to farming businesses' needs.
 - b. ensuring animal welfare and land management issues are managed during drought.

Shared roles and responsibilities

11. The Commonwealth, states and territories are responsible for:
- a. developing, designing, implementing and funding drought preparedness, response and recovery programs that are consistent with this agreement, encourage robust risk management and seek to avoid market distortions.
 - b. developing capability-building programs, tools and technologies to inform and improve farming businesses' decision-making and promote resilience.
 - c. provision of rural financial counselling services.
 - d. support to mitigate the effects of drought on the health and wellbeing of farming families and farming communities.
 - e. sharing, coordinating, collaborating and communicating information on drought preparedness, response and recovery policies and programs being developed and implemented.
 - f. ensuring information on assistance for drought preparedness, response and recovery is accessible and readily available.

- g. ensuring consistency of drought policy and reform objectives and complementarity of drought preparedness, response and recovery programs.
- h. contributing to the development of quality, publicly available data, including but not limited to:
 - i. weather, seasonal and climate forecasts;
 - ii. regional and local predictive real time drought indicator information;
 - iii. a consistent early warning system for drought; and
 - iv. an improved understanding of fodder crops and holdings across Australia.

Monitoring, evaluation and reporting

- 12. The parties will report against their roles and responsibilities and performance of drought related programs annually to Agriculture Senior Officials Committee (AGSOC), and as agreed by all parties.
- 13. The AGSOC members, or their representatives, will discuss this agreement annually, or as agreed by all parties, to ensure its effective and efficient implementation and the execution of roles and responsibilities.
- 14. AGSOC will report annually to the Agriculture Ministers' Forum (AGMIN) and as required, on progress in implementing this agreement.
- 15. The parties will develop a progress reporting framework to be agreed by AGMIN. Each year AGMIN will publicly release a report on progress implementing this agreement.

Governance arrangements

Implementation

- 16. AGMIN will oversee and report annually to the Council of Australian Governments (COAG), and as required, on progress on implementing this agreement.

Enforceability

- 17. The parties do not intend any of the provisions of this agreement to be legally enforceable. However, that does not lessen the parties' commitment to this agreement.

Review

- 18. This agreement will be reviewed approximately two years before expiry with AGMIN responsible for determining the terms of reference, timing and methodology for the review.

Variation

- 19. This agreement may be amended or extended at any time by written agreement between all parties.
- 20. Any party may terminate its participation in this agreement at any time by notifying all other parties in writing.

Dispute resolution

21. Any party may give notice of a dispute to any or all other parties.
22. Officials of relevant parties will attempt to resolve any dispute in the first instance.
23. If officials cannot resolve a dispute, it may be escalated to relevant ministers and if necessary to COAG.

The parties have confirmed their commitment to this agreement:

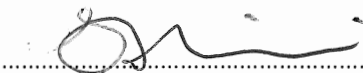
Signed for and on behalf of the
Commonwealth of Australia by



The Honourable Scott Morrison MP
Prime Minister

12 December 2018

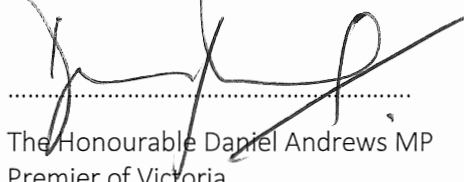
Signed for and on behalf of the
State of New South Wales by



The Honourable Gladys Berejiklian MP
Premier of New South Wales

12 December 2018

Signed for and on behalf of the
State of Victoria by



The Honourable Daniel Andrews MP
Premier of Victoria

12 December 2018

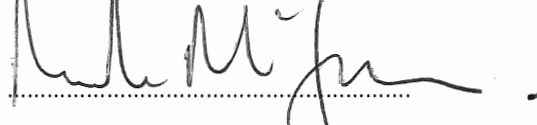
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State of Queensland by



The Honourable Annastacia Palaszczuk MP
Premier of Queensland

12 December 2018

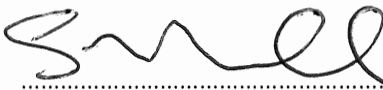
Signed for and on behalf of the
State of Western Australia by



The Honourable Mark McGowan MP
Premier of Western Australia

12 December 2018

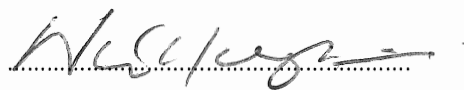
Signed for and on behalf of the
State of South Australia by



The Honourable Steven Marshall MP
Premier of South Australia

12 December 2018

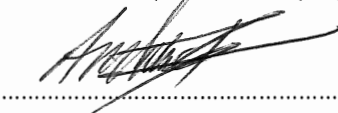
Signed for and on behalf of the
State of Tasmania by



The Honourable Will Hodgman MP
Premier of Tasmania

12 December 2018

Signed for and on behalf of the
Australian Capital Territory by



Andrew Barr MLA
Chief Minister of the Australian Capital Territory

12 December 2018

Signed for and on behalf of the
Northern Territory by



The Honourable Michael Gunner MLA
Chief Minister of the Northern Territory

12 December 2018

Attachment A: Principles for reform

The principles underpinning this agreement are:

1. government policies and programs should support farming businesses, farming families and farming communities to prepare for drought and enhance their long-term sustainability and resilience.
2. drought is just one of a number of hardships that can adversely impact farming businesses.
3. programs and assessments for eligibility for programs need to be streamlined to remove red tape and deliver timely assistance to farming businesses, farming families and farming communities.
4. recognition of the important role of farming businesses as the nation's food and fibre producers and important export revenue earners.
5. future farm family welfare assistance should require a level of mutual responsibility.
6. for access to the income support system, farming families should have the same access rights as the wider community, acknowledging that a different and temporary assets test would apply.
7. policies and programs should assist farming businesses plan and prepare for the future.
8. support will be based on a willingness by farming businesses to prepare for the impacts of increased climate variability and climate change.
9. policies and programs should recognise the important role of farming businesses in maintaining strong and cohesive rural communities.
10. policies and programs should recognise the importance of maintaining and supporting the natural resource base during drought and climate change.
11. there should no longer be Exceptional Circumstances declarations and associated lines on maps.

Attachment B: Principles and processes for in-drought support

Principles

The principles and processes listed in this attachment have been identified as criteria to guide the provision of in-drought support.

Where a jurisdiction(s) decides to implement an in-drought support measure, the measure should:

1. be consistent with principles for reform and complementary to measures already in place.
2. occur where there is a clear role for government and deliver a net public benefit.
3. encourage robust risk management and seek to avoid creating market distortions.
4. address recognised social welfare needs.
5. encourage good farm business decision-making and facilitate adjustment in the agriculture sector.
6. enable links with other measures or between service providers.
7. avoid government being positioned as the business 'lender of last resort'.
8. recognise the importance of maintaining the natural resource base and safeguarding animal welfare.

Process

1. In-drought support should be provided through a phased approach to allow governments to tailor the type or level of support provided as conditions change.

The phases are:

- a. measures available at all times
- b. existing measures increased to address growing demand
- c. measures introduced to address identified needs.