



October 2018

AgForce Submission

QUEENSLAND DROUGHT PROGRAM REVIEW

INTRODUCTION

As you are aware, AgForce Queensland Farmers (AgForce) is the peak rural group representing beef, sheep & wool and grain producers in Queensland. The broadacre beef, sheep and grains industries in Queensland generated around \$7.2 billion in gross farm-gate value of production in 2016-17. AgForce exists to facilitate the long-term growth, viability, competitiveness and profitability of these industries. The producers who support AgForce provide high-quality food and fibre to Australian and overseas consumers, manage around 40 per cent of the Queensland agricultural landscape and contribute significantly to the social fabric of rural and remote communities.

The following submission has been produced in response to the Queensland Drought Program Review with reference to the organisation's 2018 Drought survey results. This submission seeks to build upon the organisation's previous comments which featured in the Agriculture and Environment Parliamentary Committee's Drought Relief Assistance Scheme (DRAS) Review made in 2015. As a result of this, both submissions should be referenced to observe the organisation's perspectives on the current state of drought, its impacts and importantly recommendations for amendments. The DRAS submission can be found in **Appendix A**.

RECOMMENDATIONS

Recommendation 1:

AgForce seeks the adoption of the Agricultural Business Cycle as a new approach to drought policy that aims to move away from the largely crisis driven response by government to empowering producers to better manage climate risk. This responds to the *DRAS Review's* recommendation of an 'updated model for drought support'.

This change in approach is aimed at reducing the environmental, financial and human costs of managing climate risk, with individual producers empowered and owning their own business strategies for preparing for and managing drought.

Recommendation 2:

AgForce seeks for the Queensland Drought programs to have clear objectives established, with a review and evaluation framework being established with industry, including the local drought committees, to ensure efficiency and effectiveness of services.

Recommendation 3:

AgForce seeks for the Queensland drought support measures to have a clear purpose statement and for the scope to be expanded beyond livestock support and the proposed statement cover all agricultural sectors. AgForce seeks for support measures to be made available to other agricultural commodities such as grains, to prepare, manage and recover from the drought. The broadening of scope will help drive Queensland's productivity and economic output through more effective support.

Recommendation 4:

AgForce recommends that the current Individually Droughted Properties (IDP) function is elevated as the key mechanism for accessing drought programmes. This acknowledges each agricultural enterprise is unique, it enables individual producers, who have different appetite for risk, to manage their risk profile in a timely manner for their business and provide producers with the opportunity to own their own management decisions. AgForce recommends that all programs under DRAS are continuously available

and can be accessed when required and when they meet required conditions during the IDP process. This brings programs in line with other loans and support through QRIDA and federal assistance - concessional loans and Farm Household Allowance etc.

Recommendation 5:

AgForce strongly recommends that the Local Drought Committee (LDC) process continue as it provides locally-relevant expertise and support for government decision-making, as is the inclusion of representatives from AgForce on those committees. AgForce would like to see minor amendments to this process and consideration given to extending the role of these individuals and industry providing ongoing observation of the region beyond a drought event.

AgForce supports Local Drought Committees to have a significant role in providing feedback to the Government as part of the review mechanism as in Recommendation 3. AgForce seeks that the current assessment be expanded beyond the current livestock-focus and seeks that all agricultural enterprises be included effectively.

Recommendation 6:

AgForce seeks that as part of preparedness obligations the use of practical drought management plans be used to promote forward planning. Removing the requirement for an annual resubmission of the plan, with updating, when applicants seek an increase to the \$40,000 cap is supported.

Recommendation 7:

AgForce is supportive of the Emergency Water Infrastructure Rebate (EWIR), for it is a program that delivers on the immediate needs of producers whilst assisting with building long-term resilience and therefore satisfying the Intergovernmental Agreement on Drought principles.

AgForce is also seeking for the EWIR to include costs and labour associated with desilting dams, to increase water use efficiency and ensure resilience building for future events, as per the Australian Federal Government's Drought Summit announcement.

