ACIL ALLEN

Evaluation of Queensland's Drought Assistance Programs

FINAL REPORT

June 2025

About ACIL Allen

ACIL Allen is a leading independent economics, policy and strategy advisory firm, dedicated to helping clients solve complex issues.

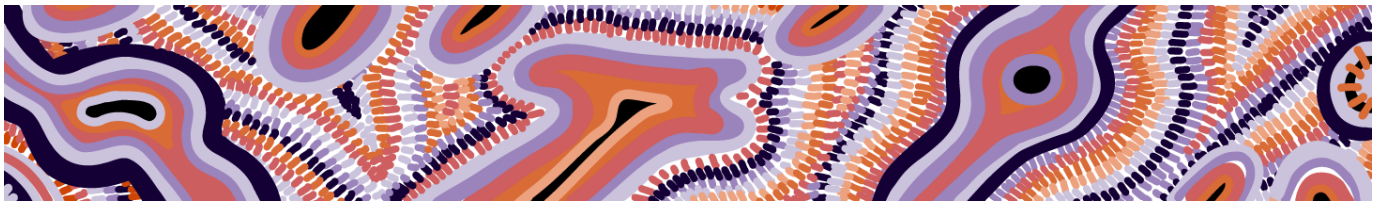
Our purpose is to help clients make informed decisions about complex economic and public policy issues.

Our vision is to be Australia's most trusted economics, policy and strategy advisory firm. We are committed and passionate about providing rigorous independent advice that contributes to a better world.

Report to:

Queensland Department of Primary Industries

ACIL Allen acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land and its waters. We pay our respects to Elders, past and present, and to the youth, for the future. We extend this to all Aboriginal and Torres Strait Islander peoples reading this report.



Goomup, by Jarni McGuire

Contents

Contents

Glossary and abbreviations

Abbreviations / Terms	Definitions
DARP	Queensland's Drought Assistance Reform Package
DCAP	Drought and Climate Adaption Program
DCF	Drought Carry-on Finance Loan(s)
DPG	Drought Preparedness Grant(s)
DPI	Department of Primary Industries Queensland, previously Department of Agriculture and Fisheries Queensland (until 1 November 2024)
DRAS	Drought Relief Assistance Scheme
DRRF	Drought Ready and Recovery Finance Loan(s)
EDA	Emergency Drought Assistance Loan(s)
FBR	Farm Business Resilience
FDF	Future Drought Fund
NDA	National Drought Agreement; First NDA (2018-2024) and Second National Drought Agreement (2024-2029)
QRIDA	Queensland Rural and Industry Development Authority
The Department / DPI	Queensland DPI, previously Department of Agriculture and Fisheries
Grant and loans/programs	The four programs within Queensland's Drought Assistance Reform Package that are the subject of this elevation

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Summary Report

Executive Summary

Purpose and context

The Department of Primary Industries (DPI) engaged ACIL Allen to evaluate Queensland's drought assistance programs, assessing their relevance, efficiency, effectiveness, and alignment with the 2024 National Drought Agreement (NDA). The evaluation examined four programs within Queensland's Drought Assistance and Reform Package (DARP): Drought Preparedness Grants (DPG), Drought Ready and Recovery Finance (DRRF) Loan, Emergency Drought Assistance Loans (EDA), and Drought Carry-on Finance (DCF) Loans.

Queensland's DARP represents a strategic shift from reactive drought relief to proactive preparedness, established in 2022 with Commonwealth Future Drought Fund co-funding. Administered by QRIDA, these programs now cover all primary producers rather than just livestock producers, gradually replacing the previous Drought Relief Assistance Scheme.

A Theory of Change (Figure 2.4) and a Program Logic (Figure 2.5) were developed to describe the current status of the programs and guide the evaluation. These provide a shared understanding of the programs by articulating the problem to be addressed, role of government, intended outcomes and success factors.

This framework (refined through consultation with DPI) maps how Queensland's four drought assistance programs transform drought management from crisis response to proactive resilience building. Underpinned by Farm Business Resilience (FBR) Planning, the programs create a comprehensive approach addressing the full drought cycle from preparation through response to recovery. The theory of change demonstrates how these programs directly address Queensland producers' drought vulnerability, providing a clear pathway from problem identification to long-term outcomes. It serves as both an implementation roadmap and evaluation tool, with specific indicators tracking implementation activities and impacts on producer preparedness, response, and recovery. While the programs contribute to broader community outcomes, this evaluation focuses on short-term and direct impacts on economic stability in rural and regional communities.

Findings

This evaluation reveals a strategically designed program suite that represents a significant advancement from reactive crisis management to proactive drought resilience-building, strongly aligning with national drought policy principles.

Key strengths and demonstrated impact

Queensland's drought assistance programs demonstrate strong strategic appropriateness through their fundamental shift from reactive crisis management to proactive preparedness, effectively addressing the full drought cycle while aligning with National Drought Agreement principles and gaining Commonwealth recognition as a model approach.

The programs have delivered substantial tangible benefits across multiple dimensions. Infrastructure improvements, particularly in water and fodder storage, have enhanced drought resilience with producers experiencing benefits even during current dry conditions. Water security has increased by an average of 292,670 additional adult equivalent days per applicant, while fodder storage capacity has improved by an average of 16,680 additional days.

The programs have proven highly effective as investment catalysts, with 62% of funded projects representing investments that would have been delayed and 23% that would not have occurred at all. The

DPG's co-contribution model has successfully leveraged $14.6 million in public funding to stimulate over $43.6 million in private investment. Successful applicants reported significant improvements across all resilience dimensions, with 75% reporting major improvements in drought preparedness and a stark confidence gap emerging between successful (58% confident) and unsuccessful applicants (21% not confident at all).

The FBR Plan requirement has successfully encouraged strategic planning, with producers valuing the formalization of their operational knowledge.

Implementation challenges

Despite these strengths, significant communication and design issues have affected program uptake and effectiveness. The designation of the DPG as a "grant" rather than "rebate" has created misaligned expectations about its financial structure. Queensland's restrictive "primary producer" definition excludes operators who would be eligible under Commonwealth definitions, particularly those with diversified income streams.

The lack of transparency around FBR Plan assessment processes has created information asymmetries and stakeholder frustration. Confusion about eligibility criteria, particularly the emphasis on "new infrastructure" rather than drought resilience outcomes, has limited cost-effective modifications to existing infrastructure. These issues have contributed to uncertainty about the programs' target audience, though they appear conceptually targeted at viable operations needing resilience support.

Operational challenges include the restrictive six-month implementation timeframe, limited loan uptake compared to grants, and the complexity of application processes (with 62% of successful applicants requiring external assistance). The Department lacks demand forecasting models and cost-effectiveness data, hindering performance assessment and resource allocation.

Economic assessment

The cost-benefit analysis reveals mixed findings, significantly hampered by the absence of drought conditions during the program period. While quantified drought preparedness benefits alone are unlikely to outweigh program costs, benefits to the Queensland Government through reduced emergency intervention costs come much closer to offsetting expenses.

The evaluation identifies substantial unquantifiable spillover benefits including cost savings, productivity enhancements, resource management improvements, and environmental benefits. These farm-specific benefits, while not quantifiable due to their bespoke nature, are numerous and well-substantiated by stakeholders. The analysis suggests these excluded benefits would need to be only relatively modest for the program to deliver a net positive return.

Program delivery costs exceeded expectations due to low loan uptake and QRIDA's inability to recover costs, highlighting the need for better program forecasting and business case development.

Recommendations

While these programs have not yet been tested during severe drought conditions, early evidence indicates they are successfully building tangible capacity for drought preparation. The infrastructure investments and strategic planning activities supported by these programs are creating resilience that will serve producers well when drought conditions emerge.

The evaluation's recommendations aim to enhance this fundamentally sound approach by addressing identified implementation barriers—particularly around program communication and design language—while maintaining the strategic focus on preparedness and resilience. These targeted improvements would help

achieve the ultimate goal of creating a self-reliant agricultural sector with reduced drought vulnerability and decreased dependence on emergency assistance.

Queensland's proactive drought management approach represents a valuable policy model for addressing ongoing climate variability challenges. With refinements to implementation, these programs have significant potential to transform how the state's agricultural sector prepares for, responds to, and recovers from future drought events.

The following recommendations are proposed to enhance the administration, effectiveness and accessibility of Queensland's drought assistance programs:

Table ES 1 Recommendations

Theme		Recommendations
Program Design and Eligibility	1	Refine infrastructure eligibility criteria to clarify that enhancing existing infrastructure (such as silo rings) is eligible, rather than applying overly strict "new" infrastructure definitions that exclude such improvements.
	2	Review the 'primary producer' definition and consider alignment with Commonwealth and other QRIDA program definitions, creating consistency across assistance programs.
	3	Rebrand the Drought Preparedness Grant as "Drought Preparedness Rebate" to accurately reflect its financial structure
	4	Enhance communication with stakeholders by clearly communicating the intended target audience for each program component
	5	Expand the scope of the programs to recognise broader resilience outcomes beyond drought, including resilience to other weather events and climate change impacts.
Program implementation and processes	6	Enhance FBR Plan assessment processes through increased transparency, collaborative redesign of the rubric, and analysis of approval thresholds
	7	Improve implementation flexibility for producers by extending DPG project timeframe to 12-18 months and/or establishing a clear extension application process
Financial Management and Resource Allocation	8	A comprehensive review of the MOUs across all DPI programs that utilise QRIDA's services should be undertaken to ensure value for money is being achieved across all the programs the Department commissions from QRIDA and duplication of costs is not occurring across multiple programs.

Source: ACIL Allen

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Main Report

1 Introduction

This chapter outlines the background and context of Queensland's drought assistance programs, their transition from crisis response to preparedness focus, an overview of the four programs under evaluation, and the evaluation purpose and objectives.

1.1 Queensland's DARP

Queensland's Drought Assistance and Reform Package (DARP), established through the Rural and Regional Adjustment (Drought-related Assistance Schemes) Amendment Regulation 2022, represents a strategic shift from reactive drought assistance to proactive preparedness measures. This reform package includes provisions for the Queensland Rural and Industry Development Authority (QRIDA) to administer the financial assistance components of these programs on the Queensland Government's behalf. This reform aligns Queensland's approach with the National Drought Agreement (NDA) between the Australian Government and states/territories, leveraging co-funding from the Commonwealth's Future Drought Fund (FDF) for complementary programs like the FBR Program (FBR Program). The package broadens eligibility beyond livestock producers to all primary producers while gradually phasing out the previous Drought Relief Assistance Scheme (DRAS).

Programs subject to this evaluation

The Department of Primary Industries (DPI) engaged ACIL Allen to undertake an evaluation of Queensland's drought assistance programs. Four programs within the DARP are the subject of this elevation, hereafter referred to as the "grant(s) and loan(s)" (

Table 1.1).

Table 1.1 Overview of funds subject to this evaluation

Program	Description	Funding amount	Funding period	Other features
Drought Preparedness Grants (DPG)	Offers primary producers a co-contribution of 25% (disbursing up to $50,000 per grant) for resources used to prepare for droughts.	Up to $50,000	One off	Investment in capital equipment / machinery, with "new" purchase typically encouraged.
Drought Ready and Recovery Finance (DRRF) Loan	Offers up to $250,000 for capital works to prepare for drought, or for recovery (restocking/replanting) activities.	Up to $250,000	Up to 7 years with 2 years no interest	Used for pro-active investment and activities only.

Program	Description	Funding amount	Funding period	Other features
Emergency Drought Assistance Loans (EDA)	Offers up to $50,000 for primary producers significantly affected by drought for working capital expenses.	Up to $50,000	Up to 7 years with 2 years no repayments	No interest applies (ie is a refundable grant). Only one loan every five years. Fund limit of $250,000 across this program and DCF.
Drought Carry-on Finance (DCF) Loans	Offers up to $250,000 for primary producers who have been significantly affected by drought for working capital expenses.[4]	Up to $250,000	Up to 10 years with 2 years interest only	Concessional rate applies. Only one loan every five years. Fund limit of $250,000 across this program and EDAL.

Source: ACIL Allen

Evaluation purpose and objectives

This evaluation assesses and provides advice on:

- relevance and alignment with the 2024 NDA
- eligibility requirements for some programs, including the completion of a Farm Business Resilience (FBR) Plan.
- efficiency of administration and delivery, including the interest costs of providing the loan programs
- effectiveness in meeting the intended outcomes (drought readiness, resilience, and recovery). In considering the effectiveness of the programs, the evaluation will also identify demand for the programs, barriers to uptake, and inform annual funding requirements
- alignment with relevant regulations, guidelines, and best practices in public financial assistance, including Government's financial management practices and duties under the *Financial Accountability Act 2009*, and the recent review of the Commonwealth *Regional Investment Corporation Act 2018*.
- opportunities for future options for delivery of assistance across the Queensland Government, this includes legacy programs such as Land Rent Rebates and Water Licence waivers.
- provide options to resolve any identified gaps or deficiencies in the consideration of the above matters.

1.2 Methodology

Figure 1.1 summarises the evaluation methodology through three distinct phases.

- **Phase 1 (Project Design)** The project commenced with a project inception meeting held on January 9, 2025, which brought DPI and ACIL Allen together. This initial meeting established the project's context, objectives, and scope. Subsequently, on January 22, 2025, a project workshop was conducted to discuss the proposed evaluation framework (**Appendix A**).
- **Phase 2 (Data Collection and Analysis)** A Theory of Change and Program Logic were developed in consultation with DPI. The Program Logic complements the evaluation framework which guides the evaluation activities. Data collection tools were developed for stakeholders.

Consultations were held with key stakeholders (**Appendix B**). Stakeholders included representatives from DPI staff, peak bodies (AgForce, Queensland Farmers' Federation), service delivery partners (QRIDA staff, FBR Program Providers, Rural Financial Councillors), and subject matter specialist. Additional input was gathered from representatives from the Commonwealth Department of Agriculture, Fisheries and Forestry, Queensland Treasury, and Department of Premier and Cabinet.

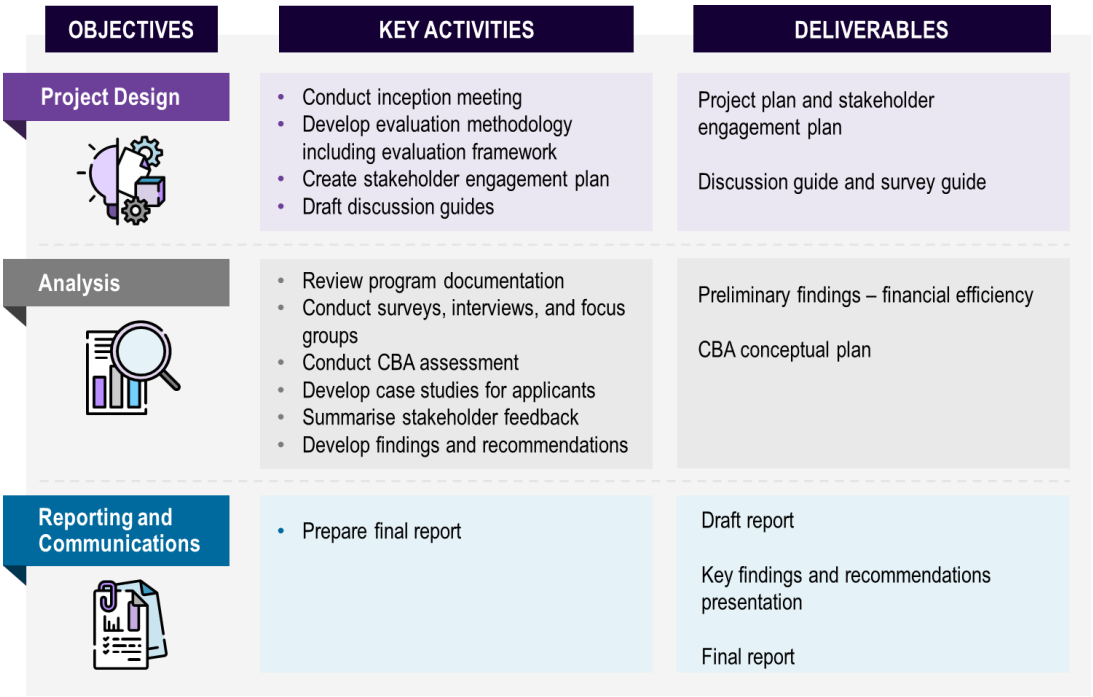
The consultations also included producers who were both successful and unsuccessful applicants across all four programs. Surveys were conducted with successful (n=98) and unsuccessful (n=14) applicants of grants and loans (**Appendix D**). Survey uptake was reasonable and likely impacted by floods and a rare cyclone event in South East Queensland.

Program documentation were reviewed, and case studies were developed of successful drought preparedness infrastructure projects across multiple agricultural sectors, the Queensland DRAS, and the Western Australia Drought Reform Pilot.

A detailed Cost-Benefit Analysis (CBA) assessment was undertaken to generate findings on financial efficiency and cost-benefit.

— **Phase 3 (Reporting and Communications)** Activities from phase 2 culminated in a presentation of key findings and recommendations to DPI, as well as synthesising all findings into comprehensive draft and final reports.

Figure 1.1 Methodology overview



Source: ACIL Allen

1.3 This report

This report is structured as follows:

- Chapter 1 – *Introduction*: This chapter outlines the background and context of Queensland's drought assistance programs, their transition from crisis response to preparedness focus, an overview of the four programs under evaluation, and the evaluation purpose and objectives.
- Chapter 2 – *Program Design*: This chapter outlines the rationale, policy context, theory of change, key activities, and initial implementation of the grants and loans, including the impacts of drought, national and state policy responses, and the FBR Program framework.
- Chapter 3 – *Appropriateness of program design*: This chapter examines the need for the programs, assessment of legacy approaches, alignment with the 2024 NDA and relevant regulations, eligibility requirements including FBR Plans, and challenges in the program design.
- Chapter 4 – *Efficiency and Effectiveness of Program Delivery*: This chapter analyses the governance and administrative processes, processing timeframes, applicant experiences, cost-effectiveness of delivery, and opportunities to improve delivery mechanisms.
- Chapter 5 – *Program Outcomes and Impact*: This chapter assesses achievement of program objectives, improvements in drought readiness and resilience, demand across agricultural sectors, geographic distribution of assistance, barriers to uptake, and unintended consequences.
- Chapter 6 – *Cost-benefit Analysis*: This chapter presents the economic assessment of the programs, comparing costs of administration and funding with benefits to producers and the broader public.
- Chapter 7 – *Findings and Recommendations*: This chapter synthesises key insights from the evaluation and provides specific recommendations for program design improvements, delivery efficiency, strategies to address barriers, and enhancements to monitoring and evaluation.

2 Program design

This chapter outlines the rationale, policy context, theory of change, key activities, and initial implementation of the grants and loans, including the impacts of drought, national and state policy responses, and the FBR Program framework.

2.1 Understanding of the problem

Impacts of drought

Drought poses major challenges for Queensland's primary producers by reducing water availability, which disrupts irrigation systems, lowers crop yields, delayed planting and reduced planting areas and creates shortages of drinking water and feed for livestock (impacts include higher feed costs, animal health and welfare issues). While a minor drought/dry period may merely impact a producer's margin, a longer or more severe drought can entirely destroy a producer's livelihood.

Droughts can stunt production systems, leaving primary producers unable to recover, by depleting essential soil nutrients, [1] permanently damaging pastures, or forcing the sale of breeding stock that takes years to rebuild, thereby undermining long-term farm viability. Such setbacks often create a cycle of reduced productivity and financial hardship leaving a producer less resilient in the event of a future drought.

In addition to the economic importance of agriculture to Queensland is the value that many Australians place on domestic production of food and other primary products. In a drought, the domestic production of these products can become precarious and over time, force producers to cease operations and contribute to the broader consolidation of farms in Australia.[2]

A survey undertaken with Queensland farmers during the 2018-19 drought reflected the financial impact of the drought:[3]

> *"Half of those surveyed had lost up to half their annual income with only seven per cent reporting no change to their income as a result of drought."*

The financial threat of drought is a major source of stress for farmers, with the producers reporting that weather, including natural disasters, was the most frequently selected reason for their stress. Furthermore, 88% of farmers reported their operations had been impacted by weather events, costing them $1.4 million per farm on average.[4] This is reflected in national data – climate factors in Australia have been estimated to have decreased annual broadacre farm profits by 22% since 2000,[5] as highlighted in Figure 2.1.

[1] CSIRO (2023). Understanding the true cost of drought. Accessed 26 March 2025: https://www.csiro.au/en/news/All/Articles/2023/July/cost-of-drought

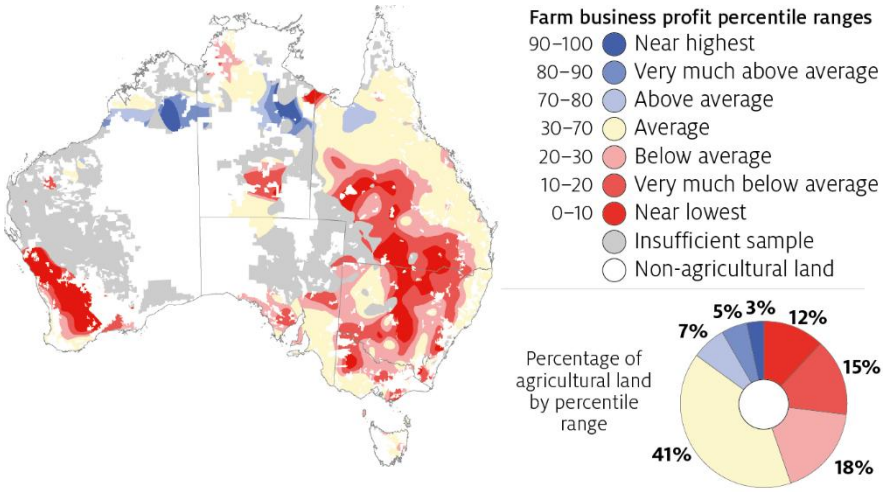
[2] ABARES (2025). Snapshot of Australian Agriculture 2025, Declining farm numbers but increased specialisation. Accessed 26 March 2025: https://www.agriculture.gov.au/abares/products/insights/snapshot-of-australian-agriculture#declining-farm-numbers-but-increased-specialisation

[3] Beef Central (2018) Impact of drought laid bare in survey of Qld farmers. Accessed 28 March 2025: https://www.beefcentral.com/production/impact-of-drought-laid-bare-in-survey-of-qld-farmers/

[4] NorcoFoods and National Farmer p10. Accessed at: https://norcofoods.com.au/wp-content/uploads/2023/03/1212_Farmer-wellbeing-report_Navigation_FINAL.pdf?x64161

[5] ABARES (2019) ABARES Insights, Issue 6, 2019. The effects of drought and climate variability on Australian farms. p6. Accessed at: https://www.agriculture.gov.au/sites/default/files/documents/EffectsOfDroughtAndClimateVariabilityOnAustralianFarms_v1.0.0.pdf

Figure 2.1 Effect of 2000 to 2019 climate conditions on average farm business profit



Source: ABARES (n.d.) The effects of drought and climate variability on Australian farms. Accessed 26 March 2025: https://www.agriculture.gov.au/abares/products/insights/effects-of-drought-and-climate-variability-on-Australian-farms

Impacts of drought on regional communities

In addition to the direct impact to producers, droughts have broader, indirect impacts on regional communities on several fronts. In particular, the effects to regional economies can be stark, as producers are less likely to procure local goods and services when they are financially strained due to drought. A producer struggling due to drought would also be less likely to expand their operations and employ members of the community.[6]

These impacts contribute to broader challenges faced in regional communities, for instance, in retaining the younger demographic, who may move to cities in search of more secure employment opportunities – known as out migration.[7] These combinations of factors can lead to strained social cohesion of regional communities, wherein financial insecurity and unstable employment can put significant pressure on local welfare and support systems. Drought has been observed to be associated with closures of key services like schools, banks and hospitals in regional areas.[8]

[6] The University of Western Australia (2022) Understanding the Social Impacts of Drought, prepared by the Centre for Social Impact, p9: https://www.gsdc.wa.gov.au/app/uploads/2022/07/Understanding-the-Social-Impacts-of-Drought-UWA.pdf

[7] Ibid, p12.

