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Productivity Commission
GPO Box 1428
CANBERRA ACT 2601

By Email: future.drought.fund@pc.gov.au

Dear Ms Chong & Mr Roberts

Re: Future Drought Fund Inquiry

AgForce is a peak organisation representing Queensland's cane, cattle, grain and sheep, wool & goat producers. The cane, beef, broadacre cropping and sheep, wool & goat industries in Queensland generated around \$10.4 billion in on-farm value of production in 2021-22. AgForce's purpose is to advance sustainable agribusiness and strives to ensure the long-term growth, viability, competitiveness and profitability of these industries. Over 6,000 farmers, individuals and businesses provide support to AgForce through membership. Our members own and manage around 55 million hectares, or a third of the state's land area. Queensland producers provide high-quality food and fibre to Australian and overseas consumers, contribute significantly to the social fabric of regional, rural and remote communities, as well as deliver stewardship of the state's natural environment.

AgForce welcomes the opportunity to make this submission to the Productivity Commission's (the Commission) Inquiry and interim report 2023, following the Commission's interim findings and recommendations and requests for information and feedback.

As a long-standing and proud member of our national body, AgForce has contributed to and supports the submission by the National Farmers Federation (NFF) which should be read in conjunction with ours. Where any divergence of views exist, AgForce's positioning is representative of our drought policy position, our agricultural business cycle and our state member's unique needs.

We are encouraged by the detailed review process undertaken by the Commission and generally support the FDF findings; interim report June 2023. Namely, the value of the Fund and how most of its programs will support farmers and communities build resilience to climate risk and associated environmental challenges towards minimising socio-economic impacts and achieving better land management outcomes.

AgForce reply to the Commission's: (11) Interim Findings, (5) recommendations and (13) information requests:

We offer 5 key suggestions, to apply across each of the 13 requests for information:

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1. AgForce's Agricultural Business Cycle (2018), (ABC)¹:

An approach to drought which aims to reduce the social, environmental and economic cost of managing climate risks. Each phase of the cycle activates a set of triggers and a set of planned response measures. A stronger alignment to the ABC framework by the FDF will assist the FDF with better funding strategies, investment plans, feedback loops and fund priorities.

2. Local Drought Committees:

AgForce sees a stronger role for Queensland-style Local Drought Committee(s) (LDC) at a state government level, to be part of the end-to-end ABC solution, rather than simply a trigger mechanism at the in-event stage.

3. The Hubs:

Drought Resilience Adoption and Innovation Hubs, to play a stronger role in the tailoring of programs, information access and content delivery; empowered by informed feedback from stakeholders and understanding of on the ground needs of farmers.

4. Business Plans:

An expansion of program content and delivery of the Farm Business Resilience Plans (FBRP) and Regional Business Resilience plans that integrate into the Hubs. With the LDC model, responsible for the FBRP, taking a farm-level, 'on the ground' approach.

5. A role for the AgCarE program:

The farm level knowledge and information tool; taking a Natural Capital approach, enabling all stakeholders to be able to measure the current state of natural assets in a pragmatic manner, towards mitigating the cyclical pressures of drought and ultimately incentivises landholders to improve their land condition including through market mechanisms.

AgForce Agricultural Business Cycle (ABC)

We believe the AgForce ABC encapsulates the necessary thinking and approach to progress drought management and impact minimisation. *In line with our climate change policy²*, AgForce welcomes investment that provides the sector with an improved ability to innovate and adapt to the financial, social and environmental challenges the climatic cycle presents.

We are not in favour of overlapping, duplicating, or having too many small programs (as per our previous submission), likely at the consequence of not meeting desired farmer or animal welfare, or environmental outcomes.

The proposal for funding of programs with a scope beyond addressing drought, such as a broader climate change remit, should be weighed against any reduction or dilution of on-ground assistance measures that farmer require to effectively deal with drought as a critical and recurrent feature of agriculture in our country.