Recommendation 8:

Along with the Western Queensland Mayors, AgForce would like to see further relief from council rates and leasehold land rental. AgForce is seeking a reduction of leasehold land fees or provision of further assistance. In addition, state government support towards direct relief from council rates during drought events would assist in reducing the financial burdens experienced not only on farm, but on the local economy and employment security.

Recommendation 9:

AgForce recommends the continuation of the *water license waivers* and see support continue into the recovery phase (post-drought event).

Recommendation 10:

AgForce recommends the continuation of the *Drought Relief from Electricity Charges* scheme and see such support continue into the recovery phase (post-drought event).

Recommendation 12:

AgForce recommends the continuation of the Department of Communities Community Drought Support funding as a means of ensuring community-driven events that respond to the specific needs and interests of the region.

Recommendation 13:

AgForce recommends the continuation of transport-related drought assistance and further transparent reporting on the effectiveness and uptake of support measures.

Recommendation 14:

AgForce recommends the continuation *Tackling Regional Adversity through Integrated Care* and for health and mental health services to be embedded in communities as an ongoing aspect of regional services rather than a crisis response measure.

Recommendation 15:

AgForce recommends the continuation of the *Drought and Climate Adaptation Program* and investment into drought and climate risk relevant Research, Development and Extension that supports producers manage drought better.

Recommendation 16:

AgForce recommends the development of a partial destocking support measure as drought risk increases.

Recommendation 17:

AgForce recommends the removal of stamp duty on risk-relevant farm insurance products to promote drought risk management.

QUEENSLAND DROUGHT SITUATION

The prolonged drought has taken an enormous financial, environmental and emotional toll on farming families right throughout Queensland, with currently more than half of the state drought declared (23 local government areas). In 2018, after yet another failed wet season, some agricultural communities of Queensland are facing their sixth year with severe rainfall deficits.

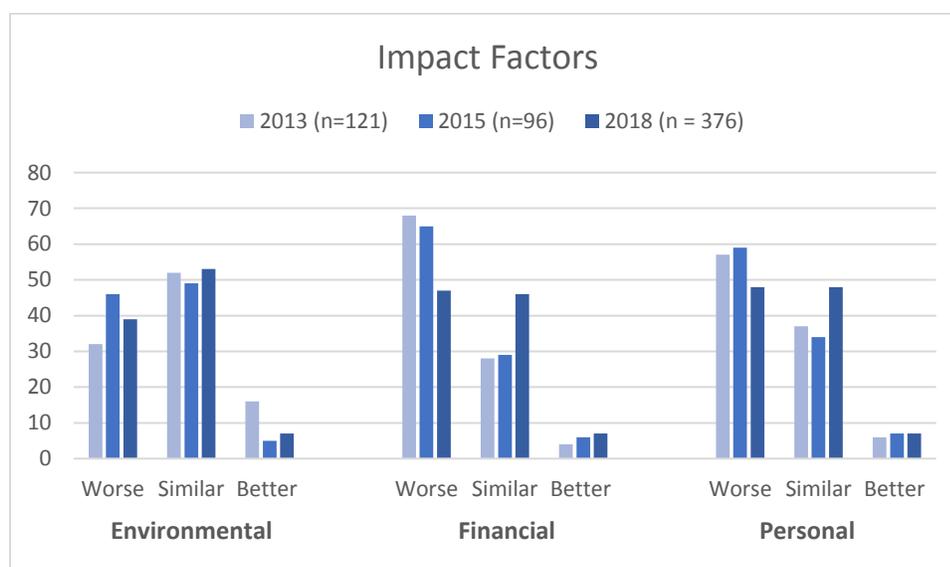
During the current drought, AgForce has undertaken three formal surveys of the membership. The first of these were undertaken in October 2013 and covering 30 drought-declared areas or adjoining shires, the second in April 2015 covering 31 drought-declared areas (including previously declared). The most recent being the 2018 Survey which had responses from 49 local government areas, with all 23 drought-declared shires represented. The 2013 survey received 251 responses, 2015 had 138 respondents and the 2018 receiving 431 respondents.