[8] Ibid, p26.

2.2 Policy response

National response

National Drought Agreement

The second NDA (2024-2029, Box 2.1) establishes the overarching principles guiding all four programs. This Agreement represents the shared commitment of Commonwealth, state and territory governments to move from reactive drought assistance toward proactive drought preparedness and resilience building. Each of Queensland's programs has been designed to align with these national principles, particularly emphasising support for self-reliance and evidence-based assistance.

Box 2.1 National Drought Agreement (NDA)(2024-2029)

The NDA (2024-2029) replaces the previous NDA which was in place from 2018-2024.[9] It establishes a coordinated approach to drought policy between the Commonwealth, states, and territories. It emphasises evidence-based policies that view drought as a business risk requiring preparation rather than just emergency response. The agreement prioritises building resilience and self-reliance in the agricultural sector while acknowledging that drought impacts extend beyond farms into rural communities and supply chains. It outlines clear responsibilities: the Commonwealth provides household support, tax measures, and administers the FDF; states manage animal welfare and natural resources; while both share responsibility for counselling, capability building, health support, and information sharing. The agreement recognises First Nations peoples' role in policy development and includes an accountability framework requiring annual progress reporting.

Source: Department of Agriculture, Fisheries and Forestry. (2024). NDA (2024-2029). Commonwealth of Australia. Retrieved April 4, 2025, from https://www.agriculture.gov.au/agriculture-land/farm-food-drought/drought/drought-policy/agreement

Future Drought Fund

The FDF (established in 2019) provides partial funding to each state and territory for the FBR Program as part of its broader aim to build knowledge, skills and capacity. As at 9 December 2024, $51.3 million has been paid by the Commonwealth nationally for the FBR Program, with $15.6 million going to Queensland.[10]

[9] Cwth Department of Agriculture, Fisheries and Forestry (n.d.) History of drought policy, accessed 24 February 2025:https://www.agriculture.gov.au/agriculture-land/farm-food-drought/drought/drought-policy/history

[10] Cwth Department of Agriculture, Fisheries and Forestry (n.d.) FDF: Funding Information. Accessed 26 March 2025: https://www.agriculture.gov.au/sites/default/files/documents/fdf-farm-business-resilience.pdf

Box 2.2 Future Drought Fund (FDF)

The FDF is a $5 billion federal investment established through the FDF Act 2019, providing $100 million annually for drought resilience initiatives across Australia. Unlike traditional emergency relief programs, the Fund focuses on preparation before droughts occur, funding farmer training, regional innovation hubs, community planning, climate information tools, and research for better drought management.

Created to foster "an innovative and profitable farming sector, a sustainable natural environment and adaptable rural communities," the Fund aligns with the NDA's emphasis on self-reliance and preparation. Its strategic priorities balance economic resilience for agricultural profitability, environmental resilience for sustainable landscapes, and social resilience for adaptable communities.

Source: Australian Government Department of Agriculture, Fisheries and Forestry. (2025). FDF. Retrieved April 4, 2025, from https://www.agriculture.gov.au/agriculture-land/farm-food-drought/drought/future-drought-fund#toc_0

State response

Queensland's drought assistance programs have transitioned from a crisis response model established in the 1960s to a preparedness-focused framework in 2019-2024. The DRAS (Case Study 1), introduced in the 1960s, formed Queensland's primary drought response for over 50 years. The scheme provided freight subsidies for fodder and water transport, along with emergency water infrastructure rebates. Its focus was primarily on supporting livestock producers during drought events rather than building drought resilience.

In 2019, an Independent Panel Review conducted by Ruth Wade and Charles Burke examined Queensland's drought programs, following a 2018 evaluation by Marsden Jacobs Associates.[11] These reviews identified that existing programs were not consistent with the first NDA described above. Notably, the programs were found to not effectively encourage drought preparedness, which was an objective of the first NDA. Other limitations were highlighted, including limited reach across agricultural sectors.[12]

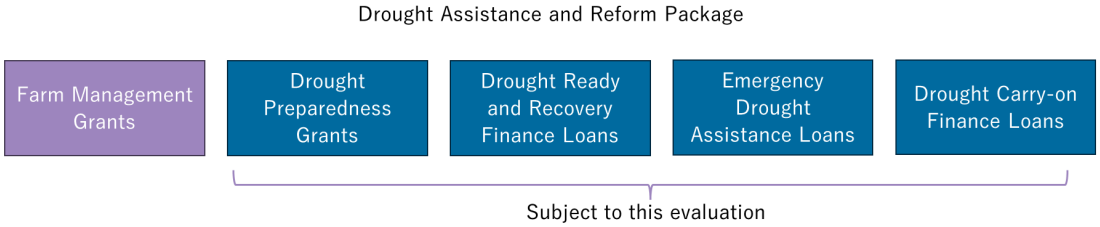
Queensland's Drought Assistance Reform Package

Queensland's DARP, established in 2022, represents a strategic shift from reactive drought assistance to proactive preparedness measures. At the state level, all four programs subject of this elevation form key components of Queensland's DARP (Figure 2.2).

[11]Marsden Jacob Associates (2018) Drought program evaluations. Queensland Department of Agriculture and Fisheries. Accessed 24 February 2025: https://www.marsdenjacob.com.au/wp-content/uploads/2019/06/Qld-Drought-programs-evaluation_MarsdenJacob_Final.pdf

[12] Independent Panel (Ruth Wade and Charles Burke) (2019) Drought Program Review (Queensland). Minister for Agricultural Industry Development and Fisheries. Accessed 24 February 2025: https://www.publications.qld.gov.au/dataset/daf8f174-4ddf-4983-975d-ac6e717a9cf8/resource/16b7b036-2068-4ba6-b8d4-edb95fd1c1dd/download/drought-program-review-report.pdf

Figure 2.2 Components of Queensland's DARP



Source: ACIL Allen

The Queensland Government is the sole funder of the four programs subject to this evaluation: Drought Carry-on Finance loans (DCF), Emergency Drought Assistance loans (EDA), Drought Ready and Recovery Finance loans (DRRF), and Drought Preparedness Grants (DPG). These programs are administered by QRIDA.

Within this package, each program serves a distinct but complementary purpose. The DPG focus on permanent infrastructure investments that enhance drought readiness. The DRRF supports both preparation and recovery activities. EDA provide rapid working capital during drought conditions, while DCF offers sustained support for businesses experiencing prolonged drought impacts. Together, these programs provide comprehensive drought support across the full drought cycle, from preparation through to recovery.

Figure 2.3 highlights the connection between program eligibility and FBR Plans, which are prerequisites for accessing the four programs. It also shows how the Queensland Government functions as the sole funder of the four programs, while also co-funding the FBR Program with the Commonwealth Government's FDF.

FBR Program in Queensland

The Queensland Government's response to the preparedness objectives of the NDA involved integrating the state's DARP programs with Commonwealth preparedness-focused initiatives, such as the FBR Program. This integration also responded to recommendations highlighted in the Independent Panel Review by Ruth Wade and Charles Burke and the evaluation by Marsden Jacobs Associates and aimed to enhance the preparedness and resilience of Queensland's primary producers through FBR planning.

The Commonwealth Government FDF (Box 2.2), co-funds the FBR Program with the Queensland Government. In Queensland, the FBR Program is administered by the Department and co-funded through the broader Drought and Climate Adaption Program (DCAP), alongside the funding provided by the Commonwealth's FDF.

The FBR Program aims to improve farm businesses' economic, environmental and social resilience,[13] with key activities including:[14]

1. Industry workshops and training
2. Industry-specific extension projects, leveraging partnerships with other organisations where relevant:
   a) Business resilience for cane growers (managed by Canegrowers)
   b) Delivering carbon outreach to improve 'farm business resilience' in Queensland's farming systems (managed by the Department)
   c) Grazing Futures livestock business resilience (managed by the Department)
   d) Resilience planning for horticulture (managed by Growcom)

[13] Coutts J&R (2024). Monitoring and Evaluation Annual Report, DCAP Phase 3, August 2024.
[14] Business Queensland (2025). FBR Program. Accessed 28 March 2025: https://www.business.qld.gov.au/industries/farms-fishing-forestry/agriculture/disaster/drought/assistance/farm-business-resilience-program

e) Dairy farm business resilience program (managed by the Department)

f) Improving farm business resilience in Queensland's grain farming systems (managed by the Department)

g) Family farm business resilience program – intensive agricultural industries (managed by Queensland's Farmers' Federation)

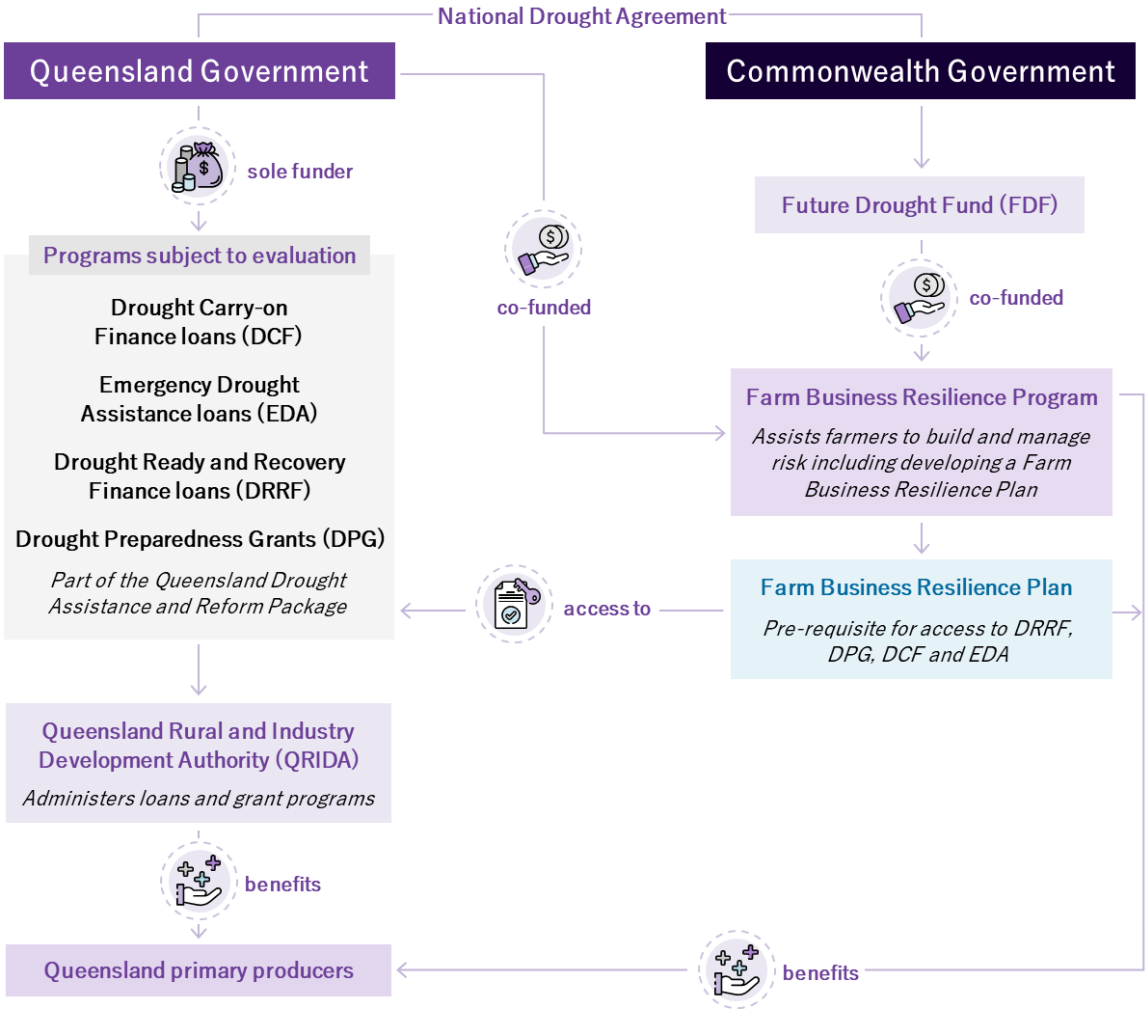
h) Farm business resilience planning support for all industries (managed by Farm Business Planning North Queensland for northern Queensland and Rural Solutions Queensland for southern Queensland)

3. Supporting producers to create a FBR Plan.

This program assists farmers in building and managing risk, including developing FBR Plans, which are a pre-requisite for accessing the DRRF, DPG, DCF, and EDA programs.

Figure 2.3 illustrates visually the structure and relationships between Queensland Government and Commonwealth Government Drought Assistance initiatives.

Figure 2.3 Queensland's DARP and the subjects of this evaluation



Source: ACIL Allen

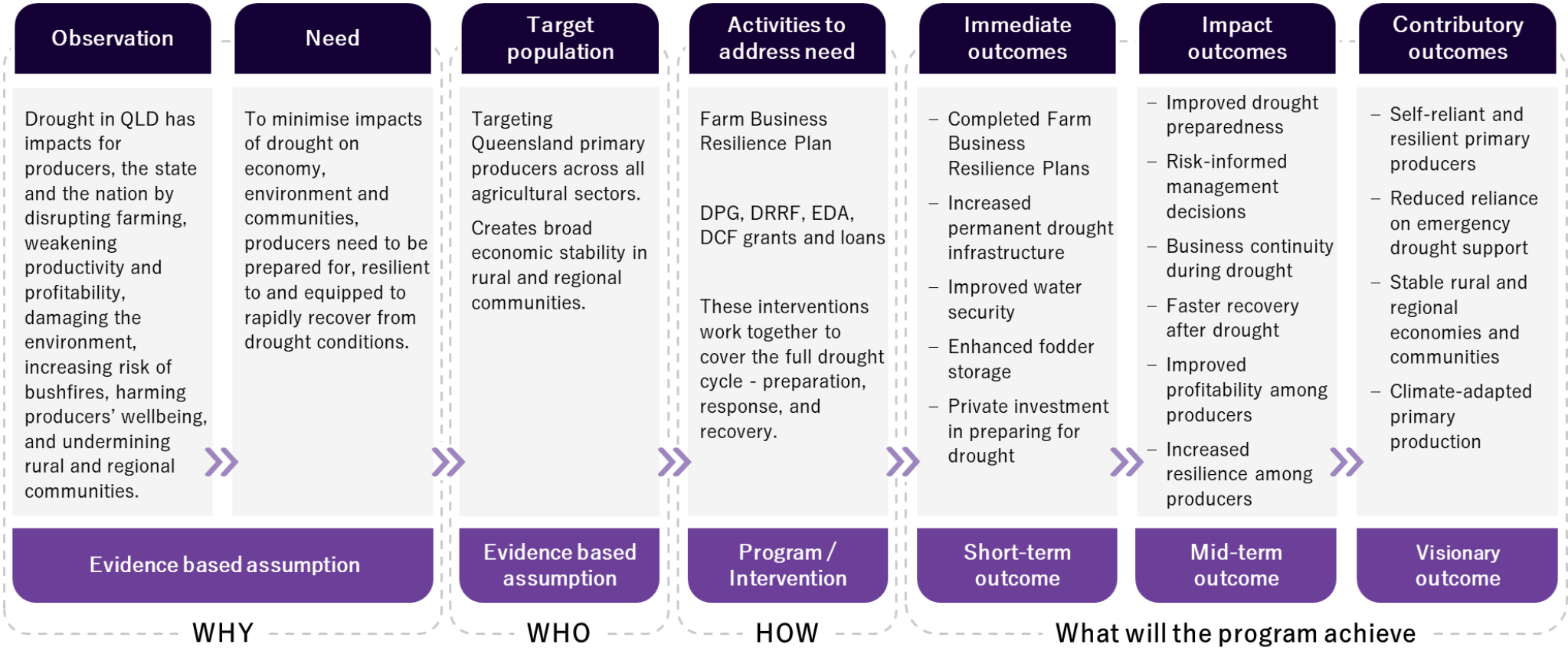
2.3 Theory of Change

A Theory of Change was developed for this evaluation (Figure 2.4). This illustrates the strategic framework underpinning the four drought assistance programs within the scope of evaluation. It maps the causal pathways from problem identification through to long-term outcomes, demonstrating how these initiatives are designed to transform drought management from crisis response to proactive resilience building.

At the heart of this approach are the four programs underpinned by FBR Planning. Together, these programs create a comprehensive framework addressing the full drought cycle from preparation through response to recovery.

This Theory of Change serves as both a roadmap for program implementation and tool to support evaluation of the effectiveness of Queensland's drought resilience initiatives.

Figure 2.4 Theory of Change



Source: ACIL Allen

2.4 Program logic model

A Program Logic was also developed to describe the current status of the programs and guide the evaluation (Figure 2.5). This provides a shared understanding of the programs by articulating the problem to be addressed, role of government, intended outcomes and success factors.

This systematic mapping helps demonstrate how the four programs connect directly to addressing Queensland producers' vulnerability to drought impacts. It provides a framework for measuring progress, with specific indicators tracking both implementation activities and impacts on producer drought preparedness, response, and recovery. This creates a clear line of sight from the drought vulnerability problem being addressed through to measuring the programs' effectiveness in supporting improved economic stability in rural and regional communities.

The Program Logic also recognises how the programs contribute to broader outcomes for producers and communities. This is under pinned by a wealth of evidence that documents the breadth of impacts of drought to producers and local communities as discussed earlier under 'Impacts of drought on regional communities.'

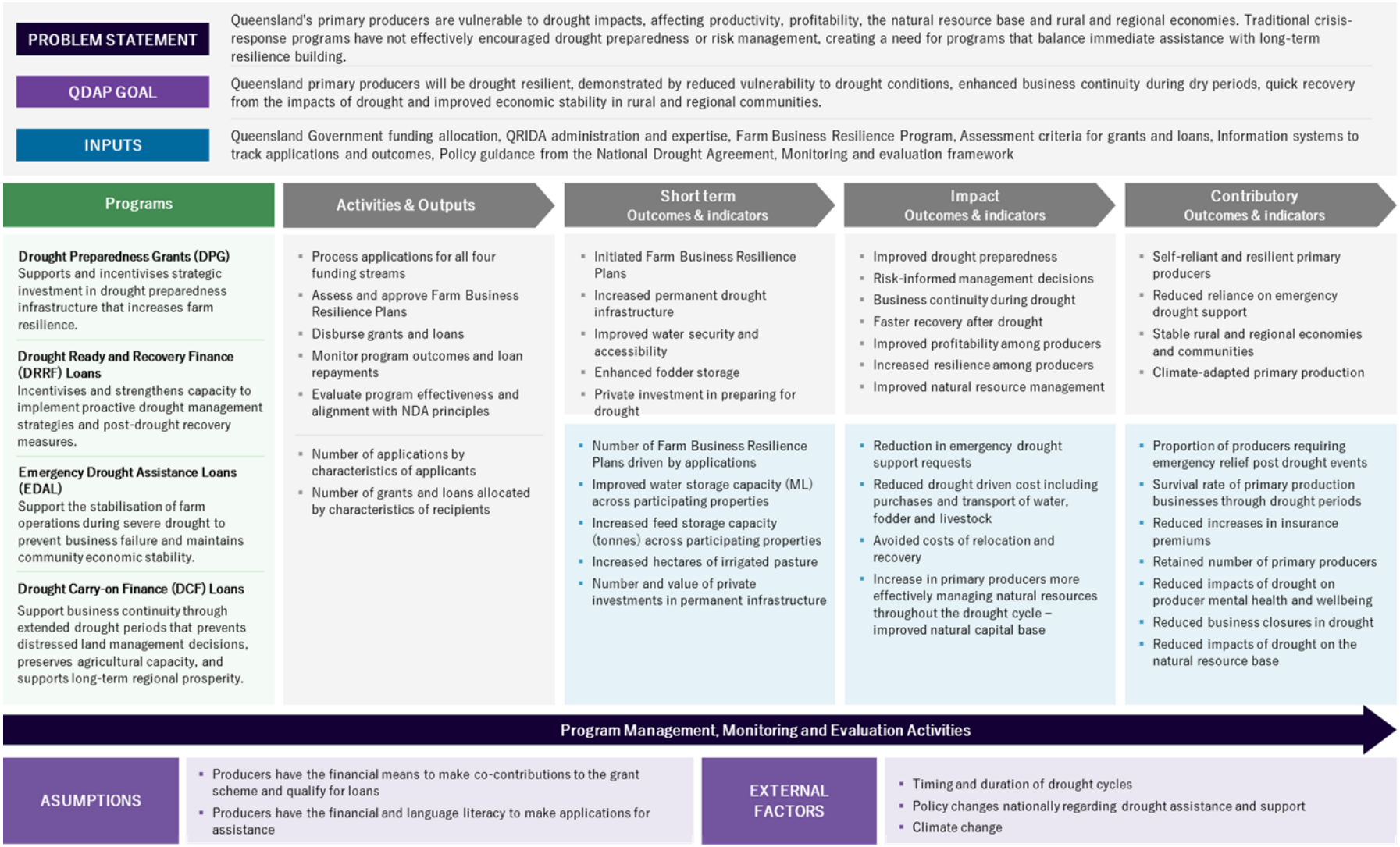
However, these broader outcomes are outside the scope of this current evaluation and as such, the Evaluation Framework includes only the short term and impact outcomes of the Program Logic.

