



Submission to Inquiry into the Australian Government's response to Drought

**by the Senate Standing Committees of
Rural and Regional Affairs and Transport**

March 2020

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1. Executive Summary

East Gippsland Shire Council welcomes the opportunity to contribute to understanding the effectiveness of drought responses and planning and acknowledges the extensive work undertaken to date to provide a wide range of immediate and longer-term initiatives that will provide support.

East Gippsland is a large rural municipality in Victoria. It's natural resources and the diversity of its rural areas means there are significant opportunities for rural activities and farming communities to thrive. However, because significant parts of the economy are linked to the natural landscape, our economy and communities are exposed to the risk of a range of negative implications that come with drought events.

Local Government has an important role in working with the community to develop the knowledge and capacity of individuals and businesses and to support a collaborative approach to understanding a shared vision for the future. This means that planning must anticipate events such as drought as part of an integrated approach to understanding how best to plan for and respond to those challenges.

East Gippsland Shire Council has taken a proactive role in seeking to understand, respond to and plan for drought. This has included the implementation of a number of proactive initiatives that have seen the implementation of a Drought Reference Group, employment of a Drought Assistance Officer and the provision of direct support to affected community members and organisations.

This submission draws on the practical experience of our organisation and the East Gippsland community in tackling the immediate challenges as well as looking to the future to enable a strategic approach to improve the management of the impacts of drought.

Council's submission presents approaches that we believe can complement existing actions agreed to by the Australian Government, to more effectively:

- manage times when communities are experiencing drought conditions; and
- take a strategic approach in preparing for their future impact.

2. Summary of Recommendations

East Gippsland Shire Council submits the following recommendations for consideration by the Inquiry. The rationale supporting the recommendations summarised here is set out in detail in this submission.

It is recommended:

1. *That the role Local Government organisations have in leading and developing the capacity and resilience of their communities should be more widely recognised as a major contributor to resilience through drought events.*
2. *That initiatives to undertake planning and resilience activities in the community take an integrated approach that has regard for the full range of opportunities and challenges that may be encountered by regional communities. Planning for particular types of events should be integrated with broader community planning outcomes and led by Local Government.*

3. *That the specific community understanding, knowledge and delivery skills of the Local Government sector be more directly involved in developing the approach and delivery requirements of drought related infrastructure funding opportunities to maximise effectiveness on the ground in the community.*
4. *That future drought infrastructure initiatives adopt a funding approach modelled on the Roads to Recovery Program.*
5. *That there is recognition that recovery from drought will take time for farm and associated businesses to return to effective productivity levels, and that drought indicators have appropriate regard for the potential for cumulative impacts of drought and/or other natural disasters as the climate changes.*
6. *That programs that deliver multiple benefits should be considered as an essential part of the package of response programs.*
7. *That support programs provide an appropriate balance between ensuring effective use of public funds and conditions of access. This is critical, because the effectiveness of the support arrangements in the community will be determined by the ability of those affected to access the programs available.*
8. *That consideration be given to the applicability of existing Natural Disaster and Emergency Management arrangements to support a structured approach to managing the impact of drought.*
9. *There is a need to ensure that data and knowledge that will assist landowner and sector decision making does have an impact 'on the ground'. The regionally based Ag Futures approach proposed by East Gippsland provides a potential pathway to support the development of a more resilient farming sector but will require strategic funding and support to implement.*

3. Introduction

This submission has been prepared by East Gippsland Shire Council in response to an invitation by the Senate Standing Committees on Rural and Regional Affairs and Transport to contribute an East Gippsland perspective to the Australian Government's response to the drought and the adequacy and appropriateness of policies and measures to support farmers, regional communities and the Australian economy.

The submission focuses on three (3) issues of interest to the Inquiry, as follows:

- The Australian Government's response¹ to the Coordinator-General for Drought's Advice on a Strategy for Drought Preparedness and Resilience ('Drought Coordinator-General's Report');
- Preparedness for the current drought and the capacity of the Australian Government to prepare for future drought; and
- Other related matters of relevance to East Gippsland Shire Council's experience.

¹ <https://www.agriculture.gov.au/ag-farm-food/drought/drought-policy/govt-actions-coordinator-generals-report>

Council welcomes the opportunity to contribute to this important inquiry and would welcome any additional opportunities to add value to the work of the Committees.

3.1 About East Gippsland

Council's vision for East Gippsland is that it is the most liveable region in Australia - a place of natural beauty, enviable lifestyles, and opportunities.