AgForce would like to direct the Drought Program Review Panel members to the organisation's submission to the *Review of Drought Relief Assistance Scheme*¹ [See Appendix B] to gain an appreciation of the membership's historic experiences with the current drought. This submission will specifically make

¹ AgForce. (2015). *AgForce Drought Relief Assistance Scheme Submission*. [pdf]. Retrieved via: <https://www.parliament.qld.gov.au/documents/committees/AEC/2015/rpt29-05-DroughtRelief/submissions/008.pdf>

commentary with reference to the 2018 data received from the membership. The following table and figure highlight how this drought has been experienced compared to past events, with the financial and personal impacts being the worst ever experienced for the majority of respondents.

Impact	2013 (n=121)	2015 (n=96)	2018 (n=376)
Environmental	Worse: 32pc Similar: 52pc Better: 16pc	Worse: 46pc Similar: 49pc Better: 5pc	Worse: 39pc Similar: 53pc Better: 7pc
Financial	Worse: 68pc Similar: 28pc Better: 4pc	Worse: 65pc Similar: 29pc Better: 6pc	Worse: 47pc Similar: 46pc Better: 7pc
Personal	Worse: 57pc Similar: 37pc Better: 6pc	Worse: 59pc Similar: 34pc Better: 7pc	Worse: 48pc Similar: 47pc Better: 7pc



It can be noted in the 2018 survey that on farm activities are being impacted by the current drought event. For respondents who identified carrying livestock (n=319), destocking has been occurring with 81.5pc running less than 75pc of their long-term livestock carrying capacity (2015 = 85pc), with only 2pc fully destocked (n=5). Those that are fully stocked represented only 7pc (n=23), which has increased from that 2015 figure of 4pc.

Of those that grow crops (n=69 responded to question), while 12pc reported normal plantings, 39pc had up to halved the area they had planted, and 35pc had from a 50pc up to a 100pc reduction in the area planted and 24pc have reported that they have not planted at all as a result of this drought. When comparing those who have not planted to the sample of 2015, this is up by 12.5pc. Note: 2015 survey sample size was smaller, being only 28 respondents, so some caution should be exercised in interpretation.

The 2018 survey highlighted that whilst there are immediate concerns held by the population, the long-term attitude towards their business, property and ultimately the industry is positive, with 65pc being *'optimistic it will rain and [their] business / property will be able to recover'*. Whilst attitudes towards the

future are optimistic, the immediate concerns of lack of rain (60pc), cost of seed / fodder/ stock (56pc) and being able to source seed / fodder / stock (48pc) were front of mind. Limited financial reserves and capacity to finance operation costs and recovery were reported by 20pc of respondents as something they identified with. 17pc of those surveyed reported that they are fine at the moment and the business / property outlook is fine.

DESIGN: QUEENSLAND DROUGHT POLICY + INTERGOVERNMENTAL AGREEMENT

Policy Settings and Principles

AgForce supports and seeks a policy framework that encourages risk management, ‘preparedness’ for drought and the building of industry resilience. It is important during reform discussions, and with the expectation of climate change, to acknowledge that preparedness and resilience takes time and favourable seasons to be achieved. Drought policy must be practical, meet the needs of producers in hardship and account for severe droughts that can overwhelm the reasonable efforts of individuals to be well prepared. Hence the value of individual producers' ability to apply through the IDP is important. Any changes to drought assistance must include a suitable transition period to the new settings and provide adequate time for enterprises to recover and build reserves after the current event so they can operate effectively under any new framework.

AgForce has developed the Agricultural Business Cycle [See Appendix C] as a new framework for structuring the development and delivery of drought policy and assistance measures. AgForce is not opposed to a reform of drought support and seeks a policy framework that encourages risk management, ‘preparedness’ for drought and the building of industry resilience.

Recommendation 1:

AgForce seeks the adoption of the Agricultural Business Cycle as a new approach to drought policy that aims to move away from the largely crisis driven response by government to empowering producers to better manage climate risk. This responds to the *DRAS Review's* recommendation of an ‘updated model for drought support’.

This change in approach is aimed at reducing the environmental, financial and human costs of managing climate risk, with individual producers empowered and owning their own business strategies for preparing for and managing drought.

