



Submission to the Productivity Commission –

Inquiry into the effectiveness of Part 3 of the *Future Drought Fund Act 2019*

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Background

The Rural Economies Centre of Excellence (RECoE) is a collaboration of four Queensland-based universities plus the Queensland Department of Agriculture and Fisheries (Q-DAF). RECoE is focused on rural economies and policy issues across regional Queensland and has deep engagement with drought-affected rural communities and industries. As a practice-based academic centre, RECoE regularly partners with community, industry and government organisations, to explore solutions to critical issues, develop policy responses, and plan for the future. Under the auspices of the Future Drought Fund (FDF), RECoE has been contracted to undertake the development of Regional Drought Resilience Plans for the Department of Agriculture and Fisheries (Q-DAF) in Queensland. In 2021-2022, we completed five pilot Regional Drought Resilience Plans (RDRPs), and in 2023-2024 we will complete a further 9 RDRPs throughout the state.

In addition, we undertake a number of additional roles in the implementation of Future Drought Fund programs:

- (1) responsibility for the monitoring and evaluation of the Drought Resilient Leaders project led by the Australian Rural Leadership Foundation (ARLF) 2021-2022 and also the related Community Extension Grants (CEGS);
- (2) two of our member universities are hosts of FDF Drought Innovation Hubs - James Cook University hosts the Tropical Northern Queensland Innovation Hub based in Townsville and the University of Southern Queensland hosts the Southern QLD/ Northern NSW Innovation Hub based at UniSQ in Toowoomba.

We feel that these dual roles, as an independent, academic research centre focused on rural and regional issues, alongside our active involvement in a number of FDF programs, offer us a unique perspective when providing a submission to this inquiry.

For efficiency, we have placed our responses to the Commission's key questions at the front of this submission, and further background on our activities (both within the FDF program and broader) is provided in greater detail afterwards.



Response to the Key Questions

We note that the Commission is looking for evidence on ways the Fund is supporting or not supporting drought resilience, and answers to a series of key questions. Whilst we understand that these questions do not limit our response we have used some of the questions to guide our response and ordered our submission accordingly.

KEY QUESTIONS:

QUESTION: *Are the funding principles, vision, aim, strategic priorities, and objectives of the Funding Plan (attachment B) appropriate and effective?*

RESPONSE: Policy settings around drought in Australia are confused. In particular, the design and implementation of the Future Drought Plan and the Funding Plan has appeared to add to that confusion. While there is an important rationale for each of the individual FDF Programs, their overall purpose and contribution to reform of drought policy in Australia and how they contribute to the FDF vision, aim, strategic priorities and objectives has not been communicated clearly. An example of the confusion from a 'user' perspective, is shown in the figure below, which broadly classifies current drought programs of the Australian and Queensland Governments into three groups:

