

INTERGOVERNMENTAL AGREEMENT ON NATIONAL DROUGHT PROGRAM REFORM

An agreement between:

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

INTERGOVERNMENTAL AGREEMENT ON NATIONAL DROUGHT PROGRAM REFORM

Preliminaries

1. This agreement outlines the arrangements for implementing national drought program reform, replacing the Exceptional Circumstances arrangements.
2. This agreement is between the Commonwealth of Australia (the Commonwealth) and the states and territories. Where the terms 'jurisdictions' or 'governments' are used these refer to the Commonwealth, states and territories.
3. In entering this agreement, the Commonwealth and the states and territories recognise that they have a common interest in reforming drought-related programs and need to work together to help farmers manage risk and prepare for future challenges.
4. This agreement will commence as soon as the Commonwealth and one other state or territory signs the agreement. The agreement is scheduled to expire on 1 July 2018, however it may be terminated earlier or extended as agreed in writing by all parties.
5. Programs specified in this agreement are to be implemented prior to or on 1 July 2014. This agreement would also apply to any other programs related to the objectives of this agreement introduced at a later date.

Objectives

6. This agreement aims to:
 - a. assist farm families and primary producers adapt to and prepare for the impacts of increased climate variability
 - b. encourage farm families and primary producers to adopt self-reliant approaches to manage their business risks
 - c. ensure that farm families in hardship have access to a household support payment that recognises the special circumstances of farmers
 - d. ensure that appropriate social support services are accessible to farm families
 - e. provide a framework for jurisdictions' responses to needs during periods of drought.

Outcomes

7. This agreement will facilitate achievement of the following outcomes:
 - a. primary producers have an improved capacity to manage business risks
 - b. farm families are supported in times of hardship.

Outputs

8. The following measures will be implemented under this agreement:
 - a. a farm household support payment
 - b. continued access to Farm Management Deposits (FMDs) and taxation measures
 - c. a national approach to farm business training
 - d. a coordinated, collaborative approach to the provision of social support services
 - e. tools and technologies to inform farmer decision making.

9. Future programs related to the objectives of this agreement will be consistent with the principles for reform agreed by the Standing Council on Primary Industries (SCoPI) at Attachment A.
10. Future programs providing temporary in-drought support will be consistent with the principles and processes agreed by SCoPI at Attachment B.

Roles and responsibilities

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

Role of the Commonwealth

12. The Commonwealth is responsible for:
 - a. funding and delivering a time-limited farm household support payment based on individual need, including
 - i. reciprocal obligations aimed at driving behavioural change
 - ii. case management to support reciprocal obligations
 - b. providing continued access to primary producer taxation concessions that support farmer risk management, including the FMD Scheme
 - c. delivering Commonwealth programs under this agreement
 - d. developing a Commonwealth implementation plan in consultation with the states and territories
 - e. monitoring and assessing the delivery and performance of Commonwealth programs under this agreement
 - f. reporting on the delivery of Commonwealth programs and the contribution of these programs to the achievement of outcomes as set out in this agreement.

Role of the states and territories

13. Each state or territory is responsible for:
 - a. encouraging the delivery and uptake of the national approach to farm business training
 - b. delivering state or territory programs under this agreement
 - c. developing a state or territory implementation plan, in consultation with the Commonwealth
 - d. monitoring and assessing the delivery and performance of state or territory programs under this agreement
 - e. reporting on the delivery of state or territory programs and the contribution of these programs to the achievement of the objectives of this agreement.

Shared roles and responsibilities

14. The Commonwealth and the states and territories are responsible for:
 - a. a coordinated, collaborative approach to the provision of social support services
 - b. contributing to the development of tools and technologies to inform farmer decision making
 - c. ongoing cooperation and collaboration between the Commonwealth, states and territories to achieve the objectives of this agreement
 - d. considering ways that current programs related to the objectives of this agreement could be delivered more efficiently and effectively

- e. sharing information related to the objectives of this agreement, including informing the other parties of changes to relevant programs prior to implementation
- f. participating in activities to implement this agreement
- g. negotiating new or revised sections to this agreement
- h. conducting or contributing to evaluations and reviews of services and outputs delivered under this agreement.

Performance indicators and benchmarks

- 15. The outputs specified in paragraph 8 of this agreement are to be implemented prior to or on 1 July 2014.
- 16. Performance indicators and benchmarks will be included as part of implementation plans developed by each jurisdiction. Implementation plans are to be finalised and agreed by PISC by 31 December 2013.

