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Consultation Draft: Future Drought Fund Investment Strategy 2024-2028

Response to Discussion Questions

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The Queensland Department of Agriculture and Fisheries (DAF) is the lead agency for whole-of-Government drought policy and programs in Queensland.  DAF also delivers policies and programs to support industry to be resilient to and recover from natural disasters, pandemics, biosecurity incidents and other supply chain disruptions.

Consistent with the National Drought Agreement, Queensland Drought Policy aims to help producers prepare for, manage and recover from drought.

Recent reforms to Queensland drought assistance have helped Queensland primary producers better manage and prepare for future droughts through tailored training, grants, loans and support, including preparing and implementing farm business resilience plans. As these new drought assistance programs were developed at the same time as the commencement of the Future Drought Fund (FDF), components, such as the Farm Business Resilience Program (FBRP), have been able to be fully integrated with Queensland drought programs.

The FDF has generally been well received in Queensland with a focus on the broader, interconnected priorities of strengthening economic, environmental and social resilience. However, like with any new programs there is opportunity for improvement especially in regard to possible duplication of existing programs.

# Discussion Questions

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| Question 1: Does the draft funding plan provide an appropriate framework to guide spending on drought resilience initiatives? |
| The proposed funding plan does provide an appropriate framework to guide spending on drought resilience initiatives. It should be noted that the FDF’s sizeable financial resourcing and its impact and a long-term commitment can have positive impacts to agriculture and drought resilience. With smart and timely investment, alongside the appropriate governance the FDF funding plan can support spending to support drought resilience. However, the current draft funding plan could be enhanced to further clarify the framework in more detail as currently the draft is quite broad and not descriptive. Further information on co-funding contributions could be added to support better co-ordination with States and Territories. |
| Question 2: Which current FDF programs should be retained? |
| The jointly funded Farm Business Resilience Program has been fully integrated with Queensland’s new drought preparedness measures and is a significant extension program delivered collaboratively by the Queensland Government and industry partners. The Queensland Government has also created incentives to encourage climate risk planning, including through the FBRP, by providing access to assistance with implementation of producer’s farm business resilience plans such as [Drought Preparedness Grants](https://www.qrida.qld.gov.au/program/drought-preparedness-grants) and concessional [Drought Ready and Recovery loans](https://www.qrida.qld.gov.au/program/drought-ready-and-recovery-finance-loans). This has encouraged greater participation in the FBRP workshops and has resulted in on-farm actions to improve drought preparedness, with the aim of being ready for the next drought. DAF can see a benefit of continuing and possibly expanding FBRP to broaden to more explicitly support climate resilience, climate adaptation and climate mitigation to improve future business resilience.  Implementation of the FBRP in Queensland is seen to have facilitated a mindset shift and prompted participants to consider different aspects of farm readiness and resilience. It has provided guidance, support, and new perspectives, leading to changes in participants' approaches to risk management, business planning, and farm operations. In 2022-23, 435 primary producers have developed Farm Business Resilience Plans (new plans developed or existing plans updated) and 870 producers have completed a holistic self-assessment checklist for their business. There have been 7,288 attendees engaged with the program, including 2,480 one-on-one support sessions. 3,458 producers have attended group workshops delivered through funding under the FBRP.  Primary producers engaged in FBRP activities in Queensland rated the usefulness of the activities in making their farm business more resilient to climate, drought and other challenges highly (7.4/10) in a recent survey implemented by Coutts J&R (independent monitoring and evaluation consultant). Most respondents had taken some actions following their participation including discussing the implications with others on their farm management team (79%) and/or sought more information (59%). The survey found that 43% had made a decision to implement one or more practices/technologies on the farm and 25% had already made a change to practices or technologies on-farm. Of those that were planning to or had made changes, the types of changes were: 56% improving both productivity and natural resource management, 50% improving productivity/profitability, 39% improving natural resource management, and 19% addressing farm succession/WHS or similar issues. The strong impact of the FBRP implementation in Queensland on NRM outcomes is facilitated through collaboration and partnerships with NRM groups (4 NRM Groups are contracted to deliver FBRP activities in the grazing industry).  As the access to the FBRP is equitable across all agricultural industries and all cohorts of producers, flow on benefits from private good of individual producers ultimately flow onto public good to agriculture and the economy as a whole.  