



Every Queensland
community deserves
to be a liveable one

3 March 2023

Future Drought Fund
Productivity Commission
GPO Box 1428
Canberra ACT 2601

Dear Sir/Madam,

RE: LGAQ Submission – Inquiry into Part 3 of the Future Drought Fund Act 2019

The LGAQ welcomes the opportunity to provide feedback to the Productivity Commission on the Inquiry into Part 3 of the *Future Drought Fund Act 2019* for the purposes of assessing the effectiveness of Part 3 of *Future Drought Fund Act 2019* (the Act).

The review of the Act is of significant interest to Queensland councils and their local communities with a total of 11 Queensland councils being either drought declared (8) or partly drought declared (3), with an additional 19 Individual Droughted Properties also being declared across a further six local government areas, as at 1 March 2023. These declarations represent approximately 27.8 per cent of the total land area of Queensland.

In general, the LGAQ supports the Act and its Funding Plan, however we believe opportunities exist to improve program adoption across a wide range of stakeholders through the amendment of the Act and the Funding Plan, including for Aboriginal and Torres Strait Islander peoples.

The LGAQ has incorporated Queensland local governments' collective policy positions as well as specific council feedback in response to the *Inquiry into Part 3 of the Future Drought Fund Act 2019 – Call for submissions* document in the attached submission and has made 10 recommendations for consideration.

Please do not hesitate to contact Simon Booth, Lead – Infrastructure, Policy and Regional Communities should you wish to discuss any aspect of this submission.

Yours sincerely,

Alison Smith
CHIEF EXECUTIVE OFFICER

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

Submission to the Australian Government
Productivity Commission

3 March 2023

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About the Local Government Association of Queensland (LGAQ)

The Local Government Association of Queensland (LGAQ) is the peak body for local government in Queensland. It is a not-for-profit association established solely to serve councils and their needs. The LGAQ has been advising, supporting, and representing local councils since 1896, enabling them to improve their operations and strengthen relationships with their communities. The LGAQ does this by connecting councils to people and places; supporting their drive to innovate and improve service delivery through smart services and sustainable solutions; and providing them with the means to achieve community, professional and political excellence.

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

1 Executive Summary

The Local Government Association of Queensland (LGAQ) is pleased to provide feedback to the Productivity Commission on the Inquiry into Part 3 of the *Future Drought Fund Act 2019* (the Act), for the purpose of assessing the effectiveness of Part 3 of the Act, including:

- a) the *Future Drought Fund (Drought Resilience Funding Plan 2020 to 2024) Determination 2020*;
- b) programs, arrangements, and grants made under Part 3 of the Act; and
- c) processes and systems to administer, govern and evaluate programs, arrangements and grants made under Part 3 of the Act.

Despite conducive rainfall conditions being experienced across the majority of Queensland due to a persistent La Nina, negative Indian Ocean Dipole, and strong Madden-Julian Oscillation, drought and its impacts are continuously at the front of mind for many Queensland councils.

As at 1 March 2023, a total of 11 Queensland councils are either drought declared (8) or partly drought declared (3), with an additional 19 Individual Droughted Properties also being declared across a further six local government areas. These declarations represent approximately 27.8 per cent of the total land area of Queensland.¹

The LGAQ acknowledges drought not only affects farm businesses, but also regional communities, and as such, it is essential that drought policy is developed as enabling policy to allow for stakeholders to prepare their communities, and by implication their economies, for the impacts of drought prior to events occurring, as well as providing assurances that assistance will be available when the impacts of drought are hardest felt.

With the impact drought can have on regional communities in mind, Queensland councils have prioritised drought advocacy in the LGAQ's Advocacy Action Plan 2023, specifically seeking the Federal Government to:

- Continue the Queensland Climate Resilient Councils (Q CRC) program and its initiatives for three years with increased funding (pp. 17).

The Q CRC program is delivered through a partnership between the Queensland Government's Department of Environment and Science and the LGAQ. Through the program, a dedicated coordinator works with Queensland local governments to deliver services and products that strengthens councils' skills and capacity to plan for and respond to the challenges and opportunities arising from climate change.

¹ <https://data.longpaddock.qld.gov.au/Drought/2023/20230301.png>

In addition to the continued funding of the Q CRC program, at the 2020 LGAQ Annual Conference, Queensland local governments also endorsed resolution #11: Federal Government Support for Drought Affected Communities, which moved:

- That the LGAQ lobby the Federal Government to support economic and community recovery from drought by continuing to provide funding under the Drought Communities Program Extension to all drought declared councils up to and including two years following the lifting of a drought declaration.