Both the Program Logic and Evaluation Framework were refined through consultation with DPI to ensure they appropriately capture the drought assistance programs' objectives.

The Queensland Government's program evaluation approach[15] was used to develop a detailed Evaluation Framework (Appendix A) to support the Program Logic.

[15] Queensland Treasury. Queensland Government program evaluation, see https://www.treasury.qld.gov.au/queenslands-economy/evaluating-government-programs/

Figure 2.5 Program Logic



Source: ACIL Allen

3 Appropriateness of program design

This chapter examines the need for the programs, assessment of legacy approaches, alignment with the 2024 NDA and relevant regulations, eligibility requirements including FBR Plans, and challenges in the program design.

Key findings Appropriateness of program design

- The four drought assistance programs effectively address the full drought cycle, representing a strategic shift from reactive crisis management to proactive preparedness that aligns with the 2024 NDA principles.
- The programs correct fundamental flaws identified in previous programs, such as the DRAS, which created dependency, market distortions, and failed to build long-term resilience.
- Stakeholder feedback strongly supports the transition to preparedness-focused assistance, with producers recognising that proactive planning and infrastructure development are more effective than emergency subsidies.
- Queensland's requirement for FBR Plans across all programs directly supports the NDA's emphasis on self-responsibility and preparedness, receiving commendation from the Commonwealth as a model approach.
- Current eligibility requirements successfully target viable producers needing resilience support; however, stakeholders report confusion about the intended target audience.
- Queensland's definition of "primary producer" is more restrictive than Commonwealth definitions, potentially excluding resilient producers with diversified income streams and creating barriers for new entrants and farm succession.
- The requirement for "new permanent capital infrastructure" can prevent cost-effective modifications to existing infrastructure that would achieve the same drought resilience outcomes.
- While the FBR Plan requirement benefits strategic planning, stakeholders report implementation challenges include inconsistent assessment, unclear expectations, and a lack of transparency in how the evaluation rubric assesses the quality of the FBR Plan.

3.1 Need for the programs

Understanding the impact of drought on primary producers

The four drought assistance programs in DARP directly respond to the severe challenges drought creates for the state's agricultural sector. Climate factors have decreased annual broadacre farm profits by an estimated 22% nationwide between 2000 and 2019, creating significant vulnerability in the sector.[16] These impacts extend beyond temporary income reductions. Prolonged drought depletes essential soil nutrients,

[16] ABARES. (n.d.). The effects of drought and climate variability on Australian farms. Australian Government Department of Agriculture, Fisheries and Forestry. Retrieved March 26, 2025, from https://www.agriculture.gov.au/abares/products/insights/effects-of-drought-and-climate-variability-on-Australian-farms

permanently damages pastures, and often forces the sale of breeding stock that takes years to rebuild. Such setbacks create a cycle of reduced productivity and financial hardship, leaving producers less resilient against future drought events.[17]

Stakeholder perspectives on program need

Stakeholders consistently described a critical need for these programs, stemming from the severe impacts of recent droughts on agricultural producers. Multiple producers shared personal stories of substantial losses during drought periods, including crop failure, cattle mortality and the resulting financial hardship. There was widespread recognition that previous drought assistance approaches were primarily reactive, focusing on emergency response rather than preparedness. Stakeholders emphasised that proactive planning and infrastructure development are far more effective than emergency subsidies, which often come too late to prevent significant damage. Additionally, stakeholders noted the broader economic and social impacts of drought, including regional depopulation as producers exit farming during prolonged drought periods.

> *"Freight fodder subsidy, that's fine, but it's like shutting the gate after the horse has bolted. During big droughts fodder is really hard to get. We know we're on a 5 year cycle, so you can plan for it."*
>
> *(FBR Program Providers)*

> *"A lot of our regional towns across Qld, there have been large migrations, especially in droughts, people sell... lots of larger impacts. We want to help people be more resilient."*
>
> *(FBR Program Provider)*

The case for government intervention

Government involvement in drought assistance is justified by several evidence-based factors:

- **Market failure and risk management**: The Marsden Jacob evaluation identified that in certain circumstances, "there is a clear role for government and [programs can] deliver a net public benefit."[18] The systemic risk in Australian agriculture creates market failures where private financing mechanisms are inadequate, particularly during severe and prolonged drought. Climate variability in Australian agriculture is unparalleled in most developed economies. As demonstrated in the WA Pilot Report, "Australian farmers operate businesses in a more volatile environment than most other businesses in Australia and also experience more yield and price volatility than most other farmers do internationally."[19] (Refer Box 3.1).
- **Broader economic impacts**: The impacts of drought extend beyond individual farm businesses. As noted earlier in the report, drought poses a significant threat to regional economies, disrupting agriculture, reducing water resources, and undermining employment opportunities and business stability . The Wade-Burke Review emphasised that "*avoiding drought-induced agricultural businesses' financial crises—with all the flow-on effects to communities, mental health and the wider economy—must be the aim of responsible government policy*."[20]

[17] ABARES. (n.d.). The effects of drought and climate variability on Australian farms. Australian Government Department of Agriculture, Fisheries and Forestry. Retrieved March 26, 2025, from https://www.agriculture.gov.au/abares/products/insights/effects-of-drought-and-climate-variability-on-Australian-farms

[18] Marsden Jacob Associates. (2018). Drought program evaluations. Queensland Department of Agriculture and Fisheries.

[19] Keogh, M., Granger, R., & Middleton, S. (2011). Drought Pilot Review Panel: a review of the pilot of drought reform measures in Western Australia. Commonwealth of Australia, Canberra.

[20] Wade, R., & Burke, C. (2019). Drought Program Review. Queensland Government, Brisbane.

— **Alignment with policy objectives:** All four programs directly respond to the NDA's emphasis on building resilience and self-reliance in the agricultural sector. By requiring FBR Plans as a prerequisite for assistance, the programs ensure that support is tied to improved business planning and risk management. (Refer Box 3.1).

Box 3.1 Linkages to the FBR plan helps to correct for information barriers

A recent report by the Productivity Commission (PC) looking at the Performance of the *Future Drought Fund Act* notes that:

The primary responsibility for managing drought and other climate risks on the farm and within communities lies with farmers and communities. That said, there are circumstances when governments have a role in supporting farmers and communities to build drought resilience.

Productivity Commission, 2023

The PC, in the context of drought resilience states that farmers and communities may face limited incentives to adequately invest. In general examples of market failures that may require government intervention include: public goods, environmental and other externalities, information failures and co-ordination failure.

Of these, the provision of information and education to assist farmers with how to plan and prepare for future climate change risks is a reason for government intervention.

By linking drought resilience grants to the FBR plan strengthens the rationale for government intervention as farmers are provided with skills to "improved decision making, planning, strategic thinking and capacity to undertake change".

The PC also note that there is greater value to the community and taxpayers if the funds are invested in activities that would not have been undertaken anyway.

The PC recommend that the FBR program consider the following to ensure public benefits are delivered:

— tightening eligibility criteria to target farmers unlikely to undertake business planning activities
— requiring content to focus on material that will have a broader public benefit such as that focused on environmental outcomes
— adjusting the co-contribution to promote participation among targeted farmers and reflect public and private benefits.

Source: ACIL Allen from Productivity Commission 2023, Review of Part 3 of the Future Drought Fund Act, Inquiry Report no. 102, Canberra

Assessment of legacy programs

Replacing previous approaches to drought assistance

The DRAS was Queensland's primary drought assistance program from 1969 to 2019, representing the Queensland Government's largest drought support initiative in terms of budget. As a comprehensive program designed to provide financial assistance to primary producers during drought conditions, DRAS encompassed multiple components, including land rent rebates and water license waivers.

The land rent rebates and water license waivers were two specific mechanisms within this broader scheme aimed at providing financial relief to primary producers in drought-declared areas. However, a

comprehensive evaluation by Marsden Jacob Associates in 2018 revealed significant limitations in these particular program components.

The Marsden Jacob Associates evaluation (2018) identified significant limitations in the Land Rent Rebates and Water License Waivers programs. These programs demonstrated poor alignment with national drought principles, primarily functioning as income transfers without building resilience or preparedness.

For Land Rent Rebates, the evaluation found: "*the rebate is simply based on form of tenure and its size determined by rental rates and area leased. The rebate has a positive effect on the incomes of eligible farm businesses. However, this effect does not necessarily reflect the needs of individual businesses and families*" (p. 82). The report noted that "the program does not support landholders to plan and prepare for the future" and "is not tied to any decision-making to maintain and support the natural resource base" (p. 82).

Similarly, for Water License Waivers, the evaluation concluded: "*There is no clear market failure. The program provides some private benefits but at a cost of other more appropriate programs and as such the program is likely to create a range of hidden costs such as supporting some businesses without a genuine need*" (p. 89).

Despite these limitations, the Wade and Burke Independent Panel Review (2019) recommended continuing both programs "subject to future drought declaration parameters" (Recommendations 6 and 7). This decision likely reflected the political difficulty of removing established support mechanisms rather than their policy merit.

Stakeholder consultation through this evaluation did not reveal any significant advocacy for reinstating these types of transaction-based subsidies. In fact, stakeholders consulted occasionally acknowledged the legacy programs were not ideal solutions:

"In our line of thinking, we understood the old DRAS would never last forever."

(Unsuccessful DPG Applicant)

Stakeholder feedback has instead emphasised the value of the current package's focus on infrastructure and resilience building. This aligns with the findings in our case study of the DRAS, which demonstrated how transaction-based subsidies created dependency and undermined self-reliance over time (Case Study 1).

Case Study 1 Queensland's Drought Relief Assistance Scheme (DRAS)

Background

The DRAS was a major component of Queensland's drought assistance program from 1969 to 2019. As the Queensland Government's largest drought assistance program in terms of budget, DRAS was designed to provide financial support to primary producers during drought conditions. Between 2012-2013 and 2017-2018, the program delivered over $90 million in assistance through various subsidies and rebates.

The scheme comprises several components:

- Fodder and water transport subsidies
- Emergency water infrastructure rebate (EWIR)
- Returning livestock and restocking transport subsidies
- Assistance for drought charities
- Assistance for the Commonwealth Rural Financial Counselling Service

Key findings from the Marsden Jacob report

In 2018, Marsden Jacob Associates conducted a comprehensive evaluation of Queensland's drought programs, including DRAS. The report identified several fundamental flaws in the program's design and implementation.

Misalignment with National Drought Principles

The Marsden Jacob report was particularly critical of DRAS's misalignment with the National Drought Program Reform principles:

"The Drought Assistance programs are generally poorly aligned to the national drought principles, whereas the broader associated 'other' programs in contrast are very well aligned" (p. 10).

This misalignment manifested in multiple ways that ultimately undermined the program's long-term effectiveness.

Transaction-based approach and unintended consequences

One key criticism was the transaction-based nature of DRAS programs, which provided subsidies for specific activities rather than focusing on resilience and preparedness:

"The program is transaction based and does not align to the IGA principles and can create a range of unintended consequences" (p. 28).

These unintended consequences included potential market distortions and encouraging practices that might not support long-term sustainability:

"The program has the effect of increasing the demand for water and fodder and transport services, other things equal. Other available reviews indicate transport subsidies are likely to increase the cost of fodder and transport, other things equal. This is likely to negatively affect farm businesses that intensively feed livestock" (p. 37).

Weak objectives and eligibility issues

The report identified problems with program objectives and implementation:

"The objective is not well defined and is open to interpretation and is not set within an overarching and clear drought policy" (p. 28).

The eligibility criteria were also problematic:

"Over time has developed prescriptive eligibility criteria in order to target the delivery of the program. However, some criteria (such the program applying to core breeding stock at the commencement of the period of drought) are not able to be practically verified, audited and enforced" (p. 28).

Prolonging non-viable farming operations

Perhaps most concerning was the potential for DRAS to artificially sustain non-viable farming operations:

"The program risks influencing decision making – encouraging landholders to invest in livestock that may not align with their long-term preparedness plans" (p. 48).

In the context of restocking subsidies, the report noted:

"Subsidies to encourage the restocking of properties can lead to premature restocking before the longer-term carrying capacity of the property has recovered and thereby undermine medium term viability and the natural resource base" (p. 45).

Limited uptake and inequitable distribution

Despite its significant budget, DRAS had limited uptake among eligible producers:

"DAF estimates that less than 20 per cent of eligible Property Identification Codes (PICs) applied for the subsidies" (p. 33).

This suggests the program wasn't meeting the needs of the majority of drought-affected producers or wasn't effectively communicated.

The report also highlighted equity issues within the distribution of benefits:

"The eligibility criteria exclude those landholders without eligible livestock including those that have already acted to address livestock feed and watering needs or have undertaken management actions to avoid the need for emergency fodder and water access" (p. 38).

Lack of market failure justification

The evaluation found that DRAS programs generally lacked a clear market failure justification:

"There does not appear to be a clear role for government. There are no obvious market failures that limit the scope of landholders to undertake appropriate management to address feed availability risks to animal welfare" (p. 38).

Without addressing a clear market failure, government intervention through these programs could not be justified on economic grounds.

Environmental concerns

The programs could potentially encourage practices harmful to the natural resource base:

"The program does not focus on the importance of maintaining and supporting the natural resource base. The program encourages the continuance of breeding stock on properties without adequate available feed and water for extended periods of time. This can lead to further depletion of vegetation and risk various forms of erosion in the future" (p. 38).

Conclusion

The Marsden Jacob report provided compelling evidence that while DRAS delivered immediate financial relief to some primary producers during drought, it was fundamentally flawed in its design and implementation. By focusing on transaction-based assistance rather than building resilience and preparedness, the program not only misaligned with national drought principles but potentially created perverse incentives that could undermine long-term farm viability and sustainability.

The report's findings suggest that more effective drought assistance would focus on helping primary producers prepare for drought, maintain the natural resource base, and build long-term resilience rather than providing input subsidies during drought periods. The poor alignment with national drought principles indicates that significant reform would be needed to create more effective drought assistance programs in Queensland.

Source: Marsden Jacob Associates. (2018). Drought program evaluations: Queensland Department of Agriculture and Fisheries. Brisbane: Queensland Department of Agriculture and Fisheries. Retrieved from https://www.publications.qld.gov.au/dataset/queensland-drought-program-review/resource/1a816004-6702-4bb0-be33-aaa3a78d94a8

3.2 Alignment with policy and legislation

Alignment with national policy framework and previous evaluations

The programs have been specifically designed to align with the NDA (2024-2029),[21] which emphasises policies that view drought as a business risk requiring preparation rather than just emergency response. This agreement provides the overarching principles that guided the development of Queensland's comprehensive approach to drought management.

The 2018 Marsden Jacob evaluation of Queensland's previous drought programs identified significant limitations with the former DRAS (Case Study 1), noting DRAS "programs focus[ed] on drought declared farms and individuals, but by their nature exclude[d] many primary producers experiencing drought conditions, and they [did] not encourage preparedness and resilience."[22] The evaluation further highlighted the need to focus on preparedness and climate adaptation, which showed stronger alignment with national policy objectives.[23]

Stakeholders spoken to as part of this evaluation reinforced the need for a policy shift from emergency management to preparedness, characterising previous approaches as *"band-aids on an amputation"* (subject matter expert).

The 2019 Drought Program Review recommended that many of the DRAS programs cease and that the Queensland Government provide loans for preparedness activities.[24] This recommendation forms the conceptual foundation for the DARP Loan programs.

"The grant has been a phenomenal catalyst to getting people on board to get a plan put together. We do the extension piece of it, and having a carrot there to get people engaged and take some action, it's been huge."

(FBR Program Providers)

An evaluation of the Western Australia Drought Reform Pilot (2010-2011, Case Study 2) provides compelling evidence for the shift from reactive crisis management to proactive preparedness in drought policy. The 2011 Drought Pilot Evaluation concluded that support measures should emphasise preparation.[25] Notably, the pilot included Building Farm Businesses grants of up to $60,000 dollars, which acted as a strong incentive for farm businesses to participate in a "Farm Planning program" similar to the Commonwealth FBR Program. This pilot program formed the conceptual foundation for the DARP Grant program.

Alignment with evidence regarding drought cycle support

The four programs collectively address the full drought cycle in a way that previous approaches did not. The DPG and DRRF support the critical preparation phase, helping producers invest in infrastructure and systems that enhance drought resilience. The EDA and DCF provide well-designed in-drought support that avoids the market distortions identified in evaluations of previous subsidy programs.

[21] Department of Agriculture, Fisheries and Forestry. (2024). NDA (2024-2029). Commonwealth of Australia. Retrieved April 4, 2025, from https://www.agriculture.gov.au/agriculture-land/farm-food-drought/drought/drought-policy/agreement

[22] Marsden Jacob Associates. (2018). Drought program evaluations. Queensland Department of Agriculture and Fisheries.

[23] Marsden Jacob Associates. (2018). Drought program evaluations. Queensland Department of Agriculture and Fisheries.

[24] Wade, R., & Burke, C. (2019). Drought Program Review. Queensland Government, Brisbane.

[25] Keogh, M., Granger, R., & Middleton, S. (2011). Drought Pilot Review Panel: a review of the pilot of drought reform measures in Western Australia. Commonwealth of Australia, Canberra.

This comprehensive approach directly responds to the limitations identified in both the Marsden Jacob evaluation and the Wade-Burke Review, creating a drought support framework that aligns with national policy objectives while addressing the specific needs of Queensland's agricultural sector.

Alignment with 2024 National Drought Assistance principles

The aims of Queensland's DARP are clearly identified and link closely with the strategic objectives outlined in the 2024 NDA. The package demonstrates strong alignment with the NDA principles through two key dimensions:

1. **Promoting self-responsibility and preparedness:** Queensland's requirement for FBR Plans across all programs directly supports the NDA's third principle that "drought policy and programs should support the agricultural sector and rural communities to prepare for drought and climate variability to enhance their long-term sustainability and resilience." The embedding of FBR Planning in the eligibility for the programs has been commended by the Commonwealth, who specifically highlighted Queensland's integrated approach as a model for other jurisdictions. The ongoing nature of access to preparedness supports, rather than reactive responses to drought conditions, also represents significant alignment with the preparedness focus of the NDA.
2. **Supporting based on need rather than declarations**: The program framework aligns with NDA's fourth principle that "support provided should avoid market distortions and eligibility should be based on need, not activated by drought declarations." Drought assistance programs require evidence of drought impacts through business-specific documentation rather than relying solely on drought declarations. For example, the Emergency Drought Assistance Loan requires applicants to "demonstrate financial assistance is required because the primary production enterprise has been significantly financially affected by drought" through financial statements, production records, and cashflow forecasts that show specific drought impacts on their individual business, allowing producers to access support based on their unique circumstances rather than geographic drought declarations.

Case Study 2 Evaluation of WA Drought Assistance Program Pilot

Background

In 2010-2011, the Australian and Western Australian governments jointly implemented a pilot program to test new approaches to drought assistance. This initiative marked a significant shift from reactive drought crisis management toward proactive drought preparedness and business resilience. The pilot was conducted in Western Australia's agricultural regions, covering 67 local government areas initially, and was later expanded to include 130 local government areas in 2011-2012.

Program objectives

The drought pilot had three primary aims: to strengthen farm businesses, sustain farming families, and build resilient rural communities. It represented a fundamental shift in policy thinking, moving away from exceptional circumstances declarations and emergency assistance toward helping farmers develop sustainable practices and resilience to climate variability.

Key components

The pilot consisted of several integrated measures, with two core components being the Farm Planning program and the Building Farm Businesses grants:

Farm Planning Program

This component supported farmers to develop comprehensive strategic business plans through a five-module training program. The modules covered strategic planning, financial management, natural resource management, work-life balance, and a "kitchen table" planning session to bring all elements together. Farmers developed written strategic plans that addressed business viability, risk management, and adaptation to climate variability.

Building Farm Businesses Grants

Upon completion of the Farm Planning program, eligible farmers could apply for grants of up to $60,000. These grants were designed to help implement the strategies identified in their farm plans. To qualify, farmers needed to:

- Have less than $750,000 in net off-farm assets (excluding superannuation)
- Have at least one business member with two consecutive years of farming experience
- Be located within the pilot region
- Complete the Farm Planning program
- Have their strategic plan independently assessed as viable

Timeline and implementation

The pilot ran initially from July 2010 to June 2011 and was extended for another year until June 2012. During the first phase, over 400 farm businesses participated in the Farm Planning workshops, with strong uptake across the pilot region.

Outcomes

The Farm Planning component proved particularly valuable, with significant changes in participants' attitudes and behaviours:

- Strategic Planning Adoption: Prior to the program, while 97% of participants recognised the value of strategic planning, only 40% had written plans. After completion, 98% had written business plans and intended to refer to their strategic plan at least annually.
- Changed Behaviour: The frequency of referring to strategic plans increased, with more farmers consulting their plans quarterly rather than annually or never.
- Motivation Shift: While 44% of participants initially cited obtaining grants as their primary motivation, by the end of training most indicated they recognised the intrinsic value of planning.
- Future Confidence: Confidence in implementing business plans rose after training.

The program particularly attracted younger farmers compared to the regional and national average, suggesting it appealed to those earlier in their farming careers and potentially more open to new approaches.

Challenges and considerations

Despite its successes, several challenges emerged:

— Grant-Driven Participation: The Building Farm Businesses grants strongly motivated initial participation, which risked plans being tailored toward grant eligibility rather than genuine business needs.

— Implementation Support: While planning skills improved, ongoing support for plan implementation remained a gap.

It's worth noting that the evaluation of the Building Farm Businesses grants program found that the program should not form part of future drought policy. The panel considered that a significant number of the activities funded under the Building Farm Businesses grants program will not result in those farm businesses becoming more resilient and better prepared for future challenges.

Source: Keogh, M., Granger, R., & Middleton, S. (2011). Drought Pilot Review Panel: a review of the pilot of drought reform measures in Western Australia. Commonwealth of Australia, Canberra.

Alignment with relevant regulations and financial management practices

There are two relevant regulations and guidelines of relevance to the programs, being the *Financial Accountability Act 2009*, and the recent review of the Commonwealth *Regional Investment Corporation Act 2018*.

