

Queensland Local Government **Drought Action Plan**

A plan for sustaining communities through drought



Drought affects entire communities – it doesn't stop at the farm gate.

No part of Queensland is immune to the impacts of drought. Almost 3 million people are currently living in drought conditions in communities across Queensland.

At the start of 2020, 45 of Queensland's 77 councils were drought declared, representing more than two-thirds of the state's total land area. Of those, 16 have been drought declared since 2013.

Sustaining farm businesses is an essential component of Australia's national drought strategy. Communities also need policy settings and programs that will sustain them – and their businesses and economies – in meeting the challenges of severe drought.

There is no distinction between severe drought and other disasters such as floods, fires and cyclones when it comes to the impacts on our communities, economy and environment. Yet these events are not treated the same. We need a comprehensive, integrated approach to preparing for and managing all disaster events that severely impact our communities, not just some.

For the move to drought preparedness and resilience to be successful, Federal and State governments must work in partnership with local government. The eight recommendations in this Drought Action Plan would see all partners working together to empower our communities and businesses to better plan for, respond and adapt to drought.

1 Partner with local government

A collaborative partnership is required between all three levels of government, which has local government on behalf of their communities at the centre of decision making.

Queensland councils welcome the focus of the National Drought Agreement on drought preparedness, sustainability, resilience and risk management. However, the agreement is flawed in that it gives insufficient recognition to the role of local government in leading communities in preparing for and managing drought.

While the agreement refers to the importance of partnerships, it simply lists local government along with other stakeholders. As Australia's third level of government, councils need to be treated as a 'partner-in-government' rather than just another voice among many.

Drought policies and programs will continue to be ineffective unless local government leadership is given proper recognition and support by Federal and State governments. As the level of government closest to communities, councils have the relationships, the knowledge and the experience in dealing with drought necessary for realising the objectives of the National Drought Agreement.

Federal funding is also required to enable local government to appoint drought resilience coordinators, with these coordinators recognised as an authoritative voice on local needs and the point of coordination for deploying Federal and State resources in support of local, community-led initiatives.

Our drought coordinator provides a link between individuals and drought support agencies. Since January 2019, they have assisted in submitting over 500 applications for more than \$1.2 million in assistance on behalf of eligible residents in the region.

CR TRACY DOBIE, MAYOR
Southern Downs Regional Council

2 Reform drought governance arrangements

Drought needs to be integrated into Queensland’s existing disaster management arrangements, thereby enabling a systematic approach to the prevention, preparation, response and recovery from the impacts of drought.

Currently, drought is not identified as a ‘disaster’ in Queensland’s *Disaster Management Act 2003* (DMA). Section 13 of the DMA defines a disaster as “a serious disruption in a community, caused by the impact of an event, that requires a significant coordinated response by the State and other entities to help the community recover from the disruption”. Severe drought meets the intent of section 13. It causes “serious disruption” to communities and the resources of the State and other entities is required to help communities respond and recover from its impacts.

Under Queensland’s disaster management arrangements, local governments – through their Local Disaster Management Groups (LDMGs) – have primary responsibility for responding to disasters at the community level. The use of LDMGs – and their integration with relevant Federal and State agencies – enables strong and effective partnerships to be formed between government, non-government organisations, affected industries and communities. The structure of these arrangements also enables local government to draw on support from Federal and State agencies when additional resources are required.

There is a need for communities to prepare for and manage drought. However, when the severity of a drought moves beyond the capacity of a council and its community to manage on their own, it is vital there is a clear mechanism for drawing upon Federal and State resources – and coordinating the deployment of these resources – according to local needs and priorities.

The Queensland Government has supported the recommendation of the Drought Program Review Independent Panel to move to a new system of drought declarations by June 2021 that is based on a more objective, science-based, multi-layered framework (referred to as a Drought Severity Index). Such a move will provide the foundation for identifying triggers for assistance to councils and communities once the impacts of a drought are beyond their resources to manage alone.

The Panel is firmly of the view that the development of ... evidence-based data utilisation models will address the current subjectivity and observation assessment of drought onset, severity and longevity. The Panel envisages that on development of a Drought Severity Index, a future requirement for a binary ‘in or out of drought’ declaration will no longer be necessary. A severity index will provide triggers to help landholders to prepare for worsening conditions; advise the government on impacts of adverse climatic conditions; and allow for interventions and assistance that will be measured and reflect the impact of conditions on individual agribusinesses and the community.

A future process for assessing drought declarations should utilise these new initiatives and products to ensure accurate information is the primary mechanism; however, this should be used in conjunction with substantiated observations at a regional level.

