

# National Drought Agreement

## **Parties**

The National Drought Agreement (NDA) is an agreement between the Commonwealth of Australia and New South Wales, Victoria, Queensland, Western Australia, South Australia, Tasmania, the Australian Capital Territory, and the Northern Territory.

The terms 'jurisdictions' or 'parties' refer to the Commonwealth, states and territories.

## **Term of the agreement**

This agreement commences as soon as the Commonwealth and one other state or territory signs this agreement. It expires on 30 June 2029.

## **Definitions**

The definitions below are explanatory definitions to bring greater clarity to the NDA text.

*NDA parties* – signatories to the NDA, consisting of the Commonwealth of Australia, New South Wales, Victoria, Queensland, Western Australia, South Australia, Tasmania, the Australian Capital Territory, and the Northern Territory.

*NDA non-party stakeholders* – stakeholders of the NDA that are not signatories of the agreement but have intersecting interests across the drought cycle. Including but not limited to, local governments, industry groups, the non-profit sector and the financial sector.

*AMM (Agriculture Ministers Meeting) Working Group on Drought* – representatives from the NDA parties who meet to identify and collaborate on joint priorities.

## Context

Australia is the driest inhabited continent in the world and has some of the most variable climates. Drought is a recurring feature of these climates and has financial, social, environmental and health and wellbeing impacts on farm and beyond the farm gate.

The Australian agricultural sector plays a vital role in the nation's food and fibre production, export revenue, and as a foundation of strong and cohesive rural communities. The success of the sector is largely due to the resilience, innovation and continued adoption of improved practices by the various industries within the sector. The agriculture sector and rural communities are adapting to climate risks and climate change through research and development led innovations, improved risk management and business decision making, and changes to how land and water resources are managed. This is helping make businesses within the sector and regional economies more productive.

Climate science states Australia can expect increased and more extreme climate variability. Trends suggest droughts will become more frequent, widespread, prolonged and severe in many regions as a result of climate change<sup>1</sup>, generating unique, and at times overlapping challenges for the agricultural sector, and rural communities.

The agricultural sector and rural communities operate within a multi-hazard environment and Government has a role in supporting them to prepare for, manage through, and recover from climate risk events such as droughts. This agreement recognises the unique nature of drought, as distinct from natural disasters, and provides the overarching framework for government preparation for drought. It sets out how the parties work together, individually, and with non-party stakeholders.

The shared approach to drought policy by Commonwealth, state and territory governments dates back to the early 1990s and continues to evolve. Successive drought policies and intergovernmental agreements have increasingly emphasised long-term preparedness, sustainability, resilience, and risk management. While targeted at the impacts of drought, this support provides co-benefits for broader climate and disaster resilience and adaptation.

The agricultural sector and rural communities have a shared responsibility to continue to build resilience to, and manage risks associated with, drought. Government can make the transition easier by adopting coordinated and complementary drought policies and programs in line with the NDA.

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<sup>1</sup> Australian State of the Climate 2022, BOM & CSIRO

## Principles

The parties to this agreement have agreed upon the following principles to guide drought preparedness, response and recovery work in their respective jurisdictions and whilst working together.

1. Parties respect and acknowledge First Nations peoples as the Traditional Owners of Country throughout Australia, and their continuing connection to land, sea and community. Parties acknowledge the need to partner with First Nations peoples, communities and/or peak organisations when developing and delivering drought policies and programs.
2. Development and delivery of drought policies and programs should be evidenced based, and occur where there is a clear role for government and deliver a public benefit.
3. Parties acknowledge that drought is one of a number of business risks that farmers and other businesses should actively prepare for and adapt to. Promoting and enabling a culture of self-responsibility is a shared goal, and drought policy and programs should support the agricultural sector and rural communities to prepare for drought and climate variability to enhance their long-term sustainability and resilience.
4. Parties recognise that there can be times when even the most prepared and resilient may need support. Support provided should avoid market distortions and eligibility should be based on need, not activated by drought declarations.
5. Parties recognise that drought impacts beyond the farm gate and into the broader rural community. Drought policies and programs should be developed across relevant agencies and portfolios<sup>2</sup> (led or coordinated by agriculture agencies), and align with intersecting policies and programs, such as climate, water, soils, animal welfare and biodiversity wherever practicable.
6. Parties should collaborate for improved and sustained coordination, planning and implementation of drought preparedness, response and recovery, and avoid duplication and adverse outcomes for stakeholders, including those in other jurisdictions, rural communities and environment. Such efforts can be coordinated and complementary whilst still being regionally suitable.
7. Parties acknowledge the role of non-party stakeholders in drought preparedness, response and recovery efforts, and should engage with appropriate non-party stakeholders in their jurisdictions to coordinate and integrate planning and delivery of drought policies and programs.
8. Drought policies and programs should recognise that health and wellbeing includes mental health, social cohesion and safety, and these are issues that can be exacerbated by drought. Opportunities to improve health and wellbeing should be actively fostered across the drought cycle.
9. Drought policies and programs should be flexible, streamlined and efficient to deliver timely assistance that best serves end-users in the agricultural sector, regions and rural communities across the drought cycle of preparedness, response and recovery.

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<sup>2</sup> In this document, we are defining a portfolio as a minister's area of responsibility as a member of Cabinet, and an agency as a government organisation responsible for a certain area of administration.

## Goals

The parties to this agreement, through complementary drought policy and programs, are collectively working towards the following high-level goals that this agreement supports:

1. The agricultural sector and rural communities are better prepared for and able to manage the risks associated with drought, climate change and variability, to enhance their long-term productivity, sustainability, well-being, and resilience.
2. The agricultural sector and rural communities are appropriately supported in hard times, and know what support is available and how to access to it.
3. The agricultural sector, industry service providers, agri-finance, community organisations and all levels of government work together to support drought preparedness, response, and recovery.