Financial Accountability Act (Qld) 2009

The *Financial Accountability Act (Qld) 2009* sets standards and performance requirements for public officials when they are charged with spending or investing State funds. Section 61 of the Act:

> *Accountable officers and statutory bodies have the following functions—*
>
> *(a) to achieve reasonable value for money by ensuring the operations of the department or statutory body are carried out efficiently, effectively and economically;*
>
> *(b) to establish and maintain appropriate systems of internal control and risk management;*
>
> *(c) to establish and keep funds and accounts in compliance with the prescribed requirements;*
>
> *(d) to ensure annual financial statements are prepared, certified and tabled in Parliament in accordance with the prescribed requirements;*
>
> *(e) to undertake planning and budgeting for the accountable officer's department or the statutory body that is appropriate to the size of the department or statutory body;*
>
> *(f) to perform other functions conferred on the accountable officers or statutory bodies under this or another Act or a financial and performance management standard.*

The purpose of this evaluation was not to undertake an audit of the program, its expenditure, or its compliance with legal and legislative requirements with respect to how moneys are transacted. However, the Department has engaged QRIDA to deliver the program, including the management of funds and payments to successful recipients / management of loans made under loan programs. This is in keeping with the management of similar programs funded by Queensland Government agencies and is considered a superior option to the Department undertaking these functions itself.

Similarly, QRIDA engaged Ernst & Young in 2024 to conduct an internal audit of the program. This audit is further discussed in Section 4.2, however none of the findings suggest any failure by QRIDA to comply with their obligations under Section 61.[26]

The purpose and intent of the evaluation is to provide a perspective on the value for money achieved by the Department through the delivery of the program, incorporating both the benefits it has achieved and the costs incurred to enable this. Therefore this evaluation's overall findings and directions are of relevance to the Department's success or failure in meeting the threshold of performance set by the Act.

Review of Regional Investment Corporation Act (Cwth) 2018

The Commonwealth Government received the final report of a statutory review of the *Regional Investment Corporation Act (Cwth) 2018* in July 2024. The review was undertaken by Wendy Craik AM, independently from the Commonwealth Government and the Regional Investment Corporation (RIC).

[26] Ernst & Young. (2024). Queensland Rural and Industry Development Authority (QRIDA) Drought Preparedness Grant Scheme Internal Audit Report. Queensland Rural and Industry Development Authority.

The RIC is a Commonwealth Government Business Enterprise (GBE) which principally exists to deliver concessional finance to eligible agricultural businesses across Australia. It was established by the passing of its enabling legislation in 2018. At the time of the report, the RIC had a loan book of over $3 billion in concessional finance to Australian agricultural businesses.

The review was required under the Act. It resulted in six overall findings and 32 recommendations.[27] A number of the recommendations reflect matters of governance which are relevant to the Queensland Government's own drought assistance programs. These are outlined below.

Table 3.1 Alignment of Department's Program to Recommendations of the Statutory Review of the *Regional Investment Corporation Act (Cwth) 2018*.

Commonwealth Review recommendation	Existing Alignment to Department's Program
Recommendation 14: The RIC Board ensure the RIC implements effective data collection, reporting, monitoring and evaluation (M&E), including to: – support appropriate oversight of the RIC's loan delivery and portfolio by the department – monitor and evaluate the extent to which the RIC and its loans are achieving their intended product, program and policy objectives, including in the medium to longer term – inform future policy development.	The Department is already capturing substantial data with respect to the activities and investments made as a result of the program. The Department is developing (though this process) an M&E plan and measuring the efficiency and effectiveness of its service delivery.
Recommendation 15: The RIC, as a priority, comprehensively assess Drought Management Plans (DMPs) as one of the requirements (like credit and security grades) of the application process, including accessing appropriate expertise to do so if needed. Where the customer has participated in the Farm Business Resilience (FBR) Program and produced a Farm Business Plan which captures the same required information, the RIC accept the Farm Business Plan as meeting the DMP requirement.	The Department's programs already use the FBR Program and production of a Farm Business Plan as a pre-requisite for access to its funding opportunities. That the Review recommends the FBR becomes the standard for accessing concessional loans is a strong signal the Department's use is appropriate.
Recommendation 25: The RIC continue and expand its use of regionally-based staff to improve on-the-ground outreach to a range of stakeholders including state and territory governments, including through participating in local and regional events. The RIC provide on-the-ground intelligence and insights back to the department on a regular basis.	It is understood that the Department's approach to delivery of its program incorporates this kind of on-the-ground work.
Recommendation 26: The RIC continue to pursue closer links with the Rural Financial Counselling Service (RFCS) network, including through on-the-ground direct engagement via the RIC's regionally-based workforce. The department support this by facilitating closer links between RFCS service providers and the RIC.	The Department already has close links to the RFCS network in delivering its program throughout Queensland.

Source: ACIL Allen, from Statutory Review of the Regional Investment Corporation Act (Cwth) 2018

[27] Craik AM, W. 2024. Statutory Review of the *Regional Investment Corporation Act (Cwth) 2018*. Accessed online at http://www.agriculture.gov.au/

3.3 Eligibility design

Queensland's DARP represents a significant shift from crisis management to proactive resilience-building. A critical aspect of this transition is the careful design of eligibility criteria (Table 3.2) that prioritises support for viable agricultural businesses with potential for long-term sustainability.

This approach aims to optimise the impact of government resources while avoiding the unintended consequences identified in the Marsden Jacob Associates evaluation, specifically:

- Prolonging non-viable farming operations that would otherwise exit the industry.
- Encouraging retention of livestock during drought when destocking might be more appropriate.
- Creating dependence on government subsidies rather than promoting self-reliance.
- Generating market distortions that increase input costs (especially fodder and transport) for all producers.
- Undermining natural resource management through overgrazing during drought periods.
- Disincentivising investment in drought preparedness infrastructure by rewarding those who don't prepare.

Table 3.2 demonstrates the differentiated approach to eligibility across the four program components. The DPG and DRRF focus on infrastructure investments and forward planning, while the EDA and DCF address immediate financial needs during drought conditions.

All programs require primary producer status and exclude producers who have recently accessed DRAS assistance, creating a clean transition path from the old system to the new framework. The emergency assistance loans have additional requirements related to business longevity and financial need that aren't present in the preparedness-focused programs.

Key eligibility requirements across the programs discussed in more detail in this section include establishing primary producer status, demonstrating that projects involve new permanent capital infrastructure, and presenting a FBR Plan.

The FBR Plan requirement across all programs demonstrates the package's consistent focus on strategic planning and risk management, though the emergency loans allow this to be developed after receiving assistance, acknowledging the urgent nature of these supports.

Table 3.2 Eligibility requirements for Queensland drought assistance programs

Eligibility Requirement	DPG	DRRF	EDA	DCF
Demonstrate at least one person in the primary production business is a primary producer	✓	✓	✓	✓
Project involves purchase and installation of new permanent capital infrastructure	✓	✓		
Project improves ability to prepare for, continue to operate in, or recover from drought	✓	✓		
Activity is listed in FBR Plan	✓	✓		
Project not commenced before assistance approved (deposits allowed up to 90 days prior)	✓	✓		
Demonstrate ability to provide remaining contribution to grant requested	✓			
Necessary regulatory approvals obtained	✓	✓		✓
Present a FBR Plan satisfactory to QRIDA	✓	✓	✓*	✓*
Demonstrate the project/activities will improve drought readiness and recovery prospects	✓	✓		
Have prospects for viability and ability to service the loan		✓	✓	✓
Have carried on primary production business for at least 12 months			✓	✓
Have taken reasonable precautions to minimise effect of drought			✓	✓
Demonstrate financial assistance required due to significant financial impact of drought			✓	✓
Demonstrate business cannot support carry-on from existing resources or facilities			✓	✓
No application to DAF supported by invoice in past 6 months for DRAS assistance	✓	✓	✓	✓
No current loan under the same scheme			✓	✓
No loan received under the same scheme in past 5 years			✓	✓
Projects to commence within 90 days and be completed within 6 months	✓	✓		

Source: QRIDA Program Guidelines

**Required within a reasonable period after approval*

Producer categories

The eligibility requirements have been strategically designed to target specific producer categories based on their financial capacity, business viability, and resilience needs (Figure 3.1, **Appendix C**).

The requirement for new permanent capital infrastructure

The requirement for new permanent capital infrastructure is specifically emphasised in the DPG and DRRF programs, as shown in Table 3.2. This requirement ensures investments in drought resilience involve durable assets that provide long-term benefits to agricultural businesses.

Primary producer definitions

A fundamental element of the eligibility framework is the definition of "primary producer," which varies across different jurisdictions and programs.

As shown in Table 3.3, the Commonwealth's definition under the Income Tax Assessment Act 1997 (Cth) is broad, identifying a primary producer as "an individual, partnership or trust that carries on a primary production business." This definition focuses on the nature of the activity (e.g. cultivating land, maintaining animals, fishing) and does not impose requirements relating to personal labour or income thresholds.

The Commonwealth's disaster assistance framework, the Disaster Recovery Funding Arrangements 2018, also applies a flexible definition. It defines a primary producer as an individual, trust, or business that has a right or interest in a farming enterprise, contributes labour and capital, and derives at least 50% of their income from that enterprise, using ANZSIC codes to guide eligibility.

By contrast, the Queensland Government, through the QRIDA, defines a primary producer as someone who "spends the majority of their labour on a primary production enterprise" and either derives or is expected to derive "the majority of their income from it". These criteria also apply to business structures such as partnerships, trusts, and companies, where each partner or beneficiary must individually meet these thresholds.

Table 3.3 Definitions of 'Primary Producer' across contexts

Jurisdiction / Program	Definition of 'Primary Producer' (Exact Wording)	When the Definition Applies
Commonwealth – Income Tax Assessment Act 1997	'Primary producer' means an individual, partnership or trust that carries on a primary production business.	Used in taxation matters, including eligibility for primary producer tax concessions such as the Farm Management Deposit Scheme.
Commonwealth – Disaster Recovery Funding Arrangements (DRFA)	An individual, partnership, trust, or company which: has a right or interest in a farm enterprise; contributes a part of their labour and capital to the enterprise; and derives at least 50% of their income from the enterprise. Primary producers are defined as those listed under the Australian New Zealand Standard Industrial Classification 2006 (ANZSIC) Codes.	Used to determine eligibility for disaster recovery assistance (e.g. concessional loans and recovery grants) following declared natural disasters.
Queensland – QRIDA Drought Assistance Programs	A person who spends the majority of their labour on a primary production enterprise and derives (or is likely to derive) the majority of their income from it. For partnerships/companies/trusts, partners/shareholders/beneficiaries must meet this test.	Used to determine eligibility for Queensland drought assistance grants and concessional loans administered by QRIDA.

Source: Australian Government. Income Tax Assessment Act 1997 (Cth), Section 995-1. Available at: https://www.legislation.gov.au/Series/C2004A05206

National Emergency Management Agency (NEMA). (2018). Disaster Recovery Funding Arrangements 2018. Australian Government. Available at: https://www.nema.gov.au/sites/default/files/2024-08/disaster-recovery-funding-arrangements-2018.pdf

QRIDA (QRIDA). (2023). Drought Preparedness Grant – Guidelines. Queensland Government. Available at: https://www.qrida.qld.gov.au/program/drought-preparedness-grants

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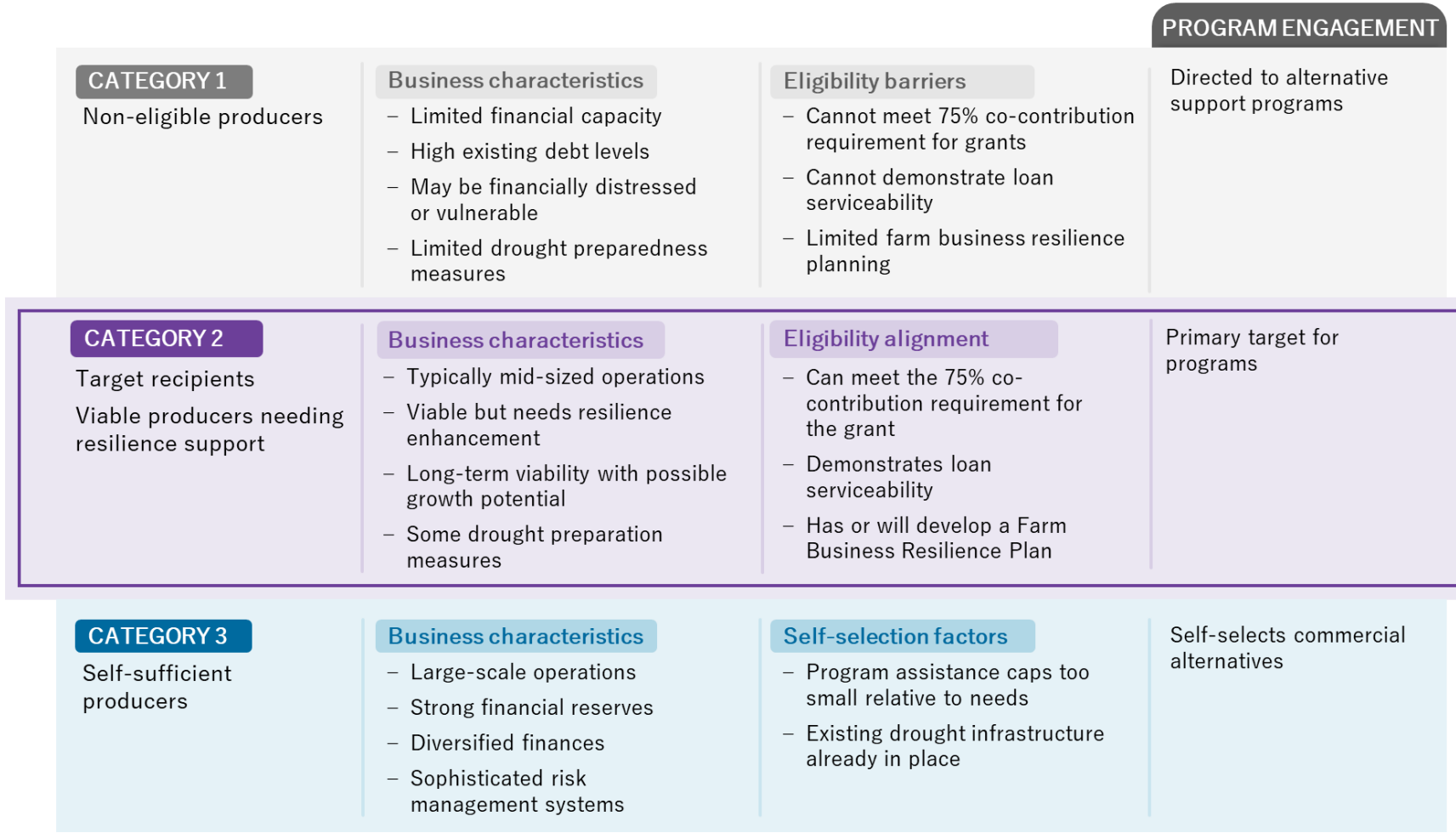
Figure 3.1 Producer categories and program alignment



Source: ACIL Allen

Use of Farm Business Resilience Plans as an eligibility criterion

Another critical component of the eligibility framework is the FBR Plan requirement. The FBR Plan is a strategic business planning tool designed to help agricultural producers enhance their preparedness for drought and other climate-related risks. These plans serve as a roadmap for producers to identify risks, develop mitigation strategies, and build sustainable business practices.

To produce a FBR Plan, primary producers can choose to use one of three templates and checklists available from QFF, Growcom, or the Department. The Department's FBR Plan template and guidelines covers key components, including a checklist for different sub-categories of producers:

- Risk assessment and management strategies
- Natural resource management
- Financial analysis and planning
- Operational improvements
- Drought preparedness measures
- Succession planning.

The production of an FBR Plan was adopted by QRIDA as a criterion for eligibility for the four programs subject to this evaluation.[28] The inclusion of the FBR Plan as eligibility is not a requirement of the Commonwealth. However, this may change in future. The 2024 Review of the Regional Investment Corporation (RIC) Act (Recommendation 15) calls for Farm Business Resilience (FBR) Plans to be accepted as part of the Commonwealth's eligibility requirements for Commonwealth support. This includes using the FBR Plans as evidence of meeting drought planning requirements. This signals a possible shift toward making FBR Plans a national eligibility standard.[29]

The relationship between the FBR Program, Plan and DARP programs is depicted in Figure 2.3.

Each FBR Plan must adequately demonstrate how the business will address climate variability, improve financial sustainability, and implement practices that enhance drought resilience. Depending on the program the producer is applying for, the applicant is either required to present a FBR plan at the time of the application (for DPG and DRRF) or 'within a reasonable period of time' (for EDAL and DCF).[30] This allowance for EDAL and DCF to submit an application prior to completing the FBR Plan allows a producer experiencing drought (and requiring timely support) to access funds more quickly.

The FBR Program provides comprehensive support mechanisms to assist producers in developing their FBR Plans.

3.4 Design challenges

There are several challenges with the design in relation to accessing the grants and loans, including issues with the definition of primary producer, the new infrastructure requirement, and the FBR Plan requirement.

[28] 'Equivalent plans' are also considered, see Business Queensland (2025). Op. Cit.

[29] Craik, W 2024, Review of the operation of the Regional Investment Corporation Act 2018, Department of Agriculture, Fisheries and Forestry, Canberra, July. Available at: https://www.agriculture.gov.au/agriculture-land/farm-food-drought/drought/ric

[30] Ernst & Young. (2024). Queensland Rural and Industry Development Authority (QRIDA) Drought Preparedness Grant Scheme Internal Audit Report. Queensland Rural and Industry Development Authority.

Target audience

Consultation suggests that much of the dissatisfaction expressed by unsuccessful applicants stems from a misunderstanding of the program's intended target audience. Some producers viewed the financial requirements as unfairly excluding their operations due to financial capacity. This perception indicates that the program was appropriately excluding Category 1 producers (financially vulnerable operations) who would benefit more from alternative supports.

This supports DPI's position that the program is targeting right category of PP ('Category 2- Viable producers seeking resilience support'). However, the sentiment expressed above suggests the need to improve communication to ensure a better understanding of who is the target of the program and also to maintain sufficient flexibility so that the program is not too rigid in targeting recipients.

Primary producer definitions

Stakeholders identified the definition of "primary producer" as a significant barrier to accessing drought assistance under the QDARP. Compared with the definitions used by the Commonwealth, Queensland's approach is perceived as more prescriptive, particularly in relation to labour contribution and income dependency, creating notable access issues for several cohorts of producers.

Stakeholders identified several barriers to program access stemming from Queensland's narrow definition of "primary producer." These include the exclusion of producers with diversified income streams, challenges for new entrants and successors relying on off-farm income, inconsistencies between Commonwealth and state program definitions, complications arising from modern farm business structures, and rigid assessments of financial viability. Collectively, these issues undermine engagement and access to support for many legitimate and resilient farming businesses.

> *"Producers who are generating income off-farm from employment to reduce labour overheads of [their] primary production business may not meet the QRIDA definition of a 'Primary Producer' to be eligible for the program."*
>
> *(Queensland Farmers' Federation Representative)*

> *"Producers who are generating income off-farm from employment to reduce labour overheads of primary production business, may not meet the QRIDA definition of a "Primary Producer" to be eligible for the program. This includes a cohort of new entrants who are developing their operations following farm business succession and those who have additional businesses/contracting to support their farm operations in variable conditions and be financially self-sufficient."*
>
> *(FBR Program Provider)*

> *"I was informed by QRIDA that they did not consider me to be a Primary Producer due to the fact that more that 51% of my income currently comes from sources other than my property (I am in receipt of a military pension). This is at odds with the ATO, who recognise me as a Primary Producer."*
>
> *(Unsuccessful DPG Applicant)*

Importantly, several stakeholders argued that diversified income streams are a key measure of business resilience and, by extension, drought resilience. They argued that in today's climate of uncertainty, the capacity to buffer farm operations with supplementary income is a strategic and prudent response to risk. By excluding such producers, Queensland's definition may be undermining the very resilience outcomes its programs aim to support.[31]

[31] It should be noted that DPI is in the process of piloting a new definition (as offered by NEMA).

Requirement for new infrastructure

The requirement for "new permanent capital infrastructure" within the DPG and DRRF has emerged as a point of contention in stakeholder consultations. While the intention behind this requirement is to ensure lasting drought-resilience investments, its practical application has sometimes prevented cost-effective solutions.

Consider the case of grain storage enhancement during a period of supply chain disruption:

> *"A primary producer applied for funding to expand grain storage capacity through a new silo, but due to post-COVID supply chain issues, the wait time for delivery was approximately 18 months. The producer identified that adding extension rings to their existing silo would achieve the identical drought resilience outcome more quickly and cost-effectively. However, this solution was deemed ineligible because it modified existing infrastructure rather than constituting 'new' infrastructure, despite delivering the same drought preparedness benefit."*
>
> *(Queensland Farmers' Federation Representative)*

This example demonstrates how the strict interpretation of "new infrastructure" can sometimes work against the program's fundamental goal of enhancing drought resilience in the most efficient manner.

Similar issues have arisen with water infrastructure projects. Building up an existing levy bank to increase water storage capacity represents another case where modification of existing infrastructure could significantly improve drought preparedness while being more resource-efficient than constructing entirely new water storage.

Some flexibility and consideration of specific cases, such as the example provided above, is warranted. It should, however, be noted that grants should not be used for basic maintenance of existing infrastructure. This should be the responsibility of the business/producer.

FBR Plan criterion

Stakeholder consultation revealed mixed perspectives on the use of FBR Plans as an eligibility criterion for grants and loans. Many stakeholders reported that the assessment process was overly rigorous and lacked clarity about requirements. Primary producers expressed frustration about:

- Uncertainty regarding what constitutes an acceptable plan
- Potential for inconsistency in assessment outcomes
- The significant time investment required to develop comprehensive plans that are perceived to be judged somewhat arbitrarily
- Difficulty in meeting all criteria to QRIDA's satisfaction, especially when the way the plans are scored is not transparent.

These barriers are further discussed in Section 4.6.

Conversely, other stakeholders acknowledged significant benefits to the FBR Plan requirement:

- The grants and loans serve as effective incentives to complete meaningful business planning
- The process encourages producers to think strategically about long-term resilience
- The structured approach helps businesses identify previously overlooked vulnerabilities
- Completed plans provide valuable guidance during drought and other adverse events.

