



## AgForce Queensland Farmers Limited

ABN 57 611 736 700

Second Floor, 110 Mary Street, Brisbane, Qld, 4000  
PO Box 13186, North Bank Plaza, cnr Ann & George Sts, Brisbane Qld 4003

Ph: (07) 3236 3100  
Fax: (07) 3236 3077  
Email: [agforce@agforceqld.org.au](mailto:agforce@agforceqld.org.au)  
Web: [www.agforceqld.org.au](http://www.agforceqld.org.au)

Ref: MG/SF/GG

3 March 2023

Future Drought Fund Inquiry  
Productivity Commission  
GPO Box 1428  
CANBERRA ACT 2601

By Email: [future.drought.fund@pc.gov.au](mailto:future.drought.fund@pc.gov.au)

Dear Sirs

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 6,500 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 into the effectiveness of Part 3 of the *Future Drought Fund Act 2019* (the Act).

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.

- **AgForce Background Position**

Aligned with our agricultural business cycle policy, AgForce supported the establishment of the Future Drought Fund (FDF), governed by the Act, as a perpetual endowment fund to provide a secure source of permanent funding (\$100 million annually) for its planned objective of enhancing the 'public good' by building drought resilience and preparedness in our country. AgForce sees the funding principles, vision, aim, strategic priorities and objectives of the Funding Plan to be largely appropriate and effective.

We recognise this plan funding was made available on 10 February 2022, together with a 4-year framework guide and delivery of programs, grants and arrangements to ensure systems administration and evaluation is consistent with the FDF vision: 4 key investment themes (*better climate information, better farmer planning, better practices, better prepared communities*) and 3 strategic objectives.

Continued/ ...

ADVANCING SUSTAINABLE AGRIBUSINESS

... /Continued

Further we recognise building effective drought resilience is a complex and long-term endeavour. It requires tailored and practical support reflecting unique circumstances and the diverse needs and aspirations of different farmers, their communities and agricultural industries. It also requires continuous improvement and evolution over time towards the effective management of drought risk and to ensure a minimisation of the triple bottom line impacts of drought on farmers and their supporting communities.

- **Recommendations**

1. We support the FDF's continued investment toward farmers as they adapt to climate and the environmental challenges presented for the benefit of food security and land management.
2. The streamlining of FDF programs and the development of further measures to accurately assess the effectiveness of FDF programs upon the management of drought, climate and the environment.
3. A bottom-up approach to FDF funding and programs, with farmers at the centre of land and drought management innovation.
4. We see benefit in the FDF expanding its scope to consider farmer group commercialisation projects where outcomes and knowledge sources directly benefit wider regions and communities.
5. We support engagement with indigenous people and communities and such engagement promoted through the FDF programs and aligned to its goals.
6. An opportunity exists to reduce the number of competing and overlapping programs under the FDF and streamline the process and fund programs that support a farm gate perspective.
7. A review and clarity on the roles and responsibilities of Hubs, with KPIs to ensure maximum farmer engagement and mobile hub representatives, which are supported through farmer representative bodies.
8. AgForce seeks greater stakeholder engagement through consultation, participation and extension opportunities.
9. FDF programs that support vegetation management, pursuant to removal of effects of drought from weeds and pest that effect soil run off, soil moisture and evaporation, thus promoting good ground cover.
10. A science-based approach to program delivery and improved reporting and performance metrics around the FDF deliverables, with well-structured feedback loops including farmers and their representatives.
11. A review of the 'public good' definition for project approvals, which can consider farmer projects more broadly applicable to farmer groups, innovation or green energy projects, such as access to the electricity grid.
12. FDF's Investment into programs like the AgCarE, which values natural capital, measures landscapes, allows market access and utilises science-based targets based upon international standards, and developed by farmers for farmers.

AgForce sees the funding principles, vision, aim, strategic priorities and objectives of the Funding Plan to be largely appropriate and effective.

- **Response to Questions of the Inquiry**

1. **Are the funding principles, vision, aim, strategic priorities and objectives of the Funding Plan (attachment B) appropriate and effective?**
  - As of 1 March 2023, 27.8% of Queensland was drought declared by the state government, with 8 local government areas and 3 local government areas partly drought-declared and with 19 individuals independently drought declared. The sustained drought of the past decade has brought significant impacts and challenges on our members, others in industry and their communities.

Continued/ ...

