

FDI Feature Interview

29 August 2019

Major General Stephen Day, DSC, AM: Coordinator-General for Drought, Part 2

Geoffrey Craggs

Research Analyst, Northern Australia and Regional Development Research Programme

Key Points

- The *National Drought Agreement*, signed in December 2018, is an agreement between the State and Commonwealth Governments to define and describe a series of guiding principles regarding responsibilities during times of drought.
- Communication and the dissemination of scientific information is critical to farmers knowing and understanding the latest in agricultural research and farm management.
- Various financial products are available to farmers to assist during times of drought and to help them prepare for future drought.
- Australia's water must be viewed as a strategic asset. This requires leadership, direction and management of water from a national perspective.

Introduction

In 2018, in response to Australia's worsening drought situation, the Commonwealth Government established a *Joint Agency Drought Taskforce* to review and assess the effects that drought was having on Australian agriculture and the communities that both supported and relied on the industry. Major General Stephen Day, a former senior commander in the Australian Army, was selected to head the Taskforce with the requirement that he engage with drought-affected farmers and communities across Australia in order to learn about and understand the issues they were facing. The knowledge would inform the development of a long-term strategy to address Australia's drought preparedness and resilience.

Following the cessation of the Taskforce in late June 2019, FDI interviewed General Day about what he learned from the many farming families and community representatives he spoke with as he travelled across Australia. In this final part of the interview, FDI sought opinion from General Day on Australia's future drought preparedness.

Interview

FDI – What actions, if any, are being considered to prepare for the next and inevitable drought?

Major General Day – The first thing to say is that there is a [National Drought Agreement](#). I mentioned earlier that one was signed back in 2013, on the back of the lessons learned from the [Millennium Drought](#). The current agreement was signed in December 2018 and was informed by both the 2013 Agreement as well as the November 2018 [National Drought Summit](#).

I would not describe the *National Drought Agreement* as a comprehensive policy document; I would describe it more as a set of principles and an agreement between the State and Commonwealth Governments about who is responsible for what. Some are calling for a comprehensive policy document that describes how that agreement is going to be put into effect. Perhaps reflecting my background, I would call it a strategy, but I think we are talking about the same thing. And providing advice to government on a drought strategy was one of the three things I was tasked to do as Coordinator-General.

In April of this year the *Drought Taskforce* completed a strategy that included a series of recommendations for government. We delivered the strategy not long before the election which, necessarily, created a hiatus for the consideration of such things. Shortly after having been re-elected the government began an examination of the strategy we prepared and are undertaking further consultation, most notably with the [National Farmers' Federation](#). I understand the government intends to agree on a strategy before the end of the year.

It would not be appropriate from me to go into the detail of my recommendations. It is something that I have provided to government and they will determine how it will be released. We conducted wide consultation across the nation, with individual farmers and their representative groups, State Governments, academics and charities, to pull together advice. We had publicly available drafts for people to consider. It is in the spirit of those publicly available documents that I offer the following comments.

My first thought is to highlight the important role that governments have in information; we've already spoken a little about that. Governments invest a fair bit in the science of agriculture and in particular with the challenge of growing crops in arid climates – Australian scientists are “world class” in my view on that. But getting that knowledge out to farmers for them to execute the learning of science is not a strength at the moment. Many years ago, governments invested in [Extension Officers](#). These people possessed the knowledge from science, and how that could assist in the local environment, which they would “extend” to farmers. They did this by organising and hosting community gatherings and by visiting and

speaking with farmers on their properties. Governments have pulled back from that role for the last decade or so. Farmers and their communities are feeling a “gap” in knowledge.

Adding to the gap is the fragmentation of available information. We spoke earlier about there being a befuddling range of sources for farmers to obtain information; too many for most farmers to make any sense of. In my judgement, the problem is not the science. The problem is actually getting the right information to the people who need it. I think governments have a role to play here.

Secondly, it’s very clear that in some places there is an imbalance in the management of vegetation, water, soil and biodiversity. Some farmers are doing fabulously well at that. Others are not. We have been mining our soils for a long time now and we must make sure that we don’t “over-mine” them. I think governments have a role in encouraging good stewardship of the land.

I think that, after getting the right information about good science and stewardship of the land, the government should look to incentivise “good practice”. They can, and to varying extent do, use grants, low interest loans, and taxation levers, to encourage farmers. So, if you are a farmer and you manage your vegetation, soil and water then somehow, you should be rewarded for your effort.

Encouraging farmers to put money aside in the good times, and some seasons can be spectacularly good, is another area where government can assist. The government encourages farmers to put money aside for when times are difficult through the [Farm Management Deposit Scheme](#) (FMD). If you have the income, then putting money into this scheme is very attractive from a tax perspective. The programme has been in place for a few years and it could probably do with some fine tuning. This is an area that I think government will look at, in particular to confirm that the FMD is working as intended.

