



Derek Schoen
President

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IGA Review Working Group
Department of Agriculture and Water Resources
GPO Box 858
CANBERRA ACT 2601

Sent via: droughtpolicy@agriculture.gov.au

RE: Review of the Intergovernmental Agreement on National Drought Program Reform

The NSW Farmers' Association is Australia's largest State farming organisation and is the only state-based farming organisation to represent the interests of farmers of all agricultural commodities – from avocados and tomatoes, apples, bananas and berries, through grains, pulses and lentils to oysters, cattle, dairy, goats, sheep, pigs and poultry.

Our 100-plus regional branch network ensures local voices guide and shape our positions on issues which affect real people in real communities. In addition, NSW Farmers has partnerships and alliances with like-minded organisations, universities, government agencies and commercial businesses across Australia. We are a proud founding member of the National Farmers' Federation.

In late November 2017 NSW Farmers' Association was contacted by the NSW Department of Primary Industries (DPI) seeking our views on the opportunities for the Intergovernmental Agreement on Drought Reform following expiry of the current Agreement. It was understood that this advice was provided to the DPI to inform its response to the above Review.

Following advice that this information was provided directly to the IGA Review Working Group this letter serves to confirm the NSW Farmers' Association expectation for the next Intergovernmental Agreement on Drought.

NSW Farmers priorities for the Intergovernmental Agreement:

With regard to commitments from the Australian Government:

- Benchmark all drought assistance eligibility, criteria and assessment processes to ensure the aim and intent is consistent across jurisdictions.
- Enable the collection and timely publication of data related to levels of assistance delivered to farmers both to prepare and manage during a drought event.
- Ensure timeliness of communication regarding the onset of drought to enable:
 - access to Commonwealth support, including the Farm Household Allowance and Drought concessional loans;
 - effective processing applications for assistance;
 - clarity and flexibility regarding the length of time required for farmers receiving assistance to return to profitable production; and
 - Revisit the eligibility criteria, especially asset test provisions for Farm Household Allowance.

NSW Farmers' Association

ABN 31 000 004 651 PO Box 459 St Leonards NSW 1590 Level 6 35 Chandos Street St Leonards NSW 2065
Member Service Centre 1300 794 000 T 02 9478 1000 F 02 8282 4500 www.nswfarmers.org.au

- Commit to a common evaluation framework and require mandatory, outcomes based performance reporting in all jurisdictions to industry stakeholders at regular intervals.
- Require consistent communications mechanisms that help farmers understand and access all appropriate drought support available to them, across all jurisdictions, maintaining or improving assistance levels by each jurisdiction.
- Develop appropriate proxies to trigger drought assistance broader than the Bureau of Meteorology's Rainfall Deficiency Analyser.
- An overall national drought strategy

With regard to commitments by the NSW Government:

- Ensure that the application for, and assessment of, concessional loans meet best practice in the financial sector.
- Assist the development of multi-peril crop and farm income protection (previously called multi-peril crop) insurance products particularly through measures that will lower premiums.
- To ensure in-drought assistance is effective, government programs should:
 - recognise that farmers make a broad range of choices related to drought preparedness and management;
 - streamline the delivery of direct assistance as earlier action allows a larger number of options to be chosen, improving animal welfare, reducing costs and minimising distortions; and
 - ensure continuation of assistance during a recovery phase.
- Provide a mechanism and timeframe for abolition of stamp duties on crop and livestock insurance products to lower premiums and improve uptake.
- Commit to gathering information from farmers on uptake of assistance and risk management options and improve availability of information on professional support available to farmers to enhance financial literacy and risk management in agricultural context.
- Ensure clarity of the forms of assistance and risk management options to improve transitional support benefit to farmers.

Should you require further information your office is invited to contact Kathy Rankin on 02 9458 1008 or rankink@nswfarmers.org.au.

Yours sincerely,



Derek Schoen
PRESIDENT