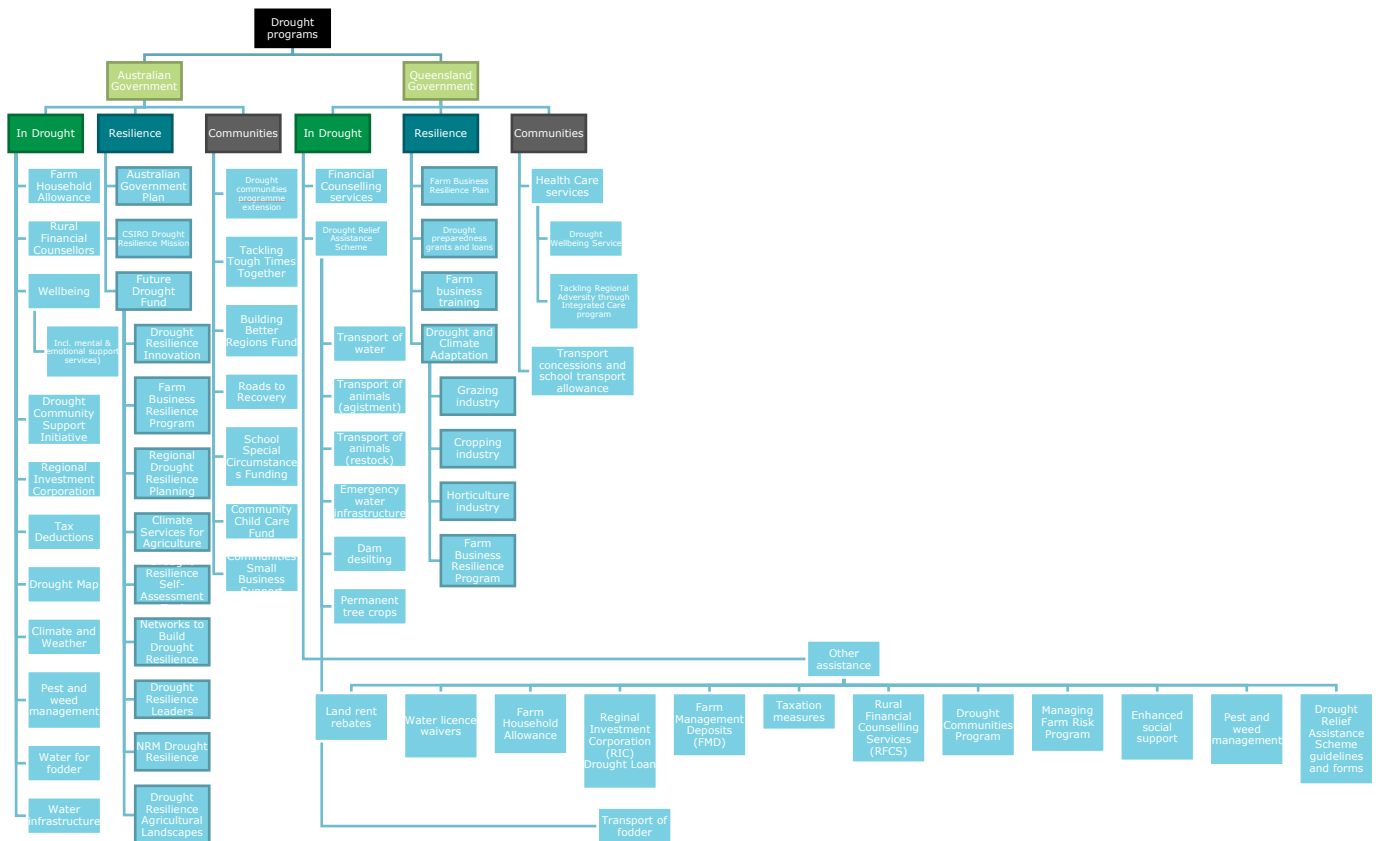
- Programs during drought
- Programs to build resilience and
- Programs to support communities.

Notable features of this simple exercise are:

- There is a confusing and overlapping plethora of programs currently available to support drought (over 50 separate programs are available to Queensland enterprises and regions)
- The FDF programs have been added to this mix without any clear strategic purpose, and hence contribute to even greater overlap and more confusion. This has been exacerbated by poor coordination between the programs.



Figure 1: Current drought programs provided by the Australian and Queensland Governments (Rolfe, 2022)



Whilst the FDF program has provided a much-needed extra overlay of support programs, the lack of a strong communication strategy that communicated the overall purpose of the FDF and the absence of a clear and logical 'map' of FDF programs has produced evidence of further confusion amongst regional stakeholders. This includes the distinct purpose and nature of each program and how they relate to other FDF programs (let alone, how the FDF programs may relate to the array of existing Commonwealth and state 'drought' and 'resilience' and 'farm support' programs).



There is a logical 'hierarchy' between programs that has not been evident in the roll-out of the various FDF programs. As an overarching plan that articulates drought resilience responses designed for the region, the RDRPs should have commenced either at the very start of the FDF roll out and then informed the other investment programs or been done at the end of the rollout of FDF programs. Drought Resilient Leaders for example could have been engaged with the RDRP engagement in a meaningful way for what has turned out to be key people in their respective regions and potentially help overcome what is a significant design flaw in the Drought Plans project that is "who owns and is responsible for keeping the drought plan (RDRP) alive and relevant?"

Hence is not possible to confidently answer the question as to whether the FDF vision, aim, strategic priorities, and objectives of the Funding Plan are appropriate and effective... as, put simply, they are not clear.

