

# PRIMARY INDUSTRIES MINISTERIAL COUNCIL

## Communiqué

PIMC 6

27 July 2004

### Drought Policy

The Primary Industries Ministerial Council met today in Melbourne to consider options for streamlining the Exceptional Circumstances (EC) application and assessment process as well as future drought policy.

Council considered a paper prepared by the Primary Industries Standing Committee's Industry Development Committee (IDC).

Council supported developing a simplified and more responsive EC application and assessment processes. This could be achieved by replacing the current EC criteria (that a severe downturn in income should be experienced by the majority of producers in an application) with event-based criteria (such as rainfall, temperature and other remote sensing information) as well as water availability or production impact.

Under such a system, declarations would be made once a rare and severe event had been established. Farmers would immediately be able to access welfare support measures, subject to individual application. These changes would reduce the burden on producers having to contribute detailed farm income data for the preparation of an EC application and its assessment.

Council requested the Primary Industries Standing Committee to develop a regional case study assessment to evaluate how such a proposed event and production-based system might operate in comparison to the current system.

Council also agreed to further consider implementation of a national production monitoring system to assist in preparation of EC applications and facilitate decisions for government intervention based on production impacts due to drought. Council will consider a detailed proposal on this system at its next meeting.

A full investigation is also to be undertaken by the IDC on the implications of shifting drought policy towards implementing drought preparedness, with reduced emphasis on business support measures.

Council requested further advice, including an assessment of funding implications, be provided on preparedness measures in relation to:

- i) new and improved initiatives to promote preparedness;
- ii) introducing preparedness obligations into the eligibility criteria for business assistance, with special consideration for young and new farmers; and
- iii) building the capacity of individuals to utilise commercial options as they become available.

Council endorsed the next AAA Program Evaluation – Rural Producer Survey being conducted as soon as possible to enhance understanding of the causative factors involved in producer preparedness for drought. The outcomes of this survey will be linked to the further studies of preparedness measures requested by Council.

Council agreed that current welfare arrangements should be retained that provide the basic safety net for income support for those most in need during a drought. Council supported the continuation of existing measures during the current drought, with any new drought measures to be introduced once the current drought is over.

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