Evaluation and Review

To ensure alignment with all of the principles within the National Intergovernmental Agreement on Drought, it is important that there are a clear set of objectives or goals for the state schemes, combined with regular review and evaluations that help ensure schemes are effective for building producer outcomes or replaced.

Given the length of time drought programs have been in effect, governments should be able to report further to the impact of support measures beyond the dollar amounts of funds and the number of participants who engaged positive. Impact to the recipient and where possible the wider community should be reported on and observed in the reporting and evaluation of support measures effectiveness. AgForce’s Agricultural Business Cycle is underpinned by several guiding principles which include ‘continuous improvement’ and ‘science-based approach’. Continuous improvement is achieved through action-based learning and review of past experiences. Through the Cycle there is a principle of ‘mutual

obligation’ which seeks to be upheld by all parties; the producer, governments and industry. If producers are expected to ensure they prepare and managed their financial, environmental and social wellbeing, governments should seek to ensure programs are in place, reporting is robust and guided by a strong methodology observing the consequential impacts of support beyond the initial participation.

Recommendation 2:

AgForce seeks for the Queensland Drought programs to have clear objectives established, with a review and evaluation framework being established with industry, including the local drought committees, to ensure efficiency and effectiveness of services.

Program intention and purpose

The Queensland Department of Agriculture and Fisheries’ website states that drought support is intended to help graziers manage their livestock during drought and restore their flocks and herds in the recovery period. This has been affirmed by numerous Ministerial statements historically around the provision of emergency funding to maintain core breeding herds in response to drought, in circumstances where the pasture and water availability of the producer’s property is dramatically reduced. AgForce acknowledges the importance of having policy settings in place to ensure the livestock industry can recover more quickly. However, it should be noted that the non-livestock broadacre agricultural industry are also significantly impacted by drought, yet do not receive the same level of assistance. Given that these industries also contribute significantly to rural communities and the state’s economy, any measure to assist them through drought and into recovery, is essential to any holistic approach.

With Queensland committed to growing the state’s economy and recognition that Agriculture is a key strength of the economy ^[1] the scope of drought policy needs to be expanded beyond the original design and intent and focus on driving the state’s economy and protecting all agricultural sectors.

AgForce believes the provision of a more flexible grant able to be used for a broader range of approved drought management activities and selected by the applicant from their drought management plan would enable assistance to flow more freely, through simple structures, and better targeted to the wide spread of needs.

Recommendation 3:

AgForce seeks for the Queensland drought support measures to have a clear purpose statement and for the scope to be expanded beyond livestock support and the proposed statement cover all agricultural sectors. AgForce seeks for support measures to be made available to other agricultural commodities such as grains, to prepare, manage and recover from the drought. The broadening of scope will help drive Queensland’s productivity and economic output through more effective support.

Area Declaration Triggers and Independent Droughted Properties

AgForce believes a formal assessment by producers of conditions of rainfall deficit and property conditions is appropriate for triggering eligibility for drought support. AgForce believe and recommends that:

- The current rainfall deficiency and other criteria for declarations are appropriate

^[1] Department of Agriculture and Fisheries. (2018). *Queensland Agriculture and Food Research, Development and Extension: 10-Year Roadmap and Action Plan*. [pdf].

- The individual property declaration element enables administrative flexibility and the management of ‘lines on maps’ exclusion concerns while still allowing public recognition of drought impacts.
- All IDPs should be issued for the same length of time, currently any enterprise other than livestock see their IDP automatically expire after three months. AgForce believes that all enterprises should be treated the same.

Recommendation 4:

AgForce recommends that the current Individually Droughted Properties (IDP) function is elevated as the key mechanism for accessing drought programmes. This acknowledges each agricultural enterprise is unique, it enables individual producers, who have different appetite for risk, to manage their risk profile in a timely manner for their business and provide producers with the opportunity to own their own management decisions. AgForce recommends that all programs under DRAS are continuously available and can be accessed when required and when they meet required conditions during the IDP process. This brings programs in line with other loans and support through QRIDA and federal assistance - concessional loans and Farm Household Allowance etc.