Key aims of the FDF (and implementation) could have included:

- Identifying how policy settings and support programs for drought should be adapted and simplified to help industries, communities and regions become more resilient to drought;
- Identifying where FDF programs overlapped with current programs and initiatives to design more streamlined policy settings.

QUESTION: What opportunities are there to enhance collaboration in planning and delivering drought resilience initiatives, including with state and territory governments?

RESPONSE: Principle 4 in the drought resilience funding plan states that the arrangements and grants will:

"... aim to improve the coordination or integration of existing Commonwealth Government policies, frameworks and programs where they meet the Fund's purpose".

Our evidence would suggest this has not happened and there are significant opportunities to enhance collaboration and coordination between drought resilience initiatives – and indeed with other related government programs, especially 'disaster resilience' programs.

From the perceptions of both the target communities and the responsible program providers there has been a noticeable lack of coordination between the eight FDF programs and (as mentioned above) between the FDF and other government 'resilience' programs that target rural and regional Australia.



Our experience with FDF has shown us that public confusion, both externally and internally, is a major issue in the roll out of the eight FDF programs across regional Australia. For example, whilst undertaking the abovementioned FDF projects RECoE researchers and regional engagement teams often noted confusion amongst participants about exactly what 'drought' or 'resilience' event or project they were attending - even to the extent of experiencing cases where participants had travelled long distances to attend the 'wrong' event and becoming justifiably angry.

It is not simply the role of event organisers or project managers to ensure clear communication and messages and to take on a place-based role of coordinating government programs and projects. It is also a systemic design issue with the FDF program itself. Improved coordination and better integration also means the timing and staging of different programs could be improved for better community understanding and effectiveness. As an example: RDRP projects in Queensland are asking regional communities to develop their own plans for drought resilience without access to information/ideas from other states, without progress updates on the status/timing of other FDF programs and in the absence of broader clarity about policy directions at the national and state levels.

Whilst there have been various statements and wording in individual program documents that have suggested integration and coordination between the programs, there has been no platform or mechanism provided by FDF to facilitate this. Coordination between various programs seems to have happened (where it has been attempted at all) 'informally' as a result of personal networks and relationships between various state-based program providers and contractors.

This has led to the loss of valuable program learning opportunities and tangible confusion and disengagement with the target communities and stakeholders in rural Australia. The missed opportunity of holding Drought Leadership sessions in conjunction with the RDRP process is but one example. There are reports that many of the Drought Innovation Hubs developed their operating plans independently from other FDF activities and only post-plan developments have led to any engagement on the actions and priorities developed within the RDRPs for the Hubs to consider. Also, a lack of coordination related to engagement events in regions can lead to lower quality feedback, less engagement and limited response to the important fact checking and information gathering process undertaken in each of the FDF programs – some regions are now simply over-engaged and suffer from engagement fatigue when it comes to "...yet another state or federal government program".

Ultimately, a lack of integration and coordination is a disservice to the taxpayer investment in drought response and it has led to opportunities and resources being wasted.



Possible responses by the FDF program could be:

- Production and national distribution (including on the FDF websites) clear and user friendly materials (including video) explaining: the purpose of the FDF program; how the FDF works and the individual programs; relationship between the FDF programs; relationship between the FDF and other policies/programs
- Quarterly updates on all FDF programs (aimed at program providers) to show progress, issues, lessons learned, information contacts and useful resources
- FDF sponsored platforms for state/territory program providers to learn from their counterparts around the country
- An annual FDF conference to share lessons learned from all FDF programs
- Explicit information about current opportunities for coordination/integration between programs and projects
- Annual MEL reports and briefings to update program/project providers on useful lessons

QUESTION: Do the programs, arrangements and grants focus on the right priorities to support drought resilience? If not, what should the programs, arrangements and grants focus on and why?

RESPONSE: As a regional provider of the RDRP program it is our experience that the highest priority for the first two years of RDRP program arrangements has been compliance and governance. This has used up significant program resources and taken away time that would be better spent with regional stakeholders.