Covering 20,931 square kilometres, East Gippsland is the second largest municipality in Victoria. To the east it is bordered by New South Wales and to the north, the Victorian Local Government councils of Towong and Alpine. Wellington Shire Council, Victoria's third largest municipality, sits immediately to our west.

East Gippsland is home to the major residential and commercial centre of Bairnsdale (est. population 14,887) located to the west of the shire. Together with Lakes Entrance (est. population 4,810) and Paynesville (est. population 3,480)² and townships between, this represents the most concentrated settlement pattern in the Shire. Outside the south-west corner of the Shire, the pattern of settlement is very dispersed as East Gippsland supports more than 40 separate communities.

Almost 75% of land and water (including the Gippsland Lakes) in East Gippsland is in public ownership, mainly as state forests, national and coastal parks. Because it is owned by the Crown, this land is unrateable. Land in private ownership comprises approximately 25% of the region. Only approximately 60 square kilometres of land in the Shire is classified as urban, the balance is rural land or natural assets.

East Gippsland is a large provider of safe and healthy food for Victorian and Australia. As at 30 June 2018, East Gippsland's Gross Regional Product (GRP) was valued at \$2.04 billion³, which represents 0.5% of Victoria's Gross State Product (GSP), with Agriculture, Forestry and Fishing making up 12.2% of that output.

The reputation that East Gippsland has as a food producer is growing and agriculture continues to be a major employer and contributor to the viability of many of our small communities. Agriculture in East Gippsland encompasses a diverse range of activities including large scale horticulture and broad acre grazing as well as cropping and specialist and intensive farming operations.

3.2 East Gippsland Shire Council Drought Initiatives

East Gippsland Shire was one of only two municipal areas in Victoria determined to be eligible for Australian Government drought support in late 2018. The relevant eligibility criteria were linked to rainfall deficiency and the economic reliance on agriculture in the municipality. This designation came after an extended period of lower than average rainfall that for most of the shire, began in the summer of 2015/16.

The lead up to this official designation saw East Gippsland Shire Council monitoring the impact of the prevailing dry conditions on the farming and broader community, together with partner organisations. Since the designation Council has been proactive in working to ensure that implications for the municipality are minimised. This has seen East Gippsland Shire engage in a range of initiatives, including the following.

² All population figures from 2016 Census

³ <https://economy.id.com.au/east-gippsland>

3.2.1 EAST GIPPSLAND SHIRE DROUGHT REFERENCE GROUP

Council took action to establish the East Gippsland Drought Reference Group in early 2019 to provide strategic advice and guidance in respect of necessary advocacy and action required to support drought impacted communities in the East Gippsland Shire.

This Group brings together a range of community and agency representatives that works with Council to understand priority approaches to grant opportunities and was integral to the development of the 2019 Gippsland Drought Response Proposal⁴ together with the Wellington Shire Council.

The operation of the East Gippsland Drought Reference Group (EGDRG) has played a pivotal role in assisting Council to determine how it might best support the community in the face of the hardship being experienced as a result of the drought. Regular updates from EGDRG members has provided Council with the reality check necessary to understand what is happening and the effectiveness of what is being delivered on ground to provide support to communities and individuals.

3.2.2 LOOKING AHEAD GIPPSLAND DROUGHT RESPONSE PROPOSAL

The Gippsland Drought Response Proposal sets out a constructive and forward-looking approach to tackling the impact of drought in our community, focusing on a three-tiered approach to assistance:

- Transition Programs for those who either choose to or have no choice other than to transition away from agriculture.
- Recovery Programs to help manage the impacts on farm and reduce off-farm impacts for the community.
- Adaptation Programs to help the community explore better pathways for agriculture in a changed climate.

This Proposal was jointly prepared with Wellington Shire Council and was formally adopted by both Councils on 7 May 2019. The Gippsland Drought Response Proposal forms the basis of Council's input to this Inquiry.

3.2.3 DROUGHT ASSISTANCE OFFICER

Council has funded a new limited-term position titled, Drought Assistance Officer. The primary purpose of the role is to ensure there is a coordinated and planned approach to the way in which the East Gippsland community is supported, and to maximise the effectiveness of initiatives that focus on individuals and communities more broadly. This officer provides a focal point at Council and ensures that relevant, up-to-date information is communicated in a timely way through appropriate channels, including visits to communities. This information is also maintained in a prominent location on Council's website.

3.2.4 COUNCIL SUPPORT FOR DROUGHT AFFECTED FARMERS

In addition to ensuring that funding made available to Council through Australian and Victorian Government sources is used effectively, Council has allocated its own resources to initiatives that support the community.