Local Drought Committees

- Use of Local Drought Committees (LDC) provides locally-relevant expertise and support for government decision-making and is strongly supported for continuation, as is the continued inclusion of representatives from AgForce on those Committees.
- Consideration should be given to expanding the role of the LDCs to include providing an industry ‘early warning’ of drying conditions with supporting extension material to encourage proactive management decisions in the regions.
- LDC members should continue to remain anonymous to the general public, however for process transparency reasons industry peak body Chief Executive Officers should know membership on a strictly confidential basis
- LDCs meetings should be managed in a consistent manner being either face-to-face or teleconference. There should be no one-on-one phone calls used to make decisions.
- Transparency of LDC positions that are vacant, and a review of how active members are in the process.
- The basis for LDC recommendations to the Minister should be made available to the CEOs of industry peak bodies.

Recommendation 5:

AgForce strongly recommends that the Local Drought Committee (LDC) process continue as it provides locally-relevant expertise and support for government decision-making, as is the inclusion of representatives from AgForce on those committees. AgForce would like to see minor amendments to this process and consideration given to extending the role of these individuals and industry providing ongoing observation of the region beyond a drought event.

AgForce supports Local Drought Committees to have a significant role in providing feedback to the Government as part of the review mechanism as in Recommendation 3. AgForce seeks that the current assessment be expanded beyond the current livestock-focus and seeks that all agricultural enterprises be included effectively.

Drought Management Plans

- The use of practical drought management plans to promote forward planning is supported as is its link to assessing of greater levels of assistance in subsequent years of drought
- Removing the requirement for an annual resubmission of the plan, with updating when applicants seek an increase to the \$40,000 cap is supported.

Recommendation 6:

AgForce seeks that as part of preparedness obligations the use of practical drought management plans be used to promote forward planning. Removing the requirement for an annual resubmission of the plan, with updating, when applicants seek an increase to the \$40,000 cap is supported.

DELIVERY: QUEENSLAND DROUGHT PROGRAMS

The 2018 AgForce Drought Survey 62pc of respondents (n=353) indicated that they felt confident that they know what drought assistance is currently available and how to find out more information about their options. This is down 20pc from the previous AgForce 2015 Drought Survey. Specific concerns noted in the survey were:

- there is confusion regarding the programs on offer and their intention. In some cases, when listing the options to choose from some, respondents would indicate 'other' if they felt the list didn't provide the program they were thinking of. When observing the responses, it is apparent that the titles of some programs may not encapsulate the intention or have previously gone under another name.
- Need for a dedicated resource that pulls together all available information and assistance (across levels of government) and presents it in an easy to understand format.

Since this survey was presented to the AgForce membership, the Australian Federal government has announced the awarding of \$400,000 grant to be awarded to the National Farmers Federation (NFF) to develop and host an online portal. This portal, to be known as 'FarmHub' will see to be a source of information on what support options are available to farmers across the country. AgForce hopes that the Queensland Government will assist in providing ongoing information to the NFF on the programs and measures available to assist with the ongoing maintenance of this portal.

Emergency Water Infrastructure Rebate

It is apparent from the 2018 AgForce Drought Survey that on-farm infrastructure is a favorable assistance measure to primary producers. To address current emerging animal welfare issues while also building resilience to future events is strongly supported as a good example of achieving longer term and sustained outcomes from investment of public funds.

Specific issues raised by members as suggested improvements:

- Accelerated or upfront payments where possible given limited cash-flows and upfront costs e.g. *Enable QRIDA to be sent an invoice and pay the supplier direct and upfront as per Category C flood assistance*
- Increasing the cap on the rebate.
- Extending beyond an emergency infrastructure investment scheme to assist with capturing of water during good times.
- The rebate does not currently apply to any costs or labour associated with desilting of dams, making dams larger.

The recent announcement by the Australian Federal Government to reinstate the EWIR top is welcomed by AgForce, and the support the Queensland government provided in this request is appreciated. The inclusion of desilting of dams as an eligible activity by the Federal Government is of specific interest to the AgForce membership, and it is the hope of the organisation that this inclusion will also be included in the guidelines of the Queensland program.