The Regional Drought Resilience Planning (RDRP) planning program is one of two programs being implemented with equivalent funding from the Queensland Government. It is still being rolled out and not all regions have developed regional drought resilience plans, however, these plans will be completed and approved by June 2024. It can be observed that the FDF amount of $150,000 (matched by the Queensland Government for a total $300,000) for RDRP implementation grants may be insufficient to implement some of the actions identified within the plans developed to date.  To maintain momentum and foster regional ownership of the plans, the RDRP program should be retained and further funding for implementing actions identified in the plans could be included into the next round of the FDF.  The Drought Resilience Adoption and Innovation Hubs (the Drought Hubs) should also be retained for the next iteration of the FDF. The Drought Hubs have had some successes since implementation with connecting farmers with regional agricultural experts, fostering innovation and supporting new practices. To further build on this the Drought Hubs should be retained and encouraged to provide synergies and cross-promotion opportunities across other Drought Hubs, FDF programs and other programs delivered by state and territory agencies.  DAF will not comment on all of the programs funded since the introduction of the FDF. |
| **Question 3: Which current FDF programs could be integrated with existing programs or built upon to drive efficiency or to maximise impact?** |
| DAF identifies that there is room for improvement in delivery and implementation, including better integration with existing state, territory and industry programs, reductions in program duplication and overlap, and improving overall governance in the FDF.  Within the FDF, programs identified under *Better Prepared Communities* need to be better integrated with the initiatives under *Better Planning* in the FDF Programs.  There are also opportunities for integration, in particular with the Drought Hubs, with existing research, development and extension programs with Cooperative Research Centres (CRCs) and state government existing programs. Links with the Climate Services for Agriculture (CSA) (e.g. My Climate View) are useful but are not silver bullet solutions to radically or incrementally lead to changes in producer thinking about climate change impacts and adaptation options. Many producers will need support from existing extension/consultant networks which support producers to navigate these tools and interpret the outputs they produce in a sensible way. More generally, the climate literacy of producers needs to be enhanced so that the use of climate forecast information is better understood in terms of probabilities, risk and uncertainty, individual producer risk profiles and individual producer attitudes to risk.  The CSA and DRSAT online tools aim to provide climate and drought preparedness information for all areas in Australia and for multiple commodities. At a broad level, some of the information replicates existing long standing online information (e.g., Queensland’s [Long Paddock website](https://www.longpaddock.qld.gov.au/) which has been operational since 1995). There are opportunities for aligning with and supporting such existing jurisdictional services to complement, rather than duplicate them.  DAF would like to express the need however that any programs requiring co-funding from state and territories should be developed in conjunction with state and territories before announcement of the programs. This will hopefully reduce delays with decisions to participate in the program, sourcing funding and formalising Federation Funding Agreements. |
| **Question 4: How should the Hubs’ role be better defined to deliver more impact for their regions? Are the proposed funding options for the Hubs appropriate?** |
| As stated previously, avoiding duplication with existing programs across federal, state and CRCs should be a high priority by better defining the Drought Hubs roles. The Drought Hubs could also incorporate a focus on climate adaptation in a drying climate rather than just drought resilience.  Collaboration with other programs should be encouraged as many producers will need support to navigate to enhance climate literacy. Collaboration between the Hubs and FBRP is increasing with both formal contractual arrangements in the horticulture industry and co-delivery at industry workshops increasing since establishment of the Hubs. |
| **Question 5: What implementation pathways and governance options are the most appropriate ways of actioning regional plans?** |
| RDR plans are regionally owned, and any actions should be led from the regional level. Governance and implementation pathways should be flexible to promote action. There have been considerable delays in approving the plans and development of the implementation grants and this has created frustrations at the regional level. To support regional ownership, buy-in and to maintain momentum at a regional level, approval processes should be streamlined to avoid delays. To ensure the plans are valued and actions implemented additional funding above the initial implementation grant of $300,000 could be provided to the regions to further implement actions. |
| **Question 6: Should a future iteration of the FBR program be more focussed on specific learning areas or target particular cohorts of farmers (e.g., young farmers, remotely located farmers, smaller landholders and/or those operating on marginal land)?** |