⁴

https://www.eastgippsland.vic.gov.au/files/content/public/council/news_and_media_releases/east_gippsland_and_wellington_join_forces_on_drought_advocacy/gippsland_drought_response_proposal_-_looking_ahead_may_2019.pdf

At the Council meeting in November 2019, Council resolved to allocate \$500,000 to a range of drought initiatives that included:

- provision of individual support through a number of recognised charitable organisations;
- support for provision of household water;
- support for a range of strategic and future focused projects; and
- a range of advocacy and awareness-raising initiatives.

Council officers are currently in the process of delivering these initiatives.

4. Responses to Terms of Reference

4.1 The Role of Local Government in Drought

Local Government organisations have an important role in the community and a genuine, ongoing commitment to fostering the current and future wellbeing of their communities. Local Councils are recognised as having responsibility for taking a lead on matters that are important to the community and to taking whatever action they can to address any potential negative consequences for their communities. Clearly, drought is one such issue. Councils also take on the role of planning strategically for the growth and development of the places they represent and to addressing emerging challenges and opportunities.

The influential role that Local Government has in the community is recognised by the Drought Coordinator-General's advice, where it is observed that, "*communities with strong leadership from local government and within the community are coping better with the pressures brought by drought*"⁵. However, beyond that there appears to be limited formal recognition of the vital role that Local Government can and often does have during events like drought. It is considered that the role that Local Government can and does play is not well recognised or supported in the current responses to drought.

Our experience in East Gippsland highlights the following opportunities and challenges for Local Government in respect to its role in drought preparedness and support.

4.1.1 COMMUNITY CAPACITY AND RESILIENCE BUILDING

Local Government organisations have an ongoing role in the communities they serve and a long-term interest in the sustainable future of those places. Local Government organisations recognise the role that they have as leaders in their community. They are also fully aware that a critical part of their role is to ensure that communities and individuals have the capacity and leadership skills to think long term and to plan for the challenges and opportunities that may be encountered.

While the need to develop local capacity is recognised by the Coordinator-General, the recommendation in respect to Community Leadership and Planning (see 4.1 page 18) proposes funding not-for-profit organisations to undertake capacity building work through individually funded and focused projects. It is considered that support funding would be more effectively provided to Councils to enhance the work that is already being undertaken across Australia.

⁵ Drought in Australia, Coordinator-General for Drought's Advice on a Strategy for Drought Preparedness and Resilience, page 18 https://www.agriculture.gov.au/sites/default/files/documents/advice-long-term-strategy-drought-preparedness-resilience_1.pdf

The benefits associated with supporting Councils to do this include:

- Locally skilled employees can be developed or identified and are / made known to the community;
- Council has an ongoing presence in the community;
- It would continue and build on the development of locally effective networks and connections; and
- A range of skills can be worked on and enhanced over time and there is the opportunity to develop succession plans for community leaders.

It is considered this represents a more sustained approach to community development that is not simply focused on events.

Recommendation 1: That the role Local Government organisations have in leading and developing the capacity and resilience of their communities should be more widely recognised as a major contributor to resilience through drought events.

A key capacity building initiative commonly undertaken by municipalities is to work with communities to develop their vision for the future. In East Gippsland these are referred to as District Community Plans⁶. These plans are developed in close collaboration with the community and are supported by Council in an ongoing way.

In East Gippsland at the present time, with communities impacted by drought and fire (and in many cases, both), the layers of planning focused on community resilience is becoming increasingly complex. Currently plan being proposed include:

- Bushfire Recovery at Federal, State and Local levels;
- Adverse Event Plans as proposed by the Drought Coordinator-General;
- Planning to manage the impacts of industry restructure, i.e. in the timber and commercial fishing sectors.

While it is recognised that there may be a need to deal with some specific planning for different impacts in communities, it is considered that it would be preferable for a co-ordinated approach to community planning and capacity building to be supported. This would have the benefit of:

- Eliminating duplication of planning and effort;
- Reducing confusion and scepticism in the community about the need and value of more planning;
- Recognising that the way communities grow and develop is influenced by a range of interconnected factors.

This approach is also recognised in the outcomes of the Evaluation of the Western Australia Drought Pilot Programs⁷, which concluded that:

“The Strong Rural Communities Program invested in a range of community resources to build social capital and improve connectedness within rural communities. These investments have had positive outcomes however the program would benefit from having clearer strategic objectives and integration into more standard community

⁶ An example can be found here: <https://yoursay.eastgippsland.vic.gov.au/cannvalley-plan>

⁷ Marsden Jacobs, Evaluation of the Western Australian Drought Pilot Programs, Department of Agriculture, p8. https://www.agriculture.gov.au/sites/default/files/documents/evaluation-report-wa-drought-pilot-programs_0.pdf

support focused delivery vehicles, rather than being tied to a drought resilience program.”

