

October 2019

Queensland Local Government Drought Action Plan

Sustaining Communities Through Drought



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Queensland Local Government Drought Action Plan

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.

2 Reform drought governance arrangements

Queensland integrates 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-funded 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 on agricultural productivity.

7 Restore Financial Assistance Grants to local government

The Federal Government restores Financial Assistance Grants to local government to at least 1% of total Commonwealth 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, Regional Deals on infrastructure and frontline service delivery.

FOREWORD

Drought does not stop at the farm gate. It hits entire communities.

No part of Queensland can escape dealing with impacts of drought. From a community perspective, almost 3 million people are living in drought conditions.

As at 1 December 2019, there are a total of 41 council areas and 4 part council areas drought declared. These declarations represent 67.4% of the land area of Queensland. Of those council areas drought declared, 16 have been fully or partly drought declared since 2013 – six years and counting.

While 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 by implication their economies – to meet the challenge of sustained and severe drought.

When it comes to the impacts on our communities, economy and environment, there is no distinction between severe drought and natural disasters such as floods and cyclones. Queensland needs a comprehensive, integrated approach to preparing for and managing all events that severely impact our communities, not just some.

The LGAQ supports the move at Federal and State levels to focus on drought preparedness and resilience. We believe that if implemented, the eight actions contained in the LGAQ Drought Action Plan would empower our councils, communities and businesses to better anticipate, respond to, and adapt to drought.

THE IMPACT OF DROUGHT ON COMMUNITIES

Being in the eighth year of drought the communities are doing it tough. The gaps that are seen are ones that are indirect, it's the shops and services of the townships that are suffering. Recently, the only fuel station at Bollon closed its doors with the closest fuel supply being Dirranbandi approximately 100km 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. BALONNE SHIRE COUNCIL

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.

The LGAQ welcomes 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 stakeholders¹. As Australia's third level of government, councils need to be treated as a 'partner-in-government' rather than just another voice among many.

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*. Drought policies and programs will continue to be ineffective unless local government leadership is given proper recognition and support by Federal and State Governments.

To enhance local leadership and improve community drought preparedness and management, it is critical that Federal funding is provided to local government to appoint drought resilience coordinators, with these coordinators recognised at all levels of government as an authoritative voice on local needs and the point of coordination for deploying Federal and State resources.

Councils provide critical leadership and support to communities in drought

The Drought Liaison/Community Officer provides a link between individuals and drought support agencies. Since January 2019, our Community Development Officer has assisted in submitting over 500 applications for more than \$1,220,000 in assistance on behalf of eligible residents in the region.

SOUTHERN DOWNS REGIONAL COUNCIL

¹ Paragraph 7(b), *National Drought Agreement*.

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.

While there are differences between drought and natural disasters – including the speed, geographic spread and timeframe of the event – there are nevertheless attributes of the governance arrangements used for responding to disasters which should be used to improve community preparedness and resilience to drought.

Queensland councils already prepare a Local Disaster Management Plan (LDMP) that identifies drought as a hazard; however, there is no mitigation or management planning for drought as it is not identified as a 'disaster' under 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, as it causes *"serious disruption"* to communities and the resources of the State are needed to help a community recover.

Under Queensland's disaster management arrangements, local governments – through their respective Local Disaster Management Groups (LDMGs) – have primary responsibility for responding to disasters at the community level, including preparing a LDMP. 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 relevant Federal and State agencies where there are gaps in capacity or capability and additional resources are required.

To be clear, the LGAQ is not arguing that drought should be referred to as a natural disaster; instead, we are arguing that there is a need for communities to be empowered to prepare for and manage drought when it occurs. Moreover, when the severity of a drought moves beyond the capacity of a community to manage on its own, it is vital that 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.

Introducing a Drought Severity Index

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.

Farmers and communities need prepare for drought as a normal part of the Australian landscape. While this is widely accepted by councils and their communities, more work is required to assist councils in leading their communities in adapting to the recurrence of drought.

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 manage the impacts of 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 will enable early action that can lessen the overall impact of drought on affected communities and regional economies.

Building community resilience

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; and 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).

Meeting the needs of non-farm businesses

Many non-farm businesses in Northwest Queensland that have been struggling due to the impacts of drought will receive a significant income boost due to contract work available as part of the restoration work undertaken in the wake of the 2019 flood. However, as the local economy is still recovering from flooding and suffering the impacts of severe drought, businesses can expect a significantly reduced income in the following financial year. The ability of non-farm businesses to access an equivalent program to the Farm Management Deposit Scheme would improve their resilience to impacts of fluctuations in the agribusiness sector by enabling tax free deposits in high income years and taxed withdrawals in low income years.

LGAQ DROUGHT WORKSHOP, Julia Creek, May 2019

5. CONTINUE DROUGHT FUNDING TO COMMUNITIES

The value of the Federal Drought Communities Programme cannot be underestimated and must be continued. To be even more effective, a relaxation of the restriction on council employees to deliver DCP-funded projects is required in order to provide sustainable employment and boost local economic activity.

