



Future Drought Fund (Drought Resilience Funding Plan 2024-2028) Determination 2024

I, Murray Watt, Minister for Agriculture, Fisheries and Forestry, make the following determination.

Dated 7 February 2024

Murray Watt
Murray Watt
Minister for Agriculture, Fisheries and Forestry

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1 Name

This instrument is the *Future Drought Fund (Drought Resilience Funding Plan 2024-2028) Determination 2024*.

2 Commencement

This instrument commences on the day after it is registered.

Note: Subsection 31(4) of the *Future Drought Fund Act 2019* provides that the Drought Resilience Funding Plan comes into force at the start of the day after the Plan is registered under the *Legislation Act 2003*. The Plan is repealed at the end of the 4-year period that began when the Plan came into force, unless it is repealed earlier.

3 Authority

This instrument is made under subsection 31(1) of the *Future Drought Fund Act 2019*.

4 Definitions

Note: A number of expressions used in this instrument are defined in section 5 of the Act, including the following:

- (a) Drought Resilience Funding Plan;
- (b) Future Drought Fund.

In this instrument:

Act means the *Future Drought Fund Act 2019*.

5 Details of the Drought Resilience Funding Plan

Schedule 1 sets out the details of the Drought Resilience Funding Plan.

6 Replacement of existing Drought Resilience Funding Plan

This instrument replaces the *Future Drought Fund (Drought Resilience Funding Plan 2020 to 2024) Determination 2020*.

Note: The *Future Drought Fund (Drought Resilience Funding Plan 2020 to 2024) Determination 2020* is repealed when this instrument commences because this instrument is expressed to replace an existing Drought Resilience Funding Plan: see subsection 31(5) of the Act.

Schedule 1—Details of the Drought Resilience Funding Plan

Note: See section 5.

1 Preliminary

- (1) Climate change disproportionately impacts the agriculture sector, landscape and communities. There is already a noticeable increase in the frequency and severity of droughts and the compounding impacts of consecutive natural disasters. Farmers, agricultural landscapes, and communities must continue to reorganise, adapt, and potentially transform in response to these impacts now and into the future, to enable a thriving, sustainable sector. It is acknowledged that drought is one of a number of risks, which calls for active preparation and adaptation.
- (2) Australia's First Nations people and communities have been managing land and sea Country for over 65,000 years, including the preparation for and management of drought. First Nations people are the Traditional Owners of Country throughout Australia and have continuing connection to land, sea and community. First Nations people's experiences of, and responses to, drought conditions can be different from those of the broader Australian community. The Australian Government recognises the benefit of working closely with First Nations people to address the challenges of drought and our changing climate.
- (3) The Future Drought Fund is a \$5 billion investment, established under the Act. To achieve the objective of building drought resilience, \$100 million in returns is made available each year.
- (4) The Future Drought Fund builds drought resilience alongside, and in partnership with farmers and a range of stakeholder groups including government, industry representatives, farming systems groups, First Nations people, Natural Resource Management organisations, professional advisers, universities and other research organisations, the private and not-for profit sectors and rural, regional and remote communities. The Future Drought Fund has been established and will be delivered in accordance with the agreed role of the Commonwealth under the National Drought Agreement and is aligned with the forthcoming Australian Government Drought Plan.
- (5) Every four years, the Drought Resilience Funding Plan is reviewed, and replaced with another plan as required by the Act. This regular process of review, informed by robust consultation, ensures the Plan continues to reflect the needs and lived experience of farmers and their communities in building drought and climate resilience over time.

2 Purpose

- (1) This Plan ensures a coherent and consistent approach for making arrangements with, or grants to, a person or body under section 21 of the Act and entering into agreements under section 22 of the Act setting out the terms and conditions of such grants.

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- (2) This Plan provides a high-level, principles-based framework to guide relevant spending under the Future Drought Fund. It does not specify programs or activities to be delivered or delivery partners.
 - (3) The Future Drought Fund Investment Strategy 2024 to 2028 is a supporting policy document that will provide detailed information about the delivery of programs and activities from 2024 to 2028, consistent with the vision, aim and strategic objectives in this Plan. It identifies the priorities for the Future Drought Fund across the 4-year funding period and will facilitate better planning, sequencing, and coordination of programs. It will also demonstrate links to the broader landscape of drought and climate resilience initiatives.
 - (4) The object of the Act is to enhance the public good by building drought resilience. Consistent with this, the benefits generated from the funding under the Future Drought Fund should be able to be accessed and or shared by many (i.e. provide public benefits), rather than be captured solely by individual businesses or industries for private commercial gain (i.e. private benefits). The benefits achievable from the funding should also outweigh the costs. Public good may be established where there are significant spill over benefits for society and the economy, well beyond those derived by private beneficiaries. Wherever activities could deliver both public and private benefits, relevant decisions should seek to leverage private or industry co-contributions (financial or in kind) to offset private gains, where appropriate, and maximise outcomes.
 - (5) A key aspect of drought resilience is the ability to adapt, reorganise or transform in response to changing temperature, increasing variability and scarcity of rainfall and or changed seasonality of rainfall, for improved economic, environmental and social resilience.