... /Continued

- There is great value of the FDF to Queensland farmers and regional communities seeking to minimise the future triple bottom line impacts of drought and we commend the federal government for its continued commitment to the fund, its objectives and its work. Our farmers are responsible for their land management and contribute to domestic and global food security in an increasingly challenging environment with the effects of climate change, weather events and market and economic factors.
  - In 2022-2023, the Department of Agriculture Fisheries and Forestry (DAFF) estimates Queensland's primary industry commodities gross value of production to exceed \$23 billion, or 27% of our nation's \$85 billion total value of production. Given the critical impact of drought on agricultural productivity and production, the continuous improvement of the FDF funding programs, grants, and arrangement will contribute to the FDF's vision of an innovative and profitable sector, with a sustainable natural environment, and adaptable for rural regional and remote communities.
- 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?**
- AgForce, would like to see the development of a measure to accurately assess the effectiveness of FDF programs upon the farming community's ability to manage drought, climate, and the environment.
  - A greater focus on established land managers and less of a focus on new entrants as a source of knowledge for drought resilience that can be documented from voluntary participants and disseminated. Acknowledging each farmer is different and at different stages in their business and different capacity abilities.

### **Natural Capital**

In relation to connecting environment resilience with economic outcomes, AgForce would like to see a clearer adoption of Natural Capital thinking within the relevant parts of the overall plan.

- The best environmental outcomes are achieved by empowering and incentivising landholders to manage their landscapes.
- As farmers manage 51% of Australia's land mass, they are in the best position to manage the land sustainably and protect the environment. Farmers should be encouraged to do so. Farmers need to be paid fair and equitable returns for the products and services their properties provide.
- AgForce is concerned that the connection of Future Drought Fund regional staff networks with the agricultural industry initiatives needs to be strengthened. The long-term efforts that producers put into the development of a platform that seeks to broaden income streams for agricultural businesses and mitigate against the cyclic pressures of drought, have recently been overlooked in two FDF applications.
- The AgCarE program, developed by AgForce members over 5 years with the backing of eminent scientists in Australia, measures natural capital condition at the property level in a verified and repeatable manner to identify improvement against a benchmark.
- These AgCarE assessments have been tested manually, using labour intensive detailed producer survey spreadsheets and GIS mapping tools, over 75 properties (over 2.5M ha) and a reference panel of scientists have supported that the measurements are scientifically valid.
- AgCarE is enabling producers to access improved lending arrangements with banks and insurance premiums was welcomed.

Continued/ ...

... /Continued

- Banks, insurers, real estate agencies and commodity retailers have been requesting involvement in the AgCarE program for over three years.
- At the national level AgCarE is recognized as a leading platform for enabling agricultural producers to improve their access to natural capital markets, including carbon, environmental offset and biodiversity credits.
- Taking a Natural Capital approach enables all stakeholders to be able to measure the current state of natural assets in a pragmatic manner and ultimately incentivises landholders to improve their land condition.
- Providing market and financial drivers for improving natural capital lessens the requirement for regulatory control of vegetation and ecosystems and de-politicises natural resource management.
- For this reason, AgForce is advocating for AgCarE (Home – AgCarE Online) as a natural capital pricing mechanism; developed by farmers for farmers.

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

- AgForce values the fund's importance as an investor improving our climate management, and the investment directed primarily toward supporting our farmers as our sustainable land managers to continue to advance solutions, techniques and remain global agricultural leaders.
- While the context of a changing climate is indeed important for addressing drought risk, AgForce would not support broadening out the scope of the FDF to come at the cost of the focus on our agricultural sector and the primary goal of minimising the triple bottom line impacts of drought.
- Our farmers have been adapting to seasonal and climate variability for generations and Australian farmers have been at the forefront of innovation. AgForce sees benefit in the FDF expanding its scope to consider farmer group commercialisation projects where outcomes and knowledge sources directly benefit regions and communities. See our comments below on 'public good' verses v private good.

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

- AgForce supports the engagement with indigenous people and communities, as promoted through the FDF programs, hubs, leadership programs, possible extension opportunities and through government and farmer bodies both on a national and state level.
- We welcome the government application of the FDF programs, including business resilience planning upon national and state-owned land assets, encompassing a consistent collaboration and collation of source knowledge across all of Australia's land mass.
- We see an opportunity to expand the leadership programs to collaborate with other leader groups in an effort to share knowledge and learnings.

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

- AgForce seeks better collaboration of programs between entities involved and a reduction in existing program duplication between federal and state governments and between the hubs; it seems many of their objectives and functionality overlap.

Continued/ ...

