



National Drought Forum 2023

Preparing for Drought, the Next Steps transcript

(Duration 1 hour and 45 minutes)

26 September 2023

Introduction

This transcript is from the 2023 National Drought Forum, delivered by the Department of Agriculture, Fisheries and Forestry in partnership with the National Farmers' Federation. This transcript is for the plenary session Preparing for drought, the next steps which was held at the Forum from 8:45am – 10.30am on 26 September 2023.

This session features emcee Oli Le Lievre, Uncle Robert Mann, Treasurer The Hon Jim Chalmers MP, Minister for Agriculture, Fisheries and Forestry The Hon Murray Watt, Adam Fennessy PSM, Secretary of the Department of Agriculture, Fisheries and Forestry, Tony Mahar, Chief Executive Officer of the National Farmers' Federation, Matthew Coulton, General Manager – Water & Agriculture at the Bureau of Meteorology and Mel Brown, First Assistant Secretary – Farm Resilience Division at the Department of Agriculture, Fisheries and Forestry.

Learn more about the [National Drought Forum](#).

Transcript

[Recording begins]

Oli Le Lievre [0:00:35]:

Well, good morning, everyone, and welcome to the 2023 National Drought Forum. I think it's bloody good to be back in Rocky. It's great to have everyone in the room. I think just the level of chatter, everyone is so excited to be here.

For those of you who don't know me, I'm Oli Le Lievre, I'm the founder of Humans of Agriculture and in 2018 I was in the Rocky Showgrounds and Fiona Simpson was chatting and she was sharing a little bit about this 2030 vision that the National Farmers' Federation, we're going to be beginning to move towards. And just off the back of May 2019, they started a national roadshow having various different consultations with community groups.

And I thought, you know, I'm going to give it a crack and got involved in off the back of that. I was fortunate to be part of the 2030 inaugural leadership program, and I think for me it was that initial investment and probably more than anything that vote of confidence that in Aussie agriculture, if you're willing to kind of put your hand up, have a go, then opportunities come from that. And I think a huge congratulations to the NFF and a thank you for me because I doubt I would be here otherwise today, so thank you. I'd like to especially welcome our special guest today, the Honourable Dr. Jim

Chalmers, MP, Treasurer and the Honourable Minister, Minister for Agriculture, Drought and Emergency Management, who are attending here today. I'd also like to welcome a few other VIPs who are here. Senator The Honourable Anthony Chisholm, Assistant Minister for Regional Development. The Honourable Mark Furner, Queensland Minister for Agricultural, Industry, Development and Fisheries and Minister for Rural Communities. The Honourable Michelle Landry MP, Member for Capricornia. Mr. Barry O'Rourke, MP Queensland Member for Rockhampton. Ms. Brittany Lauger MP, Queensland Member for Keppel and Mayor Tony Williams, Mayor of Rockhampton and Mayor Matt Burnett, Mayor of Gladstone. It's fantastic to have you all in the room and thank you for taking the time to be here for this important conversation.

Today's forum is a collaboration. It's a partnership between the Department of Agriculture, Fisheries and Forestry and the National Farmers' Federation, and I think all of us in the room know that drought is nothing new. It's something which we continue to adapt to here in Australia and I think at the core of it is about having people from the grassroots, from our community groups, from farmer organizations right through to policymakers coming together. And I think the best thing that can come out of today, we're not going to walk away with a single solution of how to solve drought in Australia. But I think it's the connections, it's the networks, it's the human side of our industry which is actually going to continue to propel us forward and drive the industry into what it can be into the future.

Today's theme is about building, connecting and partnering. And I think, as I said, it's about bringing that grassroots together, making sure the voices of our rural communities are heard, that their ideas are expressed, and that ultimately the decisions that are being made from policy makers is flowing back down into rural communities because we want to see rural, regional and remote Australia thrive and we can only do that by empowering people in our communities. And I think today make sure that you're part of the conversation. I think it's a really unique opportunity. It's not just about turning up here today, but actually being involved in the conversations. For me, Humans of Agriculture, it was a little hobby project that started in 2019 and I didn't want my face or name anywhere near it. It took until 2020 and I decided, you know what, I'm going to host a podcast because I actually want to learn more about the industry for myself and had the chance to sit down with different people, ranging from chefs to CEOs, all these different people across the whole value chain who are involved in Aussie agriculture and influencing Aussie agriculture and tomorrow we hit the 200th episode and I think it's all about leaning in and getting curious, asking questions and most importantly, being involved here today.

So, this morning we do have quite a number of press here, welcome. There won't be any questions as part of this morning session. It is going to be recorded, so be mindful of that. A couple of weeks ago I was in an event and I said, if you don't want to be on camera, cover your face outside. Probably don't do that just remove yourself from the shot. So, off the back of that there will be some workshops and there will be no press involved in that. It's all about the delegates here today, us actually getting involved in those conversations and let's try and move towards some tangible outcomes at the end of it. So, this afternoon we've got various workshops that will focus on the Future Drought Fund priorities moving forward and what should guide the Australian Government decision making during, before and after drought. We also later on this afternoon come back together, we'll all be in the one room to look at climate and sustainability. I know there's two key pieces of work that is focused on agriculture sustainability and emission reductions, and we'll have a

panel of farmers as well who can actually talk tangibly what it means practically at the ground level of how and why this is working for them.

So, a couple of more bits of housekeeping. Can you please put your signs on silent -don't be that person today. Thank you. As I mentioned, there's no Q&A this morning. We've got a few speakers to get through. We'll get through that morning. Tea, lunch and afternoon tea will be served at the back of the room there today. If there is an emergency, you'll hear one siren and just stay put but get yourself ready. If we hear two sirens, some staff from the Leagues Club will come and very nicely escort us out of here and onto the footy oval out the back.

Today, if you are posting on social media, I know there's probably lots of people who love Twitter or X or Threads or whatever it might be today - so the hashtag is #NationalDroughtForum. Bathroom facilities are at the back of the room or out that main door and down, and I reckon that's pretty much got us sorted.

So, I'd like to welcome Darumbal Elder Uncle Robert Mann to give us a Welcome to Country.

Uncle Robert Mann [00:06:21]:

Thank you. My name is Rob man, and I'm one of the Darumbal Elders here on Darumbal Country. My language we say "Gudamulli", which means "good morning". It also means "g'day" and it also means "good afternoon". Just the one word. So this morning, I say Gudamulli to you all and once again I also want to acknowledge Mayor Tony Williams and all the other guests that are here, a lot of councillors also, I want to acknowledge you all here today. And those who come from far away come over to this beautiful part of this country here on Darumbal Country. My name's Rob Mann, one of the Elders. So, I want to acknowledge where we gathered here, Darumbal Country. My grandmother, my great grandmother's buried under one of those mountains over the back, you can see one of them over the back. We call it Gawler, she's buried there. My great grandmother, many years ago.

And today is about the National Drought Forum and things, but also one want to acknowledge all the Elders here you Elders in your Elders that are going on and acknowledge the young Elders that are coming forward. And I just want to once again to acknowledge you all here that are gathered here today. And I say welcome here. I'm part of the Darumbal Families, Darumbal People.

And I just want to mention a little bit about drought. And I've been brought up in drought and my dad was a contract musterer and stuff. We had a lot of horses, we were brought up out in West and then also around Wilcannia, Bourke, then the Darling River, and there was drought for five years without rain and when it rained there was children that was born about five years old and it was seen rain and when it rained they all run inside because I didn't know what was happening because of the rain, raindrops. They've never seen raindrops before. And that was at around Wilcannia and everywhere. And so as Indigenous people drought affects us all. As Indigenous people and out there, we had what we called rock wells, stone wells, rock wells I had along the rivers, all the rivers had the springs and then were plus out in the desert area we use the tubes for water. You'd see a little plant sticking up out of the water like a little yam and you dig down on as you get the big yam on the bottom and you cut it up and you get the tubes and you use it for water, for traveling, for the water. And so, drought affects people all different ways. And that and even out on the Great Barrier Reef. So, drought on the land, drought in the ocean. And so, I want to say on behalf of the Darumbal

People here today and acknowledge us all. All that have come together and to prepare for, it's good to prepare for things that are going to happen in the future. And I say preparation before presentation. And so, it's good to see us all here today and it's part of Darumbal Country gathering here together today. So, I just want to say on behalf of Darumbal People and I say welcome here today and I know you'll have a great time and the planning and for the future and all that sort of stuff that we need to have to try and drought proof our country, our land. And so, I'll say once again, on behalf of Darumbal Country and the Darumbal People, thank you and welcome to this part of our country. Thank you.

Oli Le Lievre [00:10:15]:

Thank you, Uncle Robert, for that. I think drought affects everyone in different ways, but everyone is affected by it. And thanks for welcoming us. And I think the other thing which I've loved through my involvement and through the Australian Rural Leadership Program was meeting and exploring different parts of Australia and meeting with our Indigenous Australians is that role that storytelling plays. And I think it's across hundreds of generations and tens of thousands of years, use stories to pass on wisdom and create connection and it's something that we thank you for today, Uncle, cheers. Now I'd like to welcome our first Speaker of the day, the Honourable Dr. Jim Chalmers, MP, Treasurer of Australia, to address us.