Monitoring and reporting

- 17. The parties will report against their roles and responsibilities in this agreement and their implementation plans annually during the operation of the agreement. Reports are to be provided for consideration at Primary Industries Standing Committee (PISC) and Standing Council on Primary Industries (SCoPI) meetings.
- 18. PISC members or their representatives will meet quarterly for the duration of this agreement or as agreed by all parties. The group will meet to ensure the ongoing effective and efficient implementation of this agreement and the execution of roles and responsibilities.
- 19. Arrangements for monitoring, evaluation and reporting will be included in implementation plans developed by each jurisdiction. Monitoring, evaluation and reporting should be standardised across jurisdictions to aid in reporting against the agreement's objectives, outcomes and outputs.

Governance arrangements

Implementation

- 20. PISC will oversee the implementation of the agreement.

Enforceability

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

Review

- 22. The agreement will be reviewed approximately twelve months prior to its completion to assess progress made by the parties towards the agreed outcomes.

Variation

- 23. The agreement may be amended at any time by written agreement between all parties.
- 24. Any party may terminate its participation at any time by notifying all other parties in writing.

Dispute resolution

- 25. Under this agreement any party may give notice of a dispute to any or all other parties.
- 26. Officials of relevant parties will attempt to resolve any dispute in the first instance.

27. If officials cannot resolve a dispute, it may be escalated to relevant ministers and if necessary to SCoPI.
28. If the dispute is not resolved, it may be referred to the Council of Australian Governments for consideration.

The parties have confirmed their commitment to this agreement as follows:

Signed for and on behalf of the
Commonwealth of Australia by

Senator the Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry

3 May 2013

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

The Hon. Katrina Hodgkinson MP
Minister for Primary Industries

3 May 2013

Signed for and on behalf of the
State of Victoria by

The Hon. Peter Walsh MP
Minister for Agriculture and Food Security

3 May 2013

Signed for and on behalf of the
State of Queensland by

The Hon. Dr John McVeigh MP
Minister for Agriculture, Fisheries and Forestry

3 May 2013

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

The Hon. Ken Baston MLC
Minister for Agriculture and Food

3 May 2013

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

The Hon. Gail Gago MLC
Minister for Agriculture, Food and Fisheries

3 May 2013

Signed for and on behalf of the
State of Tasmania by

The Hon. Bryan Green MP
Minister for Primary Industries and Water

3 May 2013

Signed for and on behalf of the
Australian Capital Territory by

Mr Shane Rattenbury MLA
Minister for Territory and Municipal Services

27 June 2013

Signed for and on behalf of the
Northern Territory of Australia by

The Hon. Willem Westra van Holthe MLA
Minister for Primary Industry and Fisheries

3 May 2013

Attachment A: Standing Council on Primary Industries' principles for reform

The principles, reconfirmed by the Standing Council on Primary Industries in April 2011, are:

1. there should no longer be Exceptional Circumstances declarations or 'lines on maps'. Instead, governments should focus on addressing the specific needs of farming families, farming businesses and farming communities
2. acknowledgement that drought is just one of a number of hardships that can adversely impact farmers
3. recognition of the important role of farmers as the nation's food producers
4. future farm family welfare assistance should require a level of mutual responsibility
5. for access to the income support system, farming families should have a temporary period of exemption from the normal assets tests for farm assets, but otherwise receive the same access rights as the wider community
6. government farm business support should assist farming businesses plan and prepare for the future. Farm business support will be based on a willingness by those businesses to prepare for the impacts of drought and climate change
7. the role of farmers in natural resource management and their role in maintaining vibrant rural communities
8. the importance of maintaining and supporting the natural resource base during drought and climate change
9. government policies and programs should support farming communities to prepare for drought and enhance their long term sustainability and resilience.

Attachment B: Principles and processes for in-drought support

The Standing Council on Primary Industries agreed to a set of principles and processes for the provision of in-drought support in May 2013.

Principles

The following principles have been identified as criteria to assess whether a possible in-drought measure is consistent with the intent of drought program reform.

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

- a. be consistent with principles and complementary to measures already in place
- b. occur where there is a clear role for government and deliver a net public benefit
- c. address recognised welfare needs
- d. encourage good farm business decision-making and facilitate adjustment in the agriculture sector
- e. avoid government being positioned as the business ‘lender of last resort’
- f. enable links with other measures or between service providers
- g. recognise the importance of maintaining the natural resource base
- h. be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted.

Processes

SCoPI has agreed in-drought support should be provided through a phased approach. This allows governments to tailor the type or level of support provided to farmers and/or rural communities as conditions change. The different phases are:

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

New or additional measures or programs will be subject to agreement by individual governments and will only be introduced if they are consistent with the principles for in-drought support, and when existing measures are found to be deficient. Governments may elect to use an independent advisory committee to help inform its decisions on such programs.

Implementation plans will inform and clarify jurisdictions’ commitments on in-drought support.