The ABC program specifically targets strategic measures and programs at each phase of the drought cycle and recognises pre-event, in-event and post-event measures and programs are essential to success, rather than solely in the preparedness phase, to deliver better, holistic strategies.

The risk mitigation process of the ABC, (mitigation in the first instance), followed by preparedness, response and recovery, contributes toward better prepared communities, and accompanied by more resilient landscapes.

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¹ <https://haveyoursay.agriculture.gov.au/48071/widgets/265782/documents/130940>

² ^[1] [AgForce Climate Change Policy · AgForce · Advancing Rural Queensland \(agforceqld.org.au\)](#)

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Local Drought Committees (LDCs)

AgForce seek support from the FDF for an expanded Queensland-style LDC framework, from drought declaration and revocations, to include responsibility for delivering Regional Drought Resilience Plans (RDRP) and responses within an integrated Hubs network.

We see the LDCs being uniquely positioned to provide 'on the ground' local expertise and engagement to the regional areas and playing an integral role in the responsibility for delivery of regular (quarterly) Regional Business Resilience Plans.

Integration of LDCs into the Hubs, that feeds through to the state government and the FDF, this will allow for better reciprocal – end to end reporting processes and allows Monitoring, Evaluation and Learning (MEL) to assess programs from the 'ground up', while receiving regular on-the-ground reports of changes to climate conditions.

The effectiveness of LDCs is dependent on the involvement of local primary producers, the independence of the LDCs, knowledge of the diverse landscapes and their representation at the local regional council level. LDC community leaders and trainers can provide on-the-ground examples of case studies and programs that have worked in the past, offer better peer to peer learning, at every level, though the reporting conversation.

An FDF-sponsored LDC network who are active in the community and with engagement with programs allows for better networks to develop, ie, 'Better Prepared Communities' programs. This could (directly or indirectly) support local social resilience.

The FDF benefit from the Hubs as a centralised access point for all information, initiatives, programs, innovation, grant funding, financial literacy and training that the on-the-ground farmer requires though the varying stages of the ABC. It is essential Hubs remain connected to primary producers and other key stakeholders for this model to be effective.

The Hubs

Drought Resilience Adoption and Innovation Hubs to play a stronger role in the tailoring of programs, information access and content delivery; empowered by informed feedback from stakeholders and on the ground needs of farmers.

We welcome Innovation grants with information accessible through the Hubs; a one stop information shop for famers and stakeholders to have easy access and 'easy to apply for' grant funding.

AgForce sees an opportunity for the Hubs to be the epicentre of on-farm Monitoring Evaluation Learning (MEL) and the centre point for accessing of programs and information.

The nature of the FDF governance structure limits its capacity to deliver functional solutions. Utilising the Hubs as a clear end-to-end reporting process, improves MEL mechanism flow through that will allow for the data to become meaningful information for decision-making.

The Hubs, with assistance from the FDF, have an opportunity to create clear metrics that transverses the differing landscape and communities and with assistance of new LDCs and stakeholders, can better contribute to the end-to-end reporting matrixes, from the ground-up, that has a regional/local area focus.

Future Drought Fund Aboriginal and Torres Strait Islander Engagement

AgForce supports the engagement with indigenous people and communities, as promoted through the FDF programs, channelled out of the Hubs and including offering leadership programs. Any strategy development will be well placed to align the proposed parameters of the Hub, LDCs and the ABC, with a view of maintaining an 'on the ground' approach.

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This is a revision on our previous statement to the Commission, in our FDF submission (*March 2023*). Being *'through government and farmer bodies both on a national and state level.'* We now see greater value in the Hubs being the outpost for programs and engagement.

Any local indigenous engagement outside of the Hubs must foster organisation structures by indigenous people for indigenous people as part of the governance structure and included Terms of Reference.

Business Plans: Regional Drought Resilience Plan (RDRP)

AgForce seeks to improve the outcomes of the Regional Drought Resilience Plan (RDRP) program by empowering Local Drought Committees (LDCs) through the FDF and reporting into the Hubs. An improved RDRP program that will assist the FDF evolve better public reporting and stronger governance.