Jim Chalmers [00:11:01]:

Thank you. Thanks very much, Oli, for kicking things off this morning, but also for the way that you make the ag sector so accessible. With Humans of Agriculture, congratulations, 200 podcasts is not a small thing. So, thank you and thank you for the introduction today. Uncle Rob thanks for welcoming us to Country. But more than that, thanks for putting the sorts of things that we are thinking about and talking about today into their proper kind of cultural and historical context as well.

I acknowledge the Darumbal People as the Traditional Custodians of this land as well. I'm really pleased to be here, here with two wonderful federal colleagues, both from the frontbench of Anthony's Federal Labor Government, Murray Watt, of course, and Anthony Chisholm. We refer to them in Canberra as Muz and Chis, and so pleased to be here with Muz and Chis free to call them that rather than their long fancy titles. But it is always a pleasure to be here in Rocky and to join with two of our, three, wonderful senators along with Nita Green, to make sure that we are spending as much time as we can in the regions, particularly given the frontbench roles that Anthony has given both of my colleagues here. But really right across the team. We try and be here as much as we can and we're pleased to be here today. This is going to be a really big week of consultation and listening. We call it the Bush Blitz. And for Anthony and I, we start here in Rocky this morning. We get to Winton and Longreach. I'm told I'm going to be the first Treasurer in 95 years to go to Winton, which is a pretty cool stat. We're going to Bundaberg to talk about the port and some money that we're investing there, so we're spending the next few days in regional Queensland. I think it's really important that we do because we get a lot out of those consultations and conversations and really what could be more important than spending time with you and talking about the about drought conditions and what we need to do to prepare.

So, the next few days, I think we're covering about 3000 kilometres on this listening tour, covering a huge range of primary industries from, as I said, from Brisbane to Rocky. We're going to the School of

Mining. I acknowledge CQU friends who will be here this morning. We're going to the cattle yards in Longreach, we're going to sheep farms of Winton and the port facilities that I mentioned.

But here in Rocky this morning I've really got three jobs to do. First of all, I wanted to tell you how we're seeing the impact of drought on the economy. I've got some relatively new Treasury numbers to share with you on that. Then I wanted to give you a bit of a sense of the Productivity Commission review of the Future Drought Fund and how we can make the Fund work even more effectively for you. And then I'll get the opportunity to introduce properly our friend, Agriculture Minister and a big advocate for our regions and for Queensland, and that's Senator Murray Watt. But I wanted to start by saying that when it comes to managing change, Queenslanders know that you've got to deal with what's in front of you. At the same time as we prepare for what's coming at us, even if it might be years down the track. And that's how our government sees so many of the challenges that we're dealing with right now, whether it's in the economy, in my part of the shop, whether it's employment, and I want to talk about regional jobs a bit in a minute, or whether it's climate change and the energy transformation, and of course, when it comes to drought preparedness as well. We're focused on meeting our immediate responsibilities to people, including getting people through tougher times, but also our generational responsibilities to the future at the same time. And that's why we're here today at this National Drought Forum to continue building and connecting and partnering. And they're really fitting themes to this forum because they encompass so much of what we're trying to do to get this right, whether it's Murray, Anthony, the whole Albanese Government. We want to partner and we want to work with all of you who are here today and all of the organizations that you represent.

We work closely, of course, with Mark Furner, who's here with Barry O'Rourke and Brittany Lauger, and also Tony Williams, the Mayor of Rockhampton. It's great to see Tony here. Michelle Landry, the member for Capricornia. So much of what we're talking about and thinking about this morning is bipartisan when it comes to trying to make sure that you are as prepared as possible.

I see Tony here from the NFF. We work closely with Tony and Fiona and that wonderful organization as well, representatives from Primary Industries, community organizations, our banks as well. And I think that's important and we want to work with all of you to make sure that this is genuinely a defining decade for Australian agriculture in particular. And so, I wanted to thank you for the opportunity to provide a few perspectives before we hear from Murray in a second.

But I also wanted to genuinely thank you. I wanted to thank you for the opportunities that you create, the jobs that you create, and also to the immense contribution that you make to the national economy as well. And it's a good time to gather because yesterday in Adelaide we released the Employment White Paper, which is really all about how do we make sure that as we understand how our economy is changing over the coming decades, how do we position our people and our regions to make sure that they are the primary beneficiaries of the changes underway in our economy rather than victims of the changes that we're seeing in our economy? How do we make sure that people don't get lost in the wash? And so that white paper is really a roadmap for ensuring more people can make the most of those big transitions and trends underway in our economy and in our society so that more people have an opportunity for great, secure, fairly paid jobs in a country where workers, employers and businesses can all thrive together.

And a big part of that is making sure that our regions are set up to withstand the challenges in the immediate future and also to reap the benefits of the changes ahead as well. And we come to that task when it comes to agriculture from a position of genuine relative strength, because we know already that so much of our national prosperity is generated by the regions. And as a Queenslander, I take special pride in that. If you think about it, in the last financial year alone, agricultural production contributed a record \$92 billion to our national economy in one year. Across the trade sector, agricultural, fisheries and forestry exports were \$83 billion, an incredible result after some pretty turbulent times. But we do know, at least in one respect, that this is going to get harder.

Last week, the Bureau of Meteorology declared an El Nino, which means drier days and tougher ground conditions over the next 12 months. And as our climate warms into the future, potentially by 1.9 degrees here in Queensland over the coming three decades, we know that our farmers in particular are on the front line of all of that. But we also know that our farmers are resilient and innovative and we also know that the Government, governments are here ready to support them as well because we understand what's going on, we understand what you are confronting and we take big issues like this seriously.

We're also what we're trying to do and Anthony really sets the tone from the top of our Government is we're trying to make sure that we are not just governing for the cities or the suburbs or the safe electorates, but trying to govern for the whole country, trying to understand that different challenges impact local communities differently. That's a big part of how we come at the task of governing, because we recognize that when the regions prosper, so does Australia, and when the regions are struggling, so does Australia as well. And this is one of the reasons why I set up in the Treasury, the Climate Change Modelling Team to give us the capacity to understand not just what the challenges of climate change brings in aggregate to our whole country, but what it means specifically for regions like this one and industries like those represented here today, and so that we can make our response to that as effective as possible. And the latest analysis out of Treasury tells us that the combination of natural disasters and a warming climate obviously have big economy wide effects. The Black Summer bushfires and the floods in October 2022 cost the Australian economy around one and a half billion dollars each. And if further action isn't taken on climate change, we think Australian crop yields could be 4% lower by the end of the Intergenerational Report period and that would cost us something like \$1.8 billion a year in GDP in today's dollars.

So, all of that means that the challenge of climate change is obviously global in scope, but it has real disproportionate regional impacts and this understanding underpins what we are trying to do with our goal of helping regions manage the challenge of climate change while also maximizing the industrial opportunities that come from it. And the net zero authority which some of you would have heard about and Murray would have talked about in front of audiences like this for a while now is all about trying to make sure that workers in the regions can seize the opportunities of the net zero transformation.

We've invested something like \$40 billion in the energy transformation over two budgets. We're trying to build new industries at the same time as we leverage our traditional strengths. We've also made investments in disaster preparedness, something like a billion dollars over the next five years through the Disaster Ready Fund. We've increased Services Australia support on the ground and this is on top of what the states and territories are doing as well.

Now, all of this is really important obviously, and it also makes a big impact on the budget. And if you think about one stat in particular that jumps out at Commonwealth funding under the DFRA for severe events has increased by 433% over the last three years, 433%, and what was \$335 million in Commonwealth spending on disaster recovery in 17-18 is around two and a half billion dollars last year. And so, you can see the pressure that a changing climate, more frequent natural disasters, you can see that that impact is constant and cascading and cumulative. And we're here to help you respond and prepare with all of that. But we know that there is more to do, and I think that's especially true when it comes to the specific task that we have ahead of us today and that's about how we deal with drought in particular. And today and knowing that we would be here with all of you we released the Productivity Commission's first review of the Future Drought Fund. And while the fund is still relatively new, it's already had a significant impact, about \$100 million each year to support farmers and communities build drought resilience. But we want to make sure that it's working for the future as well. We want to make sure that we're getting maximum value for money from that. And we know from the PC report that drought is an important part, but just one part of the larger climate change picture. And so, it means that we need to focus on drought resilience specifically, but also broader climate change resilience as well. And because the FDF is a continuous fund, it's really well placed to meet that need for the regions when it comes to focusing on those longer-term programs that deliver transformational change. The report said that the fund could include more integrated programs and better knowledge sharing, so we'll take that on board. We agree, and that's why we want to share information more widely and more effectively. And the report talks about how we will go about that by engaging in collaborative planning that gives farmers and communities a say on changes at a regional level and also supporting people to adapt new technologies and ways of working as well. Whether it's new production systems, the way we think about supply chain infrastructure, the way we think about revegetation or conservation. We want the Fund to help establish the building blocks for helping regions like this one adapt to climate change and what that means for drought in particular. I know that Murray and I later this morning are meeting with the newly appointed FDF Consultative Committee members to ensure that regional voices are properly heard and we make sure that the fund is working for you. This is part of making sure that we are partnering with the organisations represented here because we do take that consultation very seriously. Now, it's great to have so many really brilliant people, wonderful people in the room today to help the government think about our role, but also to collaborate and coordinate your own efforts across all of these terrific organisations represented here. And I know that my friend Murray Watt, really your champion in our team, is very pleased to be here as well.

