

## Submission



QUEENSLAND  
FARMERS'  
FEDERATION

14 July 2023

Mr Andrew Colvin  
National Emergency Management Agency  
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Via email: [alison.sommerville@nema.gov.au](mailto:alison.sommerville@nema.gov.au)  
Online: <https://nema.gov.au/IRCDF>

Dear Mr Colvin

### Re: Independent Review of Commonwealth Disaster Funding

The Queensland Farmers' Federation (QFF) is the united voice of agriculture in Queensland. It is a federation that represents the interests of 20 peak state and national agriculture industry organisations and engages in a broad range of economic, social, environmental and regional issues of strategic importance to the productivity, sustainability and growth of the agricultural sector. QFF's mission is to secure a strong and sustainable future for Queensland farmers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Queensland Fruit & Vegetable Growers (QFVG) (formerly Growcom)
- Nursery & Garden Industry Queensland (NGIQ)
- eastAUSmilk
- Australian Cane Farmers Association (ACFA)
- Turf Queensland
- Queensland United Egg Producers (QUEP)
- Queensland Chicken Meat Council (QCMC)
- Pork Queensland Inc
- Bundaberg Regional Irrigators Group (BRIG)
- Burdekin River Irrigation Area Irrigators Ltd (BRIA)
- Central Downs Irrigators Ltd (CDIL)
- Fairbairn Irrigation Network Ltd
- Mallowa Irrigation Ltd
- Pioneer Valley Water Cooperative Ltd (PV Water)
- Theodore Water Pty Ltd
- Eton Irrigation Co-operative Ltd
- Lockyer Water Users Forum (LWUF)
- Queensland Oyster Growers Association (QOGA)

QFF welcomes the opportunity to provide comment on the Independent Review of Commonwealth Disaster Funding. We provide this submission without prejudice to any additional submission from our members or individual farmers.

#### MEMBERS

Canegrowers  
Cotton Australia  
Qld Fruit & Vegetable Growers  
Nursery and Garden Industry Qld

eastAUSmilk  
Turf Queensland  
Australian Cane Farmers Association  
Queensland United Egg Producers

Queensland Chicken Meat Council  
Pork Queensland Inc  
Qld Oyster Growers Association  
Irrigator Groups Across Qld

To address the Commission's series of questions, we have provided the following responses.

## **1. What experience have you had with Commonwealth disaster funding support?**

QFF and its member organisations have historically been the recipient of disaster funding to facilitate support when there is a Category D Activation of the Disaster Recovery Funding Arrangements (DRFA), formerly known as the Natural Disaster Relief and Recovery Arrangements (NDRRA). QFF and its member organisations have extensive experience in developing and managing projects and providing support to primary producers to recover, resume and restore farm business operations following a natural disaster event. Together, we facilitate on-farm recovery activities through its industry members and participate in Queensland Government meetings in the lead up to and immediate response phases of natural disasters, such as cyclones, floods and bushfire. QFF is experienced in the application of funding to those businesses with ability to apply funding in such a way that builds regional resilience. A recent example of how we are applying regional skills to build resilience is through the collaboration of rural financial counselling services in North Queensland working with Growcom to build drought resilience for the horticulture industry. QFF and its member organisations are respected leaders in the delivery of programs. QFF currently facilitates the Industry Recovery & Resilience Officer program to support industry through Queensland's most recent flood events in South East Queensland.

QFF and its members have interacted heavily with government and provided collaborative support to regional disaster schemes and funding throughout the years. Our united policy position has always been to support disaster relief and resilience regionally whilst achieving a balance between government assistance and farmers capacity to be self-reliant and resilient. QFF has stressed the importance of disaster assistance reflecting the differing microclimates and resource availability across local government areas, and the imperative need for more detailed climate modelling. Farming businesses are more exposed to natural disaster than any other industry. It is imperative that governments continue to recognise that supporting these agribusinesses is in the national interest, both from an economic and food security perspective. QFF has supported the move away from 'transactional' assistance during drought seasons and changing the attitude of government assistance from seasonal support to long-term disaster preparedness and resilience.