Introduction of the assessment rubric

In 2024, QRIDA implemented a standardised assessment rubric to improve consistency and clarity in the assessment process. The rubric evaluates six key criteria:

- Long-term view (beyond 10 years)
- Logical steps for risk management
- Identifiable triggers for action
- Measurable outcomes
- Monitoring and evaluation framework
- Implementability (by someone other than the plan owner)

Plans scoring 20 or above (out of a possible 30 points) are deemed acceptable by QRIDA, while those scoring at or below 19 are rejected.

Despite its implementation, this evaluation has found several issues remain. Some of these have been previously identified in an audit conducted by Ernst & Young in 2024 and are further discussed in Section 4.2.[32] These include:

- **Lack of transparency:** The rubric is not shared with producers or those assisting them in developing plans, creating an information asymmetry that hampers effective preparation.
- **Limited stakeholder input in rubric design:** The rubric was developed without consultation with key stakeholders, including primary producers, industry bodies, and plan development advisors.
- **Risk of "tick-box" compliance:** Without clear guidance, some producers focus on satisfying perceived requirements rather than developing genuinely useful business tools.
- **Appropriate threshold questions:** The current pass threshold of greater than 50% appears arbitrary and contrary with general expectations of what is deemed a 'pass' rather than evidence-based.

[32] Ernst & Young. (2024). Queensland Rural and Industry Development Authority (QRIDA) Drought Preparedness Grant Scheme Internal Audit Report. Queensland Rural and Industry Development Authority.

4 Efficiency and effectiveness of program delivery

This chapter analyses the governance and administrative processes, processing timeframes, applicant experiences, cost-effectiveness of delivery, and opportunities to improve delivery mechanisms.

Key findings Efficiency and effectiveness of program delivery

- The Department lacks demand forecasting models, hindering the assessment of program performance and resource allocation efficiency.
- There is insufficient data available to consider the cost-effectiveness of ensuring 'stand ready' capacity. A review of all DPI's programs administered with QRIDA would provide a more holistic perspective of arrangements and may identify further efficiencies.
- Grants showed significantly stronger uptake than loans (due to lack of drought conditions), with average approved grant amounts of $27,500 against a $50,000 cap.
- Program expansion beyond grazing to all primary producers was well-received by stakeholders.
- An audit of QRIDA's governance and administrative processes found QRIDA maintains robust governance processes and documentation.
- The six-month project implementation timeframe emerged as the most significant program-specific barrier to uptake.
- The DPG being described as a "grant" rather than a "rebate" created misaligned producer expectations about the financial structure.
- External assistance correlated with application success, with 62% of successful applicants receiving some form of support.

4.1 QRIDA's relationship with the DPI in administering Drought Assistance Programs

The QRIDA is a statutory body established under the *Rural and Regional Adjustment Act 1994* that specialises in providing government financial assistance programs. For over 30 years, QRIDA has worked with Queensland primary producers, small businesses, and non-profit organisations to provide financial assistance, advisory support, and disaster assistance programs on behalf of state, territory, and Commonwealth government agencies. QRIDA employs a network of Regional Area Managers across Queensland, with offices in Brisbane, Bundaberg, Emerald, Hughenden, Innisfail, Kingaroy, Mackay, Rockhampton, Roma, Toowoomba, and Townsville, providing local knowledge and expertise to support program delivery.

Relationship between DPI and QRIDA

Division of Responsibilities

DPI and QRIDA signed two MoUs in 2022 (one for grant programs and one for loans), establishing several aspects of the delivery of the programs and interactions between DPI and QRIDA. The division of responsibility is outlined in Table 4.1.

Table 4.1 Division of responsibilities between DPI and QRIDA

DPI is responsible for	QRIDA is responsible for
Policy development and program design for drought assistance initiatives	Establishing necessary processes, systems, resources, and agreements to administer the programs
Setting eligibility criteria and program parameters	Developing program materials (application forms, guidelines, FAQs, loan agreement templates)
Funding the programs (including the Drought Preparedness Grant Scheme, Drought Ready and Recovery Finance Loan Scheme, Emergency Drought Assistance Loans, and Drought Carry-on Finance Loans)	Processing applications, including receiving, registering, and acknowledging receipt
Co-funding the Farm Business Resilience Program with the Commonwealth Government's Future Drought Fund	Assessing applicant eligibility according to established criteria
Providing technical expertise on agricultural matters	Evaluating Farm Business Resilience Plans against the rubric
Coordinating the Farm Business Resilience Program, including industry workshops, training, and extension projects	Making decisions to approve or decline applications according to program guidelines
Supporting producers to create Farm Business Resilience Plans through various industry-specific channels	Providing applicants with written advice of decisions, including reasons for declines
Advising QRIDA about applicants who have received funding under the Drought Relief Assistance Scheme	Preparing and completing loan securities for approved loans
Participating in regular consultations with QRIDA (monthly for the first six months of scheme opening, quarterly thereafter)	Disbursing funds to successful applicants
	Managing loans, including applying applicable interest rates, collecting repayments, and monitoring arrears
	Processing internal decision reviews and external appeals
	Providing customer service and responding to program inquiries
	Maintaining proper records and accounting
	Providing regular reporting to DPI on program performance

Source: ACIL Allen

Evolution of the partnership

The partnership between DPI and QRIDA for drought assistance programs was established following the Queensland Government's Drought Program Review and subsequent policy reforms aligned with the NDA. This reform process was developed with significant industry consultation through the Drought Reform Working Group, which included major agricultural industry organisations such as Queensland Farmers' Federation, AgForce, Queensland Dairyfarmers' Organisation, and Canegrowers.

In 2021, the Queensland Government introduced its DARP. At this time, DPI engaged QRIDA through a non-competitive process to administer the financial components of these programs[33], leveraging QRIDA's expertise in rural finance and grant administration.

Financial arrangements

The financial relationship between DPI and QRIDA is carefully defined in the MOUs. Key aspects include:

Grant programs (Drought Preparedness Grants)

DPI provides funding to QRIDA in tranches for the administration of programs. QRIDA charges a one-off establishment fee ($20,000) and annual administration fees ranging from $16,000 to $381,000 depending on the year. The financial efficiency of the grant program is addressed in section 4.3.

Loan programs

QRIDA charges fixed and activity-based costs for loan programs (EDA, DCF and DRRF), including:

- A scheme establishment fee ($359,000)
- Annual scheme support fees ($318,000)
- Application processing fees (fixed annual payment plus activity based, per-application fees)
- Loan management fees (charged per loan on a quarterly basis)

All fees except the establishment fees are indexed at 2.5% per annum. QRIDA can generate a 0.8% net interest margin over its cost of funds on loans disbursed under the DCF and DRRF programs, which helps offset administration costs.

Where interest margin is insufficient to cover agreed costs, QRIDA invoices DPI for the difference. For the EDA (interest-free loan) program, DPI pays QRIDA the interest costs associated with borrowings from the Queensland Treasury Corporation.

DPI is also responsible for covering costs related to non-performing loans, loan write-offs, and recovery expenses.

The financial efficiency of the loans is addressed in section 4.3.

Farm Business Resilience Plan process

A key element of the partnership centres on FBR Plans, which are a prerequisite for accessing the four financial assistance programs:

[33] There are other programs run by DPI and administered by QRIDA. Given the difficulty in assessing the cost effectiveness of this program due to a number of issues, DPI should conduct a review of the cost-effectiveness of all its programs administered under QRIDA. Consideration may also be given to whether a broader intergovernmental review might be more appropriate.

- DPI, through the Farm Business Resilience Program, provides resources, training, and support to help producers develop FBR Plans
- Producers can use one of three templates and checklists available from Queensland Farmers' Federation, Growcom, or DPI
- Producers submit their FBR Plans to QRIDA as part of their application for financial assistance
- QRIDA assesses the FBR Plans against a six-criteria rubric implemented in February 2024
- Applications must achieve a score of 20 or higher (out of 30) to be deemed acceptable
- For some programs (Drought Preparedness Grants and Drought Ready and Recovery Finance), the FBR Plan must be submitted with the application
- For other programs (Emergency Drought Assistance Loans and Drought Carry-on Finance), the plan can be submitted "within a reasonable period of time" to allow faster access to funds for producers experiencing drought

Program governance and oversight

The administration of drought assistance programs is overseen through several mechanisms:

- Regular consultation between DPI and QRIDA as specified in the MOUs
- Specified Key Performance Indicators (KPIs) that QRIDA must strive to meet, including:
  - 90% of applications processed within 30 business days
  - 90% of loan reviews completed within 20 business days
  - 100% of internal decision reviews completed within 30 business days
  - Tiered timeframes for responding to complaints based on complexity
- QRIDA provides detailed monthly and quarterly reporting to DPI, including statistics on applications, approvals, declines, appeals, and program expenditure
- A Power BI dashboard updated twice daily with program statistics
- QRIDA's Disaster and Drought Reference Group provides a forum for staff to raise issues and opportunities for improvement
- External audit oversight, as demonstrated by the Ernst & Young internal audit of DPG in 2024

4.2 Governance processes

An internal audit conducted by Ernst & Young in 2024 found that QRIDA implements robust governance processes to manage its various financial assistance programs for Queensland primary producers.[34] Based on this audit, several key governance mechanisms have been identified that contribute to QRIDA's effective program delivery while minimising risk.

QRIDA's governance includes comprehensive procedural documentation and clear delegation of authority. The program guidelines for each scheme explicitly define eligibility criteria, permissible and non-permissible uses of funds, security requirements, and application procedures. This documentation helps ensure consistent application of standards across all applications.

Risk management is embedded throughout QRIDA's operational framework. Conflict of interest management is formalised within the application process, requiring declarations from applicants regarding

[34] Ernst & Young. (2024). Queensland Rural and Industry Development Authority (QRIDA) Drought Preparedness Grant Scheme Internal Audit Report. Queensland Rural and Industry Development Authority.

any business dealings that may constitute a conflict. Financial controls include structured assessment processes, verification of eligibility against defined criteria, and appropriate security requirements for loans.

The FBR Plan requirement ensures that funded activities align with legitimate drought preparedness or recovery needs, reducing the risk of funds being directed toward non-priority purposes. The plans must address specific risk categories including production risks, business risks, and personal risks.

Application assessment follows a structured workflow with multiple checkpoints. Applications undergo completeness checks before entering assessment queues, with dedicated assessors assigned to maintain continuity throughout the process. For loan programs, QRIDA implements financial risk controls including serviceability assessments, structured repayment terms, and appropriate security requirements.

QRIDA's relationship with the Department is formalised through a Memorandum of Understanding that defines roles and responsibilities, ensuring appropriate oversight of program delivery.

4.3 Administrative efficiency

This evaluation found no inconsistencies with the Ernst & Young audit which looked at administrative processes such as application workflows, assessment procedures, documentation requirements, conflict of interest management, and payment verification. However, did find efficiency challenges regarding the two MoUs which outline the program administration costs (Refer Table 4.2 and Table 4.3). These are costs which are deemed to be incurred by QRIDA between 2021-22 and 2024-25, and are recoverable from loan recipients (but not grant recipients). The cost recovery mechanism for loans is based on an administration margin applied to the lending rate.

Loan programs

Table 4.2 QRIDA Program Costs (loan programs)

Fee / charge	Description	Value (all ex-GST)	Paid to date (31 Dec 24)*
Scheme establishment fee (fixed one-off payment)	One-off payment, paid on commencement of the program	$359,000	$359,000
Scheme support fee (fixed annual payment)	Annual payment, paid each financial year or part thereof including in the initial financial year of the program. Value is increased by 2.5% p.a.	$318,000 (indexed)	$1,335,485
Application processing fee (fixed annual payment)	Annual payment, paid each financial year or part thereof at the rate value specified. Value is increased by 2.5% p.a.	Year 1 (21/22): $410,000 Year 2: $840,000 Year 3: $873,600 Year 4: 177,500	$2,301,100
Application processing fee (activity based)	Variable payment, paid per application processed. Value is increased by 2.5% p.a.	EDA: $3,600 DCF: $4,600 DRRF: $4,600	$407,853

Fee / charge	Description	Value (all ex-GST)	Paid to date (31 Dec 24)*
Loan management fees (activity based)[35]	Variable payment, paid per loan on a quarterly basis. Value is increased by 2.5% p.a.	EDA: $1,200 DCF: $2,600 DRRF: $2,600	$405,537

Source: ACIL Allen

**Values are estimated by ACIL Allen using program activity data and MoU service prices*

The MoU permits QRIDA to generate a 0.8% net interest margin over its cost of funds on all loans disbursed in the DCF and DRRF. The purpose of this mechanism is for the fund to operate like a private lending facility, where the loan recipients "fund" the administration and overhead costs of the facility through a portion of the interest generated. Where this value is insufficient to cover the administration costs specified in the MoU, QRIDA issues an invoice to DPI to cover the difference. As stated above, there have been only three loans issued under the program to date, meaning QRIDA has been unable to generate revenue to cover the agreed program administration costs. As a result, DPI has been required to pay these costs. There appears to have been some recognition of the challenges associated with the above payment model, with the most recent variation to the loans program MoU capping the fixed Application Processing Fee in FY25 to ~20% of the previously agreed value (i.e. $177,500 vs $908,544).

It is estimated that the cost of the loan programs over the 3.5 years of the program to date is $4.81 million in nominal terms. Fixed costs account for ~83% of total program costs. The cost per loan written is $63,276. This is very high compared to the average loan value of $100,796 per loan. This implies a cost ratio of 62.78 cents per dollar of funding provided.

Grant programs

Table 4.3 QRIDA Program Costs (grant programs)

Fee / charge	Description	Value (all ex-GST)	Paid to date (31 Dec 24)*
Establishment fee (fixed one-off payment) – Drought Preparedness Grants	One-off payment, paid on commencement of the program	$20,000	$20,000
Administration fee (fixed annual payment) – Farm Management Grants	Annual payment, paid each financial year or part thereof including in the initial financial year of the program. Value is fixed by the MoU.	Year 1 (21/22): $55,000 Year 2: $57,000 Year 3: $58,000 Year 4: $60,000	$230,000
Administration fee (fixed annual payment) – Drought Preparedness Grants	Annual payment, paid each financial year or part thereof including in the initial financial year of the program.	Year 1 (21/22): $16,000 Year 2: $24,000 Year 3: $381,000^ Year 4: $0[a]	$421,000

Source: ACIL Allen

** Values are estimated by ACIL Allen using program activity data and MoU service prices*

^ Value was varied in January 2024 via agreed variation between DAF/DPI and QRIDA. Original value was $25,000.

[a] Value was varied in January 2024 via agreed variation. Original value was $26,000.

[35] In addition to these payments between 2021-22 and 2024-25, QRIDA reserves its right to request additional payments to cover loan administration costs beyond 2024-25. The MoU states these costs would need to be recovered by DPI through a funding request to the Queensland Government.

The cost of grant programs under the DPI are fully fixed, and set at substantially below the similar rates for services under the loan programs. It is not clear from the documents provided for this evaluation why this is the case, as prima facie the process of assessing a grant application is at least similar, if not as involved, as a loan application.

Payments for services under the two grant programs is funded from a portion of an appropriation provided by DPI to QRIDA. This means funding flows "through" QRIDA, with the entity then taking a portion of the funds provided to cover its costs.

The original MoU was varied in January 2024, with a significant increase in QRIDA's cost of services to DPI. This can be observed in the table above, where the cost of service for the Drought Preparedness Grant (DPG) program were varied from $25,000 to $381,000 in FY24. It is noted costs for FY25 were reduced to zero.[36]

Overall, the cost of QRIDA's services to DPI is estimated to be $671,000 over four years in nominal terms. With 702 approved applications, the cost per grant disbursed is $956. With an average approved grant of $25,606, the program's administration cost is 3.73 cents per dollar of funding provided.

Perspectives on administrative efficiency

In order to ensure QRIDA's ability to respond to (and manage) influxes of applications in the event of drought, delivery teams have a degree of additional capacity. This capacity to 'stand ready' (refer Box 2.1) demonstrates QRIDA's understanding of the importance of a rapid and consistent response in the provision of support.

> *"If [an applicant] comes to us, we need to be able to respond, so we have a team that stands ready, and that is considered in the costings as well. "*
>
> *(QRIDA)*

Although the basis for QRIDA's built-in capacity for handling application fluctuations during drought events is sound, there is evidence of a lack of appropriate consideration of the pricing model for service provision between DPI and QRIDA in the development of these programs. QRIDA's cost structure involved a very high fixed cost component with relatively modest variable costs, which exposes DPI to volume risk and administration costs which are substantially higher than expected.

All things being equal, the current loan book funded under the EDA, DCF and DRRF would provide QRIDA with a revenue base of ~$61,000 per annum[37], while under the MoU it is entitled to more than 24 times this amount (~$1.5 million in FY25). Under the terms of the MoU QRIDA is able to recover this shortfall from DPI.

The lack of loans activity is not an adverse program outcome – the program is designed to provide support at times of need when the State is facing drought conditions, which has not been much of a reality in recent years. As a result there are few loans for QRIDA to recover what it is owed under the MoU, and the cost to Government therefore rises.

By contrast, the pricing for grant programs is substantially lower at around $1,000 per approved grant, or 3.73 cents per dollar of funding approved.

[36] This is based on the values and timings contained within the MoU variation dated 4 January 2024, which shows four payments: one in FY22, one in FY23, one in FY24 Q1&Q2, and one in FY24 Q3&Q4. It may be that this is a typographical error, and the final two timing cells are intended to read FY24 and FY25. This does not change the outcomes of the analysis.

[37] Determined based on an 80 basis point margin on total loan principal disbursed via the program to date.

Box 4.1 Perspectives on 'stand ready' capacity

QRIDA maintains a 'stand ready' capacity to ensure rapid response capabilities for drought events, allowing for quick processing of loan applications when needed. This strategic approach necessarily incurs ongoing administrative costs during non-drought periods. QRIDA's pricing model features high fixed costs, which exposes the DPI to significant low-volume risk and results in considerable administration costs even in the absence of drought events.

There is reasonable justification for this approach given the critical need to ensure rapid response during drought conditions. However, the effectiveness of this "stand ready" model has not yet been stress-tested during actual drought conditions.

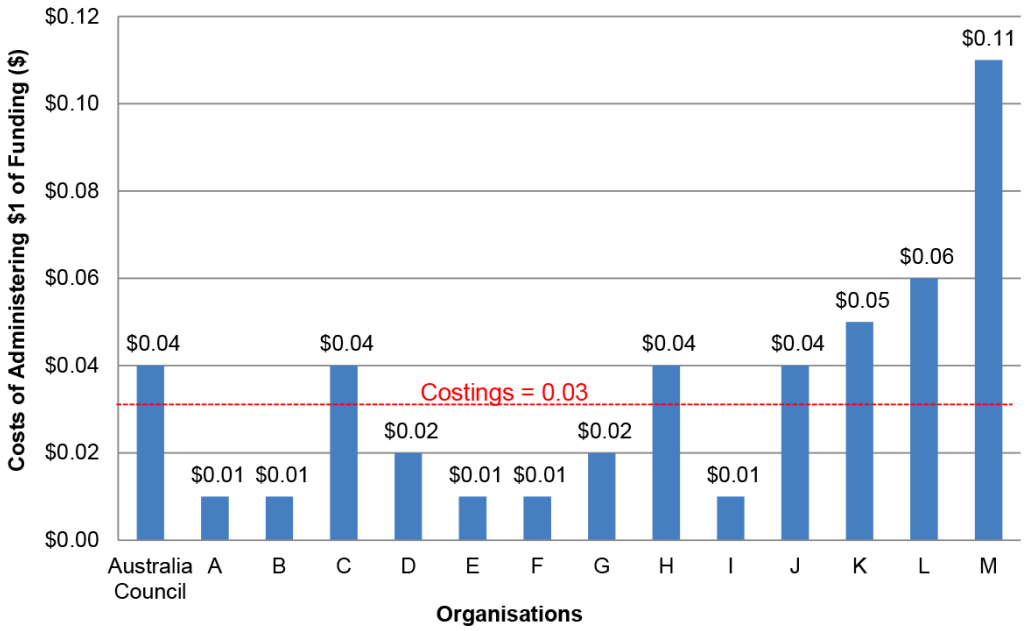
Inefficiencies may also emerge from how 'stand-ready' staff are utilised during non-drought periods. Rather than remaining idle (as the funding model might suggest), staff are likely deployed on other QRIDA initiatives that may be charging similar fees. This creates a situation where the same staff resources could potentially be charged to multiple funding sources.

This scenario raises broader considerations regarding the Queensland Government's relationship with QRIDA overall, including questions about QRIDA's internal operations and the other contracts the Queensland Government maintains with the organisation.

Source: ACIL Allen

A literature scan identified a comprehensive report into grant administration costs undertaken by the Australian National Audit Office (ANAO) in 2017.[38] This report found an average cost of approximately three cents per dollar of grant fundings across 14 organisations, in 2017 dollars. Most grant programs in the sample had costs in the order of one to four cents, with some outliers identified (Figure 4.1).

Figure 4.1 ANAO Grant Funding Benchmarks, Cents per Dollar of Grant Funding, 2017 dollars



Source: ANAO Auditor-General Report No. 7 of 2017-18

[38] Auditor General (Cwth). 2017. *Efficiency of the Australia Council's Administration of Grants, Auditor-General Report No. 7 of 2017–18*. Accessed online at http://www.anao.gov.au/

Given inflation of 15.3%[39] between 2017 and 2022 (when the program commenced), the cost per dollar of grant funding (3.73 cents per dollar) appears to align with this benchmarking. However, the cost per dollar of loan funding (62.78 cents per dollar) is significantly higher than benchmarks – noting the benchmark was for grant programs and there are likely to be some modest additional costs for administering loan programs.

On an all-in basis – combining the loan and grant programs – the cost of the program to date is $5.5 million, with a cost ratio of 21.38 cents per dollar of funding support provided. This is also above the benchmarks provided in the ANAO study.

A lack of program forecasting has contributed to the high cost of delivery

Stakeholder consultation conducted for this evaluation suggested that there was limited forecasting of activities and expenditures under the program undertaken. The size of the program was determined through an extrapolation of the potential demand for funding based on the outcomes of a pilot program (Case Study 2).[40] This implies there was limited understanding across DPI and QRIDA of expected activity levels, the number of applications it may receive, and the nature of support which would be accessed across grants versus loans.

A lack of forecasting of the activities and attributes of the program may have contributed to the adverse cost of services outcomes observed and quantified in the previous section.