| Access to the program should be equitable across all demographics, who meet the accepted definition of primary producers. However, a focus could be on attracting/including those with lower capacity more generally and who might be at greater risk. Engagement with this group could hopefully lead to improved viability and/or farm succession, adjustment out of the industry or into other activities. DAF advocates for a more flexible participant centred model with flexibility in the FBR program to support the specific learning needs of different target cohorts.  Small landholders, especially throughout coastal south and south east Queensland, often do not have the same understanding of animal welfare, property and natural resource management during drought than larger more established producers. Many of these farmers do have off farm sources of income and their properties are often “lifestyle blocks” and do not meet the accepted primary producer eligibility requirements. The Queensland Government has previously in drought times provided detailed targeted support and education to this cohort of farmers. These small landholders are spread over a large area of the state and proportionally manage a small area of land in Queensland.  It must be noted though, that the Queensland drought assistance which requires primary producers to have a resilience plan does not allow for financial assistance to these small landholders where less than 50 per cent of their income and labour is derived from primary production. During the consultative meetings in Toowoomba and Townsville it was commented that small landholders are excluded from assistance and these comments may have also referred to the financial assistance available as well as access to FBRP and the broader FDF programs. |
| **Question 7: How should public and private good be balanced in a future iteration of the FBR program? Should the program require farmer co-contributions?** |
| Unless there is private good within the program, producer engagement is likely to be limited. There could possibly be an argument that producers in their current enterprises act in the public good by being custodians of the land. Co-contribution could be viewed by land managers and primary producers as time taken to participate, travel, and their associated costs. Requiring financial co-contributions may be an impediment to program engagement by producers, particularly those who have lower general capacity. |
| **Question 8: Should the FDF provide training on how best to use and interpret information from existing climate tools, including but not limited to ‘My Climate View’? If so, who could benefit most from such training?** |
| Since the initial development of climate variability decision support tools (DST) such as Australian Rainman during the 1990’s, there has been an increasing number of high-quality climate risk decision support tools available for land manager and primary producer use. However, confusion or uncertainty as to how to use these tools, interpret their output and/or integrate into management decisions remains common.  Reasons for ambiguity regarding the use of DST can include poor design, complex messaging, perceived poor relevance to decision making, lack of user support, lack of training, poor access or resources. Any future round of the FDF should ensure not only that farmers and regional communities can continue to access climate information and relevant DSTs, but also that there is a strong focus on ensuring DSTs meet end users needs as well as provide regular training (through a variety of channels/methods). This would obviously provide benefits to land managers and primary producers but also to DST developers and researchers through continual feedback.  A positive example is the inclusion of ‘Climate Mates’ to the local regions of the Northern Australia Climate Program (NACP). These are individuals selected for their knowledge of the red meat industry and their capacity to network and communicate with producers in key regions of Northern Australia. They aim to improve the use of weather and climate forecasts through training and engaging with graziers, advisors and supporting the broader extension team across northern Australia.  ‘Climate Mates’ are supported by an agricultural meteorological expert and researchers to understand climate forecasting for use within their extension programs. They are trained in general aspects of climate science and forecasting so they can impart knowledge and be a local expert to help landholders. This includes delivering workshops, disseminating regionally specific climate and forecast information as well as gathering feedback on research and product development. Their knowledge will stay in the local area and will be a legacy of the project into the future. Further information about this model could be provided if required. |
| **Question 9: Should the long-term goal for CSA be providing adaptation information to better support practice change in response to climate projections?** |
| It remains essential for the success of the FDF and associated programs that localised climate projections as well as potential adaptation responses for agriculture are provided and analysed. As Australia's climate is highly variable ranging from tropical wet to arid and from extremely wet to extremely dry on an annual basis, understanding how our future climate and climate variability at a local scale will change and implications for industry is crucial for adaptation and preparedness.  Regardless, if it is CSA or State based agricultural departments that undertake the work, if the goal of the FDF is to help Australian farmers and communities prepare for the impacts of drought (and therefore by default climate change) the provision and review of adaptation information through ongoing extension programs is essential. This needs to include case studies of primary producers who have undertaken practice change, the result and lessons learned through the process as well as cost benefit analysis of undertaking the change. A preference is to include or integrate the extension of these tools through programs such as FBRP. |