Recommendation 7:

AgForce is supportive of the Emergency Water Infrastructure Rebate (EWIR), for it is a program that delivers on the immediate needs of producers whilst assisting with building long-term resilience and therefore satisfying the Intergovernmental Agreement on Drought principles.

AgForce is also seeking for the EWIR to include costs and labour associated with desilting dams, to increase water use efficiency and ensure resilience building for future events, as per the Australian Federal Government's Drought Summit announcement

Rural Financial Counselling Service

From the 2018 AgForce Drought Survey respondents (n=220) 26pc indicated they had accessed the Rural Financial Counselling Service (RFCS). The RFCS is a good example of the need for better coordination between the Australian and state governments in service delivery.

The Queensland State government has funded these services in the past, but this has not been static, with additional funds provided for targeted areas during drought and instances of defunding the program, presumably with the expectation that the federal government will meet the shortfall.

- Practically, coordination is also seen in the need to have clear lines of communication between RFCS Counsellors and the FHA Case Officers to ensure seamless and effective support of producers in financial hardship.
- AgForce also like to see effective interaction and coordination with the Office of Farm Debt Restructure in QRIDA, which provides specialist business assessment and planning expertise for 'at risk' loans this service should be provided more widely.

Recommendation 8:

AgForce has been a strong supporter of the RFCS which provides a valuable support service for producers in addressing financial hardship management and providing financial services. AgForce would like to see further practical coordination of counsellors and other service providers such as FHA Case Officers and interactions with QRIDA.

Land Rent Subsidies (Department of Natural Resources, Mines and Energy)

Support for fixed financial costs was indicated as being welcomed by respondents to the 2018 survey. Financially, 92pc of people believe that this drought is worse than or similar to previous droughts. This assistance is strongly supported by the AgForce membership as it not only has positive consequences to the individual family receiving support but also the wider community. The positive consequences of this support measure is that the funds spent on rent now can feedback into the local community through continued support and purchasing of goods and services locally.

AgForce would also like to see that Local Councils are supported further during drought events. It has been noted via AgForce’s Western Mayors Drought Taskforce that lifting the known financial burden will assist families on-farm and in local communities. Direct relief from council rates as been identified as a measure that regional communities are needing assistance with by the AgForce Western Mayors Drought Taskforce. It has been identified through discussions with some of the charities assisting with payment of bills - rates are in the top 5 items requested by those seeking support. There have been cases raised by AgForce’s membership where local rates have been increasing between 6 – 20pc in an attempt by Local Councils to continue the provision of services and employment of local workforces. Rent relief shouldn’t come at the expense of local government who are tasked with utilising these funds for the provision of core community services and utilities.

AgForce is supportive of the efforts made by the Federal Government in identifying the local councils needing support through the Drought Community support funding of \$1 million per council. This gesture will not only go towards supporting local employment and procurement but also provide opportunities for long-lasting infrastructure investment. Further funding that considers similar approaches would be welcomed and are encouraged by AgForce, our membership and our Mayoral Taskforce.

Recommendation 9:

Along with the Western Queensland Mayors, AgForce would like to see further relief from council rates and leasehold land rental. AgForce is seeking a reduction of leasehold land fees or provision of further assistance. In addition, state government support towards direct relief from council rates during drought events would assist in reducing the financial burdens experienced not only on farm, but on the local economy and employment security.

Water License Waivers (Department of Natural Resource, Mines and Energy)

As mentioned previously, fixed financial costs have considerable impact on farm when income is affected. The social flow on to community is positive when these programs are accessed.

Recommendation 10:

AgForce recommends the continuation of the *water license waivers* and see such support continue into the recovery phase (post-drought event).

Drought Relief from Electricity Charges (Department of Natural Resources, Mines and Energy)

As income declines, fixed costs such as electricity become more burdensome. Charity organisations have indicated that electricity costs are in the top five financial costs they are seeking assistance for. In addition, our membership has outlined their concern not only for when producers are drought declared but also into the recovery phase. For when a drought-breaking event occurs the income streams don’t switch back on overnight, however the support does stop. AgForce would like to see that support measures, such as targeting electricity costs, to be considered as not only relief during an event but also being able to support a family and their business in their recovery.