## **2. How could Commonwealth funding support communities to reduce their disaster risk?**

In 2022 the Intergovernmental Panel on Climate Change predicted that an average change in global temperatures of just 1.5 degrees Celsius will lead to a fourfold increase in natural disasters<sup>1</sup>. For vulnerable Australian regional communities, this means a significant increase in severe storms, floods, bushfires, cyclones, and hailstorms and heightened threats to their livelihoods.

Since 2005 the large majority of Commonwealth expenditure related to natural disasters has been focused on disaster relief, with just two percent of all related expenditure being allocated to disaster resilience<sup>2</sup>. QFF welcomes the establishment of the Disaster Ready Fund (DRF) and commitment of 1 billion dollars over the next five years. QFF is encouraged by the government investing more heavily in disaster resilience and acknowledges this as a good first step in addressing the disparity in the funding to date. However, the risks related to natural disasters for businesses will continue to be present well beyond the 5-year horizon and as such, QFF suggests that the DRF be adapted to incorporate a similar design to the Future Drought Fund (FDF). The FDF is legislated to ensure a sustainable source of funding for projects that support primary production businesses and their communities, to prepare for and build drought resilience to natural disasters. The DRF is only in the early stages of establishment with the successful projects for

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<sup>1</sup> IPCC, 2022

<sup>2</sup> ICA, 2022

Round One having just been announced. QFF notes that Round One applications were only open to state and local governments, which severely limited the scope of the projects that were able to be funded, to those that were identified as priorities by those governments. Application scope needs to be extended to individual farming bodies. DRF support mechanisms need to go beyond government to ensure that funded projects are informed by those who best understand the impacts of natural disasters, the industries and communities affected. Industry bodies have and will continue to ensure vulnerable applicants do not miss out on essential funding.

QFF supports the Commonwealth in defining drought as a naturally occurring cycle that sits outside the definition of a natural disaster. However, drought is also as a weather-related cycle influenced by climate change. The increasing length and severity of drought will only compound the impact of natural disasters on rural communities and farming businesses, during and post-drought recovery periods. The increasing frequency and severity of this cycle will only deplete the resilience of communities and businesses. Given that government recognises drought and natural disasters as long-term, re-occurring natural events, then it is important that funding for natural disaster and recovery and preparedness reflect this. QFF suggests the Commonwealth government consider mimicking the structure of the Future Drought Fund to support resilience funding for natural disaster preparedness. As drought is an enduring feature of the Australian landscape, so too are natural disasters and so a framework that provides secure, continuous funding for natural disaster resilience initiatives is essential. QFF encourages government to engage heavily with industry and community when building this framework to ensure it is cohesive, whilst not being duplicative or adding additional layers of bureaucracy to on-farm disaster support.

### **3. Please describe your understanding of Commonwealth disaster funding processes.**

QFF and its members have extensive knowledge and experience of the DRFA. QFF has delivered recovery programs to the Queensland Agriculture sector for approximately 18 years, including the Industry Recovery & Resilience Officer program; and pre-event and post-event liaison and interactions with disaster policy over the years. The DRFA is joint Commonwealth and State government funding, providing financial assistance to help communities recover from eligible disasters. The DRFA is governed by the Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2017, assistance provided under the scheme aids in alleviating financial burden on individuals, communities and states.