Recommendation 2: That initiatives to undertake planning and resilience activities in the community take an integrated approach that has regard for the full range of opportunities and challenges that may be encountered by regional communities. Planning for particular types of events should be integrated with broader community planning outcomes and led by Local Government.

4.1.2 A CONDUIT FOR THE DELIVERY OF LOCALLY RELEVANT PROJECTS

Local Government organisations are ideally positioned to deliver funded projects that are designed to align with community needs. However, our experience is that there are risks for Council in delivering funded outcomes in accordance with the requirements of grant opportunities that have been offered to date. These include:

- Identifying and developing meaningful projects that can be delivered in the required grant timeframes and legislated procurement and other requirements;
- Gaining community input and understanding of the rationale for the approach taken, having regard for the grant conditions; and
- Ensuring that Council is not placed in the position of taking on additional infrastructure obligations.

It is submitted that it would be beneficial for other levels of government to work more closely with the Local Government sector to ensure that the design of funding opportunities will enable delivery of the outcomes sought.

Recommendation 3: That the specific community understanding, knowledge and delivery skills of the Local Government sector is more directly involved in developing the approach and delivery requirements of drought related infrastructure funding opportunities to maximise effectiveness on the ground in the community.

Over an extended period, Local Government has demonstrated the capacity to deliver major infrastructure programs that achieve locally appropriate outcomes. Programs such as Roads to Recovery (R2R) demonstrate what can be achieved when local councils are funded to deliver projects on the ground in accordance with broad program guidelines. Council believes the R2R funding arrangements reflect the high level of trust the Australian Government has in the Local Government sector's ability to identify and deliver infrastructure projects that will address the specific needs of their communities. It is considered that this is a funding model that should be adopted for future drought infrastructure funding initiatives.

Recommendation 4: That future drought infrastructure initiatives adopt a funding approach modelled on the Roads to Recovery Program.

4.2 Timeframes for support and recovery from Drought events

The time taken to recover from drought is dependent on many factors⁸, including addressing long term rainfall debt, and the implications associated with the time it will take farm businesses to return to effective stocking and cropping regimens. In East Gippsland this will vary across our diverse landscape. However, it is considered there is a need to ensure that support is provided where required for a period of at least five (5) years after the drought has broken.

It is considered that the development of drought indicators (see Recommendation 5.1 of the Coordinator-General's Drought Report) will assist in directing support for the period required, but it will be important that the indicators:

- are appropriately scaled to ensure that local variations are recognised;
- monitor the transition into drought conditions as well as the recovery process; and
- recognise the cumulative impact of drought as a changing climate impacts on the frequency and intensity of droughts.

Recommendation 5 *That there is recognition that recovery from drought will take time for farm and associated businesses to return to effective productivity levels, and that drought indicators have appropriate regard for the potential for cumulative impacts of drought and/or other natural disasters as the climate changes.*

4.3 Programs that deliver multiple benefits

Support for programs that provide opportunities to deliver multiple benefits should be considered and encouraged.

As an example, in East Gippsland the Victorian Government delivered the Drought Employment Program where unemployed or underemployed farm workers were engaged to deliver a range of environmental projects as well as earning an income⁹. It is considered that programs like this could potentially include providing support to farm businesses to engage existing employees in delivering environmental or other beneficial projects on site.

Well-designed programs can:

- provide support to individuals while ensuring broader community outcomes;
- retain locally skilled employees, allowing them to be gainfully employed;
- take pressure off rural and farming businesses by providing alternative work opportunities without the risk of relinquishing employees longer term; and
- allow community members to contribute to community outcomes without feeling they are a burden.

Recommendation 6: *That programs that deliver multiple benefits should be considered as an essential part of the package of response programs.*

⁸ <https://theconversation.com/rain-has-eased-the-dry-but-more-is-needed-to-break-the-drought-131660>

⁹ https://apolitical.co/en/solution_article/australia-drought-farm-jobs-government-employer

4.4 Complexity of Support Programs

There is no doubt that the layers of support programs and eligibility criteria that emerge through the response to drought events becomes increasingly complex and confusing for community members.

It is acknowledged that work has been undertaken to review eligibility requirements for a range of Australian Government support arrangements. However, when viewed as a package of Australian, State and Local requirements it can become quite daunting for affected individuals and businesses.