1.1 Recommendations

In response to the Productivity Commission's Inquiry into Part 3 of the Act, for the purpose of assessing the effectiveness of Part 3 of the Act, the LGAQ and its members make the following recommendations:

- **Recommendation 1:** The LGAQ recommends the Federal Government amend the Funding Plan's funding principle to allow for innovative on-farm pilot projects that support peer-to-peer learning opportunities.
- **Recommendation 2:** The LGAQ recommends government programs have more specificity in their goal – i.e. preparedness, mitigation, recovery.
- **Recommendation 3:** The LGAQ recommends the Federal Government explore the feasibility of a National Drought Agency, with a view to better coordination and streamlining of funding and programs.
- **Recommendation 4:** The LGAQ recommends a program of preservation of historical local data records be developed, and that data made available to new property owners as part of their business development and planning.
- **Recommendation 5:** The LGAQ recommends the Fund be broadened to support resilience to climate change through investing in programs similar to the Queensland Climate Resilience Councils program to build regional networks to assist communities prepare for and respond to climate change impacts (i.e. regional flood gauge networks).
- **Recommendation 6:** The LGAQ recommends the Federal Government consults with Aboriginal and Torres Strait Islander people to discuss opportunities for how they can be involved in the Fund to achieve greater program goals and objectives.
- **Recommendation 7:** The LGAQ recommends the development of pilot projects for innovative farming and water management to give regional farmers an "entry point" to assess the application on their own properties.
- **Recommendation 8:** The LGAQ recommends the Federal and State governments increase funding for connectivity in regional areas, in particular regions covering widespread agricultural land.
- **Recommendation 9:** The LGAQ recommends the Federal and State governments investigate funding opportunities that allow for agricultural diversification, such as pest animal cluster fencing projects, and support agricultural land resilience.
- **Recommendation 10:** The LGAQ recommends the Federal Government continue an "all of community" approach to drought response and preparedness.

2 Introduction

As the peak body representing Queensland's 77 councils, the LGAQ welcomes the opportunity to provide feedback to the Productivity Commission on the Inquiry into Part 3 of the *Future Drought Fund Act 2019* (the Act), for the purpose of assessing the effectiveness of Part 3 of the Act, including:

- a) the *Future Drought Fund (Drought Resilience Funding Plan 2020 to 2024) Determination 2020*;
- b) programs, arrangements, and grants made under Part 3 of the Act; and
- c) processes and systems to administer, govern and evaluate programs, arrangements and grants made under Part 3 of the Act.

The LGAQ acknowledges drought not only affects farm businesses, but also local communities, and as such, it is essential that drought policy is developed as enabling policy to allow for stakeholders to prepare their communities, and by implication their economies, for the impacts of drought prior to events occurring, as well as providing assurances that assistance is available when the impacts of drought are hardest felt.

With reflection on the impact that drought can have on communities, Queensland councils have prioritised drought advocacy in a number of the LGAQ's key governance documents, including the LGAQ's Policy Statement and the LGAQ Advocacy Action Plan (AAP) 2023.

2.1 The LGAQ Policy Statement

The LGAQ Policy Statement² is a definitive statement of the collective voice of councils across Queensland. The relevant policy positions of councils in the context of the Act are as follows:

1.5 Fundamental basis of relationship

- **1.5.2** - Local government should be subject to minimum intervention from other spheres of government with respect to its legitimate interests and jurisdictional responsibilities (including revenue raising, local laws and land use planning). Devolution or delegation of new responsibilities, roles and functions to local government should generally only occur where prior consultation has been undertaken, the financial implications and other impacts on local government are taken into account, and the identification and availability of an ongoing revenue source has been considered.

3.6 Climate Risk Management

- **3.6.1** - Local government is committed to providing a leadership role to assist local communities, including industry, to understand and address climate risk including acute and chronic physical risks and transition risks associated with moving to a low carbon economy. Local government is committed to working in partnership with all spheres of government, industry and the community to develop and implement effective climate risk management strategies focusing on emissions reduction and adaptation. Local government is committed to utilising the best available scientific information, robust

² LGAQ Policy Statement – available online [here](#).

risk assessment methodologies and community engagement when developing climate risk management strategies and action plans, establishing priorities and the allocation of resources.

