

# Submission

Future Drought Fund and the Drought Resilience  
Funding Plan 2020 to 2024

December 2019

## About Growcom

Growcom is the peak representative body for the fruit, vegetable and nut growing industries in Queensland, providing a range of advocacy, research and industry development services. We are the only organisation in Australia to deliver services across the entire horticulture industry to businesses and organisations of all commodities, sizes and regions, as well as to associated industries in the supply chain. We are constantly in contact with growers and other horticultural business operators. As a result, we are well aware of the outlook, expectations and practical needs of our industry.

Growcom was established in 1923 as a statutory body to represent and provide services to the fruit and vegetable growing industry. As a voluntary organisation since 2003, we now have grower members throughout Queensland and across Australia, and work alongside other industry organisations, local producer associations and corporate members. To provide services and networks to growers, Growcom has about 30 staff located in Brisbane, Bundaberg, Townsville, and Toowoomba. We are a member of a number of state and national industry organisations and use these networks to promote our members' interests and to work on issues of common interest.

Growcom, as the peak representative body for the fruit, vegetable and nut growing industries, represents the second largest and fastest growing agricultural sector in Queensland. And as a state, we deliver approximately one third of all horticultural value of production nationally.

## Background

The Future Drought Fund represents the Australian Government's secure and ongoing commitment to invest in strengthening drought preparedness and resilience. Following an initial credit of \$3.9 billion, the Fund is expected to grow over time to \$5 billion by 2028–29.

From 1 July 2020, the Fund will make \$100 million available each year to support initiatives that strengthen the drought resilience of Australian farm businesses and communities.

Minister for Drought David Littleproud appointed the Future Drought Fund Consultative Committee as a panel of experts to develop the Drought Resilience Funding Plan for the Fund.

The Consultative Committee will review and consider feedback before providing advice on the draft funding plan and the design of the programs to the Minister for Drought. The funding plan is expected to be tabled in the Parliament in February 2020.

More information can be found here: <https://www.agriculture.gov.au/ag-farm-food/drought/future-drought-fund>

## Feedback on the draft Drought Resilience Funding Plan

### Drought and horticulture in Queensland

It happens that as feedback is sought on this draft Drought Resilience Funding Plan, we find ourselves in uncharted territory in terms of the scale of the current ongoing drought. Its enormous geographic extent is now exceeded by the time through which our landscapes have struggled without any meaningful rain. While the impacts on agriculture are generally well understood, I think it is important to highlight the ways in which this drought is hurting horticulture and the regional towns that depend on our industry.

Generally speaking, a grazier will run out of grass before a fruit or vegetable grower will run out of water. So the first face of a drought is often a grazier, and shorter droughts may not ultimately impact fruit and vegetable growers. It is only in longer droughts, as is the case with this one, that the impacts on growers have escalated from negligible to catastrophic in short order.

For example, growers on the Granite Belt in Southern Queensland rely almost exclusively on storages on their own farms, capturing run-off from rain events. The depths of this drought have left many growers exposed as dams have run entirely dry. For the first time vegetable growers have not planted a summer crop, and tens of thousands of fruit trees are being ripped up from local orchards.

The effects on farmers will flow on for years and through the local towns that service our industry.

With more growers supplying supermarkets direct, an inability to commit to long term contracts due to water insecurity has resulted in significant business lost from Queensland to southern states. Much of which is unlikely to be won back again. The Granite Belt Growers Association from a survey of its members in July estimated \$100 million lost from the local economy due to reduced spending on wages and other production related expenditure. Given the absence of rain since then, the situation is likely to now be far worse than anticipated.

### Inclusion an essential first step

Queensland and Australian horticulture has not historically had a level of involvement in the formulation of government policies and programs that reflects the significant impacts of

droughts on our industry. As a result, the needs of horticulture have not been met with the same support as other agriculture industries.

In developing its policies and responses to drought, we expect government at all levels to:

- Properly consult with the horticulture industry, in its own right, on all relevant drought policy developments.
- Properly consider the significant variations both across agricultural industries but just as importantly within horticulture, that influence the effectiveness of policies and programs.
- Work with the horticulture industry to ensure policies and programs are properly targeted and avoid or mitigate industry impacts.
- Assist industry through funding and appropriately designed programs that facilitate drought preparedness, resilience and recovery actions.

### Shifting costs

At \$100 million each year, and with such a broad scope in strategic priorities, it will be sorely tempting for the administrators of other public funds to shift the costs of existing initiatives into the Future Drought Fund. It will also be tempting for agencies currently tasked with delivering programs within the scope of the Fund to gradually withdraw from these responsibilities over time.

The commitment from Government that the Fund will not provide in-drought support or replace existing sources of funding must be given life with detailed guidelines and proper oversight.

### Farm level accessibility

As is right for the disbursement of public funds, the funding principles require a number of criteria to be met in order for activities or projects to attract support. One principle (4) states that funding will be providing at a mixture of levels, such as the farm, regional or national level.

In terms of equity in accessibility in a contestable process, it will be important that those farm level applicants have an opportunity to compete, where they may lack the resources or experience to make sophisticated applications that address funding principles in great detail. We propose that a positive weighting be given to those project applications originating from, or with strong links to the farm level.

### Costs of administration

As is the case with the administration and disbursement of any public monies, the costs of administering the Fund must be kept to a minimum and in line with best practice. These costs include those of maintaining the Consultative Committee, seeking independent expert advice from the Regional Investment Corporation and reviews every third year by the Productivity Commission.

Growcom recommends no costs of administration be paid from the \$100 million, and that costs associated with administration be identified and made public on an annual basis.

### Support for vision, aim and strategic priorities

Growcom supports the Vision, Aim and Strategic priorities as outlined in the draft Plan. We acknowledge the many and varied impacts of drought on farmers, the environment and rural and regional communities.

So as to mitigate against the likely sources of cost shifting, Growcom does however recommend a deliberate direction of more funding toward the priority of economic resilience for an innovative and profitable agriculture sector.