

20 September 2024

Assistant Secretary  
Drought Policy Branch  
Department of Agriculture, Fisheries and Forestry  
Canberra, ACT 2601

By email: [droughtplan@aff.gov.au](mailto:droughtplan@aff.gov.au)

Subject: **Submission to Australian Government's Drought Plan**

Dear Assistant Secretary,

On behalf of the Australian Dairy Farmers (ADF), I would like to thank you for the opportunity to submit our response to the Australian Government's Drought Plan Review.

As the peak industry representative body for dairy farmers across Australia, ADF strongly supports the NFF's submission to the review and its comprehensive recommendations.

Further specific recommendations for the dairy sector are presented in our submission to ensure the Australian Government Drought Plan addresses the critical needs of our industry.

We believe they align with the needs of our dairy farmers, who face unique challenges during prolonged drought conditions, including increased water and feed costs, and the economic strain these factors place on long-term productivity.

We are committed to working with DAFF and the government to refine drought support mechanisms that will help secure the resilience and sustainability of Australian dairy farms. We welcome further discussions and participating in future consultations to ensure that the voices of dairy farmers are heard in the policy-making process.

Yours sincerely,



Ben Bennett

**President**

Australian Dairy Farmers

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**Australian dairy industry  
(Australian Dairy Farmers and Dairy Australia)**

***Response to***

**Department of Agriculture, Fisheries and Forestry's  
consultation on the Australian Government Drought Plan**

**September 2024**

**Contacts**

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# Introduction

**Australian Dairy Farmers (ADF) and Dairy Australia welcome the opportunity to provide feedback to the Department of Agriculture, Fisheries and Forestry (DAFF) on the Australian Government Drought Plan.**

Australian Dairy Farmers Limited (ADF) is a not-for-profit organisation recognised as the national Peak Industry Representative Body (IRB) for dairy farmers from all dairy-producing states across Australia. ADF's mission is to provide strong leadership and representation to allow for the continued growth of internationally competitive, innovative and sustainable dairy farm businesses.

ADF's membership base include State Dairy Farming Organisations (SDFOs) and direct farmer members. ADF has formal representative functions with Dairy Australia, Animal Health Australia, SafeMeat, and is the dairy representative member of National Farmers Federation.

Dairy Australia is the national services body for dairy farmers and the industry. Its role is to help farmers adapt to a changing operating environment, and achieve a profitable, sustainable dairy industry. As the industry's Research and Development Corporation, it is the 'investment arm' of the industry, investing in projects that cannot be done efficiently by individual farmers or companies.

The dairy industry is Australia's third largest rural industry and plays a vital role in the agricultural economy, employing 14,900 people on farm and over 33,500 across the whole supply chain. In the 2022-23 financial year, dairy generated \$6.1 billion in farmgate value with exports totalling \$3.7 billion. Australia is a significant exporter of dairy products, exporting approximately 30 per cent of milk produced. It ranks fourth in terms of world dairy trade, with a five per cent market share behind New Zealand, the European Union and the United States.

## Executive Summary

Drought presents a significant challenge to the Australian dairy industry, severely impacting water availability, increasing feed costs, and reducing overall production. As pasture growth diminishes, dairy farmers are forced to rely more heavily on supplementary feed, driving up expenses and squeezing profit margins. Water shortages not only limit irrigation but also compromise herd health and milk yield. Dairy herds require greater water supply given the intensive nature of liquid milk production when compared to that of other livestock red-meat or wool sectors. **The Australian dairy sector is very fragile.** Prolonged drought conditions often compel dairy farmers to reduce herd sizes, which undermines long-term productivity. These challenges, coupled with rising costs for water and quality feed, can lead to higher milk prices for consumers. Consequently, drought support is essential to safeguard the industry's economic viability and ensuring a stable milk supply.

This is supported by the House Standing Committee on Agriculture, in its Inquiry into food security in Australia where it stated "Australia broadly speaking produces far more food than it consumes, there are two production sectors that require attention from government—diary and seafood. The ongoing decline in raw milk production needs to be addressed. Australia needs a strong dairy industry for nutritional and food security".

The current rainfall deficiencies affecting key dairying regions in Victoria, South Australia, Western Australia, and Tasmania underscore the importance of robust drought policy for Australian dairy. Farmers have already been forced to reduce herd sizes, and ongoing fodder shortages and poor pasture quality have further depressed milk production this season. These areas produce a significant proportion of Australia's milk supply, and ongoing dry conditions threaten both supply and food security. Moreover, ongoing financial strain, and support uncertainty are taking a significant toll on farmers' mental health across all regions.