- **3.6.2** - Empowering local government and communities to take climate risk management action
 - **3.6.2.1** - Local government seeks appropriate policy and legislative frameworks from the federal and state governments to allow necessary decision making and responses to climate risk to occur without prejudice or undue risk exposure to councils.
 - **3.6.2.2** - Local government seeks timely access to high quality, nationally consistent but locally appropriate data, methodologies, standards and codes from the federal and state governments to ensure responses to climate risk are safe, timely, proportionate and equitable.
 - **3.6.2.3** - Local government urgently seeks appropriate levels of funding and resourcing assistance to develop Climate Risk Management Strategies, undertake detailed risk assessments for priority risks and prepare and implement local government area wide action plans for the immediate, medium and long-term protection and benefit of communities.

8.5.2 Funding Arrangements

- **8.5.2.1** - Local government believes that greater capital investment in water infrastructure by federal and state governments is needed to meet future needs and foster regional development.

2.2 The LGAQ Advocacy Action Plan 2023

The LGAQ AAP 2023³ is a roadmap designed to highlight the top policy positions and funding priorities local governments believe are critical to ensuring Queensland flourishes and our communities thrive. One priority outlined in the AAP 2023 which is relevant to the review of the Act is a call to the Queensland Government to continue the Queensland Climate Resilient Councils (Q CRC) program and its initiatives for three years with increased funding (pp. 17).

The Q CRC program is delivered through a partnership between the Queensland Government's Department of Environment and Science and the LGAQ. Through the program, a dedicated coordinator works with Queensland local governments to deliver services and products that strengthens councils' skills and capacity to plan for and respond to the challenges and opportunities arising from climate change.

³ LGAQ Advocacy Action Plan 2023 – available online [here](#).

3 Response to Discussion Paper Questions

3.1 Are the funding principles, vision, aim, strategic priorities, and objectives of the Funding Plan appropriate and effective?

The Funding Plan's funding principle is to "...enhance the public good by building drought resilience", whilst excluding projects that are captured solely by individual operators (i.e. only deliver private benefits). Whilst our members support the need for the delivery of drought resilience projects that support greater public benefits through the Funding Plan, they also acknowledge the recent developments in peer-to-peer learning opportunities, where strategic on-farm pilot projects are used to support best management practice adoption through fellow peers (i.e. as used by the *Reef 2050 Long Term Sustainability Plan 2021-2025*). This has been growing in popularity across the landscape and increasing participation in best management practice programs. It is through this success of peer-to-peer learning opportunities that our members would like to see the funding principle amended to allow projects to be funded for private gains, as long as those projects are utilised as case studies to increase greater public benefit through adoption rates.

Additionally, our members believe that the use of the word "resilience", which is included in the Funding Plan's funding principle and throughout the document, is becoming problematic in its interpretation by stakeholders. This interpretation barrier, which has been caused by the term being used interchangeably by various agencies and funding streams – with each, slightly defining the term differently, is causing confusion amongst stakeholders and affecting their involvement in drought preparedness programs, and in effect, not support the Funding Plan's vision, aim, strategic priorities and objectives. As such, our members are seeking government programs funded through the Funding Plan to have greater specificity in their funding goal – i.e. preparedness, mitigation, recovery.

The Funding Plan's vision is – "... an innovative and profitable farming sector, a sustainable natural environment and adaptable rural communities – all with increased resilience to the impacts of drought". The LGAQ and its members believe that the Funding Plan's vision continues to be appropriate.

The Funding Plan's aim is – "... to enhance the public good by building drought resilience in Australia's agricultural sector and rural communities". The LGAQ and its members believe the Funding Plan's aim continues to be appropriate.

The Funding Plan's strategic priorities are:

- Economic resilience for an innovative and profitable agricultural sector.
- Environmental resilience for sustainable farming landscapes.
- Social resilience for resourceful and adaptable communities.

The LGAQ and its members believe that the Funding Plan's strategic priorities continue to be appropriate.

The Funding Plan's objectives are to:

- Enhance the public good by building drought resilience through programs that will grow the self-reliance and performance (productivity and profitability) of the agricultural sector.
- Enhance the public good by building drought resilience through programs that improve the natural resource management of agricultural landscapes.
- Enhance the public good by building drought resilience through programs that maintain and improve the wellbeing and social fabric of rural and regional communities.