INDEPENDENT PANEL

Drought Program Review (Queensland)

January 2019

3 Support communities to better adapt to drought

To help communities better adapt to drought, Federal and State governments should undertake research, develop guidelines and provide funding to local government so that councils can prepare drought management plans with and for their communities.

Councils and their communities have gained significant knowledge on effective ways to prepare for and manage drought and this knowledge needs to be collected and made widely available so that communities can learn from each other in preparing community drought management plans. This approach is consistent with the focus of the Queensland Reconstruction Authority in its *Queensland Disaster Resilience Strategy 2017*, which aims to work with councils and communities to better anticipate, respond and adapt to the impacts of climate change and variability.

In collaboration with the Queensland Government, the LGAQ is already working with Queensland councils to help them identify the work they need to do with their communities to adapt to the impacts of climate change. Thus far, this work has focused on climate adaptation plans for coastal councils (through QCoast₂₁₀₀) and improved governance frameworks for managing climate change impacts (Queensland Climate Resilient Councils).

These programs demonstrate the capacity of councils to help their communities adapt to climate change and variability – including drought – when a properly structured and resourced program is put in place. Being well-prepared for drought when it occurs would lessen the overall impact of drought on affected communities and regional economies.

Resilience is a term used in a variety of contexts and in a multitude of disciplines, including economics, psychology, climate science and agricultural studies. In the context of disaster management, it is suitable to refer to resilience as:

A system or community's ability to rapidly accommodate and recover from the impacts of hazards, restore essential structures and desired functionality, and adapt to new circumstances.

State, national and international experience has shown that the following elements contribute to a resilient organisation or community:

- Risk-informed and appropriately prepared individuals
- The capacity to adapt
- Healthy levels of community connectedness, trust and cooperation

Current research in the field of resilience informs us that it is at the community level that the most powerful action can be taken to address disaster risk. Communities play an active and central role in disaster risk prevention and preparedness, and are the first to experience the rapid changes brought on by disasters that call for the adaptation required to survive and thrive.

QUEENSLAND RECONSTRUCTION AUTHORITY

*Queensland Strategy for Disaster Resilience:
Making Queensland the most disaster resilient state in Australia*

4 Increase support for all drought-affected businesses

Federal tax incentives, and State and Federal drought programs, need to be expanded to assist both farm and non-farm businesses to better prepare for and manage drought.

While there is no doubt that farm businesses feel the immediate impact of drought, the flow-on economic impact of a downturn in the agribusiness sector is felt across a community. In a severe drought all businesses face falling revenues, adversely affecting employment and the ability of towns to retain services and people in their communities.

While programs and tax incentives are in place to assist farm businesses in managing the impacts of drought, there are few equivalent measures in place to support non-farm businesses. Examples of farm business programs that could be adapted to assist non-farm businesses include:

- The Farm Household Allowance Scheme (FHAS) – comprising fortnightly income support, financial assessments of business viability and funding for business advice and training.
- The Farm Management Deposit Scheme (FMDS), which enables tax free deposits to be made in high income years and taxed withdrawals in low income years.

Councils have also raised concerns that existing programs that support farm businesses are too complex and that eligibility requirements are too restrictive. For example, some councils have indicated that the eligibility requirements for the FHAS are so complex that many farmers have either given up on the application process or, in other cases, have been rendered ineligible due to decisions they have made to survive the drought (for example, destocking or earning off-farm income has meant they are no longer classified as ‘primary producers’ and are therefore ineligible for assistance).

Non-farm businesses in Northwest Queensland are feeling the effects of floods and drought. Many will receive an income boost due to the contract restoration work in the wake of the 2019 flood. But that income is expected to be significantly reduced the following financial year as the community is still recovering from that flood and is still suffering the impacts of severe drought. The ability of non-farm businesses to access an equivalent program to the Farm Management Deposit Scheme would improve their resilience to fluctuations in the agribusiness sector by enabling tax free deposits in high income years and taxed withdrawals in low income years.

CR BELINDA MURPHY, MAYOR
McKinlay Shire Council

5 Continue drought funding to communities

The value of the Federal Drought Communities Programme cannot be underestimated. Councils are often the major employer in many rural and remote towns and Federal Government support is essential for sustaining council workforces, especially during drought. To be even more effective, a relaxation of the restriction on council employees to deliver DCP projects is required in order to provide sustainable employment and boost local economic activity.