4.4 Application processes

QRIDA representatives described clear processing timeframes and assessment protocols designed to ensure efficiency and consistency. They noted that applications are typically processed within 15 business days once they reach the assessment queue, as per internal protocol.

> *"The assessors will remain the same for each application, so we get consistency. If people apply more than once, we try to use their information from other applications to save them time."*
>
> *(QRIDA)*

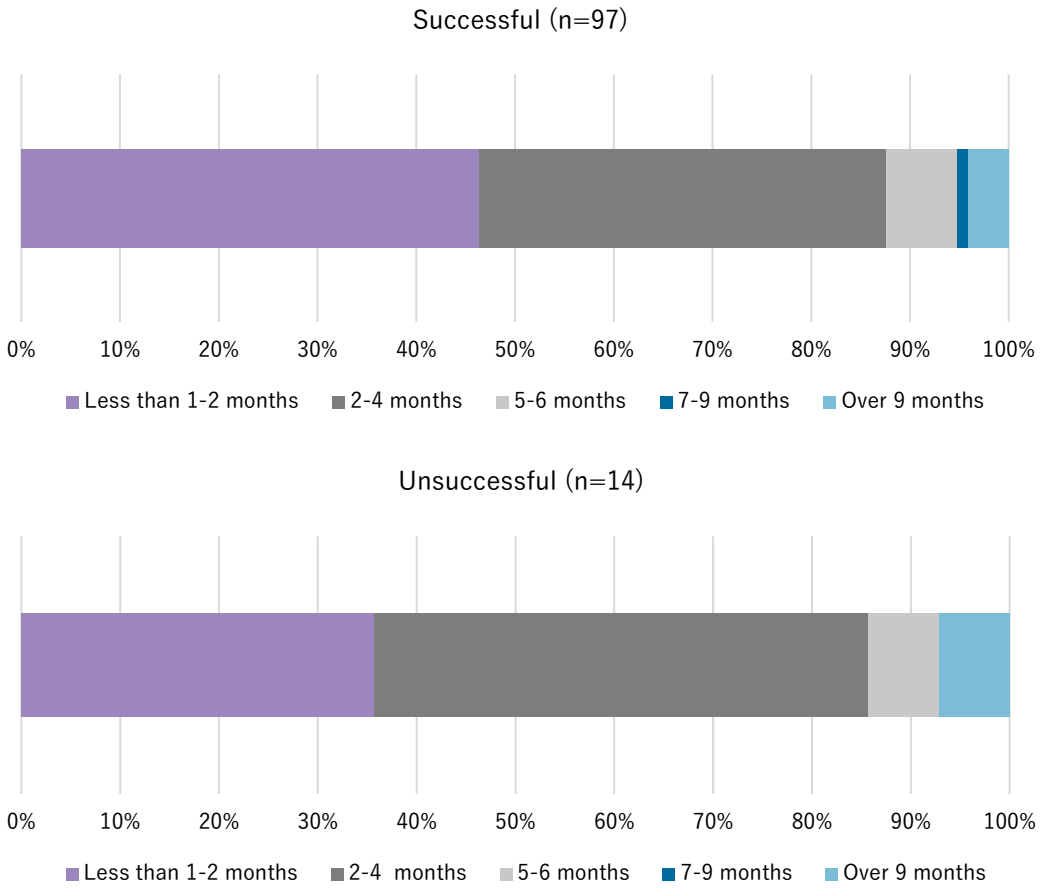
Successful survey respondents indicated most frequently (45%) that their application received a decision in less than 1-2 months, followed by 40% receiving a decision in 2-4 months (Figure 4.2). Unsuccessful applicants were somewhat more likely to experience a longer wait, with 50% receiving a decision in 2-4 months. This aligns with an explanation that applications that are unsuccessful tend to be more complex and as such require further development and review, however, the unsuccessful respondent sample size (n=14) is too small to make statistically significant conclusions on this matter.

While program KPIs specify a 20 and 30 business day timeline for review (for loans and grants respectively), as noted in the prior section Program governance and oversight, the survey data suggests both successful and unsuccessful applicants report the approval process taking longer than these ideal timeframes. However, this is likely due to the additional time added by the review process between QRIDA and the applicant.

[39] Sourced from ABS. 2025. *Consumer Price Index, Capital City Indices, Brisbane, Jun-17 to Jun-22*. Accessed online at http://www.abs.gov.au/

[40] Keogh, M., Granger, R., & Middleton, S. (2011). Drought Pilot Review Panel: a review of the pilot of drought reform measures in Western Australia. Commonwealth of Australia, Canberra.

Figure 4.2 How long did it take from submission of your application to receiving a decision?



Source: ACIL Allen

The overall applicant satisfaction with various aspects of the application process (Figure D.7) reveals important insights. Support provided by QRIDA staff received favourable ratings, with 78% of respondents indicating they were either satisfied or very satisfied. Similarly, communication during the process was viewed positively by most applicants (79%). Decision timeframes were also found to be positive for the majority of successful applicants (76%).

Areas with more notable concerns included the ease of completing required documentation, where 28% of respondents reported dissatisfaction or strong dissatisfaction. Clarity of eligibility requirements also emerged as an area for potential improvement, with a notable portion of neutral responses suggesting applicants may have experienced some uncertainty during the process.

In practice, the processing times for DPG are particularly relevant because producers are required not to commence work until approved. We heard stories about quotes for proposed works expiring while waiting for approval. However, for the vast majority of (successful and unsuccessful) applicants, the response time was not prohibitive or obstructive in any meaningful way.

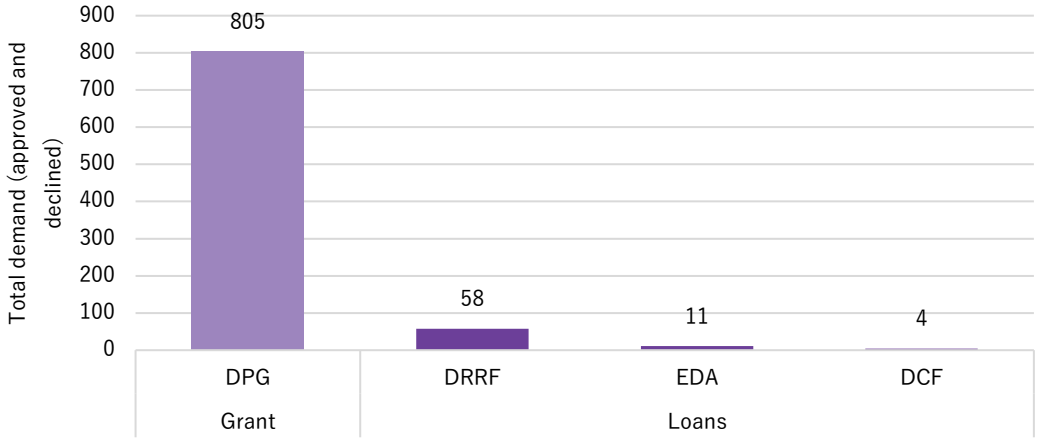
4.5 Program uptake

The Department did not provide a model that estimated the demand for the programs. This lack of formal demand forecasting has made it difficult to establish appropriate baseline expectations, assess the performance of program uptake, or consider how resources could be distributed more efficiently between program components.

Demand for the programs

Consultations and analysis of QRIDA's data revealed significantly stronger demand for grants compared to loans (Figure 4.3), accounting for over 90% of the applications.

Figure 4.3 Total demand for the grant and loan programs



Source: QRIDA (2025) PowerBI Dashboard. As at 31 December 2024.

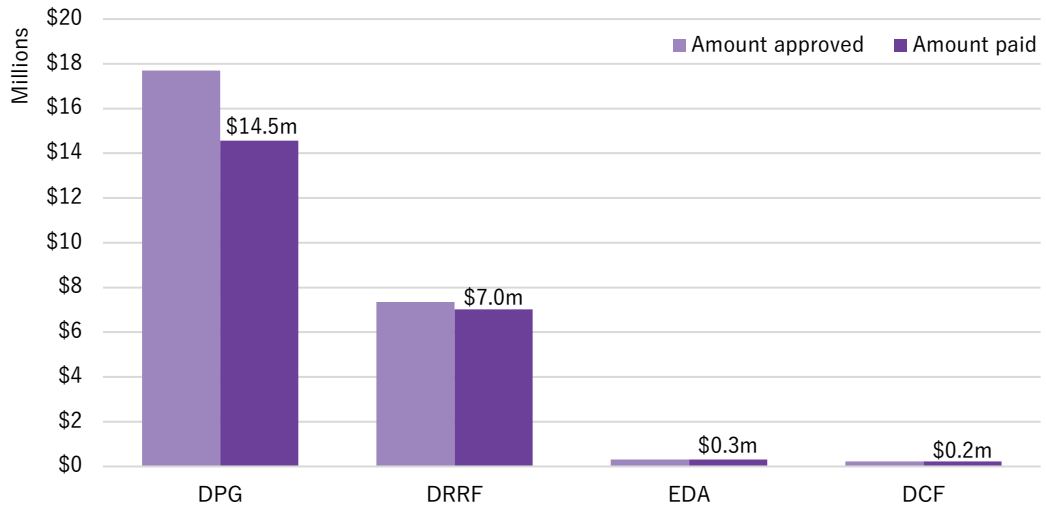
Loan uptake appears to have been affected by relatively favourable seasonal conditions since the program's inception, with one provider noting that loans:

> *"The loans have not been popular, probably due to a lack of drought."*
>
> *(FBR Program Provider)*

Consultations with QRIDA suggest the uptake of the grants, relative to loans, was far greater than expected. Each grant has a limit of $50,000 (as 25% of $200,000), however the average amount of each approved finalised claim was approximately $27,500 (as at 31 December 2024). It was expected that grant applications would be at or near the cap of $50,000. This meant there was a greater volume and lower amount (per grant) than expected.

The actual amounts approved and paid under each program are similarly skewed to the grants, however the loans have a higher average value than the grants. The average value of the DRRF is approximately $152,500. As a result, despite having far fewer applications, the amount paid by the loans is approximately half of the amount paid through DPG, as displayed in Figure 4.4.

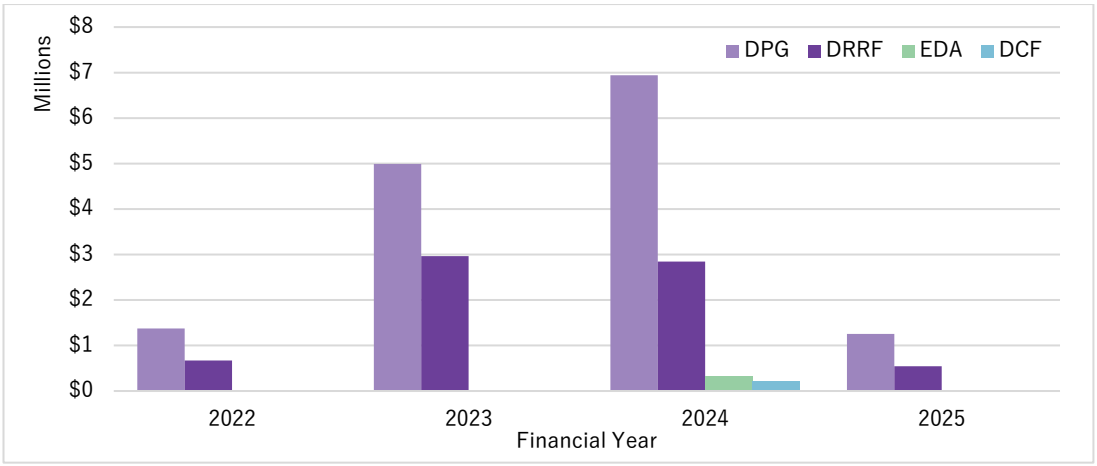
Figure 4.4 Amount approved and paid, by program



Source: QRIDA (2025) PowerBI Dashboard. As at 31 December 2024.

These programs received the highest usage in FY2024 (noting data displayed shows only the first half of FY2025), with DPG's annual amounts paid outweighing other programs in each year (Figure 4.5).

Figure 4.5 Amount paid by program, by financial year



Source: QRIDA (2025) PowerBI Dashboard. As at 31 December 2024.

Reach

The previous DRAS was restricted to the grazing industry, which includes beef cattle, sheep, dairy cattle, goats, deer, or horses that are not normally hand-fed. The grants and loans expand the accessibility of support to all primary producers engaged in agricultural, horticultural, or pastoral activities. This change has been received well by all stakeholders. Differential uptake was observed between industry sectors, however, with livestock producers remaining the largest cohort, both in volume and value of approvals of the loans/grant (Table 4.4).

Table 4.4 Industry of those approved for grants and loans (all programs)

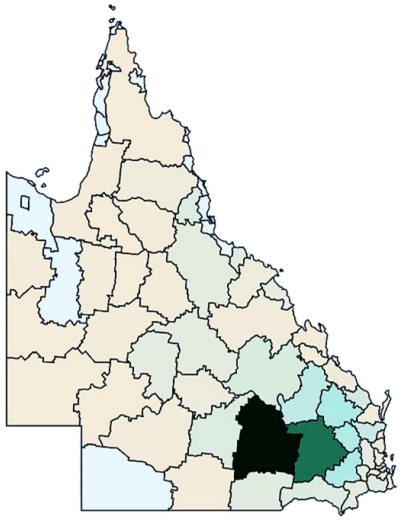
Industry Title	Applications Approved	Approved Amount
Beef Cattle Farming (Specialised)	313	$10,145,169
Grain-Sheep or Grain-Beef Cattle Farming	123	$4,463,672
Dairy Cattle Farming	60	$2,583,282
Sugar Cane Growing	39	$1,458,085
Other Crop Growing n.e.c.	30	$1,203,083
Other Fruit and Tree Nut Growing	17	$484,240
Sheep-Beef Cattle Farming	17	$780,685
Cotton Growing	15	$670,923
Other Livestock Farming n.e.c.	15	$886,273
Sheep Farming (Specialised)	15	$859,461
Other Grain Growing	10	$540,803
Vegetable Growing (Outdoors)	10	$320,694

Source: QRIDA (2025) PowerBI Dashboard. As at 31 December 2024.

Note: Items with fewer than 10 approved applications are not displayed. Key = Blue – livestock, purple – livestock and crops, green – crops.

Uptake also appears to vary based local government area (LGA), with producers in Maranoa, Western Downs, North Burnett and Toowoomba LGAs received the greatest volume and value from the programs (Figure 4.6).

Figure 4.6 Program uptake by local government area (LGA), all programs



Top 10 LGAs	Applications Approved	Approved Amount
Maranoa	93	$3.67m
Western Downs	70	$2.26m
North Burnett	38	$1.85m
Toowoomba	38	$1.60m
Gympie	29	$1.39m
Bundaberg	25	$1.16m
Balonne	18	$1.12m
South Burnett	37	$1.09m
Central Highlands	22	$0.93m
Murweh	20	$0.88m

Source: QRIDA (2025) PowerBI Dashboard. As at 31 December 2024.

Note: Producers in darker LGAs on the map has a higher number of approved loans and grants.

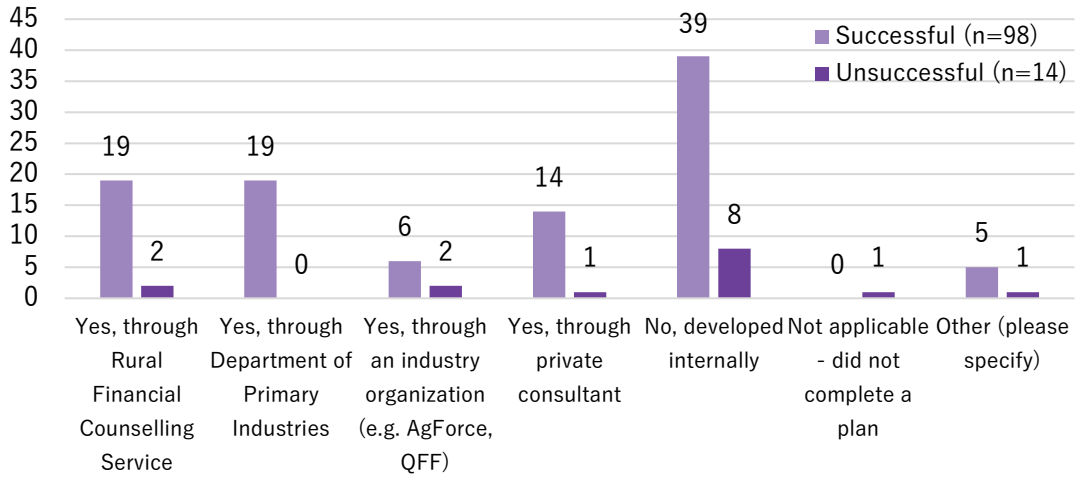
4.6 Enablers and barriers to program uptake

Enablers

Support in application process

Despite the challenges some applicants experienced in the application process outlined above, many found this process was simplified by assistance received from external organisations, as displayed in Figure 4.7. Out of those who were successful in their application, 38% did not receive any assistance, followed by 19% using an RFC and assistance from DPI, and 14% through a private consultant. The data is similar among those that were unsuccessful, but with a higher proportion (over 50%) who chose to develop their FBR Plan themselves.

Figure 4.7 Did you receive assistance to develop your FBR Plan?



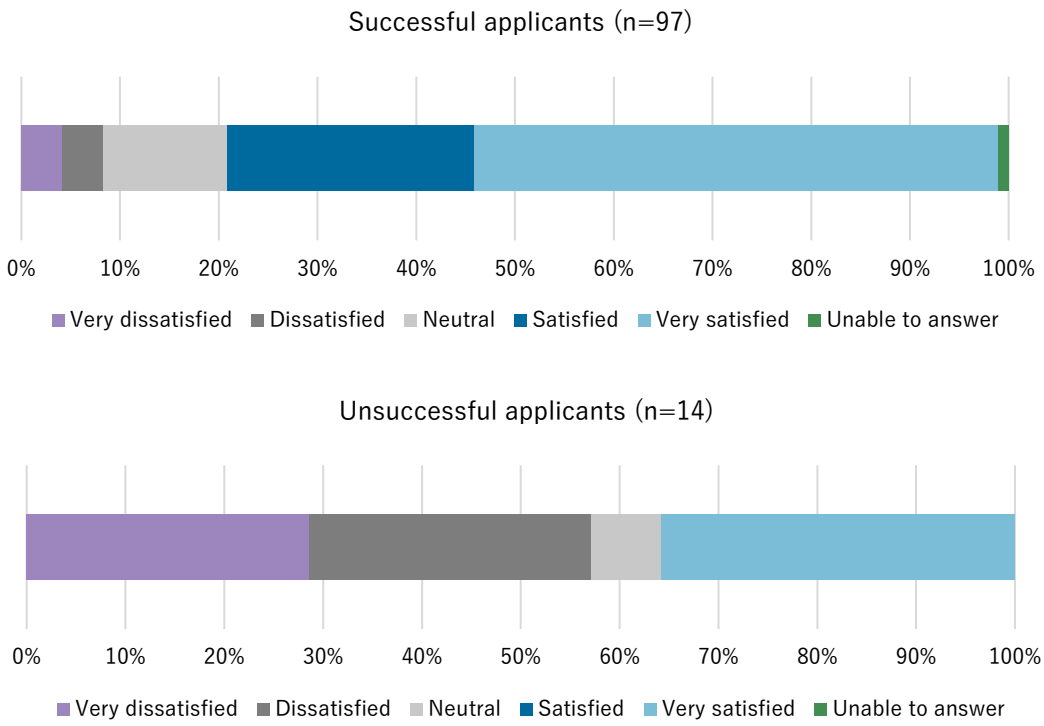
Source: ACIL Allen

Note: Respondents could select multiple responses.

Most respondents across successful and non-successful developed their FBR Plan internally. Using an external provider did not appear to guarantee success, however, the numbers of unsuccessful respondents were small and there may have been other reasons beyond their FBR plan that led to their exclusion from the support. This could be because external support may have suggested earlier in the process that they were not eligible (and therefore would not have pursued an application), or they would have offered support to write an application that would have been more likely to succeed.

Satisfaction with the support from QRIDA varied between successful and unsuccessful applicants (Figure 4.8), with the vast majority (77%) of successful applicants feeling satisfied of very satisfied, while unsuccessful applicants were more likely (57%) to feel dissatisfied or very dissatisfied. However, the outcome of the application decision may have impacted those perceptions, particularly for those who were unsuccessful.

Figure 4.8 How satisfied were you with the support provided from QRIDA staff in your application process?



Source: ACIL Allen

Barriers

Digital literacy and navigating application processes

It is common for government programs to receive feedback about barriers to access to government support schemes, many of which are well-documented across government reviews. These barriers are not unique to these four programs and include low levels of digital literacy and challenges with navigating complex or bureaucratic application processes.[41] Timing is also a key issue when it comes to agricultural support, as acknowledged in the NDA Annual Report 2023–24, which discusses the seasonal and operational realities of farming. These structural and practical barriers are not unique to a single program but reflect broader systemic challenges in the design and delivery of rural support initiatives.

In the case of the DARP, some felt the complexity and time required to complete the applications was too much:

> *"Found the process to gain approval quite onerous and the questions sometimes very complex to answer for a primary producer."*
>
> *(Successful DPG Applicant)*

[41] House of Representatives Standing Committee on Employment, Education and Training. (2022). Don't Take It as Read: Inquiry into Adult Literacy and Its Importance. Parliament of Australia. Retrieved from https://www.aph.gov.au/Parliamentary_Business/Committees/House/Employment_Education_and_Training/Adultliteracy/Report

"Don't make it so complicated that you need a university degree to complete it... and not so time consuming, farmers don't have a lot of time they are too busy taking care of Australian animals and growing food for Australians to eat."

(Successful DPG Applicant)

"[it would help] if questions and templates were simpler. Not saying we are dumb, just not educated in that way."

(Unsuccessful DRRF Applicant)

"The cost and time involved in the application, especially the business resilience plan, cost me nearly as much as the Grant itself."

(Successful DPG Applicant)

Barriers reported by stakeholders that are unique to the DARP included unrealistic implementation timeframes, eligibility and target audience confusion.

Unrealistic implementation timeframes

The six-month project timeframe requirement from the grant emerged as the most consistent criticism from program participants. This timeline proved problematic when combined with grant application delays, contractor availability issues, supply chain issues and unpredictable seasonal conditions. Over 25% of successful survey respondents faced these challenges implementing funded activities.