The intergovernmental arrangements that require such: extensive reporting to two levels of government; negotiation (and editing of RDRPs) with state and national government agencies in order to get 'approval' for Ministerial sign-off from both state and national ministers; the need to work with both state-based MEL procedures and respond to feedback from CSIRO; the length of time to secure agreements so that contracts for actual program delivery can commence; the lack of direct contact between regional program providers and the FDF office (or any drought policy 'experts' in Canberra) – all of these factors have been cumbersome, added little apparent value and have 'stolen' time from actual program implementation.

As 'delivery agents' for various components of a number of FDF programs, RECoE believes that the program arrangements should be modified to ensure rapid response (back to the regions); direct communication channels (relating to government program questions) available between state, national and regional 'colleagues' working on the same program. The multiple layers of reporting, MEL and approval needs to be streamlined.



QUESTION: *Should the scope of the Fund be broadened to support resilience to climate change? Why or why not?*

RESPONSE: Based on our experience in Queensland, the focus should remain on drought rather than be broadened to climate change. We support the principle that drought is considered a systemic and traditional element in the Australian climate landscape, and that drought itself cannot be mitigated – rather drought resilience can be improved and adapted to other climatic changes.

Our experience in working with communities across Queensland would suggest that “drought” has provided an excellent focal point for community engagement and interaction. Drought-affected communities understand what they are being asked about, what the key issues/problems are and are keen to articulate a wide variety of proposed resilience actions. For many people in Australia’s rural and regional areas, drought is not a concept, it is visceral and part of their lived experience.

A possible or mooted move to an umbrella term such as “Climate change” would be problematic on a number of fronts.

Specifically, we have observed and note that:

A) Climate change is already considered by many regional stakeholders as one of the complex drivers of drought. Concurrently there is a widespread perception that drought policies “...are complex enough”, confusing and often ineffectual. Regional stakeholders predominantly support the idea that what is needed is a reform process to better manage drought and make industry, communities and regions more resilient to future occurrence and risks. Given the existing issues and problems (outlined above) with the FDF program, we would not be confident that FDF has enough clear focus to even achieve this goal, and broadening out the scope to “Climate Change resilience’ would further weaken that focus.

B) Meaningful and constructive regional community engagement would be more difficult. ‘Climate change’ is often perceived as ideological and divisive language that would cause many rural and regional stakeholders to disengage. A community or town hall meeting would be thwarted before it began and you would potentially lose your audience to an ideological argument or attendees becoming emotive and disruptive. In contrast, our experience has shown that discussions around ‘drought’ and ‘drought resilience’ often pulls the community together – whilst opinions may vary, it is a real and shared experience for many participants in our engagement around RDRP, Drought Leaders and the Drought Innovation Hubs.



C) 'Climate Change' is also too broad and non-specific as a concept for practical preparedness actions. Whilst many people in rural and regional areas recognize the effects of Climate Change, drought (and its tangible impacts on community, natural environment, regional infrastructure and regional economies) is very different to the impacts of flood, bush fire or other climate conditions. However, there is value in further developments around the 'cross-over' areas such as: understanding climate change; climate change mitigation opportunities; de-carbonization; investing in, and insuring against climate variability impacts.

Nevertheless, we believe that at this early stage of the Future Drought Fund implementation, the broadening of scope to include "Climate Change" would not be productive.

QUESTION: How could the Fund enhance engagement with and benefits for Aboriginal and Torres Strait Islander people?

RESPONSE: The existing programs, including the RDRP processes, already engage with Aboriginal and Torres Strait Islander People. Some of the examples of good practices, such as the engagement of the Torres Cape Indigenous Council Alliance (TCICA) to lead the development of the RDRP for the Torres and Cape region in Queensland, could be better promoted.

One observation is that for many Aboriginal and Torres Strait Islander people, their experience of drought impacts is largely the same as that of other rural and remote communities. However, many people speak of drought as a 'magnifier' – so pre-existing health, social and economic issues that are far more prevalent in Aboriginal and Torres Strait Islander communities become 'magnified' when combined with the effects of drought.

The FDF programs should also recognize that the cultural narratives around drought (and even the cultural definitions of drought itself) are different in Aboriginal and Torres Strait Islander communities. The FDF program could encourage programs to pay more heed to traditional First Nations knowledge and cultural experience, and the FDF could facilitate platforms for more shared learning around this topic.