| **Question 10: Should the FDF prioritise natural capital management projects through discrete programs (such as a new Drought Resilience Soils and Landscapes program) or should NRM continue to be embedded throughout most streams of investment? Or both?** |
| There is value in both prioritising individual natural capital projects and embedding NRM throughout most of the FDF initiatives. However, any future FDF programs that prioritise natural capital management should not duplicate existing Australian, state or territory programs. At all opportunities better alignment should be created with these existing programs. |
| **Question 11: How can First Nations communities be supported so that their knowledge and practices to care for country can maintained for the benefit of their communities and land?** |
| It could be considered that the FDF enable either a First Nations specific marketing and communications plan or appointing knowledge brokers that can leverage all the program offerings, especially analytics, training, capacity building, dashboards and processes of discovery in a culturally appropriate way. In rural and remote communities, there may be some language, literacy and numeracy nuances to consider. |
| **Question 12: Should the FDF focus on innovation, or broader extension and adoption of tried and tested practices to enable change at scale in Australia? Or both?** |
| Both. Refer to answers above. There is opportunity for increasing the adoption of tried and tested practices that haven’t been widely adopted through trusted networks of extension officers who support primary producers with incremental practice change over time, in addition to adoption of new innovative approaches and products. Engagement through the established relationships and networks between DAF, industry and NRM groups has been integral to achieving engagement with primary producers and facilitating incremental practice change in the implementation of the FBRP in Queensland. |
| **Question 13: Should transformational change, and partnerships that facilitate it, be prioritised by the FDF? What incentives or programs would best support transformational change?**  **Or should the FDF continue to also build incremental change – that eventually lead to transformation – and focus on the preconditions (knowledge, skills, and support etc) that enable individuals and communities to make transformational changes?** |
| The short-term implementation of regional services aimed at drought and climate resilience is less effective when compared with long-term investment in such services. This is an important consideration when implementing any program for which a major proposed outcome is transformational change.  Transformational timeline changes in agriculture vary greatly depending on the specific context and the nature of the change being pursued. This can be due to industry structure, production, technology or financial constraints or primary producer reticence.  As many FDF programs are still in the early stages of development, with real and ongoing outcomes yet to be fully identified, significant transformational change may be difficult to achieve for some of the programs within the FDF. Given this, there would be benefit for the FDF to focus on transformational change after this next funding round of the FDF programs and post 2028. There would also be a benefit of the FDF focusing more on climate resilience (than just drought with consideration of businesses implementing climate adaptation and mitigation actions) moving forward. |
| **Question 14: What Drought Resilience Innovation Challenges could be targeted in the proposed innovation pilot program?** |
| There are many innovative opportunities that could be explored as part of a proposed innovation pilot program. Under *Better Practices* of the FDF further investigation could be warranted to provide research and development opportunities to jurisdictions and industry for research into resilient farming practices such as Agrivoltaics where trials on high value perennials and annuals under solar PV arrays and further extension could be undertaken. It is important to note that state government jurisdictions have often been excluded from accessing any research or innovative project funds under the FDF. However, there are many innovative projects being undertaken at a state level that can achieve the overall goal of drought resilience and further consideration should be given to expanding the applicant criteria for some of the FDF programs. |
| **Question 15: What enabling activities are essential to the success of the FDF and should be directly funded to support FDF programs?** |
| Overall, there should be more understanding and integration across the FDF programs to be led by the Australian Government to build on the success of the programs. There has been a lot of confusion from government, industry and primary producers about the roles of some of the FDF programs and how some programs duplicate existing programs already in existence. To enable a more cohesive response to drought and climate resilience, communication and integration needs to be supported across all the FDF programs. |