## Outcomes

The parties to this agreement seek to achieve the following specific outcomes:

1. Government drought policies and programs are aligned nationally, and consistent with the NDA principles.
2. Government responses across the drought cycle (preparedness, response, and recovery) reflect a focus on preparedness and the ability to respond and recover quickly from drought.
3. Information, tools and lessons learned are actively shared to improve clarity, decisions, and policy and programs, for parties and non-party stakeholders.

## Responsibilities

The parties to this agreement agree to make best efforts towards several joint and individual responsibilities. These responsibilities are outlined below to provide clarity of the roles of government in relation to drought. In addition to these responsibilities, the Commonwealth may utilise its convening powers to connect relevant stakeholders as required.

### Joint responsibilities

Joint responsibilities are those which all parties are responsible for within their jurisdiction in line with the context and situation being experienced.

All parties have a responsibility to:

- design, develop, implement, monitor and evaluate drought preparedness, response and recovery initiatives that are consistent with the principles of this agreement
- collaborate in developing policy and programs, to identify the intersecting risks and opportunities in responding, recovering and preparing for drought in order to:
  - avoid unnecessary duplication
  - avoid adverse impacts on stakeholders or other jurisdictions
  - avoid unnecessary burdens on those applying for and providing support
  - improve the quality of support provided
- provide access to rural financial counselling services

- develop, promote, or implement useful capability and capacity building programs, tools and technologies that the agricultural sector and rural communities can use to improve their decision-making and promote resilience
- provide support to mitigate the effects of drought on all aspects of health and wellbeing of the agricultural sector and rural communities, and the viability of regional economies
- share, coordinate and communicate easily accessible information on available assistance to prepare for, respond to and recover from drought
- work across agencies/portfolios within their jurisdiction (led or coordinated by agricultural agencies), to design, develop and implement drought initiatives noting the impacts of drought extend beyond the farm gate and across supply chains
- work with non-party stakeholders to build understanding and sharing of information across the drought cycle
- monitor and evaluate drought policy and programs, and endeavour to make lessons learned from these publicly available
- share timely regional intelligence to establish a national picture of current conditions.

#### Responsibilities of the Commonwealth

In addition to the Joint Responsibilities, the Commonwealth has a responsibility to:

- provide secretariat services for the NDA, including
  - convening the AMM Working Group on Drought
  - convening a joint forum of party and non-party stakeholders
  - coordinate monitoring, evaluation, learning and reporting efforts
- administer the Future Drought Fund (FDF) and provide continued information on and access to drought resilience and preparedness activities through the FDF including:
  - working with state and territory governments to co-design programs that are dependent on interjurisdictional implementation
  - undertaking proactive consultation with state and territory governments when designing other FDF programs, particularly those that relate to areas of joint responsibility detailed in this agreement
- fund and deliver a time-limited household support payment based on individual and farming family needs, including:
  - reciprocal obligations that encourage resilience
  - case management to support reciprocal obligation requirements
- provide continued access to incentives for the agricultural sector to manage risk, including measures such as taxation concessions, the Farm Management Deposit Scheme and concessional loans
- improve and maintain nationally consistent predictive and timely drought indicator information.

#### Responsibilities of the states and territories

In addition to the Joint Responsibilities, the states and territories have a responsibility to:

- administer and coordinate drought policies and programs in their jurisdiction
- engage relevant stakeholders in the design and delivery of policies and programs within their jurisdiction and across the drought cycle

- support the design and implementation of joint policies and programs, including through co-contribution of state based FDF initiatives, as appropriate
- manage animal welfare and natural resource issues appropriately during drought in accordance with state and territory legislative responsibilities.

### **Monitoring, evaluation, learning, and reporting**

Effective monitoring, evaluation, reporting and continuous improvement is important to achieving the outcomes of this agreement. The NDA Outcomes Reporting framework outlines how information will be captured and reported to drive this improvement and provide transparency to stakeholders.

1. The parties will report against the outcomes of this agreement annually to the Agriculture Senior Officials Committee (AGSOC) and as agreed by all parties.
2. The AGSOC members, or their representatives, will discuss this agreement annually, or as agreed by all parties, to ensure effective and efficient execution of the agreement.
3. AGSOC will report annually to the Agriculture Ministers' Meeting (AMM) and as required, on progress against the outcomes of this agreement.
4. Parties will produce an annual update to be publicly released by AMM, in line with the Outcomes Reporting framework. Reporting will focus on progress against the outcomes of this agreement.

### **Governance**

#### Oversight

Once agreed, AMM will oversee the implementation of this agreement and report on it and associated work as required to National Cabinet.

#### Review of the agreement

This agreement will be reviewed approximately two years before expiry with the AMM responsible for approving the terms of reference, timing and methodology for the review.

#### Enforceability

The provisions of this agreement are not legally enforceable. However, that does not lessen the parties' commitment to this agreement.

The parties acknowledge the importance of working together to ensure consistency and reliability for the agricultural sector and rural communities across the drought cycle. The parties understand that consistency across jurisdictions promotes a culture of self-responsibility and preparedness.

#### Variation

This agreement may be amended or extended at any time by written agreement between all parties.

Any party may withdraw from this agreement at any time by notifying all other parties in writing.

#### Dispute resolution

Any party may give notice of a dispute to any or all other parties.

Officials of relevant parties will first attempt to resolve any dispute.

If officials cannot resolve a dispute, it may be escalated to relevant ministers, AMM and, if necessary, to National Cabinet.