OTHER MATTERS

1. Regional Drought Resilience Planning - plan ownership

A major gap in building resilience at the local and regional level is to establish a system of responsibility and governance to support this. A recurring issue identified in designing the engagement process for RDRPs (or drought plans) was who “owns” the region’s drought plans. Drought is more pervasive an issue than the responsibility of local government, a Natural Resource Management Group or a regionally-based charity. These organisations all deal with drought to the extent that it impacts their scope of responsibilities but there is no overarching body or institution for whom drought is a primary responsibility at the local and/or regional level.

A key flaw in the design of the FDF is that it requires regions to take on some responsibility for planning and management of drought resilience at the regional level through the development of the RDRPs, but is silent on the institutional, governance, resource and funding arrangements that would allow any meaningful and ongoing change to occur.

Understandably, there is some frustration and cynicism in regions about such a process.

A major opportunity is to develop the regional institutional and governance settings that would allow regions to have some responsibility and carriage of drought plans. Without developing the ongoing responsibility and hosting arrangements for the RDRPs, they will quickly become another set of forgotten reports.

2. An Appropriate Vision

The Fund’s vision of “an innovative and profitable farming sector, a sustainable natural environment and adaptable rural, regional and remote communities — all with increased resilience to the impacts of drought and climate change” is very appropriate and one to which RECoE and its partner Universities is committed. UniSQ is also home to the Centre for Applied Climate Sciences and Centre for Agricultural Engineering from which team members contribute to UniSQs research and initiatives in technologies and practices aimed at building resilience in rural and regional communities.



3. The Drought Resilience Adoption and Innovation Hubs

Despite the initial setup difficulties and delays, this has proven to be an excellent program as it engages, equips, and empowers groups and individuals in regional locations to collaborate with their peers. The focus of the hubs should be to be a shopfront for practical and useable drought resilience innovations as well as a source of reliable and useable 'scientific' data. The Hubs need to be given long-term funding to carry on their work into the future and undertake longitudinal projects throughout drought cycles.

4. FDF Funding Timescales and Timelines

Funding timescales and timelines have a significant impact on the aims, strategic priorities and objectives of the Future Drought Fund. However, the provision of funding with four-year horizons is simply too short. Achievement of the vision, aim, strategic priorities and objectives, as stated, take time. They require industry and community culture, and perhaps changes to Government policy. Many of the stakeholders involved in the current initiative were frustrated by the short times allowed for initial submissions, the complexities of contracting, and the uncertainty of the future beyond the current four-year funding which expires in June 2024.

A ten-year funding commitment would be much more consistent with achievement of the regional and industry culture change that is required. Achieving the Fund's vision, aim, strategic priorities and objectives requires an innovative approach to creating genuine resilience to climate variability. However, this is in an environment in which there exists no generally accepted definition of resilience nor agreed approaches to achieve resilience. Applied research in collaboration with industry stakeholders in regional locations is required to better understand how to achieve genuine resilience in regional Australia. IRR is in an excellent position to undertake collaborative research to define and develop the tools required to achieve the aims, strategic priorities and objectives of the Future Drought Fund, but requires Government financial assistance to achieve the desired outcomes in a timely and collaborative manner.

Organizational background of RECoE and involvement in FDF programs

3.1. RECoE – Regional Economies Centre of Excellence

The Rural Economies Centre of Excellence (RECoE) is a major research collaboration focused on analysing opportunities to develop rural economies across Queensland. Our partners include four Queensland universities whose collective activity covers the state; The University of Southern Queensland (USQ) lead by Professor John McVeigh, The University of Queensland (UQ) lead by Professor Brent Ritchie, James Cook University (JCU) lead by Professor Allan Dale and Central Queensland University (CQU) lead by Professor John Rolfe. RECoE's Director is Associate Professor Ben Lyons, Director of Research is Professor Hurriyet Babacan, and Chair is Professor John McVeigh. We provide high quality, independent research support and capacity building, focused on resolving the pressing problems facing Queensland's regional, rural and remote economies. Our centre fills a major gap in rural economic development as a solutions-focused, applied research and extension facility.