Given the critical conditions facing the Australian dairy industry, we urge DAFF to consider the following key recommendations for the Australian Government Drought Plan:

1. **Clear criteria for drought phases:** The plan should specify the criteria or indicators that trigger transitions between the phases of the drought cycle, ensuring consistent and timely responses.
2. **Drought as a natural disaster:** Establish a threshold for recognising drought as a natural disaster, with appropriate support for the dairy industry to ensure animal welfare and prevent compromises in milk production.
3. **Evidence-based decision-making:** Provide concrete examples or scenarios illustrating how different levels of drought severity would trigger specific government responses, enhancing transparency and preparedness.
4. **Clarity on government support:** Clarify the specific actions the government will take during the 'responding' phase of the drought cycle.
5. **Linkage to state, territory private sector support:** Improve coordination and communication between federal and state-level support to avoid confusion and ensure effective drought relief efforts. Governments must indicate to the private sector the recognition of drought phases to ensure support measures, such as by the finance sector, commences.
6. **Regular review and adaptation:** Include a mechanism for regular review and adaptation of the plan to address the evolving nature of climate change and its impacts.

The Australian dairy industry urges DAFF to refine the Australian Government Drought Plan to better address the industry's critical needs. Clear criteria for drought phases, recognition of drought as a natural disaster, and evidence-based decision-making are essential for effective support and response. Improved clarity on government support and enhanced coordination with state and territory government measures, and the private sector, will help avoid confusion and ensure timely relief. Additionally, incorporating mechanisms for regular review and adaptation will help the plan remain relevant amid evolving climate conditions. Addressing these areas will strengthen the plan's effectiveness and support the dairy industry's resilience and sustainability.

## Responses

### **Question 1: Is the Australian Government's approach to drought across the drought cycle clear in the draft plan?**

The phased approach of 'preparing, responding, recovering' in the draft plan implies a clear delineation of the drought cycle, suggesting that droughts have a distinct beginning and end. However, this assumption is problematic because droughts are no longer officially declared. Without formal declarations, the triggers for transitioning between these phases become ambiguous. The draft plan should specify the criteria or indicators that will prompt DAFF and other stakeholders to move from one phase to another. For instance, what specific environmental, economic, or social conditions would signal the onset of drought preparedness, the activation of response measures, or the transition to recovery? Clearer definitions of these triggers are necessary to make the approach more actionable and understandable for all stakeholders.

### **Question 2: Is the draft plan clear as to why the Australian Government's drought policy and response is different to that for natural disasters?**

The draft plan differentiates drought from other natural disasters by describing it as a slow-onset event, compared to the fast-onset, short-duration nature of other natural disasters like floods or bushfires. However, this distinction can be contested. The National Disaster Risk Reduction Framework aligns with the UN Office for Disaster Risk Reduction's definition which recognises that slow-onset disasters like drought and desertification are a significant concern.

Dairy farming is particularly unique among agricultural industries due to the animal welfare requirements to maintain livestock throughout a drought. Dairy cattle have higher water, and feed needs relative to other livestock sectors, making a 'one-size-fits-all' approach ineffective. Dairy herds demand sustained resources even when conditions are challenging. This necessity creates additional pressures during drought, as the ongoing care of animals cannot be compromised. That is, some sectors such as dairy will have a greater sensitivity to water deficiency/drought conditions than others. Therefore, it is crucial to establish a threshold at which drought is officially recognised as a natural disaster, whether based on the duration of the event or the severity of rainfall deficits, to ensure timely support and intervention for the dairy industry.

Without appropriate support, Australian milk supply will be compromised, leading to reduced production shortages and financial pain for farmers, their communities, and the Australian economy.

Moreover, the interconnectedness of drought with other natural disasters, particularly as climate change progresses, raises the question of whether a separate policy approach is appropriate. Droughts can exacerbate the severity of fires and floods, leading to compounded disasters. While it is acknowledged that the current plan covers only 2024-2028, a more integrated approach may be necessary in the long term to address these interdependencies effectively.