Murray is genuinely one of the most forceful and effective advocates that we have in our whole team. And it's not talking out of school to say, I sit a couple of seats along from Murray, that he is continuously, persistently and forcefully advocating for the regions and for primary industries and in many cases, points of view that you have been kind enough to put to him.

He is a very persistent and forceful advocate for you in our Cabinet, and that's because he's truly got the interests of regional and rural Australia and primary industries in particular at heart. And so that's what makes him such an important part of our team. And if you think about the work that Anthony has asked him to do. From biosecurity, trade relation, the statement on climate change and ag, funding the beef corridors and the inland freight route. One of the many ministers in ensuring that we get value adding in our industries, in his case, forestry and fisheries and ag, the national reconstruction role that he plays in that fund. He does all of this work with genuine passion and

genuine drive and he does what he can, I hope you recognise to work as closely with all of you here. And because of Murray's work and because of the way that we are trying to govern this country in the interests of the whole place, and not just sections of our community, then it gives me real pleasure to say how pleased we are to be here. But most of all, to do my most important job today, which is to ask you to put your hands together for Murray Watt.

Murray Watt [00:27:03]:

Thanks very much, Jim. Well, I think with that kind of wrap, that's probably about as good as it's going to get for me today so maybe I should stop speaking right away. But seriously, thanks for that kind introduction, Jim, and thanks Oli for taking on the role of m saying here today and of course more broadly for introducing all of us to so many amazing humans of agriculture and I expect that you might meet a few more here today around the room as the proceedings continue. I'm really excited to be here today with you to help open the first National Drought Forum held by the Albanese Government, alongside our co-hosts, the National Farmers' Federation. And where better to do it than in central Queensland, a region that knows a lot about drought. I'll let you in on a little secret. It was my choice where we had this drought summit. There were a few different places it could be, but if you're a Queenslander you're going to have it in Queensland. So, thanks to all of you for coming from interstate.

I can tell you the local media are very excited about having it in Rocky.

Can I also join Jim in acknowledging the Darumbal People, the Traditional Owners of the land on which we meet and pay my respects to Elders past, present and emerging. I'm not sure if Rob is still around, but thank you Rob, for your terrific Welcome to Country and for sharing with us some of your families and ancestors traditional ways of dealing with drought. Even in the modern age, we can learn things from our Indigenous populations and it's pretty relevant to a debate that we're having right at the moment in Australia. And just as we will get better outcomes on drought by listening to each other here today, we'll get better results for our First People if we listen to them through a Voice to Parliament, because that's really what it's all about. And I ask you to have a think about that over the next couple of weeks.

Can I also acknowledge my colleagues, the Treasurer Jim Chalmers and Assistant Minister Anthony Chisholm and my state counterpart, Mark Furner. All great champions for this state and the whole country and the agriculture sector. And I can tell you it doesn't hurt to have a Queenslander in charge of the nation's purse strings having someone from that very decentralized state brings a special brand of thinking to the role of Treasurer and Jim, I want to thank you for your personal support for our agriculture sector and for our rural communities when you're sitting around the Cabinet table. Can I also acknowledge the other representatives who are here today, Michelle Landry, Barry O'Rourke, Brittany Logue, Tony Williams and Matt Burnett. Can I particularly thank Tony Maher and the NFF for their involvement in today's forum. I don't think it's a secret that every now and then, Tony and I'm the NFF, don't agree on 100% of the things, but I really want to put on record my personal thanks for the really strong relationship that we've formed personally and as a government with the NFF in taking forward so many issues that are really important to this sector, like the ones that we're going to be talking about today. So, thanks Tony and the NFF for your involvement in this.

I was thinking about some of the past drought forums that have been held in the country and really for years now extreme weather has been the backdrop for these national drought forums. The last couple of been held either in the grip of a terrible drought that went on for three or four years in different parts of the country. Then we had one during La Nina, and what do you know, this one we're seeing the emergence of El Nino and a positive Indian Dipole. And as Jim just said, and I've often said, farmers, farmworkers and rural Australia are on the frontline of climate change and preparedness is becoming even more important as our climate changes and droughts are forecast to become even more frequent, severe and longer lasting. So, I think it's really important that we don't see droughts as one-off random events, and as Jim said, and the Productivity Commission's review pointed to the review of the Future Drought Fund, we do need to see droughts as part of a wider pattern of climate change. So, when we all talk about drought resilience, I also think we're talking about climate resilience and that's one of the things when you have a chance to look at the Productivity Commission review that they had to say as well. And the fact is that our farmers, our rural workers and our rural communities have more to gain than most if we take serious action to build that climate resilience. Because they're already seeing the real impacts of climate change on their bottom lines. In the two decades to 2020, changing seasonal conditions have hurt the profitability of Australian farms, and according to ABS, our internal modellers, they've reduced those seasonal conditions, have reduced annual average farm profits by 23% or around 29,000 per farm, \$29,000 per farm.

Now our farmers have adapted as conditions have changed and if they hadn't, those climate impacts would have reduced average farm profits by far more. So, I think that's why we all owe it to our farmers, our farm workers and our rural communities to take climate change seriously, because if we don't, we're going to need to be holding these drought forums a lot more regularly than every two years. But fortunately, Australian farmers have been adapting to the changing climate. They've also learned lessons from the last drought and they've taken steps to prepare for the next one. And today I just want to share a couple of thoughts with you about how the Government is joining with them in that task. Firstly, through some longer-term planning work that we're doing.

As Jim mentioned, we recently saw Federal, state and territory agriculture ministers release Australia's first ever National Statement on Climate Change and Agriculture and I want to thank Mark Furner as the Queensland Minister for his real support of that initiative. It's hard to believe that in 2023 we've got our First National Statement on Climate Change and Agriculture, but there we are. And now that we've got it, it lays an important foundation for all jurisdictions to take action on these important issues. And at the federal level, we're doing just that. Having begun work recently on our New Agriculture and Land Sector Plan, which is all about helping reach Australia's net zero 2050 goals. I repeatedly say wherever I go that our ag sector deserves real recognition for the emissions reductions that it's already achieved, and I don't think they get enough recognition for the incredible steps that they've already taken and the carbon neutral production commitments that the sector has already made.

But we do need to recognise at the same time that agriculture continues to contribute about 17% of Australia's emissions and that percentage is likely to increase as we decarbonize our energy sector. As we have more renewables come online and we decarbonize that energy sector, ag's share of our emissions profile is going to go up and that's something we need to think about.

Now, I've said before that we have an incredible opportunity now that we have a federal government who shares this industry's ambition when it comes to climate change. Whether it be the MLA, the NFF, all sorts of grower groups they've committed to carbon neutral production and net zero well before the change of government and now we have an opportunity to have government and industry working in sync in a way we never have before. I don't intend to waste that opportunity. And just as I've proudly told our international markets when I've been overseas about our agriculture sector's achievements to date on emissions, our government wants Australia to lead the world in climate smart agriculture, and that's why our government is currently working with industry, climate experts and the community to develop this Agriculture and Land Sector Plan for net zero and I encourage all of you to get involved in the consultation process that's underway at the moment. Now, importantly, as we're preparing this plan, farm profitability and productivity is absolutely central to it. We all know farmers are there to make money. Let's be real, and we need to be recognizing that there are real economic incentives for farmers to embrace those changes and it's one of the reasons so many have done it already. Not only will do we expect this new plan to identify opportunities to reduce energy costs, reduce fertilizer costs and other costs for farmers, and let's face it, they're struggling with input costs at the moment. It will also develop new farm income streams, including through carbon credit schemes and other methods.

Now, I know that diversifying income is one of the great tools that farmers have at their disposal to assist, get them through times of drought. So, adapting to climate change and developing those new income streams that arise from tackling climate change gives farmers a really big opportunity to diversify their incomes in that way. But in addition to that work on that sectoral plan, our government is pursuing a range of other initiatives to set a longer-term course for managing drought. And I'm talking about things like undertaking a review of the Australian Government Drought Plan with a draft of that new Drought Plan expected to be released for public comment in the first half of next year. We're currently finalizing a new National Drought Agreement with the states and territories and we expect to have that done by June next year and that's all about better aligning our drought policies and programs right across the country. And we're also developing a range of drought indicators and an early warning system to monitor the extent of drying conditions, to inform governments, farmers and rural workers of their impacts. But I do want to assure you that our thinking about drought isn't all about long term planning, because with drought rapidly approaching, we are also focusing on preparing right now and of course that's why we're all talking about it here today. We know that building drought resilience gives farmers and rural communities the dignity of greater self-reliance when things turn bad, and it's obviously better for taxpayers and Jims, is it picking up now if through early investment, we can reduce the call on the public purse when drought hits. Of course, governments always need to be there when drought hits to support people. But we also can benefit overall with a bit of that early investment to reduce the call on that public purse when the time comes. And that's why we've been delivering support to help farmers get ready now, including free climate tools, business planning, support, research and development, low interest loans and tax concessions. And just one of those initiatives, the Farm Management Deposit accounts as of the 31st of July this year, just in Queensland alone, farmers held more than \$1.4 billion in reserves across about 9000 of those farm management deposit accounts that they can draw on when times get tough. That so that scheme, as I say, provides tax advantages allowing farmers to set aside money in good times that they can draw in in the bad ones.