The LGAQ and its members believe the Funding Plan’s objectives are based on the principle that state, territory and federal government funded drought programs are mutually exclusive with little duplication. Unfortunately, in practice this approach has had the opposite effect, with drought funding across agencies creating a patchwork quilt of funding providers and programs, with little to no cross-departmental coordination.

In addition to the patchwork effect, state, territory and federal departments are delivering drought preparedness and response programs utilising a “hands off” approach”. While this, in some situations, may be beneficial, our members feel that the establishment of a *National Drought Agency*, or similar, is needed to streamline programs and support across all levels of government, to eliminate the maze of agencies, programs and objectives for stakeholders seeking drought preparedness or response assistance. When people are in crisis – emotionally, physically, or economically – they are not best placed to navigate demarcation of state, territory and federal projects and will often disengage from any process that is too difficult to find an entry point to. Ultimately, in the long term, a “one stop shop” for drought relief, preparedness, and recovery would benefit agricultural enterprises and the communities that surround them, as well as, what the LGAQ believes, would be a natural evolution of the *National Drought Agreement 2018*.

- **Recommendation 1:** The LGAQ recommends the Federal Government amend the Funding Plan’s funding principle to allow for innovative on-farm pilot projects that support peer-to-peer learning opportunities.
- **Recommendation 2:** The LGAQ recommends government programs have more specificity in their goal – i.e. preparedness, mitigation, recovery.
- **Recommendation 3:** The LGAQ recommends the Federal Government explore the feasibility of a National Drought Agency, with a view to better coordination and streamlining of funding and programs.

3.2 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?

The Funding Plan’s strategic priorities are:

- Economic resilience for an innovative and profitable agricultural sector
- Environmental resilience for sustainable farming landscapes
- Social resilience for resourceful and adaptable communities.

While our members acknowledge and support the wide range of programs that are currently being delivered to support landholder and community drought resilience activities, they also

believe that a greater focus on drought preparedness and risk management, through access to accurate local data, would be an important extension to the current program of works.

Specifically, our members believe that new landowners should be given access to historical rainfall data rather than predictive modelling that is often inaccurate due to the effects of climate change. 100-year rainfall data has been key to looking at the cycles for a specific area and assisting agricultural enterprises in making decisions, including when to sell stock, when to plant forage crops, as well as other actions that build resilience into their agricultural operations.

To support this outcome, the LGAQ acknowledges the time sensitive nature of capturing this local data across farming communities as agricultural enterprise operators reach retirement age and leaving regional Queensland communities.

- **Recommendation 4:** The LGAQ recommends a program of preservation of historical local data records be developed, and that data made available to new property owners as part of their business development and planning.

3.3 Should the Scope of the Fund be broadened to support resilience to climate change? Why or why not?

The changing climate will bring with it a greater array of weather-induced events to regional communities (i.e. flooding events, heatwaves, etc.), in addition to increased frequency and severity of drought conditions. As such, the LGAQ and our members agree that the Scope of the Fund should be broadened to support resilience to climate change through a range of regionally coordinated, funded projects to support communities become more resilient in the face of climate change, including, but not limited to, funding to expand and upgrade regional flood and rain gauge networks to support local governments in preparing for, and responding to extreme flooding events.

One such program that the LGAQ is delivering in partnership with the Queensland Government to build climate change resilience in regional communities is the Queensland Climate Resilient Councils (Q CRC) program. Through the Q CRC program, a dedicated coordinator works with Queensland local governments to deliver services and products that strengthens councils' skills and capacity to plan for and respond to the challenges and opportunities arising from climate change, and as such, build regional resilience to all facets of climate change.

- **Recommendation 5:** The LGAQ recommends the Fund be broadened to support resilience to climate change through investing in programs similar to the Queensland Climate Resilience Councils program to build regional networks to assist communities prepare for and respond to climate change impacts (i.e. regional flood gauge networks).

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

Activities Aboriginal and Torres Strait Islander people are currently working with our members on to build landscape resilience to the effects of climate change include a range of traditional land practices, including but not limited to:

- Cultural burning practices to manage weed infestations and woody thickening processes.
- Collection of native seeds (i.e. grass, wattle, etc.) to naturally regenerate degraded, or heavily modified, landscapes.
- Implementation of sustainable agricultural practices to manage landscape resilience and improve drought resilience.
- Delivery of pest animal control programs to manage pest animal populations and protect agricultural enterprises from the impact of pest animals.