Note: This recognises that more frequent and severe droughts are one of the many impacts of climate change. This Plan supports broader climate resilience outcomes, where they are consistent with the funding principles outlined in this Plan.

- (6) The Act is an enduring commitment to support drought resilience in the short, medium, and long-term. The following vision, aim and strategic objectives are intended to facilitate funding decisions which produce enduring outcomes, including beyond the 4-year funding plan period.

3 Vision

An innovative and profitable agriculture sector, a sustainable natural environment, and adaptable rural, regional, and remote communities— all with increased resilience to the impacts of drought and climate change.

4 Aim

To build drought resilience, including climate resilience for the public good of the Australian agriculture sector, landscapes, and communities.

5 Strategic objectives

- (1) There are three inter-connected strategic objectives to achieve the vision and aim of the Plan. The strategic objectives are to build economic, environmental, and social resilience. The purpose and intention of these objectives is to ensure grants and arrangements made under section 21 and 22 of the Act are done using a holistic, systems approach, which reflect the diversity of opportunities and challenges facing farmers, businesses, landscapes and communities.
- (2) The objectives are:
 - (a) to build economic resilience – growing the productivity and self-reliance of the agricultural sector; and
 - (b) to build environmental resilience – improving the function of agricultural landscapes through effective management of the natural resource base; and
 - (c) to build social resilience – strengthening the social capital, wellbeing, and connectedness of rural, regional and remote agricultural communities.
- (3) The three strategic objectives do not imply or require an equal funding allocation across the three areas. Instead, activities under the fund will, where possible, work together to simultaneously build the three elements.

6 Funding principles

- (1) There are two categories of funding principles.

Fund wide principles

- (2) Fund wide principles guide decision-making about the mix of programs to provide the greatest benefit for the community. The following principles relate to the proposed design of programs of arrangements or grants to be made under sections 21 and 22 of the Act. As a whole, programs of arrangements and grants should:
 - (a) support a range of activities across Australia at different scales, including farm, community, regional and national levels and consider the unique place-based circumstances and needs of each; and
 - (b) prioritise activities which achieve multiple outcomes across the three strategic objectives to build drought and climate resilience; and
 - (c) consider the opportunities for incremental, transitional and transformational change needed to strengthen drought resilience and foster innovation, and to promote transformational change where appropriate; and
 - (d) support activities that are designed to deliver enduring outcomes, including through longer term programs; and
 - (e) support activities that ensure robust governance practises and monitoring, evaluation and learning; and
 - (f) improve engagement and foster partnerships with First Nations people and communities; and
 - (g) collaborate and partner with diverse stakeholders to design and deliver programs, through a user-based lens and leverage opportunities to enact community-led, co-design, and / or end-user approaches; and

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- (h) ensure eligibility for programs is streamlined and, where possible, minimises compliance costs on farmers, businesses and community organisations; and
 - (i) use transparent, structured and, where appropriate, contestable processes to identify the best value and evidence-based proposals, considering qualitative and quantitative evidence; and
 - (j) require co-investment to maximise program outcomes, where appropriate; and
 - (k) ensure there are no unnecessary ongoing operational or maintenance dependencies.

Principles relating to decisions about arrangements and grants

- (3) The following principles apply to making a decision about arrangements and grants to a person or body under sections 21 and 22 of the Act (and any relevant further arrangements and grants made by that person or body). Arrangements and grants are to:
 - (a) be consistent with the vision, aim and strategic objectives (to build economic, environmental and social resilience) outlined in this Plan; and
 - (b) ensure activities deliver a public good; and
 - (c) not provide in-drought assistance to directly address hardship; and
 - (d) actively encourage participation of a diverse range of people, businesses and landscapes involved in the agricultural sector and rural, regional and remote communities, including First Nations people; and
 - (e) foster collaboration to improve integration, coordination, communication, planning and implementation of drought resilience activities, and avoid unnecessary duplication; and
 - (f) be designed to deliver efficient and effective outcomes for stakeholders; and
 - (g) ensure data and knowledge obtained from activities under the fund is shared and freely made available in the public domain; and
 - (h) ensure planned monitoring, evaluation, and learning activities are efficient, robust and in alignment with fund level monitoring, evaluation and learning expectations.
- (4) The principles in subclause (3) may be considered by the Regional Investment Corporation Board when providing advice to the Drought Minister under section 28 of the Act.