And of course, amongst other things, the Future Drought Fund is playing a really key role. Delivering \$100 million per year to help farmers and communities prepare for drought. Just here in the Rockhampton region, farmers are already benefiting from trials of new farming technologies and practices to help them withstand drought and those things have been supported by the Future Drought Fund. About hour and a half south of here, farmers Justine and Matt McLeod are meeting the drought and climate challenge head to head on at their Mount Pleasant property with the help of the Fitzroy Basin Association and the Future Drought Fund they've trialed different approaches to produce better soils, water retention and profitability and that type of activity is happening right across Australia with the support of the Future Drought Fund. About 70 regions are developing drought resilience plans funded through the Future Drought Fund in partnership with states and territories. And today Mark and I will announce the first five such plans for Queensland, including one here in the Fitzroy Capricornia region. Now each region is different and so are their drought, drought resilience plans because they're being driven and owned by local communities. They identify regional needs and priorities for future investment and local actions to prepare for drought. And I want to put on record my thanks to Brant Finlay and his team for their successes today in getting the Future Drought Fund up and running.

I'm very pleased to advise and I think Brant knows this, that I've reappointed Brant as the chair of the Fund's Consultative Committee and appointed four new committee members, some of whom have joined us here today, and that's Professor Bronwyn Hatch, Josh Gilbert, Ashley Herbert and Lucinda Corrigan. Looking forward to working with all of you. That new committee will have a pivotal role in shaping the next phase of the Future Drought Fund through targeted consultation with stakeholders and taking into account the views that we've received from the Productivity Commission review.

Now the other way that we're helping people cope with drought right now is through support for counselling and mental health. Earlier this month, the Regional Investment Corporation launched the Farm Relief Tool a new directory to connect farmers affected by drought, natural disaster or biosecurity events with financial and mental health support. And we're also funding the important network of Rural Financial Counsellors or Farm Household Case Officers. And I've seen a few in the room today.

In fact, I'm pleased to announce that the Albanese Government will maintain our investment of \$38 million to extend the Rural Financial Counselling Service for another two years. For over 35 years, those counsellors have played an important role in providing financial counselling to farmers, fishers, foresters and small related businesses who are experiencing financial hardship. The current funding agreements were due to expire on the 30th of June next year, but we thought it was important to bring forward the announcement of that extension of funding so that we can provide a bit more security to those services and the people they support.

But as important as the work of the Federal Government is on drought, we recognize that it's not all down to us and that's why our government is working more closely than ever with states, territories, RDCs as well as industry, community and unions. And that's, of course, why we brought you all here today. You will have seen that close collaboration has been a hallmark of our government because, as I said earlier, we do get better results when we listen to each other and we talk to each other and provide advice to each other. And we know that the people in this room have got great ideas for how we can further improve national drought policy. We want to harness those ideas and we want to

work with you to implement them to support our farmers, our farm workers and the whole agricultural supply chain. We've all got a role to play throughout the cycle of drought and I really do look forward to hearing the ideas that you come up with today. Thanks very much for coming along. I hope you get a lot out of this session as well.

Oli Le Lievre [00:42:30]:

Thank you Murray, and thank you Jim, for that. I think, well a couple of things, I think that proactiveness is obviously so important and also being mindful of the current state we find ourselves in with that El Nino. Over the last couple of months I've found myself fortunate to be doing some work through NSW and firsthand got to meet some of the Rural Financial Counsellors and some of the farmers who have taken advantage of that and I think it's hugely beneficial to some of our famers who might be less skilled in terms of the business management side of things to actually get help to those resources, so that's a really exciting announcement.

Now I'd like to welcome the new Secretary for the Department of Agriculture, Fisheries and Forestry, Adam Fennessy PSM, welcome for your first chat in the Forum, cheers.

Adam Fennessy [00:43:21]:

Thank you Oli, thank you everyone. I'm also an avid listener of your Humans of Agriculture podcast and I love that 'next generation energy' you're bringing to agriculture around Australia. Ah, I'll also start by acknowledging we're on Darumbal Country, thank you to Uncle Rob Mann for welcoming us. Thank you as well to our ministers, Minister Watt who we just heard from, the Treasurer, the Assistant Minister for Regional Development, um the Queensland Minister for Agricultural Industry, MP's, Councillor Tony Williams. I want to give a shout out to Tony Mahar, Tony this is really the force of your idea and leadership to have more frequent drought forums, so we're thinking about it, planning about it constantly, not just responding when it feels really bad, but thinking ahead. And I also want to pay tribute, and ah, pay my ah appreciation to Brent Finlay for agreeing to continuing to chair the Future Drought Fund.

That will bring excellent continuity, and it will bring your long-term expertise and leadership, ah, in support of the Minister and the department. Um, so for me, I am 1 week and 2 days into the new role, ah, I have been an agriculture secretary before down in Victoria, I'm proud to say here in Rockhampton, that I have seen the light, I now live in Queensland. So I moved up to Queensland, I will be spending a lot of time in our nation's capital, in Canberra, but also staying connected into all of Australia, but also being based in Brisbane will not only keep me near to the person with the purse strings, but also in support of the Minister who is bringing a lot of energy and focus into what agriculture, fisheries and forestry looks like now, into the near future and into the longer term.

So, 2 years ago, staff at the National Emergency Management Agency were the hosts of this national drought forum, today, our department in support of Minister Watt is co-hosting this with the National Farmers' Federation. Again, Tony that is on the back of your idea, so we are delighted to co-host and partner the event today, with you and also Fiona Simpson as the President of the NFF. What I love about this approach, having worked on agriculture and drought at a state level, and I should add I lived in regional Victoria for many years, and I worked through the millennium drought, particularly in Southeast Australia.

That was a very tough time across the sector, I learnt a lot, and what I like about the approach we are now taking in support of Minister Watt, is at the Commonwealth Government level, we are not running all the programs at Agriculture, Fisheries and Forestry, we are working across Commonwealth Government agencies including Climate Change Water and Environment, as you heard Minister Watt reflect, the Tax Office, Health, Welfare department's, Infrastructure, regional development, that holistic whole of government approach, because that is what's required to maintain and support a vibrant agriculture sector across Australia, and our role at DAFF is to work with those different agencies and also with all of you in the room, whether you're primary producers or you're representing organisations, other governments, including Queensland government and it's great to have Minister Funer here today. Also, the agriculture industry, finance, banking, not for profits, community and R&D sectors. All of those sectors come together to make Australian agriculture what it is and to support our multi-billion-dollar impact across, not only the country, but across the world.

We focus on drought because it does present such a risk and challenge for farmers and rural communities, and we know it's now the only risk that you face. Particularly you here today that are directly involved or work in support of farmers and rural communities. In the last 3 years alone, we've had Covid, we've had international trade bans, supply chain disruptions, price hikes, labour shortages, biosecurity threats, floods and fires. These all threaten the viability and vitality of many farms and rural businesses.

The encouraging news, and it is always good to look at the data, is that our farmers are amongst the best in the world at managing dry conditions. And this gives life to that idea and phrase 'adaptation'. What does adaptation mean? We hear a lot about it, we know it's very important. So, from a 2021 ABARES study, that study found that in terms of adaptation in practice, more than 2 thirds, 68 per cent of landholders surveyed, de-stocked as conditions dried to preserve groundcover. Almost 2 thirds, 64 per cent, improved soil water retention. More than half, 58 per cent, increased fodder and grain storage. Almost 2 thirds, 65 per cent, minimised tillage and over 4 in 5, that's 84 per cent, retained stubble after harvesting a crop. So, this is resilience, this is practice change, it's based on good knowledge exchange, good science, excellent farmgate and changed conditions and agricultural extension.

That's been going on for decades, for many, many years, and now we have the benefit, and I know one of my CSIRO colleagues is here, of mixing that with science and importantly, monitoring, evaluation and reporting. We know that's also a priority for both the Treasurer and the Federal Treasury has set up a new monitoring evaluation and reporting unit. That's about that continued evidence-based learning, so that practice change is embedded, based on science, based on connection and importantly, based on local conditions.

So, it's very important, that whilst this is very tough to do, when farmers are getting ready for drought, those preparations can make your businesses, if you are a primary producer, more sustainable, more viable, more profitable, more productive. It can build up your capacity to withstand other challenges well. So that's very much how we are working in support of Minister Watt, to make it very clear that drought has to be placed in a wider context, linking into climate, as you heard the Minister say, and other policies and you can see these connections emerging over the last 12 months.