**Question 3: Evidence based decision-making provides greater clarity about when, why, how and what the government will consider when determining its response to drought?**

The draft plan emphasises evidence-based decision-making but lacks specific details on how the government's own decision-making processes will function. It outlines resources available to farmers to help them make informed decisions but does not clearly define the criteria or thresholds the government will use to activate or adjust drought responses.

Although the plan mentions the development of the Australian Agricultural Drought Indicators and a drought response framework, it stops short of explaining how these tools will influence government actions when drought conditions either worsen or improve. Providing concrete examples or scenarios illustrating how different levels of drought severity would trigger specific government responses could enhance clarity and transparency for stakeholders.

**Question 4: Does Pillar 2 – Strategic drought support provide greater clarity about how the Australian Government will respond across the drought cycle, including what support it will not provide?**

Pillar 2 indicates that government support is available at any time during the drought cycle, but details on any specific actions during the 'responding' phase are lacking. For instance, what immediate measures will be taken to support farmers and rural communities when drought conditions are identified? It is not clear if there are any differences between the level of support provided from the Australian Government across the drought cycle.

The statement that the government does not provide support that 'spreads the impacts of drought to areas not in drought' needs clarification. Further explanation of this principle and its practical application is required to help stakeholders and affected party's understand the boundaries and scope of government intervention.

**Question 5: Have you identified any gaps in how we have responded to any of the review recommendations in the draft plan?**

While the draft plan addresses Recommendation 8 of the review by linking to related policy areas such as climate resilience and adaptation, the draft plan largely feels like an extension of existing climate change adaptation efforts. This raises important questions about how this plan truly differs from broader climate change adaptation policies. It would be more effective to integrate it into a comprehensive climate change adaptation plan rather than having it stand alone as a drought plan, particularly since drought is neither clearly defined nor supported with additional assistance for farmers.

Furthermore, the lack of clarity around the decision-making criteria for transitioning between different phases of the drought cycle could lead to inconsistencies in response or delayed action. While the draft plan references ongoing projects like the Australian Agricultural Drought Indicators, it fails to provide timelines or expected outcomes for these initiatives. A clearer linkage between the drought plan and other environmental and climate-related policies is also needed, recognising the interconnectedness of drought, fires, floods, and

long-term climate change impacts. This would ensure a more holistic and integrated approach to managing droughts and related natural events.

Furthermore, the plan does not reference or link to support offered by states and territories, even when this support may be funded by the Commonwealth for these jurisdictions to deliver. This oversight can lead to circular conversations where farmers are left caught in the middle, unsure of where to turn for assistance. Without clear coordination and communication between federal and state-level supports, the effectiveness of drought relief efforts may be significantly undermined, leaving farmers vulnerable during critical times.

The plan fails to address and inform the private sector, particularly the finance and banking industries, when drought criteria have been met. It doesn't engage the sector to indicate it is appropriate to introduce support measures for dairy farmers. The current conditions in southern Australia reveal the varying thresholds used by financial institutions, which is leading to confusion and inconsistent responses by the sector. This complexity and mixed messaging add to the significant stress being experienced by affected dairy farmers.

**Question 6: Do you have any comments on the work underway for us to consider as we progress it?**

The draft plan suggests that drought prediction based on climate models and past weather patterns can help prepare for future droughts. However, how reliable is this approach in the context of a changing climate? For example, the Bureau of Meteorology's summer 2023 El Niño forecast which created expectations of hotter and drier weather influenced farmers' decisions on stocking rates and feed purchases which proved costly for some farmers. As climate change progresses, these models may become less predictable. Given the evolving nature of climate change, the plan should include a mechanism for regular review and adaptation.

Establishing a drought management advisory group could enable continuous assessment of the plan's effectiveness and adjustments based on new data and emerging trends. Additionally, enhancing communication and collaboration with state governments and local councils will be essential, as these entities play critical roles in on-the-ground implementation and can provide valuable insights into regional and local conditions.

## **Conclusion**

In conclusion, the Australian dairy industry urges DAFF to refine the Australian Government Drought Plan to better address the industry's critical needs. Clear criteria for drought phases, recognition of drought as a natural disaster, and evidence-based decision-making are essential for effective support and response. Improved clarity on government support and enhanced coordination with state and territory government measures, and the private sector, will help avoid confusion and ensure timely relief. Additionally, incorporating mechanisms for regular review and adaptation will help the plan remain relevant amid evolving climate conditions. Addressing these areas will strengthen the plan's effectiveness and support the dairy industry's resilience and sustainability.