"A longer time for implementation as there are many delays in regard to sourcing products and gaining access to tradesman. A 6-month completion window is not practical"

(Successful DPG Applicant)

"The problem we had, we got it approved, we couldn't do anything until it was approved, it was reasonably dry, and from the day we got the approval it started to rain."

(Successful DPG Applicant)

In some cases, the time constraint created a practical implementation barrier that meant some applicants for the grant became ineligible due to longer project timelines or they self-selected out for fear there was no extension mechanism.

Terminology driving expectations

A fundamental issue emerged from the way the program was framed and communicated. By describing the initiative as a "grant" rather than a "rebate," the program created expectations that were misaligned with its actual structure. The requirement for producers to provide a substantial co-contribution (75%) and pre-fund activities more closely resembles a rebate mechanism than a traditional grant.

"Invoices had to be paid up front in full, then IF everything went ok with the grant you MIGHT receive an amount equal to half of the invoice cost. No business who couldn't afford the purchase without the grant could afford to take this risk."

(Unsuccessful DPG Applicant)

This terminology could be contributing to frustration among Category 1 producers (non-eligible, financially vulnerable operations) who believed they should qualify for support but lacked the financial capacity to participate in what was effectively a rebate program.

5 Program outcomes and impact

This chapter assesses achievement of program objectives, improvements in drought readiness and resilience, demand across agricultural sectors, geographic distribution of assistance, barriers to uptake, and unintended consequences.

Key findings Program outcomes and impact

- Infrastructure improvements (particularly water and fodder storage) have effectively enhanced drought resilience, with some producers noting tangible benefits even during current dry conditions.
- The FBR Plan requirement has successfully encouraged strategic planning, with many producers valuing the formalisation of their implicit operational knowledge.
- The programs catalysed investments that might otherwise have been delayed (62%) or not made at all (23%), showing their effectiveness as incentives.
- Successful applicants reported significant improvements in their ability to prepare for drought (75% reporting significant or major improvement), as well as speed of response, recovery capabilities, and overall business resilience.
- There is a stark difference in confidence levels between successful applicants (58% feeling confident or very confident) and unsuccessful applicants (21% not at all confident) in managing future drought conditions.
- The DPG co-contribution requirement (75% producer, 25% QRIDA) has leveraged $14.6 million in public funding to stimulate over $43.6 million in private investment in drought preparedness.
- Case studies demonstrate quantifiable benefits of the program investments, including improved water efficiency, reduced labour requirements, and significant cost savings.

5.1 Measuring impact

The grants and loans aim to improve producers' drought readiness, resilience, and recovery through targeted grants and loans. Lack of drought conditions in Queensland over the life of the programs make evaluating outcomes and impacts of these programs challenging. While drought readiness can be directly assessed through infrastructure investments and planning activities, resilience can only be predicted rather than observed in the absence of drought conditions across Queensland during the program implementation period. Similarly, recovery outcomes remain largely theoretical without the programs being tested during actual drought events.

As illustrated in the theory of change (Figure 2.4) and program logic (Figure 3.1), the programs aim t o produce a cascade of outcomes beginning with immediate outputs such as completed FBR Plans and drought infrastructure investments, which are expected to lead to intermediate outcomes like improved drought preparedness and risk-informed decision-making, and ultimately contribute to long-term objectives of self-reliant and resilient primary producers and reduced reliance on emergency drought support.

5.2 Short-term outcomes

The evaluation has found many positive short-term outcomes from the programs. Drawing on program data, surveys and stakeholder consultation, these outcomes include the initiation of a FBR Plan, investments in

drought infrastructure, improved water security and fodder storage, and co-investment in drought preparations.

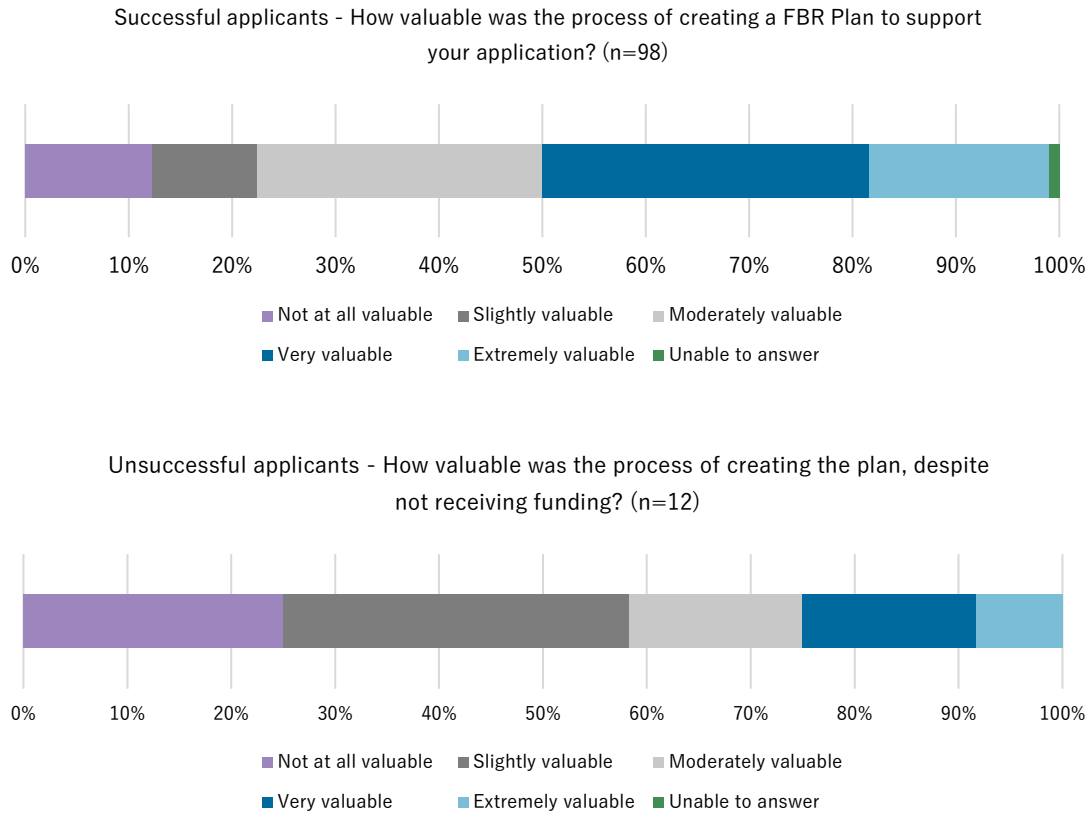
Farm Business Resilience Plans

The FBR Plan requirement has been a foundational element of the programs, designed to encourage strategic planning for drought and other risks. As such, the initiation of a FBR Plan has been a key outcome from these programs.

One FBR Program provider noted a "conversion rate" of around 30-35% from planning to grant application. The grant component was consistently identified by stakeholders as the main driver of engagement with the FBR Program, with stakeholders noting that producers are conditioned to expect grant support during challenging periods (based on the nature of prior support mechanisms).

While it is not within the scope of this evaluation to assess the FBR Program itself, of those who applied for the programs, the vast majority (88%) found at least some benefit from the development of the plan in supporting their application (Figure 5.1). For some participants, this benefit was challenging to achieve, with 46% of successful applicants finding the overall application process – of which the FBR Plan is a major component – either very difficult or difficult (Figure D.5).

Figure 5.1 Successful and unsuccessful applicants' perspectives on the value of the FBR Plan



Source: ACIL Allen

Successful applicants, when asked about the most useful parts of the FBR Plan were largely positive, with most producers valuing the formalisation of their implicit operational knowledge. Many appreciated having plans "out of their heads and onto paper."

> *"Instead of having that plan in your head, it was now on paper. Which in turn was so valuable to remind yourself of why we are doing this and also helps in planning ahead, also family can also see the plan, just not locked up in your head."*
>
> *(Successful DPG Applicant)*

Drought preparation emerged as a key benefit, with producers citing improved approaches to water management and contingency planning. Business communication benefits were frequently mentioned, particularly for knowledge transfer between family members or generations, with one noting the value of:

> *"Getting information out of husband's head and on paper for wife and son to 'know why' he does what he does and when."*
>
> *(Successful DPG Applicant)*

Overall, the plan served primarily as a tool for documenting implicit knowledge, improving business clarity, and structuring drought preparation. That said, some stakeholders highlighted concerns about the planning process becoming a compliance exercise rather than a valuable business tool (see also Section 3.3).

Drought infrastructure

Investments in permanent drought infrastructure represent one of the most tangible short-term outcomes of the programs. Stakeholder feedback consistently highlighted the value of these infrastructure improvements in enhancing drought preparedness. Approved applicants mostly installed water infrastructure, followed by feed storage and equipment (Table 5.1).

Table 5.1 Top approved activities across all grants/loans

Activity	Approved Applications
Water infrastructure - livestock (troughs, tanks)	218
Water infrastructure - irrigation	171
Feed storage	170
Water infrastructure - bores	107
Water infrastructure - pumps and power supply	104
Fencing - internal	71
Water infrastructure - dam construction/expansion	61
Feeding out equipment	52
Grain storage	23
Contractor and labour costs	20
Fencing - exclusion	11

Source: QRIDA (2025) PowerBI Dashboard. As at 31 December 2024.

Note: Activities with fewer than 10 uses are not displayed. Key = Blue – water, green – fodder/grain, purple – Other.

For dairy producers, feed management infrastructure investments delivered immediate efficiency benefits:

> *"It has done exactly what we wanted and it has provided a way of efficiently and quickly feeding our cows, we have used it for at least 6 months, it reduces waste, keeps them out of mud, animal health... all of the boxes have been ticked."*
>
> *(Successful DPG Applicant)*

Grazing operations similarly reported improved capacity to manage drought conditions through infrastructure investments:

> *"It's dry here now. It's all good, it is definitely going to help us, and the management of it will help us more than the infrastructure itself, although the infrastructure allowed us to do that."*
>
> *(Successful DRRF Applicant)*

Water security and accessibility

Improved water security emerged as a critical outcome. Producers reported significant enhancements to their water management capacity through investments in bores, water storage, and distribution systems.

Water infrastructure was the most common area of investment, with an average of 292,670 additional adult equivalent (AE) days of water, 9.92 ML of water saved, and 16,820 ML sourced per applicant.[42] Furthermore, the average applicant utilised funding to irrigate an additional 5 hectares of land.

The ability to access previously unusable land through strategic water infrastructure was highlighted as a key benefit. For some operations, these investments directly addressed vulnerabilities exposed during previous drought periods:

> *"It rained in the end, filled the dams, was in a rebuilding process. Sort of started getting numbers back to around 2/3s, breeding and keeping stock, then we had 2023 come along. I had plenty of dry feed, but water became a problem. Was about two weeks off running out of water."*
>
> *(Unsuccessful EDA Applicant)*

Fodder storage and systems

Enhanced fodder storage capacity represented another significant short-term outcome that directly addresses drought vulnerability. Stakeholders noted substantial improvements in their ability to store and efficiently utilise fodder resources.

Fodder storage was a less common – but still significant – portion of activities undertaken under the DARP, leading to 16,680 additional adult equivalent (AE) days of fodder, and 3,260 tonnes of fodder sourced per applicant.[43] Feeding out equipment, such as the example provided in Case Study 5 highlight the drought preparedness advantages that can be realised through improvements to feeding methods.

Private investment in preparing for drought

A notable feature of the programs' design is the requirement for significant private co-investment, particularly through the 75% co-contribution requirement for the DPG and the repayable nature of the loans. This requirement has effectively leveraged public funding to stimulate substantial private investment in drought preparedness.

On this basis of a 75% (from producer) and 25% (from QRIDA) co-contribution ratio and $14.6 million paid by QRIDA through DPG,[44] over $43.6 million has been contributed by primary producers.

[42] According to QRIDA (2025) PowerBI Dashboard, all programs to 31 December 2024, exported 11 April 2025.
[43] Ibid.
[44] Amount paid from DPG fund to 31 December 2024, exported 10 April 2025 from QRIDA PowerBI Dashboard.

5.3 Impact

While the absence of widespread drought conditions during the evaluation period limits our ability to fully assess actual drought response and recovery outcomes, survey data and case studies provide meaningful insights into how these programs are influencing drought preparedness and business confidence.

The early impact of the drought assistance programs can be observed through several key measures, including changes in producer behaviour, improvements in drought preparedness, and increased confidence in drought management capabilities.

Catalysing strategic investment

One of the most significant impacts identified is the program's ability to catalyse investments that enhance drought resilience. The survey successfully granted participants showed the grant functioned effectively as a catalyst for investment that might otherwise have been delayed (62%) or would not have otherwise been taken made (23%) (Figure 5.2). A small portion (10%) would have made the investment/action even without the grant or loan. One of the few (5%) responses that selected 'Other' elaborated and noted they were "able to take action and make improvements to a much higher standard with the program."

Figure 5.2 Which of the following statements best describes the role the program played in encouraging you to take action and / or invest in the resilience of your operation? (n=94)

Source: ACIL Allen

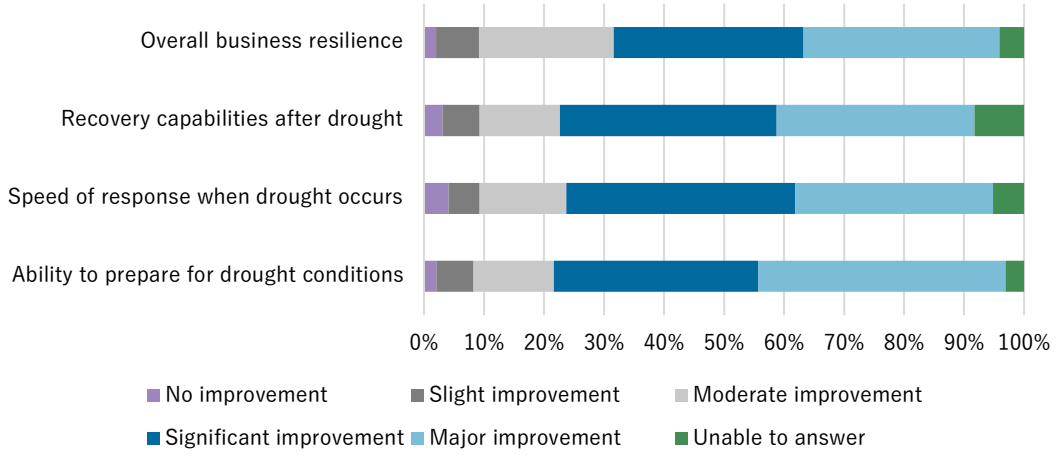
Improvements in drought resilience capabilities

Survey respondents reported significant improvements across all dimensions of drought resilience (Figure 5.3). Most respondents reported either significant or major improvement in their:

- Overall business resilience (64% significant or major improvement)
- Recovery capabilities after drought (68% significant or major improvement)
- Speed of response when drought occurs (70% significant or major improvement)
- Ability to prepare for drought conditions (73% significant or major improvement)

These improvements suggest the investments made through the programs are effectively building adaptive capacity across the full drought cycle, from preparation through to recovery.

Figure 5.3 How has participating in the drought assistance program improved your: (n=98)



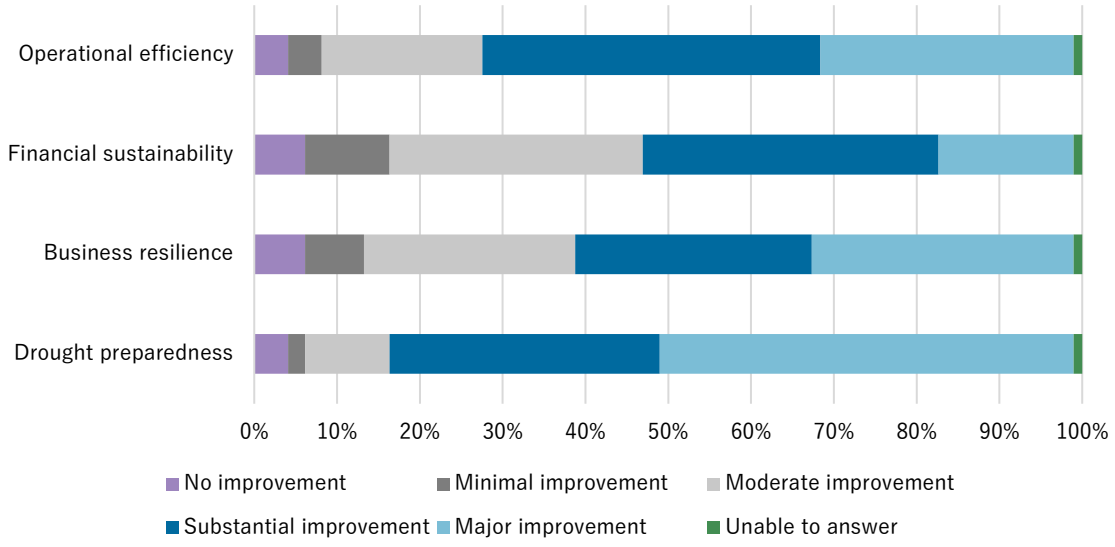
Source: ACIL Allen

Business improvement

The activities that were catalysed by funding improved businesses in aspects adjacent to drought preparedness itself.

In addition to 83% of survey respondents noting that the funding had brought substantial or major improvement to their drought preparedness, the majority also noted that they have either substantially or significantly improved their operational efficiency (72%), business resilience (60%) and financial sustainability (53%) (Figure D.9).

Figure 5.4 How has the funding helped improve your: (n=98)

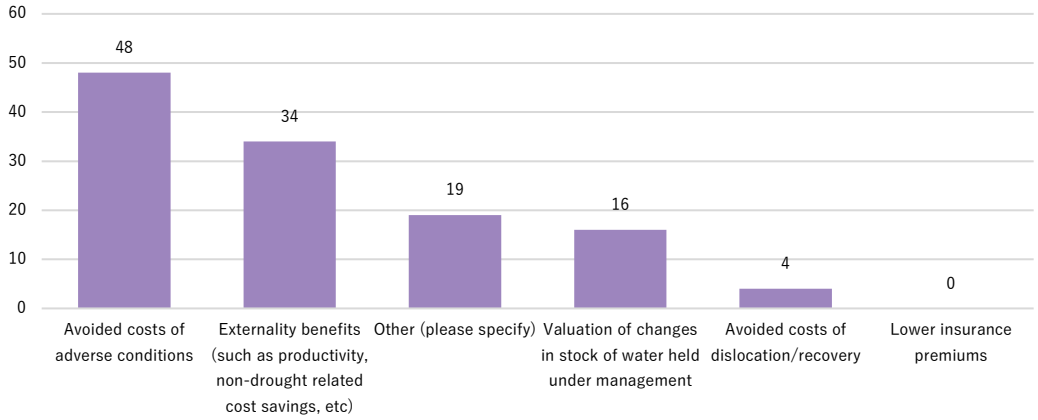


Source: ACIL Allen

Benefits realised by producers

When asked about the most significant benefits from program participation (Figure 5.5), respondents most frequently cited avoided costs of adverse conditions (48%), followed by externality benefits such as productivity improvements and non-drought related cost savings (34%). Other reported benefits included changes in water management capacity (16%) and avoiding costs of dislocation/recovery (4%).

Figure 5.5 What has been the most significant benefit to your business from participating in the program? (n=94)



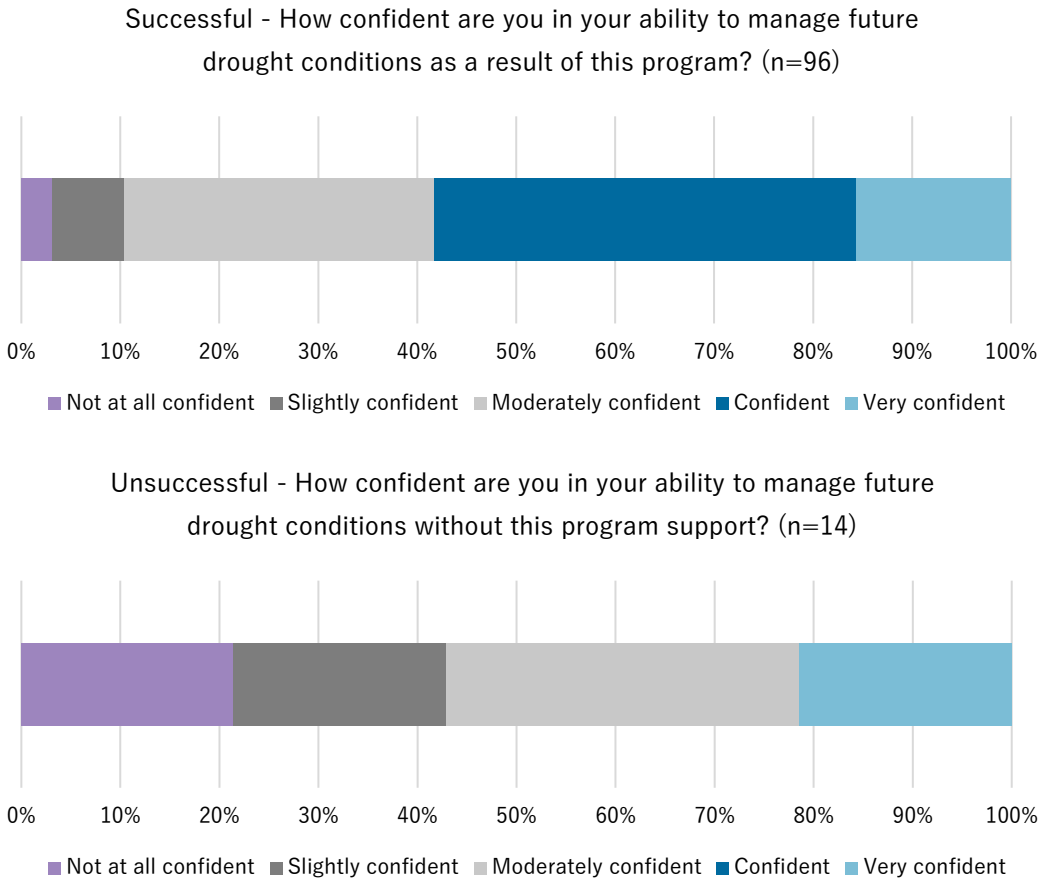
Source: ACIL Allen

Enhanced confidence in drought management

Perhaps the most telling indicator of program impact is the significant difference in confidence levels between successful and unsuccessful applicants (Figure 5.6). Among successful applicants, 58% reported feeling either confident or very confident in their ability to manage future drought conditions as a result of program participation. Only 3% of successful respondents noted they were not at all confident in their ability to manage future drought.