In support of the government, and through our department, the 1.1-billion-dollar Natural Heritage Trust, which includes over \$300 million dollars for sustainable agricultural initiatives. The Australian Agricultural Sustainability Framework which is being led by Tony Mahar and our co-hosts today, the National Farmers' Federation and the Minister's also mentioned, and a shout out to Minister Furner as well, the first National Statement on Climate Change in agriculture, committed to by all Australian state and territory agriculture ministers, as well as the Future Drought Fund. And we've heard already that the Productivity Commission review of that, and that continuing leadership Brent Finlay from you, in chairing that consultative committee.

I do want to mention the economy as well. I love being in the agriculture space, because that's a key driver for our national economy and it is about learning from the important white paper, what does that mean for our skills across the agricultural sector, across supply chains, how are we refreshing and reskilling our workforces in the agricultural space, and also learning from the Productivity Commission Review of the Future Drought Fund.

So, it's as much that economic story, as well as that regional and land-based story that agriculture brings that excites me. So, for the event for the rest of today, and for the next few days, we'll be bringing together many of these programs and initiatives to share with you what we're doing, and more importantly to listen to you, and to get your feedback so we can listen and learn. What I have found, and this where I think that the local consultative committee and drought planning process is so important. What does this mean for communities in Fitzroy region, what does it mean in the Northern Rivers of New South Wales, what does it mean in Tasmania when drought comes, for hydroelectricity, what does it mean for the wheat belt in WA, and how do we think about it across Australia and adapt to those very localised conditions as we continue to have agriculture power our economy.

So, in conclusion, today for me, it's as much an opportunity to listen and learn from you, so I'd love to meet and say hello to as many people as reorient my south-east Australian learnings of agriculture to the whole nation, and a great opportunity for us to share what we're doing and to get your insights so that we can continue to develop our programs and policies in support of the Minister and the government, so that they're of the best benefit to you. Particularly as we have challenging times with drought, either not far behind us or not far away in front of us.

So, thank you for the opportunity for the department to be co-presenting today with the NFF, thank you Ministers, Treasurer, Councillors, MPs for all being here today, and most of all thank you in this room for your commitment to Australian agriculture, your passion, your innovation and your resilience in support of agriculture across Australia. Thank you.

Oli Le Lievre [00:53:16]:

Thank you Adam, and welcome to your new role, I wish you all the best and good luck with it. I think, touching on what Jim and Murray mentioned as well, around jobs and skills globally, earlier this year the Economic Forum released a report which was saying that in the next 5 years, 23 per cent of current jobs today will face significant and increased change over the next 5 years, and I think in agriculture we're already seeing that in part of it. I'd now like to welcome Tony Mahar, CEO of the National Farmers' Federation, to address us this morning about proactively building resilience and

preparedness in rural, regional, remote Australia as well as touching on some of the results of the National Farmers' Federation Wellbeing report.

Tony Mahar [00:54:00]:

Thank you, good morning everyone. Thanks Oli, great to see you again. I do remember when you went through the leadership program at the NFF, I hope you continue on your leadership trajectory, and I think I said to you when you started that maybe you could take my job one day, maybe you'll end up in that gig, but I hope you don't go as grey as me!

Can I begin by thanking Uncle for the welcome to Darumbal Country, can I thank Minister Watt for his partnership, can I thank Treasurer Chalmers for turning up here to Rockhampton, also Senator the Honourable Anthony Chisholm and Mark Furner also. It's great to have Jim, Chis and Muz in the room and it's right that we bring people together to have this conversation. We know in the room there is a number of other MPs, there's industry associations. We are really proud to be holding this conversation now, and it is a conversation, we are not going to solve drought policy here today. We have struggled with drought policy in this country for a couple of hundred years, we've got to keep working at it. We're getting better, but today hopefully will be one of those conversations, one of those forums where we can bring people together, we can understand what's happening, and we can map out a pathway forward if it's right that we are going to have hotter, drier conditions, more severe weather events. It's incredibly timely that we bring people together to have those conversations.

Can I also just note the apologies from Fiona Simson, President of the NFF, she is recovering from a double knee replacement. Recovery is going very well, but she is not in a position to attend here today, so she sends her apologies.

Now, I'm going to provide some context to the conversation today. I've got a couple of slides, so I hope you can read them, I'm going to whip through them. There's been a few references to the NFF here today, and we are really pleased and delighted to be partnering with the department. Can I also just welcome Adam Fennessy, second week on the job, great to see you here. I'll mention partnerships today probably more than I should, but it's incredibly important, not only partnering with the Commonwealth Government and state government, but with the department, Adam we look forward to working with you.

So, references to the NFF, most or some of the people in this room will know that we have an office based in Canberra, but it's really important to note that the NFF is made up of its members, and many of them are in the room here today. So, state farming groups and commodity councils. While I might like to make NFF policy, or Fiona might like to make the NFF policy, we don't do that, the members make the policy. And the NFF policy that the members have put forward took months and months to establish and develop, and that was developed by the members. So, organisations like AgForce, like NSW Farmers, like Australian Pork all contributed to, Grain Growers and others, all contributed to the NFF policy. So, I just wanted to make that distinction, that we bring these organisations together, and again we take real pleasure and we don't take that position lightly, in bringing together all of those organisations.

As I said, there's many organisations in the room today and it's incredibly timely, as we hear that the BoM has confirmed what a lot of us knew, that conditions were getting hotter and drier, and that we're heading for an El Nino weather system. Anyone who has spent any time driving up and down the highway like I tend to do, will have seen some hay trucks on the road and that is a good indicator of what's happening in the system and we know that, that'll continue and drought is centred on farm businesses, but we know that farm businesses play a really important role in rural and regional communities. It's the local businesses that rely on farm businesses to be doing well and we know that it's not just at the farm gate. So, it's really important that we do have, you know mayors and other businesspeople in the room today, that may not be on farm every day.

So, in terms of some context, about 5 years ago, Oli referenced it, we had a series of meetings around the country, and we developed a roadmap for a \$100 billion dollar industry in 2018. We went right around the country and talked to producers and businesses and said 'what do we think the industry could/can look like, then, it was in 12 years' time. And when we started that journey, the value of the industry was at \$60 billion dollars, and as Jim said before, the value of the industry now is \$90 billion. \$30 billion dollars in 5 years. Not many sectors that can contribute or expect that type of growth, and while I'd love to say that the NFF roadmap was the influencing factor in getting that \$30 billion dollars, I'd be naïve and foolish to do so.

The industry has been able to achieve that \$30 billion dollar growth off hard work, off innovation, off a few good seasons, definitely, but it has been a partnership between a whole range of organisations. It's been 'team Australian ag' that has gotten that \$90 billion dollars. I would say that as we head into hotter, drier conditions it's really important that we foster, we nurture that 'team Australian ag' approach. It's farm businesses, it's the communities in which they live, it's the institutions, it's the financial institutions, it's the local governments.

So while we've had that \$30 billion dollar growth, it's important that we look forward, and we note on that chart, you can see, for those that can see it, there's troughs, up and down, peaks in that chart and again, that's inevitable, indicative of Australian agriculture, that there has been peaks and troughs in our production. We know that it's got an upward trajectory, but it's during those downward times, when we draw on those relationships. Murray mentioned it before, the NFF is an advocacy body. Our job is to try and influence policy and programs that make farming and agriculture profitable and productive. But when times get tough, we draw down on, and test those relationships, and it's incredibly important to have those personal and professional relationships that you can draw down on. So, while we've had good growth, it looks like we are going to have tougher times ahead. So, we will need to stress test those relationships and we will need to make sure that we advocate for farmers and rural businesses and regional communities.

ABARES is looking like the forecast is going to dip down. In a worst-case scenario, we may lose that \$30 billion dollars that we've seen over the last 5 years. So, let's just dig into a couple of those trends. If that trend is going to continue, and things are going to be a bit tougher, looking behind the numbers at some of the headline figures, it provides a pretty concerning story or forecast of how the changing seasons are going to impact on agriculture. So, what we're looking at here is indexes of value, volume and prices. So, on your left I think, depending on where you're sitting, the gross value of agricultural production is forecasted to fall by \$13 billion dollars to around about \$80 billion dollars. Now that is still historically high, in fact the 3rd highest on record, so that's total agriculture,

crops, livestock, horticulture. And the reduced value of production is driven by reduction in crop yields as we see hotter and drier conditions.