East Gippsland Shire Council is aware of a number of concerns raised in respect of the complexity associated with accessing support arrangements. These include:

- requirements to provide up-front capital to deliver improvement projects when landowners are already under financial stress;
- varying criteria that require re-establishing eligibility; and
- the need to demonstrate eligibility to a number of separate programs across Federal and State programs.

The effectiveness of programs offered to individuals, businesses and communities in response to declared drought events will be linked to the ability of those eligible to access those supports. Reducing the complexity is increasingly important at times when those eligible are subject to family and economic pressures and a potential reluctance to ask for assistance.

Recommendation 7: That support programs provide an appropriate balance between ensuring effective use of public funds and conditions of access. This is critical, because the effectiveness of the support arrangements in the community will be determined by the ability of those affected to access the programs available.

4.5 Framework for responding during Drought

While drought is not presently recognised as a natural disaster, it is inevitably the catalyst for increasing risks associated with other recognised disasters including fire and the subsequent impacts of flood. This is predicted to increase as a result of changes to our climate. The complexity of responding to drought, which has the potential to impact on the environment, economy and social functioning of regional communities, as well as the extended timeframes involved, means that a framework to manage a meaningful response is required.

Our experience is that the existing Emergency Management operational framework provides a sound platform on which to provide an appropriately integrated response to the impact of drought.

The Gippsland Drought Response Proposal seeks government recognition that drought events are natural disasters. It is considered that including drought in the natural disaster framework would provide a sound approach that would support and facilitate a coordinated and strategic structure to recovery programs.

This would also have the benefit of:

- enabling a more integrated approach to drought, recognising that the impacts reach well beyond the agricultural sector;
- providing an opportunity for planning and regular testing of effective responses; and
- ensuring ongoing agency and staff knowledge about drought related impacts and appropriate responses.

Recommendation 8: Consideration be given to the applicability of existing Natural Disaster and Emergency Management arrangements to support a structured approach to managing the impact of drought.

4.6 Framework to preparing for Drought

Translating information to inform on-ground decision making will always be a challenge. The Australian Government's response to and preparation for future drought conditions includes important initiatives that will provide information and improved context for individual and community strategy and decision making.

Council's concern is that there is no clear framework to down-scale the information available to support effective decision making for Local Government areas at a strategic level, as well as individual farmers.

The Gippsland Drought Response Proposal includes an initiative that would provide a pathway to support a locally appropriate, future focused project that could be delivered at a Local Government level.

Identified as the "Ag Futures Project", a funded program for two years could deliver:

- Funded facilitators to be provided for each Shire; or a similar locally based government agency, to coordinate an agriculture adaption in climate change program at a cost of \$250k annually per council area, integrating with Council's usual operations and community planning frameworks.
- In Gippsland, some farming approaches that have worked well in the current drought are pre-prepared installation and utilisation of water infrastructure, cropping for own fodder needs, and to decisions about stocking rate and duration based on each paddock's carrying capacity. The use of stock containment areas and subdivision of paddocks to increase rest and recovery of pasture has also led to reduced impacts for many properties. Each of these, together with other successful approaches, should be documented and tested further for community learning and adaption.
- Continuance of adaption programs such as Better Beef, Southern Farming Systems and Landcare production programs will help the community explore better pathways for agriculture in a changed and changing climate.

- The Project will bring together groups of agriculture businesses to document learnings from this drought event. The program will document management approaches that worked and begin productive trials or research programs. A drought resilient pasture trial is already being proposed at the Bairnsdale Aerodrome trial site. Operational costs associated with this program are estimated at \$500k annually, which includes funding for implementation of operational trials and research.

It is considered important that mechanisms for translating data to support local decision making be identified and supported. The proposal outlined above will:

- enable local context to be incorporated;
- enable integration of agricultural and economic strategy into a broader vision and goals for the future of local communities;
- facilitate the transfer of newly revealed data, including the proposed environmental-economic accounting data to on-ground planning and action;
- if structured and scaled appropriately, provide individual farmers with the context for understanding future viability to guide their decision making; and
- provide locally appropriate pathways for farmers to transition from farming and importantly, providing context for farmers about what their realistic transition options might be.

It is considered important that the Drought Future Fund is established to provide resources for the development of a strategic and collaborative approach to understanding the future of agriculture and rural communities, such as that set out above.

Recommendation 9: There is a need to ensure that data and knowledge that will assist landowner and sector decision making does have an impact 'on the ground'. The regionally based Ag Futures approach proposed by East Gippsland provides a potential pathway to support the development of a more resilient farming sector but will require strategic funding and support to implement.

5. Further information

Any queries or requests for additional information about East Gippsland or this submission would be welcome

Contact us

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