Sometimes, you’re going to find people who, because of where they are in life, or perhaps they have entered the wrong industry, or they may be overwhelmed by a particularly bad drought, are not able to provide for themselves or their families. In these situations, the Commonwealth Government provides a “safety net”. That “safety net” is the [Farm Household Allowance](#) (FHA). When we started the *Drought Taskforce* there were about 1,900 people on it. At that time the FHA was universally criticised for being overly complex to apply for. The government responded to these concerns and somewhat simplified the process. As I’m winding up my Coordinator-General job, there are now over 7,000 people receiving the FHA. That is not necessarily a good thing - a good thing would be there is no-one on it because it would mean everybody is doing well enough. The challenge for government is to make access to the FHA safety net as simple as possible whilst ensuring that only those who really need it are receiving it.

I think the really big opportunity for government relates to water. There is a 2015 CSIRO report which talks about future water and our nation. One of its key forecasts is that water demand in Australia could double by 2050. The scientists are also telling us that our continent is getting drier as the climate changes; they say we have two climates: a “dry” climate to the south; and a “wetter” climate to the north. The line that extends across the

country that denotes the two climates has moved further north over the last 30 years, meaning more of Australia is getting drier. The scientists also say the rain that does fall inside the southern area is more erratic than it was 30 years ago.

We know we're adding about one million new Australians to our population roughly every 2.7 years. Those people will need water. Furthermore, the government and the National Farmers' Federation have a vision to grow the agricultural sector from a \$60 billion to a \$100 billion industry by 2030 and that will almost certainly not occur on the back of less water.

So, if all of those things are true, the questions we should ask ourselves are: are we satisfied that the way we are managing water in our nation today is going to get us to where we need to be in 2030? Are we going to be able to deliver water security for our children and those that come after us? My judgement (which is based on my research) is that, at best, we're not sure, and most likely, no.

There is no national agency that looks after the strategic management, direction and leadership of water in our nation. I think that's probably a gap. There should be someone who wakes up every morning with the responsibility to look towards the strategic management of this vital resource. Government has announced they intend to set up a new national agency (for water).

Finally, the vast majority of opinions I listened to, from academics, farming representatives, successful farmers and governments, all say the direction for drought in our nation needs to be preparedness, not response. We need to develop policies that don't rely on drought declarations, but rely on encouraging people to prepare. And, should times be hard through drought or some other natural challenge, then a safety net should be available.

One of the lessons from the Millennium Drought was that it is difficult to accurately declare drought areas. You might, for example, have one council that was drought declared and the one next to it wasn't. The problem was that drought didn't obey council boundaries. So sometimes there would be a farm or two that was in drought, but the council was not. And vice versa; there were councils declared to be in drought containing several farms that were actually fine. The view was the policy needed to be set so that it didn't rely on geographical definitions for determining drought. For example, things like the FMD and FHA have no regard as to whether you're in a drought declared area or not, they are based on conditions at your own farm.

Drought policy, the experts told me, should continue to move away from responsiveness and reliance on geographical declarations, to helping farmers prepare. That is the key idea that, consistent with the current drought agreement, underpins the advice on a drought strategy that I have given to government.

Can I offer a final word? Farmers and their families, rural mayors and their councils, country citizens and their small businesses all welcomed me into their lives. Despite their challenges, their weariness, and their concerns for the future each gave me their time and wisdom. We shed tears and, occasionally, shared a laugh. I came away reminded that out in the bush of our great brown land, the people are made of the right stuff. It is thanks to them and their

efforts that we Australians eat as well as anyone. It is thanks to them and their efforts that we have a \$60 billion industry that earns export income. It is thanks to them that we retain a romantic link to the land. It has been a very special privilege to be the Coordinator-General.

About the Interviewee:

Major General Stephen Day brought extensive experience in leadership, governance and strategy to his role as Coordinator-General for Drought. He has commanded and led at every level from Lieutenant to Major General, planning, managing and leading complex operations in highly challenging and changeable environments. He has been on operational service in Namibia, East Timor, Iraq and Afghanistan.

General Day helped plan and negotiate the transfer of security responsibility from coalition forces to the sovereign Government of Iraq. He co-ordinated the implementation of the Federal Government's \$1.6 billion program to improve the protection of Australian forces serving in the Middle East. And he led work on a strategy to guide the Australian Defence Force over the next 25 years.

He established a reputation as a distinguished and compassionate leader and has been formally recognised for his leadership; he was presented the Distinguished Service Cross (DSC) and was made a Member of the Order of Australia (AM). He has been twice made an Officer of the United States Legion of Merit and is an Officer of The French Order of National Merit.

Any opinions or views expressed in this paper are those of the individual interviewee, unless stated to be those of Future Directions International.