So, if we look to the middle chart, crop production chart, 23/24 Australian crop production volumes are forecasted to fall by 19 per cent from record highs of 2022/23, again due to the hotter, drier conditions. Seasonal conditions, as some of you in the audience will know, have been mixed this year. Winter crop prospects are favourable in some parts of New South Wales, Victoria and South Australia. In contrast, planting and establishment conditions were largely unfavourably dry in Queensland, northern NSW, north-eastern cropping regions of Western Australia, which has led to a large portion of the winter crop facing significantly reduced yields. So, as we have today's discussions, we have it in context, that according to the next 3-month rainfall outlook, so September to November, issued by BoM there is a high chance that spring rainfall will be well below average across cropping regions, significantly affecting the yield. And, at the same time, domestic prices for most crops are following global prices, reducing in response to increased supply and lower price volatility compared to last year. As a result, the gross value of crop production is expected to be reduced by \$11 billion dollars to \$46 billion. These are big numbers that are impacting on farm and across communities.

So, moving to livestock production on the right-hand side, you can see that this chart, again those of you that can see it, I wish it was a little bigger and I can make these slides available, you can see that livestock values have dipped significantly, and anyone who's in the livestock sector at the moment, this will be no news to them. They're living it as we say. The green line there, is the actual value, so that hasn't dipped as much because there's more stock on the market, but what is really interesting is that the volume line coming up is almost meeting the other 2 lines, meaning that the volume line is just really impacting on prices at the moment. And again, I've heard some troubling stories about livestock and I'll touch on that a bit later. So, the value of livestock production is expected to fall by \$1.6 billion down to \$34 billion. And again, producers are facing diabolical prices, devastating impacts on their businesses.

So, moving too total farm costs, income farm value. And I think this is instrumental, if you look at what's happening across the business levels, again looking like a worrying trend going forward. This graph shows total farm costs, net farm cash income and net value of farm production in billions of dollars. You can see quite clearly that costs are going up and income from farm gate value going down. That gap looks like it's going to get wider. So, this is interest rates, fertiliser, fuel, chemicals, labour costs, all going north. What we're seeing, is the value of production dropping due to lower price and lower output, however at the same time total farm costs are remaining at high levels.

The livestock sector, let me give you one example when I talked to a farmer this week. And again, this won't be news to some people in the room. So, Jenny is a beef producer. Last year, Jenny sold 50 steers at 450 kilos, and she received \$6.50 or about \$3,000, or about \$150k Jenny got, from selling 50 steers. Last week, Jenny put 2 decks off her farm, 50 steers, same weight, \$3 a kilo, \$1,500 an animal, \$75,000. At the same time, Jenny's interest rates had gone from 3 to 8 per cent in a year. So, Jenny has an overdraft or loan for a million dollars. Jenny used to have to sell 10 steers to make her interest rate of \$30,000 to cover the interest. That interest bill is now \$80,000 and Jenny now has to sell 50 steers. So, this is what's happening actually as we speak in the marketplace at the moment. And as we have the conversation today, this is replicating out in broadacre cropping, farmers that planted a

crop, those that chose to plant a crop this year, might have been expecting 5 tonnes to the hectare, now they are looking at 1.5 or 2 tonnes to the hectare, reduced prices. This is on top of all of the chips, more chips that they put on the table in terms of fertiliser, fuel, chemicals, for this year's crop. So, as we get the forecasts for hotter, drier conditions it's really important that we keep in mind what is happening on farm right now, not in 6 months' time, or not in 24 months' time when we're in the middle of a drought, right now is going to be a critical impact on what happens should we get long term drought conditions.

I know sheep prices have dropped, and again, talking to farmers this week, worrying conversations about euthanising sheep, because they can't put them into the market to get any return. In fact, they get bills if they put sheep on trucks and send them to be processed. They'll get a bill back rather than a cheque back. And that's incredibly concerning.

So, these are the contexts through which we should consider drought policy and which we should consider the conversations today. Of course, all of that has an obvious impact on farmer health, mental health, and I want to just touch on that in terms of some of the work we did with Norco earlier this year.

NFF partnered with Norco to do a National Wellbeing Report which was released in April this year. The research considered analysis of mental health trends and triggers of Australian farmers. The research surveyed 1,300 farmers aged 18 and above, with representation across all states and territories and across all cross sections of the industry. So, it's been referred to before, we know there's been a couple of really devastating severe weather events of course floods, bushfires, pandemic of course, and many farmers are still rebuilding both physically, financially and emotionally. So, these consecutive challenges do take a toll, and that's why we did this wellbeing survey to just try and get a bit of an idea of what the status was of the industry. And it really did present some confronting figures, and I just want to flick through these quickly, because I think it does provide some good context.

So, the research paints a saddening picture of the mental health of hardworking farmers, with close to a third, 30 per cent, reporting a decline in their mental health over the last few years. In recent years, nearly half of Australian farmers, so 45 per cent, have felt depressed, with almost 2 thirds experiencing anxiety. And for 1 in 7, it's a frequent experience. Even more devastating is that close to half of Australian farmers, you think about that, 1 in 2 farmers have had thoughts of self-harm or suicide, with close to a third attempting self-harm or suicide. These are challenging and tragic figures that we got from these 1,300 farmers across the country.

Particularly relevant statistics as we think about drought today. The report found that 88 per cent of Australian farmers have had their farming operations significantly impacted by natural disasters over the past 5 years with an average of cost of \$1.5 million per farm. One in 5 Australian farmers reported feeling completely defeated and wanting to give up following an event, and 40 per cent of the farmers contemplated leaving the industry and up to quarter sight the natural disasters as a catalyst for that decision.

When asked what was most emotionally taxing about the experience, more than half sighted the financial burden. So, you can see a picture here of the situation that's happening right now and could happen into the future. That financial burden translates, transforms itself into mental health and health challenges for the sector. Other impacts were the impact of animals and loss of stock, and the physical rebuild and recovery process.

So, in summary, Australian farms collectively, we know feed about 75 million people. They're a consistent provider of safe, high quality, healthy, nutritional foods. We are a great industry. I would say Australia's greatest industry. However, food and fibre production is increasingly challenged by a range of factors including extreme weather events, the availability of increased cost, critical inputs, labour shortages, threats of disease, post farmgate, pre-farmgate and supply chain inefficiencies and disruptions. Noting the seriousness and sad state of the industries mental health and wellbeing in this context, supporting adaption resilience through robust coordinated effective national drought policy has never been more important and I welcome Murray's comments about the review of national drought policy and the national drought agreement between the Commonwealth and the states.

This forum today was, and I think it's been referenced a couple of times, one of the key things that the NFF and its members put forward in our drought policy, was to start talking about drought and dry conditions when we are not in the middle of a crisis. So again, it is really timely that we have this conversation today. Our drought policy looks at 4 things. To increase farm business decision making. We know everyone has a different risk appetite; all farm businesses are just slightly different. So, we've got to actually make information available and allow people to make informed decisions. It's having timely access to support. Clearly the stats that we've got and that are out there with other organisations mean that we have to have support in times of drought. We need to continue to invest in research and innovation and I know there's RDCs and universities and other institutions here that do research. We have to continually look at ways to better respond, better prepare for drought.

And finally, our policy says that we need to continue to build community flexibility, inclusive support in mental health, wellness services and community support networks. So, in terms of how we're measuring all of that, and how we're going. Our roadmap, which I referred to earlier, does look at, include, rightly so, a couple of factors of how we can measure what we're doing in relation to capital and risk management which is the 5th pillar of our roadmap, for those of you who have looked at it.

It's all about managing risk and how we build resilient organisations, how we prepare for farm businesses or prepare farm businesses that can withstand risks and volatility better associated with climate and weather, including drought. The roadmap sets our target for \$100 billion dollars, but we also want in there, 90 per cent of Australian farmers to be employing multiple financial tools for managing risk. So that's an aspiration that we want the industry to have. Almost 100 per cent of people actually having the financial tools to manage the risk of volatility, and 90 per cent of farms having documented business plans, including succession plans, which we know is so difficult. The single largest contributor to progressing these aspirations has been the government establishment of the Future Drought Fund. And I welcome Brent Findlay's reappointment to the Future Drought Fund.

The Future Drought Fund was a critical decision to change the way that we did drought in this policy. What it did is recognise and commit to long term funding, and it's not all about funding, but funding plays a key part in trying to manage risk, volatility, drought and drying conditions better in this

country. It was a pivotal moment I think, and it was great to see the current government continuing on with that policy and reappointing Brett, Brent sorry, and I'm really glad to see the review. That was a key part of our support for the policy, is that when this Future Drought Fund was established is that we review it. We have to regularly look at what's working, what's not working, we have to try things differently. As I said, we haven't managed drought well enough in this country. But, the Future Drought Fund has formally acknowledged a number of features in how we manage drought for farming and regional communities.

Our first metric in the roadmap is on track, and that is largely due to programs like the Farm Business Resilience program, which is under the Future Drought Fund. Under that program, 903 farm business plans were reviewed or advised by a professional during their development and 538 farm business plans were completed. So, that's a small start in terms of making that information available, giving people decision-making tools and letting them assess what their risk appetite is, how do they make decisions, so when those dryer hotter conditions come, they're better prepared.

Our second metric in our roadmap actually requires some attention. That's about people and communities, and as flagged by the stark results of our National Wellbeing Survey, the strength of our regional communities and culture, of improved physical and mental wellbeing needs attention. We've got to do better on this. Our metric for how we're going in this space is a means score of 5 in the Regional Wellbeing Survey and better results for farmers and the community. So, we must ensure that that's front and centre as we go forward.