We propose a format of rolling RDRP assessments of the climate, aligned to the ABC, with a format that encourages on the ground engagement at the farmer level.

The data collected from all sources; LDCs, RDRP, Farm Business Resilience Plans (FBRP) and data collected from technology instruments, ie, satellites can be compared and tested and used to tailor future FDF programs and priorities.

We see the responsibility for the Regional Business Resilience plans to encompass a climate matrix, with improved regular transparent reporting, that will tell an environmental story from the perspective of farmers responding to resilience challenges, while developing the partnerships, knowledge and leadership connections, that will stand across the varying phases of the ABC.

This reporting method will offer better end-to-end reporting, clarity and transparency on the processes and procedures used throughout the ABC; including the criteria applied and reasons behind drought declaration or drought revocation decisions.

Business Plans: Farm Business Resilience Plan (FBRP)

AgForce sees an opportunity to evolve the FBR program too. While a number of pathways to complete the tool are available, including self-assessment, farmers are often sensitive about sharing business information or what may happen to their information. However, the FDF could assist with privacy integrity provisions, by a streamlining of providers to financial professionals only; Accountant, Advisor, Banker, institution such as QRIDA and or Rural Financial Counselling Service.

This may further assist with greater participation of on-farm activities, be it soil testing, trials or other activity; resulting in a hands-on approach to learning and contribution.

Vegetation Management Planning

AgForce has concerns the FDF interim report 2023 did not address funding programs to assist farmers with vegetation management, pursuant to removal of weeds and pests that compound drought conditions, soil moisture, evaporation, thus ground cover.

We would like to see strategies built into the FBR and RDRP, being suitably appropriate funding to assist farmers manage the landscapes.

Farmers are in the best position to manage the land sustainably and protect the environment. Farmers already spend significant amounts of business income on such activities. If Farmers had assistance and better methods provided to them through the FDF model, this certainly would meet the 'public good' definition of the FDF.

AgCarE

AgForce previously stated to the Commission in our March 2023 submission, 'the best environmental outcomes are achieved by empowering and incentivising landholders manage their landscapes'.

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This in turn this can lead to positive environmental, economic and social resilient outcomes.

AgCarE (<https://www.agcare.org.au/>) as a vehicle identifies and acknowledges the natural assets and the management actions that support and enhance our natural environment and promotes efficient and productive businesses. The AgCarE program is way to assist farmers manage vegetation and landscapes, while mitigating drought.

AgCarE operates under the principle of continuous-improvement and incorporates systematic review on a staged basis. For this reason, AgForce would like to see its natural capital thinking; the AgCarE program adopted as a clearer Natural resource management tool, which could either complement existing FDF Natural Resource Management programs and or consolidate them.

Knowledge Sharing: the recording, collecting and reporting data is important, without the Farmer at the centre of this process, it makes realising the FDF's objectives challenging.

AgCarE encourages the farmer to engage directly, document how they manage land sustainability (which most already do, largely undocumented); documenting the connecting environment resilience with economic outcomes, offering evidence-based data (that can be further backed by science) and ultimately leads to better landscapes, biodiversity, access to markets, productivity, resource management and clear funding parameters to meet FDF objectives.

AgCarE being a science-based approach (with a scientific verification panel); a program delivery system that offer progressive improvement of reporting and performance metrics and can aid the FDF meet its funding and MEL objectives.

We strongly support investment into AgCarE, as a natural capital measuring tool, from a property level perspective, mitigating cyclic pressures of drought, with data that tells a story and supports decision making at the micro and macro-level.

AgForce thanks the Productivity Commission for the opportunity to provide feedback to the interim report findings of the Future Drought Fund. If you have any questions or require further information regarding this matter, please contact Sam Forzisi, AgForce Policy Director,

Yours sincerely

Michael Guerin
Chief Executive Officer