3.2. RECoE Involvement in FDF program and projects

RDRP

The [Regional Drought Resilience Planning](#) (RDRP) program is an initiative jointly funded through the Australian Government's Future Drought Fund and the Queensland Government. The Queensland Department of Agriculture and Fisheries (DAF) has partnered with the Rural Economies Centre of Excellence (RECoE) with the purpose to have an impact on how regions can survive and thrive into the future. RECoE is an alliance of four Queensland research institutions – The University of Queensland, James Cook University, University of Southern Queensland and Central Queensland University – who together will continue to lead consultation for the second round of the RDRP program. Five regional communities were selected for the foundational year. In the second round, the remaining nine regions will develop RDR plans to prepare for future droughts, with a sharp focus on the agricultural sector and allied industries. Each plan will build upon the Regional Resilience Strategy as part of the Queensland Government's Strategy for Disaster Resilience, led by the Queensland Reconstruction Authority. Based on evidence and collaboration through partnering with local councils, regional stakeholders and other organisations, the plans – led and owned by the community – aim to drive decisions, actions, and investments to proactively manage drought risk.

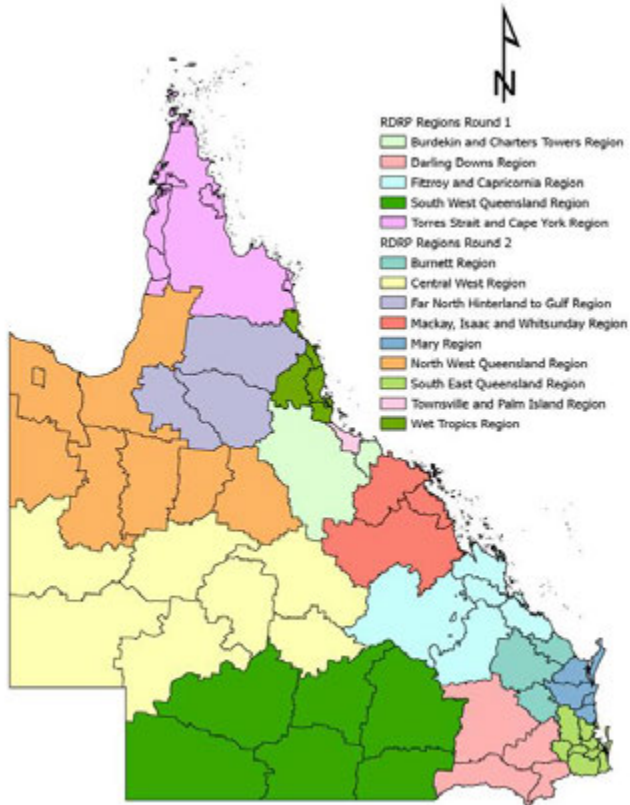


Figure 2: RDRP regions (RECoE, 2022)



Drought Resilience Leaders

RECoE has also been involved as a partner in the establishment of the Drought resilience Leaders projects led by the Australian Rural Leadership Foundation and in conjunction with the Foundation for Regional Renewal and Resilience (FRRR) and thus is one of few on the national research landscape that has been working in regions on topics related to climate adaptation and community resilience prior to the FDF commencing its programs and working within and alongside four FDF programs. We believe our insights are therefore relatively unique in many aspects.

Drought Innovation Hubs

The UniSQ-led Southern Queensland and Northern New South Wales (SQNNSW) Hub is one of eight national Drought Resilience Adoption and Innovation Hubs, a flagship of the multi-billion-dollar Future Drought Fund. The Australian Government is investing \$10 million in the University of Southern Queensland-led Hub over four years, with more than \$10 million contribution from Hub Members and Network Partners. The collaborative venture was announced on 9 April 2021. The Hub's capacity to support agricultural innovation was expanded with a further funding announcement to expand the agricultural innovation focus of the Hubs on 6 October 2021. The Hub empowers stakeholders to co-design drought preparedness activities for the region. Hub members apply proven drought-resilience research on the ground to improve innovation and adoption across agriculture, industry and the community.

Contact Details

For any further information about this submission or the work of RECoE, please contact

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