Recommendation 11:

AgForce recommends the continuation of the *Drought Relief from Electricity Charges* scheme and see support continue into the recovery phase (post-drought event).

Community Drought Support (Department of Communities, Disability Services and Seniors)

Through this program AgForce Queensland Farmers is funded to develop and manage the Communities Drought Project. AgForce thanks the Department of Communities for their ongoing support of this program. Numerous responses in the 2018 Drought Survey highlighted the important need to ensure communities affected by drought have access to relevant programs and opportunities off-farm to socialize, upskill and access support.

Through 2017/18 the following will be achieved:

- 5 Marquee events in the regions – ‘My Produce, Your Plate, Our Future’
- 22 information / field days (Multi-topic days) across Queensland; plus
- 2 Newsletters to be published and distributed through the Queensland Country Life and the North Queensland Register to over 30,000 people.

Recommendation 12:

AgForce recommends the continuation of the Department of Communities Community Drought Support funding as a means of ensuring community-driven events that respond to the specific needs and interests of the region

Transport-related drought assistance (Department of Transport and Main Roads)

As previously mentioned, relieving the fixed financial pressures have positive consequence to the individual receiving that support but also the community they reside. The measures provided by the Queensland Department of Transport and Main Roads seek to relieve this pressure, however the uptake and effectiveness of delivery are not reported on with transparency. There is need for greater visibility and publicity of these support measures.

AgForce would also like to raise a specific government policy that is impacting on farmers ability to grow their farm businesses which, in turn increases their drought resilience. AgForce and the National Farmers Federation has been working to seek a harmonized, single National Class 1 Notice for agricultural vehicles to access public roads and fast-track a one stop shop permit system. Queensland should continue to support this initiative.

Recommendation 13:

AgForce recommends the continuation of transport-related drought assistance and further transparent reporting on the effectiveness and uptake of support measures.

Tackling Regional Adversity through Integrated Care (Queensland Health)

AgForce as part of the Queensland Health's Tackling Regional Adversity through Integrated Care (TRAIC)* program has been fortunate to receive some of the grants available across Queensland. AgForce particularly likes the methodology that, Queensland Health has adopted whereby programs are developed through a community groups consultation process.

AgForce seeks to recommend that programs that seek to promote resilience of communities and reduce the stigma of mental health should not be limited to being provided when an area is drought declared. For maximum effectiveness, services should be embedded in the community prior to crisis and should continue to operate afterwards to provided ongoing support.

Recommendation 14:

AgForce recommends the continuation *Tackling Regional Adversity through Integrated Care* and for health and mental health services to be embedded in communities as an ongoing aspect of regional services rather than a crisis response measure.

Royal Flying Doctor Service's Drought Well Being Service (Queensland Health)

AgForce has been a long supporter of this specific program and has been advocating for secure funding to be established for the Royal Flying Doctor Service, as such services are paramount to the social fabric of community. AgForce thanks the Queensland Government for providing secure access to \$4million over four years.

Drought and Climate Adaptation Program (DCAP)

The Drought and Climate Adaptation Program reflects the Drought Intergovernmental Agreement stipulated output of 'tools and technologies to inform decision making'. In the 2018 AgForce Drought survey 34pc of persons indicated that access to these tools would better prepare them for droughts. Whilst, DCAP is still in its early days of implementation and benefits are yet to flow through to producers, AgForce is involved in and supportive of the program as a measure to support on-farm decision making.

Recommendation 15:

AgForce recommends the continuation of the *Drought and Climate Adaptation Program* and investment into drought and climate risk relevant Research, Development and Extension that supports producers manage drought better.

FURTHER IMPROVEMENTS

Managing the current drought

When looking to the current drought, respondents (n=351) indicated that the following would be additional levels of assistance that would help them in managing this drought:

- Relief from council rates and leasehold land rental – 74pc
- Subsidies (e.g. fuel, freight and fertilizer) – 62pc
- On-Farm water investment scheme (e.g. desilting of dams) – 62pc
- Pest and Weed management grants – 42pc.

