

EXTENDED ABSTRACT

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Enduring economic and related impacts of the Pilot of Drought Reform Measures in Western Australia: the role of incentives to enhance participation of agribusiness managers.

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Keywords

Drought policy, grants, incentivization, peer to peer learning, benefit – cost, Return on Investment (ROI), impact assessment, training, agriculture, business, strategic planning, management

Objective

Until recently, the use of grants to stimulate farmer participation in training and capacity building programs has delivered mixed success. Measures of grant efficacy and efficiency have often proved inconclusive or difficult to quantify. We consider the apparent benefits of a grants package designed to stimulate farmer engagement into a 'learning journey' to self-build strategic plans. The anticipated outcome was to provide support attitudinal shift, management and practice change and build business and personal resilience.

Background

From 2010 to 2014, via the Pilot of Drought Reform Measures in Western Australia (the pilot), the Australian Government available grants to farmers through one of seven elements of the pilot, the Building Farm Businesses element. The prospect of receiving grants was influential in attracting farmers to enter the parallel Farm Planning element of the pilot. The pilot was jointly funded by the Australian and Western Australian governments. Several major deliverables of the pilot were managed by the then Department of Agriculture and Food of Western Australia (DAFWA), with the assistance of Curtin University. While the prospect of grants on offer was the major incentive for many participants to start the Farm Planning element, on completion, participants indicated grants were of diminished importance and less of a motivation for finishing the learning journey. Recent reporting indicates important enduring impacts.

The Farm Planning element introduced many novel and innovative approaches to engaging the participants and undertaking strategic planning activities, in doing so it circumvented many of the barriers to enabling an environment conducive to building trust and therefore learning. Farm Planning, amongst other factors, addressed specific issues of salience, relevance and legitimacy of content and more importantly process. The learning journey was crafted around a peer-to-peer-knowledge transfer framework and achieved higher levels of engagement and learning than many previous training efforts. In 2012, on the evidence captured at the completion of Farm Planning, the prospect of enduring outcomes was forecast.

Methods

A benefit-cost analysis was conducted to assess the subsequent impact of some elements of the pilot. The BCA was based on studies utilising both primary and secondary data collected during and after the pilot.

Results and conclusions

On registration into the pilot, 35% of 1035 potential Farm Planning participant businesses indicated accessing the grants as the primary motivation for participation, ranking it first. By late 2012, on completing Farm Planning, some 911 businesses responded to surveys. There was a 15% drop in participants who ranked the grant as the main driver for participation, on completion of Farm Planning, 20% of participants indicated the grants were the primary benefit. The perceived value of strategic planning rose from 32% of participants at the outset and the 2nd ranking motivation, to 40% for participants and highest ranked on completion. Initial access to the grants required the completion of strategic plans compiled in the Farm Planning element.

By the end of the pilot some 800 businesses received grants totalling \$28.3M. Grants were used for a range of purposes ranging from soil amelioration, acquisition of precision agriculture equipment, to farm management capacity building.

The pilot enabled several short-term behaviour changes or impacts, some of which dissipated in the absence of 'reinforcing' activities. However, and importantly, some impacts are enduring and are now demonstrably evident in the medium term, with many participants reporting improved personal wellbeing and a more resilient business amongst a range of indicators of enduring impact, including anecdote of decreased suicide.

A 2014 survey of participants and non-participants shows production planning was 32% higher for participants (72%) compared to non-participants (45%), with a 51% difference for Natural Resource Management planning (69% Vs 18%) and 46% difference for work life balance planning (61% Vs 15%). Another comparison at that time of participants and non-participants shows the Farm Planning program resulted in improvements in productivity, profitability, and resultant equity.

A 2019 survey shows continuing use, at least on a yearly basis, of the strategic plans created between 2010 and 2012 by 80% of 127 respondents; 15% of the participating businesses in Farm Planning.

It is evident the investment by the Australian and Western Australian governments contributed to changed farm practice and considerable improvement in the financial position of many of the participating businesses compared to businesses that did not participate in the program. Based on a cost of some \$8,250 per business, we estimate a 9:1 Return on Investment (ROI) on the Farm Planning element. For the grants package, a ROI in the first year is apparent.

The enduring outcomes of the pilot now serve as a guide in realigning Australia's drought policy frameworks. Clearly, grants do foster successful farmer participation in certain circumstances.