Councils are often the major employers in drought-affected regions and – if provided with appropriate funding – can provide an important, job-creating boost to local economies during drought. As well as creating jobs, this expenditure also helps maintain community infrastructure and assists in responding to the impacts of drought on our natural resources, particularly through projects aimed at controlling invasive pests and weeds.

Queensland councils have welcomed Federal drought funding provided through the *Drought Communities Programme* (DCP). While this funding is very 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-funded 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 work.

A second concern with the DCP is that a precipitous ending to the program will have adverse effects on local economies. Continuity of funding is important in order to maintain 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 as it limits the scope of possible projects and the ability to apply the 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 LGAQ requests that the following changes are made 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.

Federal funding supports drought-affected communities

Being in the eighth year of drought the communities are doing it tough. The gaps that are seen are ones that are indirect, it's the shops and services of the townships that are suffering. Recently, the only fuel station at Bollon closed its doors with the closest fuel supply being Dirranbandi approximately 100km 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.

BALONNE SHIRE COUNCIL

We believe that a well-planned mix of projects can have both short- and long-term benefits for drought-affected communities. The Drought Communities Programme helped fund 16 projects that supported 110 jobs directly, with a further 52 jobs supported in retail/service businesses. Some events and tourism projects were also funded, and these events attracted approximately 1000 visitors, further boosting our economy. Projects to provide solar power to venues in small communities will provide long-term benefits in sustaining these important social hubs, while investments in small digital connectivity projects will allow some rural producers to employ new technologies to enhance farm efficiencies.

GOONDIWINDI REGIONAL COUNCIL

The Drought Communities Program 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 are 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.

BOULIA SHIRE COUNCIL

7. IMPROVE COORDINATION AND INVEST MORE IN NATURAL RESOURCE MANAGEMENT

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

Identifying long-term natural resource management (NRM) priorities in regions is critical to informing government investment and actions in building landscape resilience to drought. However, these long-term priorities need to be adequately funded and the outcomes evaluated and reported upon if we are to achieve resilience objectives.

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.

Local government in Queensland is also 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. Drought presents an opportunity to make significant inroads 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.

AEC Group Pty Ltd has estimated that 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, AEC Group estimates there are \$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.

Another important NRM responsibility for local government in Queensland is 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’ and the Queensland Government needs to provide direct funding to local government to help maintain stock routes in the same way it invests in bitumen roads used to transport cattle.

Queensland councils invest in natural resource management

In 2016, a LGAQ-commissioned study revealed that councils are the principal investor in NRM in Queensland, spending \$260 million each year and employing almost 700 staff across the state.

9. RESTORE FINANCIAL ASSISTANCE GRANTS TO LOCAL GOVERNMENT

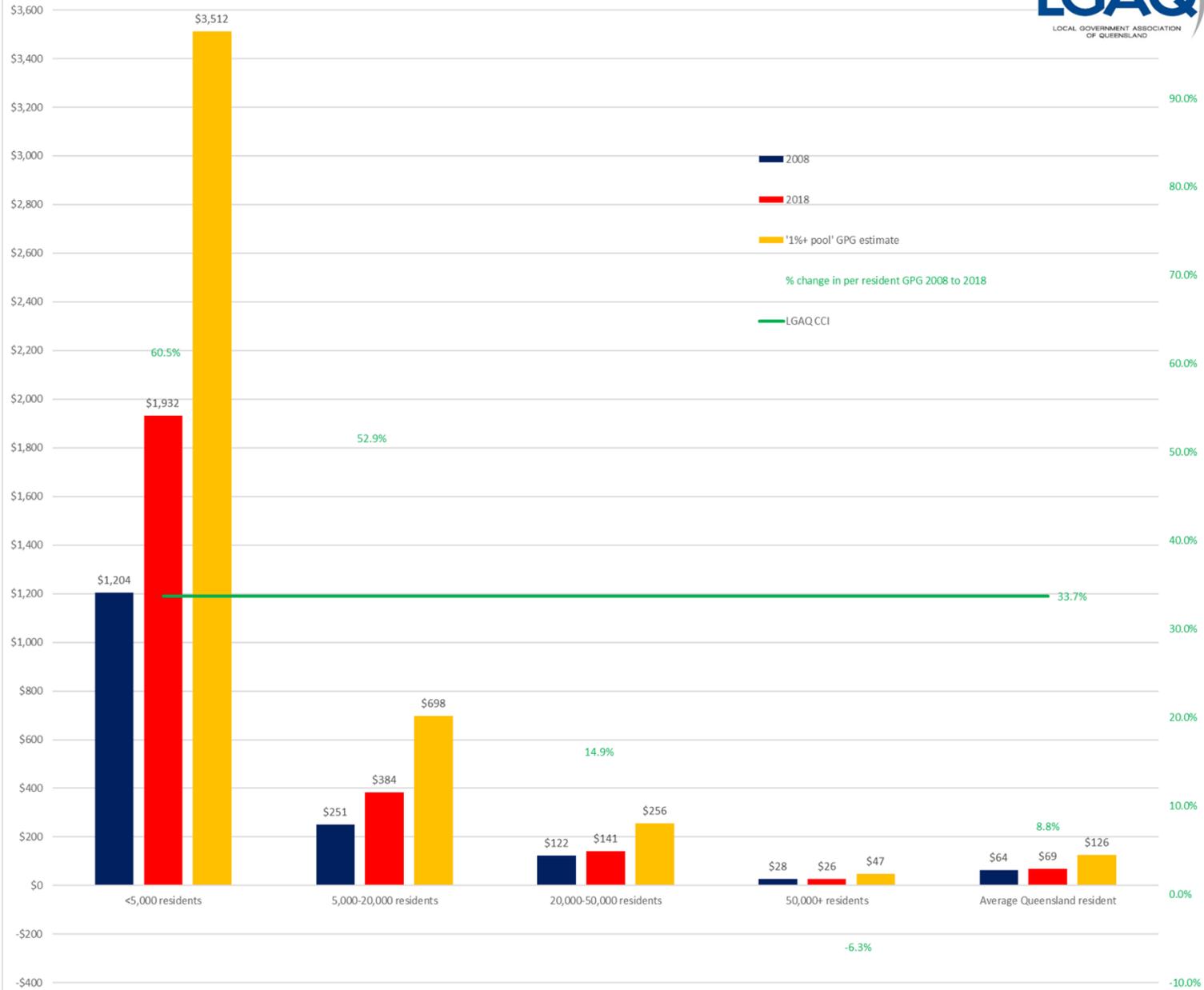
To increase the resilience of regional communities to the impacts of drought, the Federal Government needs to restore Financial Assistance Grants to local government to at least 1% of total Commonwealth taxation revenue.