While DCP funding is much appreciated by councils, there are some changes that would increase its beneficial impact on communities. Currently the DCP does not allow councils to use day labour (that is, council employees) on DCP projects. This means that councils with towns that have a small (or even no) contractor base must engage contractors from neighbouring areas, thereby missing the opportunity for money to be earned and spent locally. In addition, hiring contractors from outside the region usually increases costs and delays project delivery. This restriction on day labour can be particularly harsh on communities where a council may be looking at redundancies for staff due to a shortage of other funding, which becomes even more constrained during drought and other disasters.

A second concern with the DCP is that a sudden end to funding will have adverse effects on local economies. Continuity of funding is important in maintaining the economic and other benefits of the program, including through the recovery phase once drought ends. Moreover, requiring communities to spend the funding in a very short timeframe can limit the benefits to communities by limiting the scope of projects and the application of funding over a more meaningful timeline.

Finally, Local Government Areas (LGAs) are continuously being added to drought declarations and a process is required for councils in these newly drought declared LGAs to access the DCP.

To be even more effective, the following changes are need to the Drought Communities Program:

- A relaxation of the restriction on council day labour to deliver projects.
- A commitment to extend the program over multiple years to enable a more sustained economic stimulus and better planning, including when recovering from drought.
- A process for councils in newly drought declared Local Government Areas to access the program.

The Drought Communities Programme enabled us to work with the Queensland Government to develop a Wellbeing Centre combined with a new Primary Health Clinic. The impact on the local people here will be enormous. Other projects include the total renovation of our shire hall, which is the focus of the entire community and will now last another 50 years or more. We have also undertaken a total relining of our sewerage network – again lasting 70-100 years. This has enabled us to future proof our town which has a tiny rate base.

CR RICK BRITTON, MAYOR
Boulia Shire Council

6 Improve coordination and invest more in natural resource management

Drought can be an opportunity to address many of the natural resource management challenges that negatively impact rural and agricultural productivity. Improved coordination between all three levels of government on NRM strategies and priorities - and increased Federal and State government investment - is needed to help councils maintain stock routes and to improve control of invasive species.

Drought presents an opportunity to make significant in-roads in controlling invasive plants and animals, as well as invest in infrastructure such as exclusion fencing and wash down bays that will provide long-term economic benefits to agribusiness. The jobs created by additional investment in NRM would also provide an important economic stimulus to drought-affected communities.

Local government in Queensland is responsible for compliance and enforcement in relation to invasive biosecurity matter under the *Biosecurity Act 2014* and invest heavily in meeting their biosecurity responsibilities. However, increased investment is urgently needed by Federal and State governments to improve control of invasive species negatively impacting on agricultural productivity.

Local government in Queensland also has responsibility for the maintenance and management of stock routes. While the Queensland Government is moving to assist councils to improve cost-recovery from stock route users, stock route maintenance will never be able to be fully funded on a cost-recovery basis. As an essential travel route for the beef industry – particularly in times of drought – Queensland’s stock route network is our ‘Other Beef Road’. Direct funding from the Queensland Government to local government is needed to help maintain stock routes in the same way funding is provided for investment in bitumen roads used to transport cattle.

As the interface between the community and many natural assets and resources, local government engages the community through programs that foster the long-term sustainability of our natural resource base. Councils can also provide leadership in developing and implementing plans that improve landscape resilience.

For every dollar spent controlling invasive plants and animals, \$2.20 of agricultural benefits are derived. There are also significant social benefits associated with controlling invasive plants and animals including the prevention of health impacts, decreased stress levels for landholders, maintenance and improvement of biodiversity and ecosystems, reduced fire risks and prevention of land degradation. For every dollar spent controlling invasive plants and animals, there are around \$3.00 worth of socio-economic and environmental benefits generated for the Queensland economy.

The economic impact of prickly acacia alone in Queensland as a result of reduced stocking rates has been estimated to be up to \$200 million per year, not accounting for increased mustering and maintenance costs.

SOURCE: *The Economic Value of Invasive Plant and Animal Control in Queensland, AEC Group Ltd, 2018*

7 Restore Financial Assistance Grants to local government

To increase the resilience of regional communities to the impacts of drought, the Federal Government needs to restore Financial Assistance Grants to local government to at least one per cent of total Federal taxation revenue.

Local government raises three per cent of public sector revenue while also having responsibility for managing an estimated 33 per cent of public sector assets. Federal funding through FAGs is a cornerstone of local government funding, providing a critical revenue source for councils, particularly rural and remote councils that have a large infrastructure base (such as roads) and a small rate base.