... /Continued

- A review and clarity on the roles and responsibilities of Hubs, with KPIs to ensure maximum farmer engagement and on the ground delivery. Most hubs are in central locations. Is there a benefit of mobile hub representatives, which are supported through farmer representative bodies?
- A streamlining of the application and eligibility requirements in order to maximise producer uptake, with programs that support a farm gate perspective and practical accrual of benefits.
- A shift to streamline programs from the bottom up (farmer), into leadership, into hub, and further up into governance models, will offer the opportunity for a much stronger framework of support and extension behind the FDF vision for the programs and the Business Resilience Planning system.
- AgForce seeks greater stakeholder engagement through consultation, participation and extension opportunities, which would assist in the cohesion between FDF aims, the farmers' involvement as collators of environmental metrics; these could be supported through regional leadership forums, like the red earth community leadership program.
- The AgForce Agricultural Business Cycle ([agforce-agricultural-business-cycle.pdf](https://agforce-agricultural-business-cycle.pdf) ([agforceqld.org.au](https://agforceqld.org.au))) is an industry-developed framework to focus policy delivery and ensures all drought phases and types of impact are addressed with relevant and useful measures. A further opportunity exists to build on the cycle thinking by developing practical measures and solutions to specific phases of each cycle, based on geographical and or production region.
- Greater farmer participation of on-farm activities, be it soil testing, trials or exercises, with a hands-on approach to learning and to contribute.
- Greater awareness of leadership programs, create opportunities for farmers to partake in projects and knowledge transfers.
- Research and Development measurable outcomes, responsible for new crops and vegetation to reduce the impact of drought.
- FDF funding, a co-ordinated top-down approach to plans of responsibility, that have measurable outcomes and funding, for vegetation management, pursuant to removal of effects of drought from weeds and pest that effect soil run off, soil moisture, evaporation, thus promoting good ground cover.

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

AgForce seeks an open minded and collaborative approach between government, stakeholders, industry groups and farmers for the continuous improvement of this invaluable FDF and its programs. Our suggestions for change pathways and improvements are below:

- A science-based approach to program delivery, with improved reporting and performance metrics around the FDF deliverables, with well-structured feedback loops that include farmers and their representatives.
- Research and Development investment is critical to answer increasingly specific landscape level questions, such as identifying on-property drought phase decision trigger points and climate region variability.
- The consolidation of programs with duplicate functionality: an example might be, consolidating of multiple satellite programs (Dr.Sat, DEA, CSIRO's CSA and BOM projects, NSW CDI and QLD CDI (combined drought indicators (1), especially those other overlapping programs between national, state and territory programs.

Continued/ ...

.../ Continued

- A review of how and which project and programs are funded: The issue of balancing 'public good' v the 'private goods' that may be needed as subsidiary steps to achieve it. A strong emphasis on 'public good' explains who ultimately gets the benefits of a proposed project, but this emphasis should not act to devalue or avoid supporting projects that may have some private good elements, but that ultimately work towards the wider aim of minimising drought impacts, such as through increased shared understanding and ownership of identified strategies for example, individual farmers are resourceful, resilient, and innovative; the FDF is potentially missing out on valuable knowledge-sharing industry projects that could be improving landscapes and communities' wellbeing. Examples of farmer driven projects with direct resilience creating benefits:
  - \* Industry such as the cane industry, supply cane to factories, which produce electricity all year, though farmers are unable to access this source supply or contribute but indirectly to its source. Invest in farmers that wish to develop green energy stations or electricity grid/micro network; either being able to produce, feed electricity and/or by-back from their own grid or opportunity to access the Queensland electricity network would empower growers to grow resilience while contributing to climate change action. Irrigators would welcome the opportunity to better prepare for drought and be part of the green energy solutions.
  - \* Investment into our farmers with best practice land management and payment for the services delivered and the knowledge generated.
  - \* Investment into programs like AgCarE, which values natural capital, measures landscapes, allows market access, and utilises science-based targets based upon international standards as a form of greenhouse gas emissions metrics.

- **In Summary**

AgForce welcomes the vision, aims and objectives of the Future Drought Fund and for its funding and programs to continuously improve, innovate and promote a profitable farming sector in a sustainable farming environment.

This will in turn enable farmers and their communities to fulfil their potential as productive and profitable contributors to the Australian economy by improving the performance of the agriculture sector.

AgForce thanks the Productivity Commission for the opportunity to provide input to the review of the Future Drought Fund. If you have any questions or require further information regarding this matter, please contact Sam Forzisi, AgForce Policy Director, by email:

Yours faithfully

Michael Guerin  
Chief Executive Officer

ADVANCING SUSTAINABLE AGRIBUSINESS

Reference1: list of website Satellites:

[Drought Resilience Self-Assessment Tool - DAFF \(agriculture.gov.au\)](#)

[Digital Earth Australia Home | Digital Earth Australia | Geoscience Australia \(ga.gov.au\)](#)

CSIRO CSA

[Climate Services for Agriculture platform - CSIRO](#)

[Australian Drought Monitor \(researchdata.edu.au\)](#)

<https://www.inmarsat.com/en/solutions-services/enterprise/focus-on/agriculture.html>

[The NSW Combined Drought Indicator \(CDI\) | Department of Primary Industries](#)

[www.nacp.org.au](http://www.nacp.org.au)

and BOM commission projects on behalf of state and federal