### **4. Are the funding roles of the Commonwealth, states and territories, and local government, during disaster events clear?**

At the farm level, primary producers are generally aware of the funding roles of the Commonwealth and the State, and local government. Programs delivered through QFF and its members always acknowledge funding roles of each provider. Recovery events facilitated by funding will usually include representatives from recovery agencies, such as QRA & QRIDA (State) and local councillors or regional disaster recovery officers. However, there is room for more information about the numerous silos or funded bodies delivering on ground recovery services. As an example, QFF receives funding to deliver recovery programs such as the Industry Recovery and Resilience Officer program, granted to QFF through the Queensland Department of Agriculture and Fisheries. Other agencies, NGOs and local government may be funded through other state government departments, using the same Commonwealth funding pool, but delivering services to 'communities', of which primary producers make up one component. Often recovery officers will meet with other providers on the ground, to find both providers curious about each other's activities. Therefore, we would encourage the Commonwealth Government via the state authorities such as Queensland Reconstruction Authority to facilitate a shared list of service providers and funding recipients to enable a whole-of-community recovery response. This would enable a more stream-lined, customised delivery of services to community and its various segments, including the agriculture sector.

QFF acknowledges the work of the federal, state and local governments in supporting primary production businesses through natural disaster response and recovery. The work by all levels of governments aids primary producers and regional communities in their recovery. However, having multiple levels of government involved in the process can lead to the over complication of processes, particularly those related to recovery grants and concessional loans.

There is evidence of a lack of consistency across state jurisdictions in the activities for which NDRFA funding can be used on farm, due to the way that state bodies administer the funding and interpret the uses for which the funding can be used. For example, in the guidelines provided by the Queensland Rural and Industry Development Authority (QRIDA), for the Extraordinary Disaster Assistance Recovery Grants state that funding may be used for

*“replacing lost or damaged plants if the replacement is essential for immediately resuming operation of the primary production enterprise”<sup>3</sup>*

And the NSW Rural Assistance Authority (RAA) Special Disaster Assistance Guidelines state that funding may be used to

*“Replace lost or damaged plants, salvage crops, repair or restore fields.”<sup>4</sup>*

Both these guidelines seem consistent in the activity that they would deem eligible, however in Queensland, replanting of an inground crop lost to a disaster event is not deemed an eligible activity, whilst in NSW it is. This example also points to a discrimination in favour of grazing and broadacre industries while often hindering or confusing intensive horticulture or sugarcane businesses. QFF encourages open discussions regarding eligibility and the distinction between crops and orchards in horticulture, so that producers are able to receive disaster support for damaged or lost orchards which were not yet bearing fruit ('crops'). Orchardists need to be able to rebuild their orchard in order to produce a crop long-term, the two are intrinsically linked.

Further, consistent feedback from many of our primary producers is the quickest way to restore their business is the planting of a crop post flood, which allows them to utilise the soil moisture and generate cashflow. It is important to note, that the replanted crop may be different to the lost crop. For example, it might be most appropriate to replace a cotton crop, originally planted in October, but lost to flooding in late December, with a mung bean crops, as mung beans have a shorter growing period than cotton. The inability to use disaster funding to re-establish cropping after an event is a constant source of irritation for Qld producers, and one where it is hard to provide a logical explanation.

There needs to be consistency across States and agriculture industries in terms of policy related to disaster recovery. Current policy is unclear, too easily put down to interpretation and lacks equitability across states. Further elaboration is required within these policies, with the government outlining minimum standards on what is an eligible activity. QFF further encourages the federal government, which provides up to 75 percent of the funding<sup>5</sup> to have more oversight on these disaster terms to achieve this policy uniformity across states.

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<sup>3</sup> QRIDA, 2023

<sup>4</sup> NSWRAA, 2022

<sup>5</sup> DRFA, 2018

## 5. Is there any further information you would like to provide?

The agricultural industry is worth \$23.37 billion in Queensland alone, and accounts for 55% of land use in Australia<sup>6</sup>, however, only a small percentage of this is ‘high value’ property, highly productive land and soil. Changing landscapes and continually developing local government areas threaten the limited availability of high value agricultural land. Farmers on-selling high value land due to a lack of resources and subsequent financial hardship, has resulted in a loss of property vital to the continuation of the industry. The industry contributes significantly to the economy and consequently, the stability and resilience of the farming industry as a whole, is critical. The changing climate in recent years is a timely reminder of the critical importance of future-proofing agricultural land in Australia. Failure to create resilience and enhance the robustness of the industry through improved disaster preparedness and recovery assistance, creates a huge liability for Australian communities, national food security and the stability of the economy.