So, I've presented a couple of confronting statistics, and a bit of an assessment of what's happening in the landscape at the moment. But looking forward I think there's some things that we can do and I know there's some conversations that are going to happen today that will contribute to that. But in terms of some of the solutions that we might be able to all do in supporting the wellbeing in agriculture, you can see them on the screen, those that can see, we've got to continue to support Australian farmers, Australian rural and regional communities. Encouraging consumers to actively choose Australian farming products, agricultural products. We've got to continue to check in. Forums like this, smaller regional forums, community forums, family forums, keep checking in with networks, keep checking in on a mate. There's a range of organisations out there that we have to continue to support and continue to foster.

The third one, and this is my day job, that we will continue to advocate for measures, initiatives, policies and programs that help farm businesses remain viable, remain sustainable, remain productive and ultimately remain profitable. So, things like all of the good work the Royal Flying Doctors are doing all around mental health, Farm Safe Australia, Rural Financial Counsellors, are you **bulk (?) [01:19:27] mate**. There are many initiatives out there that we should all get behind and all support.

And finally, and it's great to have Jim in the audience, that we should look at increased funding for measures that actually help agriculture continue to be viably competitive. I know there's a surplus and I know there's lots of challenges that those funds are going to be asked to be allocated towards Treasurer, but for agriculture as an industry that is so important to the fabric of the Australian economy and rural and regional communities, we'll work with you and with the Minister, to make sure that we get the appropriate level of funding for Australian agriculture.

So, I'll wrap it up now, but a couple of final comments. And thanks for your patience going through these slides, I know there was a couple of confronting statistics in there, but I did want to provide some context for what I hope is a really fruitful and valuable conversation today. I don't like using the word, but Australian farmers are resilient, and I fear as we get into hotter, dryer conditions and drought conditions the resilient word will get a lot more airtime. We are resilient, it's written in the job description of being an Australian farmer, but we also have to make sure that we support, I like to use the word support and encourage and help and assistance in terms of mental health, more than perhaps the resilient word.

Our sector is facing more challenges than ever, and in the context with increased frequency of severe drought, extreme weather events, we've got some challenges coming forward, but we know as an industry what we can do in 5 years. Thirty billion dollars growth in 5 years is a demonstration of what this industry can do given the right conditions. So, we need to continue to invest in drought preparedness, research and in turn ensuring the Australian agriculture industry is doing its brightest and best work. It's the job of everyone here today to ensure we are delivering for farmers, through ensuring a robust and coherent national drought policy framework and delivering the best value for money from initiatives like the Future Drought Fund so we're prepared when the next crisis hits.

Thank you so much for your attendance here today, I know it is a full day out of your time, but it is incredibly important to see Commonwealth, State, local governments, research organisations, financial institutions, peak bodies all coming together. This is what we will need if we are going to get through what looks like challenging and tougher conditions, but I'm eternally optimistic and confident that we are such a great industry that we'll be able to do it if we pull together, we make every post a winner and take advantage of all the great people in the industry and the great resources through which we produce that food and fibre for Australians and the globe.

I hope you have a really valuable and constructive day and thanks so much for listening.

Oli Le Lievre [01:22:50]:

Thank you Tony. Maybe a bit more of that manifestation that started in 2018 we could do with. I spend a lot of time on my own, I think those stats around loneliness and mental health are incredibly confronting and last week I was listening to a podcast and it was about the longest study globally around connection which Harvard conducted over more than 100 plus years and it showed, well it concluded that the biggest thing that you can do to positively contribute to good health outcomes is meaningful relationships and I think it something for those people in rural Australia who are isolated. Imagine what we could do Treasurer if we had more meaningful relationships, because the study showed that those that had more meaningful relationships, in males it was a longer life expectancy of 14 years and in females it was 7 years. It's remarkable what connection will do to people and it think it's something that all of us can encourage and do more of ourselves as we move forward.

Now I'd like to welcome Matthew Coulton, the General Manager of Agriculture and Water from the Bureau of Meteorology to provide an update on where we are at. Welcome Matt.

Matthew Coulton [01:24:03]:

Thanks very much for the welcome. I've got to say I get way more nervous doing these presentations in a room full of people who actually live and breathe this stuff. I'd much rather be doing the

metropolitan areas where I can just impress people with my colourful slides. I know that doesn't really fly here. So, I'd also like to acknowledge the traditional owners of the land on which we meet and thank you for the warm welcome this morning.

So, just before I get into the outlook, I did just want to touch on the last few years. I know that we're meant to be looking forward, but a lot of the comments that we've heard already this morning, particularly from Tony, we note that drought resilience isn't about resilience to a particular single event, a period of rainfall deficiency in one area, but it's a combination of factors, and it's a combination of events over time, so I do think it's important to touch on where we've come from.

So, I know this is a pretty terrifying graph or map, and it brings back some pretty terrifying memories for me, but it wasn't that long ago that we had the 2017-19 drought across much of Eastern Australia. I won't sort of bore you with a lot of statistics, I can put them there if you wanted to read a few of them, but it wasn't just a drought, it was an incredibly extreme drought in some areas and we broke a lot of low rainfall records by really significant margin, particularly across large areas of New South Wales. Not only was it a very dry drought, it was a very hot drought. We broke just as many temperature records as we broke rainfall records. What that looked like to me, particularly in the summer of 18/19, is where I'm from in northern New South Wales in Warialda, we actually had a pretty decent Sorghum crop in about December of 2018 and that crop was never harvested. It was just so hot, and it just dried off so quickly. And yeah, we saw that rapid drying of the landscape.

This where we sort of were in December of 2019 which wasn't that long ago. I know that map probably has a bit too much detail for a screen that big, but what you can see is all those areas of dark red shows root zone soil moisture on the lowest 1 per cent of records. So given we have about 111 years of records, it's close to lowest on record. You can see that covered many of our agricultural regions and from a water security perspective, it also covers most of the Great Dividing Range where the vast majority of water in Australia comes from. So, when we did have a return to wetter conditions it took a lot of rain to really get our rivers flowing again and our groundwater systems recharged.

Sorry, I am whipping through these slides, as I'm aware I am standing between you guys and morning tea! I am happy to go through any of this detail later. Then we had a pretty quick change in things, and as people know, 2020-22 in Australia was wetter than average for most areas. Again, in some areas, particularly in New South Wales, again we broke some significant rainfall records. I do want to call that out specifically because, although we make money with mud, some of those floods were incredibly impactful and they happen to fall right in some of the same places that had had very severe drought before, so for some of those farmers they were feeling a bit of a whiplash.

Temperature over that period of time, we had pretty warm conditions still across most of Australia, except for that area where it was very wet. And that's actually pretty remarkable, that when we had very strong La Nina conditions, which should bring lower than average temperatures to Australia. For the majority of the country, it was still actually warmer than average and that's that climate change signal that we talk about, although it was cooler than it would normally be for much of the country it was still warmer than long term record.

So, this is where we were at the end of last year which is only 9 months ago. That map on the left shows that for much of the country we had wetter than average soils across many of our agricultural

regions, we had very wet soils and the map on the right shows all of our major storages and as you can see most of them are blue which means they're full and all those little green ones that you might be able to see means that they're all over 100 per cent. So, from a water security perspective and from an agricultural perspective, things were looking really good just 9 months ago.

So, what's happened since then. We've had certainly a wetter than average year so far in Northern Australia, but in the East and the West we have seen dryer conditions and we have seen a return of those warmer than average conditions for some of our agricultural regions in New South Wales and southern Queensland. Where are we now in terms of water availability? That map again shows root zone water and soil moisture for last month and as you can see things are drying out very quickly. And I do just want to highlight that there's some key areas there where there's some remarkable similarities between this map and what we saw in 2019, particularly in Eastern Australia. So, for some parts, people who live in those circle, what they've felt is very severe drought, followed by some good years, but also some very significant floods, and now we're seeing a pretty quick return to some very dry conditions.

Water and storage, this is probably where we are in a better condition, than where we were when we headed into the last dry period. It was a really significantly wet few years from a rainfall perspective, so there is a bit more resilience in the system. I don't have any maps or figures, but similarly to where we're seeing pretty healthy water storages, we're also seeing pretty healthy groundwater systems. One of the differences I think between the last wet period and the one before, is the 16/17 wet period was wet, but wasn't wet for long enough to really fill the ground and recharge our groundwater systems. The last 3 years with that sustained high rainfall has seen some pretty good impacts on our groundwater network.

So finally, what I'm actually here to talk about, the outlook for the season ahead. So, these maps probably won't be new news to anyone in this room, but what they show is the chance of above median rainfall and when you get down to those deep brown and red colours, you're looking at as low as 20 per cent chances of above median rainfall. And as you can see the signal in our models for October is very strong. As we head into November to January, that signal is a little bit less strong. Unfortunately, I wouldn't communicate that as a forecast for average rainfall in those areas. It's actually a forecast of how much confidence the models have in what's going to happen, I'll go into that in a minute.