In 1996, FAGs equalled around one per cent of Federal tax revenue. By 2018, in relative terms these grants had fallen by 43 per cent to around 0.55 per cent of Federal tax revenue, despite Australia's economic growth averaging just under 3.5 per cent throughout the same period.

In Queensland, analysis by the LGAQ of per resident distributions of FAGs shows that, if these grants were increased to one per cent of Federal taxation revenue, this would lead to a per resident increase in funding of more than 50 per cent for councils with populations of up to 20,000 residents.

Rural and remote councils affected by drought are precisely the communities that would feel the benefits of such an increase in funding, enabling increased investment in local services, infrastructure and jobs that would bolster community resilience before drought hits.

Being in the eighth year of drought, our communities are doing it tough. The gaps that are seen are ones that are indirect. It is the shops and services of the townships that are suffering. Recently, the only fuel station at Bollon closed its doors and only volunteer, ad hoc arrangements have replaced it. The nearest full-service stations are in Dirranbandi or St George, both approximately 100 km away. Factors such as this result in additional costs to our struggling communities. The focus needs to be on assistance which keeps people, goods, services and money within the community.

CR RICHARD MARSH, MAYOR
Balonne Shire Council

8 Make a sustained, increased investment in our regions

To improve the resilience of regional communities and economies, Federal and State governments need to make a sustained, increased investment in our regions.

The resilience of regional communities to drought is critically affected by the existing level of resources and services available to a community when a drought arrives. No drought policy can be successful without an increased and sustained investment in regional economies and communities.

Invest more in water security

There are significant opportunities to grow agribusiness and improve the resilience of this sector if strategic investments are made in water infrastructure, as well as providing appropriate incentives and policies to improve water use efficiency. There is also a need for substantial investment in town water and wastewater infrastructure if communities are to continue to access safe and secure services.

Tailor taxation and other policies to retain and attract people in regions

Tax arrangements and other incentives are needed to encourage people to live and work in regional areas, including improving the zonal tax rebate, the affordability of regional airfares and the availability of appropriate housing.

Invest more in regional economic infrastructure

Coordinated planning and investment in major infrastructure by all three levels of government is needed to realise the economic potential of our regions. As well as water infrastructure, investment is required roads and transport, energy and telecommunications.

Invest more in frontline service delivery

More investment is required in human services such as mental health, aged care and childcare. At the same time, service delivery to remote and rural areas is complex and the input of community members is vital in seeking feedback on the appropriateness and effectiveness of different service delivery options.

My community is suffering through its sixth year of drought. We need both payroll tax relief and other forms of tax relief to stop people walking away from the land and local businesses and never returning.

A well-planned mix of projects can have short and long-term benefits for drought-affected communities. Water is the key to our future and Federal and State government investment in infrastructure is needed to improve water security for rural and remote towns, as well as for agribusiness.

In the short-term, the Drought Communities Programme has been important for our community. It has already helped fund 16 projects that directly supported 110 jobs, with a further 52 jobs supported in retail/service businesses. This year our council is looking at installing much-needed bores for urban supplies.

CR GRAEME SCHEU, MAYOR
Goondiwindi Shire Council

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1 Partner with local government

A collaborative partnership between all three levels of government, which has local government at the centre of decision making on behalf of their communities.

2 Reform drought governance arrangements

Integrate drought into existing disaster management arrangements, thereby enabling a systematic approach to the prevention, preparation, response and recovery from the impacts of drought.

3 Support communities to better adapt to drought

Federal and State governments undertake research, develop guidelines and provide funding to local government so that councils can prepare drought management plans with and for their communities.

4 Increase support for all drought-affected businesses

The Federal Government expands tax incentives, and State and Federal governments expand programs, to assist both farm and non-farm businesses to better prepare for and manage drought.

5 Continue drought funding to communities

The Federal Government continues the Drought Communities Programme and relaxes the restriction on council employees to deliver DCP projects.

6 Improve coordination and invest more in natural resource management

Federal and State governments work collaboratively with local government on natural resource management strategies and priorities, as well as increase funding to help councils maintain stock routes and improve control of invasive species that negatively impact agricultural productivity.

7 Restore Financial Assistance Grants to local government

Enable increased investment in local services and infrastructure that would bolster community resilience before drought hits by restoring Financial Assistance Grants to local government to at least 1 per cent of total Federal taxation revenue.

8 Make a sustained, increased investment in our regions

Federal and State governments make a sustained, increased investment in our regions, including in water security, regional migration incentives and policies, infrastructure to support economic development and frontline service delivery.

For further information contact:

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