Support in responding to the fixed financial pressures along with means the of increasing the productivity of the property in the good times were outlined in the comments by respondents. Interest rate subsidies was also mentioned by 14pc of those (n=16) in the 'other' section of the survey.

Recovering from drought

Respondents (n=348) of the 2018 Drought Survey were asked to consider what measures the government could be providing to support the efforts of producers in recovering from this drought. It was reported that the top priorities were:

- Tax-write offs and / or accelerated depreciation – 70pc
- Subsidies (e.g. fuel, freight and fertilizer) – 53pc
- Pest and Weed management grants – 46pc
- Government assistance for restocking or replanting – 41pc.

It is important that when it does rain that drought support and policy aren't forgotten along with the people living in those communities. Support shouldn't be turned off as soon as a drought-breaking weather event occurs. Many of the existing support measures should be continued into the recovery phase of a drought. Consideration should be given to the significant impact investment can have not only to a single enterprise, but also the community and region.

Preparing for a drought

Given the length of time this drought has gone on for, and the frequency at which drought events will occur into the future, it is important that the policy settings are adjusted to ensure preparedness measures are encouraged and supported. The 2018 Drought Survey asked respondents (n=348) to consider future drought events and what would assist their efforts to prepare and minimise the risks. The following were identified as appropriate measures of assistance:

- Tax write-offs and / or accelerated depreciation – 66pc
 - For example, on-farm fodder storage facilities
- Grants or loans for farm resilience – 47pc
 - For example, access to funds for: water capture and storage, fodder storage, dams, bores
- Pest and weed management grants – 40pc
- Evaluation tools for land, climate and weather – 34pc
 - Significantly, improvements to forecasting was reported by Drought survey respondents as necessary to supporting on-farm efforts to prepare and evaluate risk.

Comments by respondents also highlighted the role government can play in encouraging and empowering producers to destock earlier through the introduction of a destocking subsidy.

'there is no subsidies to remove stock still in good condition to sale or agistment, this encourages the holding of stock until they are too poor to move and have caused extensive environmental damage to the areas they continue to graze. Stock feed subsidies in the long run cause environmental damage and animal welfare issues.' – South West Queensland

Recommendation 16:

AgForce recommends the development of a partial destocking support measure as drought risk increases.

AgForce is supportive of the steps taken by the Queensland government to investigate the abolishment of stamp duty on agricultural insurance products in an effort to assist producers in managing their risks. Currently, the presence of stamp duty is a barrier to adoption for many producers. Removal of stamp duty was raised by 15pc of respondents (n=351) as a priority for government. AgForce recommends the removal of stamp duty on products related to production / climate risks.

Recommendation 17:

AgForce recommends the removal of stamp duty on risk-relevant farm insurance products to promote drought risk management.

Additional Comments

Consistently throughout the AgForce 2018 Drought Survey the presence of the Queensland Vegetation Management Act was identified as of significant concern and was having implications upon some producers' abilities to manage drought, especially by those in the Mulga heartlands.

Recommendation 18:

AgForce recommends the amendment of the Vegetation Management Act to facilitate drought response to ensure animal wellbeing.

CONCLUSION

AgForce welcomes the opportunity to provide a submission to *Queensland Drought Program Review*. The agricultural industry has continued to provide significant contributions to the Australian economy. It is important that producers are not only supported during drought events but empowered to prepare and that all stakeholders demonstrate collaborative efforts to promote recovery. AgForce urges the panel to contemplate the 18 recommendations outlined in this submission and along with previous comments made in the attached previous submission on the matter.

For any questions or further discussion on this submission, please contact Amelia Shaw, Policy Officer (shawa@agforceqld.org.au) on 07 3236 3100.

APPENDIX A: AgForce Drought Relief Assistance Scheme Submission 2015

APPENDIX B: AgForce Agricultural Business Cycle

APPENDIX C: AgForce 2018 Drought Survey Report

APPENDIX D: AgForce 2018 Drought Survey Questions