In addition to these practices building landscape resilience for drought and providing sustainable income to Aboriginal and Torres Strait Islander people, a number of additional benefits are also generated, including the sequestering of carbon, improving community wellbeing and building social equity. These benefits clearly demonstrate the need for Aboriginal and Torres Strait people to play a greater role through the Fund.

In regard to how the Fund could be enhanced to improve the benefits received by Aboriginal and Torres Strait people, our members believe that the Federal Government should engage with the Aboriginal and Torres Strait Islander people to understand the most appropriate mechanisms for their future involvement in the Fund.

- **Recommendation 6:** The LGAQ recommends the Federal Government consults with Aboriginal and Torres Strait Islander people to discuss opportunities for how they can be involved in the Fund to achieve greater program goals and objectives.

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

In regard to opportunities to enhance collaboration in planning and delivering drought resilience, our members believe that state, territory and federal governments must prioritise the delivery of innovative best management practice pilot programs that demonstrate the delivery of on-farm drought resilience, instead of prioritising programs that solely focus on whole of community benefits. The justification for this recommendation is that our members believe the delivery of pilot projects provides an “entry point” case study for other peers to benchmark themselves against, and replicate on their own agricultural enterprise (i.e. peer-to-peer learning). Such pilot programs can include, but are not limited to:

- Diversification of agricultural enterprises to increase drought resilient interests (i.e. diversification of livestock);
- Transfer of agricultural enterprises to more drought resilient interests (i.e. from one type of livestock to another);
- Value adding to existing agricultural enterprise interests;
- Delivery of innovative best management practices that build resilience through the delivery of ecosystem services on-farm (i.e. incorporation of native pasture species mixes into established pasture); and
- Incorporating technology (i.e. Internet of Things) into existing agricultural enterprises (i.e. remote monitoring of stock water level and quality).

An integral component to the delivery of such pilot projects in regional communities is the need to also work simultaneously with digital infrastructure providers to improve digital access connectivity to a range of stakeholders.

Furthermore, our members also unanimously agree on the importance of supporting programs that increase the diversity of the local farming communities that build resilience into the communities to survive the economic effects of drought. Projects such as pest animal cluster fencing have helped communities economically diversify into goat and wool-sheep farming through the protection of stock from the impacts of wild dogs, as well as improving grazing pressure management. Through this on-farm diversification, positive economic impacts also flow through to the local economy, and thus increasing drought resilience across the regions.

- **Recommendation 7:** The LGAQ recommends the development of pilot projects for innovative farming and water management to give regional farmers an “entry point” to assess the application on their own properties.
- **Recommendation 8:** The LGAQ recommends the Federal and State governments increase funding for connectivity in regional areas, in particular regions covering widespread agricultural land.
- **Recommendation 9:** The LGAQ recommends the Federal and State governments investigate funding opportunities that allow for agricultural diversification, such as pest animal cluster fencing projects, and support agricultural land resilience.

3.6 Are there any other changes needed to improve effectiveness of Part 3 of the Act? Who needs to do what to make those changes happen?

Our members believe that for state, territory and federal drought policy to be of greatest impact, all facets of drought management (i.e. preparedness, recovery) requires a whole of community planning process. When drought hits the hardest, not only are agricultural enterprises impacted, but the flow on impacts resonates throughout the whole of the community. When drought policy is poorly planned and delivered, not only do communities enter into drought periods less prepared, they often do not recover at the end of the event, resulting in on-going rural population decline and greater economic and social problems.

As such, and to build resilience across such communities, it is essential that all facets of drought policy, including management, mitigation, and recovery is planned by the community, for the community.

- **Recommendation 10:** The LGAQ recommends that the Federal Government continue on an “all of community” approach to drought resilience and preparedness.

4 Conclusion

Overall, the LGAQ and our members supports the principle of the Act and its Funding Plan, however we believe that opportunities do exist to improve program adoption across a wide range of stakeholders through the amendment of the Act and the Funding Plan, including but not limited to:

- Allowing for innovative on-farm pilot projects that support peer-to-peer learning opportunities;
- Exploration into the feasibility of a National Drought Agency, with a view to better coordinate and streamline resilience funding and programs across the nation; and
- Greater engagement of Aboriginal and Torres Strait Islander people to deliver on-ground land restoration activities to build landscape resilience.

The LGAQ and our members look forward in continuing to work with the Australian Government to improve the Act and Funding Plan into the future.

5 Contact Details

Please do not hesitate to contact Simon Booth, Lead – Infrastructure, Policy and Regional Communities should you wish to discuss any aspect of this submission.