Horizontal fiscal equalisation is the process of transferring funding between different levels of government to offset differences in capacity to raise revenue. Local government raises only 3% of public sector revenue, while at the same time having responsibility for managing an estimated 33% of public sector assets. Federal funding through Financial Assistance Grants (FAGs) is a cornerstone of fiscal equalisation, 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.

Analysis by the Australian Local Government Association (ALGA) shows that FAGs were equal to around 1% of Commonwealth taxation revenue in 1996. However, despite an annual growth rate in Australia's Gross Domestic Product of an average 3.47% from 1960 until 2017, FAGs have declined by around 43% in relative terms over the past 20 years, and now amount to approximately 0.55% (2018) of Commonwealth tax revenue.

In Queensland, analysis by the LGAQ of per resident distributions of FAGs shows that, if FAGs were increased to 1% of federal taxation revenue, this would lead to a per resident increase in funding of more than 50% 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, not only through the provision of improved infrastructure and services, but also through increased employment opportunities for their residents.

2008-2018 change in the average Queensland General Purpose Grant received per resident by council LGA grouped into population segments compared with an estimated 1%+ FAG pool GPG grant per resident
(2008 to 2018 changes compared with the change in LGAQ's C



10. 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, including in water security, regional migration incentives and policies, Regional Deals on infrastructure and frontline service delivery.

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 that will improve their resilience before adverse events such as drought arrive.

INVEST MORE IN WATER SECURITY

There are significant opportunities to grow agribusiness industries and improve the resilience of these industries to drought if strategic investments are made in water infrastructure, including dams and pipelines, as well as providing appropriate incentives and policies that encourage adoption and investment in infrastructure, technologies and practices that improve on-farm water use efficiency.

At the same time, there is a need for significant investment in town water and wastewater infrastructure if communities are to continue to access safe and secure water supplies and wastewater services. Data compiled by *qldwater* indicates that around 10% of water being piped is being lost due to leaks. Investing in the renewal of regional water infrastructure will directly benefit drought-affected communities experiencing these losses by identifying and remediating (or replacing) leaking pipes. At the same time there is a significant opportunity to introduce water demand management technologies that could assist communities to better manage their water use, thereby reducing the strain on town water supplies.

TAILOR TAXATION AND OTHER POLICES TO RETAIN AND ATTRACT PEOPLE IN REGIONS

Tax arrangements and other incentives are needed to encourage people to live and work in regional areas. The LGAQ has advocated for a range of measures that would improve regional migration, including improving the zonal tax rebate, the affordability of regional airfares and the availability of appropriate housing.

INVEST MORE IN REGIONAL ECONOMIC INFRASTRUCTURE

In Australia –and particularly in Queensland – all economies are regional. “Regional Deals” that enable coordinated planning and investment in major infrastructure projects by all three levels of government are needed if we are to realise the economic potential of our regions. Such strategic regional planning would enable consideration of the potential impact of, for example, new freight and passenger transport routes in realising economic opportunities for the region, as well as more strongly integrating economic development considerations in land use planning decisions.

INVEST MORE IN FRONTLINE SERVICE DELIVERY

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. For example, different people will need to access mental health services in different ways. While some will seek face-to-face contact with a psychologist within their community, others with privacy concerns will be reluctant to seek care in this way and would prefer other methods, such as telehealth. Still others will seek advice and support through an app or the internet, while others are able to better maintain their mental health through talking with community members either one-on-one or at community gatherings.



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