Potentially more useful for this audience in the context of drought is a different way of looking at the same data. These maps show the chance of rainfall occurring in the bottom 20 per cent of records, so the chance of extreme dry effectively. And what you're seeing for October, and it was the same for September, is many more times likely than average to have rainfall in that lowest 20 per cent. As we head from Spring into Summer, we are seeing a bit more white on the map and I will just a bit more into that. So for this exercise, I've picked a town that just happens to be the town in Australia, the little town of Warialda in Northern New South Wales, and it just happens to fall in the white area and I just wanted to provide the example and it probably won't be too effective on this slide, although you see these maps very commonly, there's actually a lot of useful information for your location that sits underneath them. So, I apologise for the size of this, you probably can't see it, but what I've done is, I've clicked on Warialda on the map, and what you can see is the outlook for the town of Warialda

presented in a different way. And while you probably can't see it unless you're really close to the screen, what those little plots show is the range of what our models say might happen.

So how these models work, is they run a whole bunch of times, their effectively a simulation of the whole world and when a lot of those scenarios produced align, we have high confidence in what's going to happen and when there's a very big spread in those models then we know there's less certainty. For those of you who can't see, you're just going to have to believe me, what's it's showing is a very tight grouping over the remainder of the next couple of months and then as we head into summer, some of the certainty in those forecasts diminish. And, I think that's a really important thing to flag, because as Tony mentioned, farm businesses run on a pretty good understanding of risk and what their risk appetite is. If you don't understand the level of certainty in the tools you're using it's very hard to use those tools to make farm decisions. And, although a lot of the context of why we're here today is talking about that transition into a dryer period and drought preparedness, I actually think an equally important part of drought preparedness is 'what is your plan for the other side of things?'

These tools have just as much value on the other end of things, if you can just indulge me in one anecdote from this. As I said, I'm originally from Northern New South Wales and a yuppie that lives in Kirribilli in Sydney now, but when I head home to see my family and I got to a BBQ, I sometimes don't tell them where I work. And it's not that I'm afraid of feedback, we love feedback, but on a Saturday night after a few beers no one wants to be talking about work. Anyway, this bloke said to me 'oh where are you working now?'. He's a very successful farmer in Northern New South Wales.

I said 'oh Bureau of Meteorology' and he said 'sorry what was that? Where are you working now?'

I said 'Bureau of Meteorology' and thought here we go...

He said I made so much money from you guys' last year.

And I said 'hold on... what?' And this was about the first year, of the last group of 3 wet years. And essentially in 2020 as we'd just started to see the drought break he looked at our outlook and also looked at range of international products which we recommend people doing, looking at all the information they can, and he saw there was actually really high confidence in that turn to wet conditions and he actually went and dipped further into debt and he spent a heap of money on fertiliser. It really paid off. He had a particular appetite for risk, which is probably why he's been so successful, not everyone would do that and not everyone can do that. But in my view, building resilience to drought is just as much about making more profit in the good times, as it is about avoiding loss in the bad times.

And that's why we really need to understand these tools at your location. Sorry, I did just want to flick to this, and it's probably more the important point, if you ever want a lot of certainty in a forecast, these are the maps for chance of above average temperatures. We probably need to change the scale, but yeah, that's where we are and I think even when you look at uncertainty in rainfall at this time of year what is usually worrying about a dry spring is that we go into the summer period without much moisture in the soil. And that's sort of what we're facing at the moment.

So, you probably expected me to talk about El Nino today, it's sort of the flavour of the week or fortnight, I deliberately don't really want to do that. The reason being is that we have a lot of

different climate drivers that impact weather in Australia. They impact different parts of the country very differently, and they affect different parts of the country differently at different parts of the year. And I know discussions of El Niño and La Niña are built into the Australian psyche and it's really when weather makes the media. But we can actually do a lot better than make decisions based off a single climate driver. Those outlooks I showed you before, I acknowledge that the Bureau has a lot of work to do still in making those tools really accessible and really useful, but those models consider all those drivers for you and have proven skill. So, my advice is, and the benefit of advice is you don't have to take it, is if you find yourself making decisions based on things like an El Niño declaration just know that we've got better tools and reach out and talk to us about it.

And I guess just to reaffirm that point, although we're talking about El Niño at the moment, there's a lot of other things impacting our climate and if you add up all the El Niños we've had in Australian history and you look at the impact they've had on summer rainfall in Australia, that's what the map looks like. And that's not me saying 'don't worry summer's not actually going to be dry' I wish it was, it's saying that every El Niño's different. They tend to really impact Australia in winter and Spring, significantly less so in Summer and we can really do a lot better than making our decisions based on things like El Niño declarations.

And the most important things today, oh I'll leave this to Liz, Liz is going to discuss this later about the Climate Services for Agriculture project, so come and talk to us later about that, please keep in touch with us. We've recently built an agriculture team, it's taken a lot of effort, but we've actually got people who really understand the agriculture industry to come and work at the Bureau and we've paired them up with people who are really experienced at climatology, meteorology. And between them we're trying to bridge the gap between our services and people who make decisions. And I was just reflecting on this with some of Tony's comments, and we had some really positive, and it was quite surprising feedback in WA, where our Agriculture Decision Support team were 2 weeks ago, where some of the farmers who are facing, they are already in pretty dry conditions, they are facing a pretty grim outlook said it's actually pretty remarkably beneficial to our mental health that we can sit here and ask you those questions.

So please keep in touch, we thrive off feedback, tell us what makes sense and what doesn't and yeah, we really want to build those relationships.

Oli Le Lievre [01:38:51]:

Thanks Matt. And hopefully you get a few more positive conversations. I think that that is the thing about the tools, not only in the bad times as you said, but actually using it and I think the big thing is when it comes to sharing that information whether it's the latest BoM updates or the latest tools in agriculture it's actually bringing it down, and it's something I've really found, how do we bring the conversation back and take people on that learning journey, so thanks Matt. Everyone get in touch, tell them Matt sent you.

I'd like to welcome Mel Brown, the First Assistant Secretary of the Farm Resilience Division, who's going to give us a bit of an update from what's happened from the last Drought Forum update, to today. Welcome Mel.

Mel Brown [01:39:35]:

Good morning everyone. I'd just like to thank Uncle Rob as well, for welcoming us to Darumbal country and acknowledge the Darumbal people. So good morning everyone, I'll keep this short as I know morning tea's waiting and you're probably all really keen to get there.

But I'd just like to thank all of our speakers today for their time and insights and take this opportunity to quickly build on some of their remarks. I also want to highlight what we're here today for. With all of us coming together, I'd like to maximise this opportunity to support farming businesses and rural communities to prepare for and manage drought. As mentioned by Oli, this year's theme is building, connecting and partnering and I think it's a really critical time at the moment for us to do that.

We want to build effective drought policy, connect people and organisations and work with farmers and rural communities, and partner with them to deliver the right programs, information and support at the right time. I know many of you have taken the time to take part in a number of drought policy consultations that we've had across government including the National Drought Agreement Review, the Australian Government Drought Plan review, and the Productivity Commission Review into the Future Drought Fund. These reviews have identified some clear themes for us to build on and improve on. In response we've focussed more on working with stakeholders in our proposed new National Drought Agreement. With states and territories this includes working with First Nations people, so the traditional owners of country throughout Australia are included. We have so much to learn from First Nations people and a key recommendation from the Productivity Commission report was that we look at forming a working group that sits under the Future Drought Fund.

We want to explicitly recognise the role of non-government organisations in the Australian Government's own drought plan which is due out next year. And this afternoon we will be seeking your feedback on the next phase of the government's investment for the next \$400 million Future Drought Fund.

As the Treasurer mentioned this morning, the Productivity Commission recently finished its inquiry into the effectiveness of the Future Drought Fund and its programs. This will help inform development of the new funding plan, which is really critical for all of us in this room, to ensure we communicate and work effectively and get the best fund that we can. This is just one of the consultations we hope you'll contribute to part of the busy schedule of policy and work between now and mid-2024. We are focussed on providing the right information at the right time, to support the conversations you're having with farmers and rural communities.

We want to talk with you today, but we also want you to talk to each other. It's critical that we open the door for you to discuss your role and networks across rural and regional Australia with your peers as well. So, to make the most of this opportunity I just really welcome you and hope that you can make the most of all the sessions we have on this afternoon.

Finally, when we wrap up today it will not be the end of the conversation. We will publish a high-level summary of the take-aways from today. We will also review your comments at today's sessions and workshops in details and take account of them in our approach to drought policy. I just want to thank you all for taking the time coming to Rockhampton. Thanks.

Oli Le Lievre [01:43:07]:

Thank you, Mel. And thanks everyone, and to all our speakers this morning. And thank you all for being so patient. Now it's morning teatime. I'd like to thank the Minister and Treasurer for coming along this morning and being part of this session. We'll begin again at 11 o'clock. So, if you've got your cuppa and you've got your muffin or whatever it might be, take them with you, it will be an 11 o'clock start for the con-current sessions. The programs are on your table or in your bags. Thank you.

[Recording ends]

Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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