To ensure effective and timely recovery of farming businesses post-disaster, funding needs to be targeted at getting disaster recovery officers on ground immediately after a disaster event. In Category A Activation of the DRFA, resilience officers are only put in place in local governments for the benefit of whole-of-community. QFF would encourage the Commonwealth to include industry recovery officers be included in the Category A funding to support the small businesses impacted by disasters. Often in the aftermath of a disaster the focus is on individuals within communities, but communities are much more likely to recover quickly when the businesses within the community are supported to ensure they can continue to employ staff and drive economic viability in their local communities.

Furthermore, QFF and its members know from experience, QFF that the most effective time to build resilience into a farming business is immediately after a disaster event has occurred, this is when we want to encourage businesses to ‘build back better’. In order to achieve this, there is a need for officers to be on ground in the immediate aftermath. QFF suggests an adaption of the funding to support disaster recovery professionals altering between recovery and resilience roles. Too often we see loss of experience across regions, across all employment avenues due to short term funding of contracts. QFF and its members have repeatedly witnessed those with important disaster recovery and resilience building skill sets pursue other opportunities, resulting in workers leaving regional areas, given the short-term nature of the employment contracts. Investment in long-term funding for disaster recovery, as mentioned in our response to question two, will ensure that recovery and resilience professionals are able to pivot from a resilience building role to a recovery role post disaster event, remain in regional areas and build regional resilience. This would allow for workers to up-skill by transferring between roles and allow regions and the industry to retain skilled workers for longer periods by providing job security.

QFF recognises the need to ensure financial systems and government programs which empower self-reliance in farming businesses. There is difficulty in finding a balance between incentivising and building resilience for viable farm businesses, but not supporting businesses that would not otherwise be viable. QFF understands the importance of regional experience in recognising use of funding to build viability over the longer term. One of the key tools for ensuring recovery post disaster is the ability of a business to smooth their financial volatility during times of great instability. Farm businesses are generally very good at mitigating disaster and financial risk, however, there comes a point where mitigation measures have been exhausted and risk transfer becomes the best option for smoothing income volatility. These are the risks that cannot be managed, the things that keep business owners awake at night. The 2023 *National Farmer Wellbeing report* found that 88% of the 1300 farmers surveyed have had their operation significantly impacted by natural disasters in the past five years, at an average cost of \$1.4 million per farm<sup>7</sup>.

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<sup>6</sup> DAFF, 2023

<sup>7</sup> NORCO, 2023

Insurance as a tool for risk transfer is becoming increasingly difficult and costly for individuals<sup>8</sup>, and as such it is imperative that we look for new and innovative ways to support farm businesses to smooth their income volatility, allowing better long-term investment and planning decisions. Currently, there is a lack of competition and players within the crop and farm insurance market in Australia as a result of a detrimental cycle of adverse selection, poor results and increasing premium costs<sup>9</sup>. There is a dire need for government to facilitate the capitalisation of a farm crop insurance scheme, to enable farmers impacted by low and medium intensity weather events and drought to fund their own recovery. A risk pooling scheme such as this would be self-sustaining long term but requires government support to provide confidence to growers and the insurance market in the initial years. Encouraging viable and prosperous farm enterprises to take up crop insurance programs is one method of building resilience and encourages less reliance on drawing on public funds post event. Crop insurance programs should not be intended to replace the current Disaster Recovery Funding Arrangements but to provide for future flexibility as well as certainty for farmers.

Given the limited availability of high value agricultural land and the importance of agriculture for food security and to the economy it is essential that we empower farmers to continue to operate viable and sustainable businesses, even if confronted by an increasingly variable climate and more frequent natural disasters. To enable this, sustained regional industry support is required.

Yours sincerely

Jo Sheppard  
Chief Executive Officer

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<sup>8</sup> ACCC, 2020

<sup>9</sup> Roberts, J et al, 2023