By contrast, unsuccessful applicants demonstrated notably lower confidence levels, with 21% reporting they were not at all confident in their ability to manage future drought without program support. This difference suggests the programs are contributing to producers' perceived capacity to withstand drought conditions.

Figure 5.6 Successful and unsuccessful program applicants' views



Source: ACIL Allen

Case studies demonstrating impact

The case studies of the Harrisville dairy farm (Case Study 3), the Brasington Family operation (Case Study 4), and a dairy farmer consulted for this evaluation (Case Study 5) provide concrete examples of how program investments are creating meaningful impact through:

- **Infrastructure Improvements:** Two case studies implemented centre pivot irrigation systems that dramatically improved water use efficiency and drought preparedness. The third case study highlights an improvement in feeding methods that leads to significant fodder savings.
- **Enhanced Productivity:** Beyond drought resilience, these investments delivered broader business benefits including increased milk production, reduced labour requirements, improved operational flexibility and cost savings.
- **Strategic Decision-Making:** The FBR planning process enabled the Roderick and Brasington families to identify their highest drought risks and target investments accordingly, demonstrating the value of the integrated planning and funding approach.
- **Quantifiable Benefits:** The Harrisville case study demonstrated quantifiable returns of approximately $7,365 per hectare annually from their investment, illustrating how drought resilience investments can deliver both immediate operational benefits and long-term risk reduction. The final case study installed a feeding system that can reduce wastage from

approximately 30% to 5%, ensuring the producer can withstand drought far longer without having to purchase additional fodder.

Case Study 3 Harrisville dairy farm - DPG

The Roderick family of Harrisville, Queensland, transformed their dairy operation's drought preparedness through the FBR Program, which facilitated a crucial infrastructure upgrade. After identifying water security as a high risk through Subtropical Dairy's Resilient Farm systems project, the Rodericks targeted irrigation improvements on their 40-hectare forage block. With technical assistance from Department of Agriculture and Fisheries (DAF) extension officers, they successfully applied for a DPG covering 25% of a new centre pivot irrigation system. This grant application was strengthened by compelling data analysis showing the pivot would reduce electricity costs by $1,402 per hectare while increasing milk receipts by $5,963 per hectare – a total benefit of $7,365 per hectare annually. DAF extension officer Roslyn D'Addona helped secure the grant by demonstrating the system would provide an additional 50 days of stored forage annually for their 350-cow herd. Though the application process from April to July was detailed and lengthy, the 25% grant incentive proved decisive in moving the project from the family's "wish list" to implementation. The results were immediate: their barley crop received two irrigations during a dry period that would have been impractical with their previous system, which required a week and 12 labour hours compared to the pivot's single-day operation. Paul Roderick noted, "The centre pivot allows us to farm how we want to," estimating they'll harvest an extra 50 tonnes of lucerne hay annually while gaining the option to grow summer maise crops.

Source: D'Addona, R. (2023). Centre pivot investment improves drought preparedness on Harrisville dairy farm. Northern Horizon, Department of Agriculture and Fisheries, Queensland.

Case Study 4 Brasington Family – DPG

The Brasington family, fifth-generation dairy farmers from the Scenic Rim region, successfully leveraged the FBR Program to enhance their operation's drought resilience. After experiencing severe drought in 2019, they developed a comprehensive resilience plan with assistance from industry organisation eastAUSmilk and the Department of Agriculture and Fisheries. A key achievement was their successful application for a DPG which covered 25% of the costs for installing a 6.8-hectare centre pivot irrigation system. This grant application was strengthened by data from the Resilient Farms Framework, which provided compelling evidence of potential pasture production increases—specifically, a projected increase of 58.3 tonnes of dry matter per year during below-average rainfall periods. The new irrigation system not only improves their drought preparedness by ensuring consistent pasture production regardless of weather conditions, but also enables them to convert existing irrigated areas to cropping, eliminating their need to purchase 50% of their annual maize silage requirements. This strategic investment, partially funded through the QRIDA grant, addresses multiple identified business risks while improving labour efficiency and natural resource management for long-term sustainability.

Source: Brasington Family Case Study. (2024). FBR Program helps Scenic Rim family dairy secure future. Queensland Department of Agriculture and Fisheries.

Case Study 5 Laurie Dunne - DPG

Laurie Dunne and his family operate a moderately-sized dairy farm on the Logan River in South East Queensland. He utilised DPG to advance the operation's drought preparedness, while also improving overall business cost effectiveness.

Mr Dunne observed the impact of the droughts in 2019, noting there was "no feed for miles". Prior to the grant, Mr Dunne would feed the cows out of old trailers in the paddock, which he noted led to significant waste:

"When you are feeding out silage, you can lose up to 30-35% of the feed through wastage, and when feed is plentiful it's not an issue, but when it is in drought, you are losing feed that you cannot afford to lose."

Mr Dunne installed a feedpad, which is a designated area for the cows to feed, wherein the feed is kept contained behind a short fence/wall, allowing cows to eat without spilling or walking through (and wasting the feed). Northern Australian Dairy Hub estimate that moving from feeding on bare ground can waste up to 25-35%, while using a permanent feedpad can reduce waste to less than 5%.[45]

He installed a 100 metre by 15 metre concrete foundation for the feedpad, which they have been using for the past 6 months, noting it is functioning exactly as planned. Without the grant, Mr Dunne notes he may have instead built a gravel feedpad, which in his experience, gets washed away with rain and only lasts around 5 years, whereas the concrete pad will require very little maintenance and last far longer.

"If we didn't have the grant, we would have gone with something basic and less effective"

The solution enabled by DPG has enabled significant savings in fodder for decades to come (due to the reduced waste), and brings significant improvement to the operation's drought preparedness, as the operation could now last far longer without needing to buy fodder in the event of a drought.

Source: ACIL Allen

Projected impacts

While the full impacts of these programs will only become apparent during future drought events, the evaluation suggests several promising outcomes:

- **Improved drought preparedness:** The infrastructure investments and planning activities supported by these programs appear to be building tangible capacity for drought resilience. Water infrastructure improvements, enhanced fodder storage, and more efficient irrigation systems directly address key vulnerability points identified in previous drought events.
- **Risk-Informed management decisions:** The FBR planning requirement is encouraging producers to adopt more systematic approaches to risk management, with survey respondents reporting improvements in drought preparedness and confidence levels.
- **Business continuity during drought:** The case studies demonstrate how strategic investments can maintain productivity during dry periods, suggesting improved business continuity during future drought events. The Harrisville dairy case specifically highlighted how their new irrigation system allowed continued crop production during a dry period that would have been challenging with their previous system.

[45] Northern Australian Dairy Hub (2016) Feed Wastage - Technical Principles & Practices, available at :https://northernaustraliandairyhub.com.au/wp-content/uploads/2016/12/Dairybiz-100_Feed-Wastage-Tech-Note.pdf

Limitations and knowledge gaps

While the early evidence suggests positive impacts, several important limitations must be acknowledged:

- The programs have not yet been tested during severe or prolonged drought conditions, limiting our ability to assess actual rather than predicted resilience outcomes.
- Survey data may reflect selection bias from participants who have had positive experiences with the programs.
- Long-term impacts such as reduced emergency support requests cannot yet be measured and will require longitudinal studies during future drought events.

Despite these limitations, the consistent evidence from multiple data sources suggests these programs are having a meaningful impact on drought preparedness and are laying the groundwork for improved resilience during future drought events.

5.4 Contributory outcomes

The evaluation identified broader economic benefits to regional communities from the grants and loans. While these outcomes weren't specifically quantified in the evaluation, stakeholder feedback provided examples of how the program contributed to economic stimulus to regional communities. As funded projects were implemented, they generated local employment and procurement opportunities, creating a multiplier effect in rural economies.

> *"The benefit to local regional communities is huge. All of the spending goes local; you get someone to lay a slab locally, local sparky to wire things up, you buy the silo from a regional business. It has a huge flow on effect."*
>
> *(FBR Program Provider)*

6 Cost-benefit analysis

This chapter presents the economic assessment of the programs, comparing costs of administration and funding with benefits to producers and the broader public.

Key findings Cost Benefit Analysis

- The valuation of the benefits associated with the programs is not possible using conventional ex-post analysis techniques, as there have been no drought conditions in Queensland for the duration of the program. As a result, it is not possible to test the veracity and effectiveness of the programs in meeting the challenges posed to funding recipients during drought conditions.
- The CBA framework developed by ACIL Allen for this evaluation provides a basis by which to value the potential future value of intervention, under various scenarios and conditions which reflect Queensland's past experience with drought.
- Quantified benefits of the program from a drought preparedness perspective are unlikely to outweigh the costs. However, the benefit to the Queensland Government, through reduced emergency intervention, comes much closer to offsetting the cost of the programs.
- The analysis is limited by the framing of the CBA, which excludes quantification of on-farm benefits which may be realised by primary producers from their investments in non-drought conditions. Our analysis finds these benefits would need to be relatively modest for the program to deliver a net benefit. However, these cannot be reliably quantified due to the bespoke nature of individual investments and associated benefits.

6.1 Cost benefit analysis framework

Cost benefit analysis (CBA) is a complementary form of analysis and assessment, rather than the summative or comprehensive assessment of the program's efficiency and effectiveness. This is because the benefits of the programs, and how these can be expected to be realised over time, are by their nature complex and specific to the individual farm businesses which have received funds.

This section of the report presents a summary of the CBA framework developed by ACIL Allen and the associated results of the analysis.

The discussion of the CBA also considers the limitations of the analysis, and qualitatively considers the benefits and costs which cannot be quantified.

What is a cost benefit analysis?

A CBA is a commonly-used tool to measure and quantify the extent to which a program, policy or infrastructure investment undertaken by Government has or is expected to deliver net economic and social benefits to stakeholders. The output of a CBA is expressed as a Benefit Cost Ratio ('BCR') where total benefits are divided by total costs. A BCR greater than one indicates that the net benefits of the policy, project or investment exceed the costs – this suggests economic value in investing in the option. The reverse applies for BCRs below one.

How was this CBA framework developed?

Program CBAs are typically conducted on an ex-post basis, meaning observing and quantifying the benefits and costs of a program once the program has been fully implemented and its impacts realised. The challenge with a CBA in the context of the program is the program is designed to improve drought resilience, but there has been no drought conditions in Queensland for the vast majority of the program's life. In addition, as of April 2025, no Local Government Areas in Queensland are subject to drought declarations.

As a result, this CBA is not conducted in the conventional way, wherein we would measure the costs that have been incurred and the benefits that have been generated. Instead, we conducted a CBA more similar to an ex ante CBA, as we measured the BCR in a number of potential future scenarios – as if a drought did occur. This is because a conventional ex post CBA would not capture any of the benefits of the program in the event of a drought, as there has been no drought declaration.

Effectively, this will allow us to answer the question: If there was a drought, how would these programs have performed? And what kind of benefits do we believe will have been generated as a result of the State's investment and intervention?

This CBA looks at the quantifiable benefits and costs of the program and the assets it has created to support a more resilient Queensland. A key aspect of any CBA, however, is what we compare this to – how do we know if it is better than if we did not have the program?

To address this question, we compare the impacts of the program to a base case. This base case represents a realistic drought scenario in which this program did not exist, and some proportion of the assets which have been funded by the program would not have been installed. Therefore, in times of drought, there would be impacts on various aspects of the agriculture sector which could be quantified and observed.

The approach seeks to provide a balance between identifying the unconstrained value of the assets which have been funded by the program, with the likelihood of them realising their intrinsic value (during drought conditions) and the attribution of benefits to the program in question. This method provides information to stakeholders in a way which can allow them to make an informed judgement about the programs outcomes, and merits of further investments.

Benefits, costs and counterfactual case

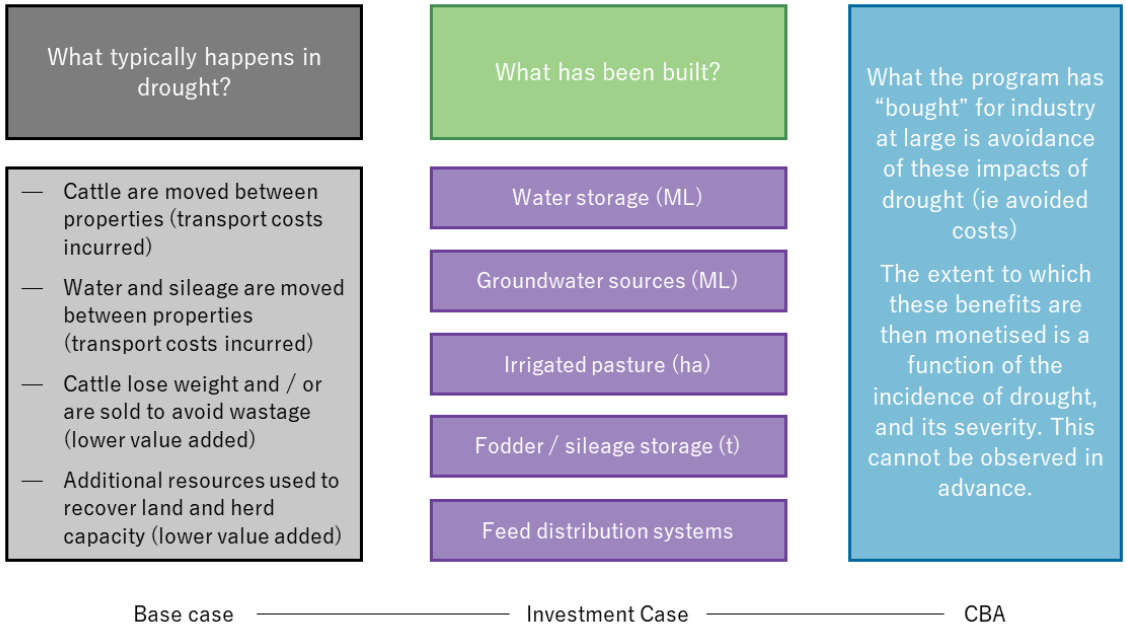
The base case for the CBA is critical, as it determines how changes the program fosters can be valued in a counterfactual scenario. This is made complex in the case of this CBA as the "observed impacts" are not quantifiable due to the program being a pre-emptive investment for a scenario which is yet to materialise (future droughts). However, based on past experience and stakeholder insights we can make informed assumptions about what typically happens during drought and compare these to what is likely to happen where these pre-emptive investments have been made.

ACIL Allen's CBA framework is summarised below (Figure 6.1).

As illustrated by the framework, the base case assumes that during drought the recipients of funding will be required to take action to safeguard the value of their on-farm assets, through emergency m measures to maintain feed and water availability. Alternatively, the recipient will lose potential future value-added through loss of condition of their stock (through lower weight or distressed sales of cattle, principally), or they will have to spend more scarce resources during the recovery phase from drought to return their stock to saleable condition.

Regardless of the vector, the impact of drought is a reduction in the value-added potential of a given producer's existing stock. Therefore, interventions funded by the program which improve resilience – through additional access to fodder or water storage, or improved pasture irrigation – avoid these losses.

Figure 6.1 CBA framework: Drought Assistance Programs



Source: ACIL Allen

This analysis has been able to reliably and consistently value the benefits of the program using three streams of impact. These are:

- **Reduced water cartage costs during drought:** This benefit is monetised by converting values of AE days of water capacity added to the sector as a result of the program into a total kilolitre of water effectively saved or stored on farm. This is then converted to an estimated cost of needing to cart an equivalent quantity of water during drought to deliver an equivalent quantity of water on farm.
- **Reduced fodder cartage costs during drought:** This benefit is monetised by converting value of AE days of fodder / sileage storage capacity added to the sector as a result of the program into a total tonnes of fodder / sileage effectively saved or stored on farm. This is then converted to an estimated cost of needing to cart an equivalent quantity of fodder / sileage during drought to deliver an equivalent quantity of these products on farm.
- **Improved pasture rotation cost savings:** This benefit is monetised by converting a total number of hectares of irrigated pasture created by investments funded under the program into an equivalent head of cattle which would be supported (on a per hectare basis). Benchmarks for feed supplement savings for pasture-fed cattle subject to rotational grazing enabled by irrigation are then used to estimate savings in fodder / sileage costs per annum. These benefits accrue in each year of the projection, not only during drought.

There are a range of other benefits and impacts of the program which cannot be reliably and consistently quantified, which would be additive to the benefits and impacts included in the CBA. Some of these are discussed in Section 0.

Further details on the benefits, costs, and associated inputs and assumptions, are provided in the next section.

6.2 Inputs and assumptions

ACIL Allen has developed its CBA making use of a range of inputs and assumptions. This is due to the framing of the CBA as described above, which is centred on estimating future impacts under various drought scenarios.

ACIL Allen's assumptions, the values, and source for the information, are outlined in the table below.

Table 6.1 CBA inputs and assumptions

Input / assumption	Value	Source	Comments / notes
AE Days of Fodder Storage per Funding Recipient	16,680	QRIDA PowerBI Data Set	Data as of 31 December 2024 (as latest completed quarter of data available)
AE Days of Water Storage per Funding Recipient	292,670	QRIDA PowerBI Data Set	Data as of 31 December 2024 (as latest completed quarter of data available)
Hectares of Pasture Irrigated per Funding Recipient	5.01	QRIDA PowerBI Data Set	Data as of 31 December 2024 (as latest completed quarter of data available)
Total funding recipients (grants + loans, full program)	778 investments	QRIDA PowerBI Data Set	Data as of 31 December 2024 (as latest completed quarter of data available)
Grant funding co-contribution investment requirement	3:1	Program guidelines	
Loan program funding co-contribution requirement	0	Program guidelines	
Operations & maintenance costs of installed infrastructure	1%	ACIL Allen, from previous studies / benchmark rates	
Water cartage cost (per kL)	$24/kL	Various sources including market rates for cartage services, stakeholder feedback	
AE Water Consumption per Day (annual average)	80L/day	Future Beef Research Centre *Adult Equivalent Methodology Slides*.	Confirmed by Victorian Department of Agriculture
AE Energy Requirement (MJ energy / day, annual average)	72.6MJ/day	Future Beef Research Centre *Adult Equivalent Methodology Slides*.	Confirmed by Victorian Department of Agriculture
Share of energy sourced from supplemental feed / fodder	50%	Victorian Department of Agriculture *Feeding Stock* Table	
Energy content per KG of feed / fodder (90% energy-containing material)	11.1111…	Victorian Department of Agriculture *Feeding Stock* Table	
Cost per tonne of feed / fodder cartage (per tonne)	$0.45 / tonne kilometre	Various sources including market rates for cartage services, stakeholder feedback.	

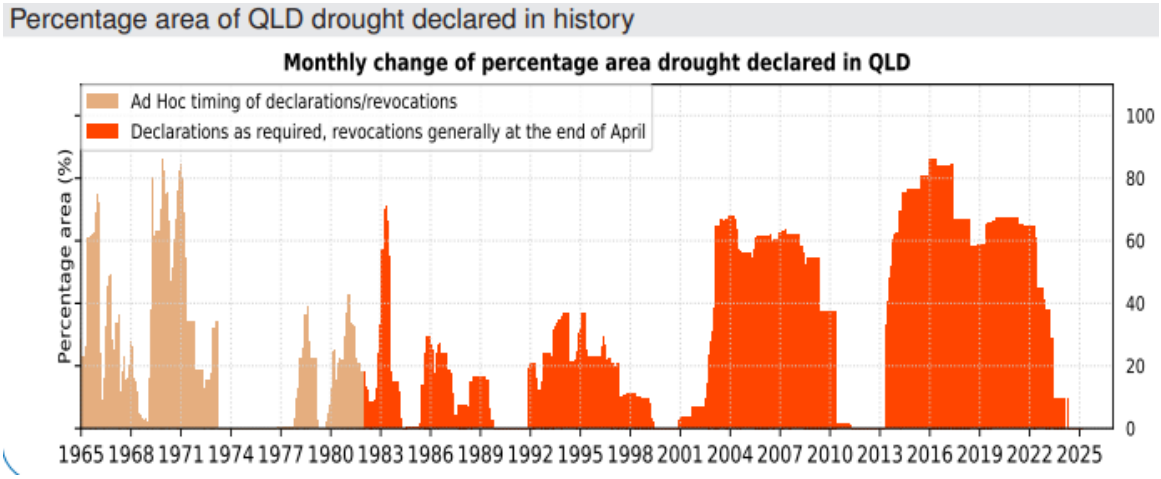
Input / assumption	Value	Source	Comments / notes
Fodder cartage distance (average)	100km	ACIL Allen, conservative assumption, assumes during drought there would be significant volumes of hay / sileage moving between properties across the State.	
Stocking rate (hectares per AE head)	2.4	Various sources including MLA benchmarking reports	
Feed / fodder supplemental cost reduction for irrigated pasture head	31%	*The Economic Benefits of Rotational Grazing* study	
Cost of hay / fodder per tonne	AU$950/tonne	Stakeholder feedback, typical non-drought cost per tonne ex-delivery)	
Inflation rate	2.5%	Standard assumption (midpoint of RBA Target Band)	
Discount rate	7%	Standard assumption.	Sensitivity analysis conducted at 4% and 10%.
Program loan interest rate	6%	ACIL Allen, estimated indicator lending rate for non-concessional finance	
Program loan term	7 years	ACIL Allen assumption, maximum loan term within program	
Share of emergency response costs borne by QLD Government	50%	ACIL Allen assumption, in line with DRAS payments	

Source: ACIL Allen

It is recognised by ACIL Allen and the Department that the inputs and assumptions used to derive the benefits of the program in a CBA context reflect the best available information and may not be a comprehensive or fulsome account of how investments supported by the program have manifested benefits to industry. The data used to translate investment into benefits is based on program administration data, summarised at a whole of program level and then amortised across the program based on the total number of recipients. This simplicity assumes that – all investments were broadly the same, where this may not be the case in reality, despite the approach resulting in an internally consistent result at a whole of program level. However, in the absence of additional data or a more comprehensive quantified understanding of the program's investments and their intended benefits, the approach is considered sound and appropriate.

The other critical assumption is the future incidence of drought conditions in Queensland. The proportion of the State facing drought conditions is a significant contributor to the CBA, as the preparedness benefits of the program can only be captured and monetised if the farm business is facing these conditions. In recent history (1990s onwards), the data suggests anywhere between 20% and 60% of the State's area can be faced with drought conditions at any one time (with upper bounds of 0% and 80%), as reflected in Figure 6.2. Importantly, the modal value during a drought appears to be rising over time, as evidenced by the increase from ~20% in the 1990s to 40-50% in the 2000s and 50%-60% in the 2010s.

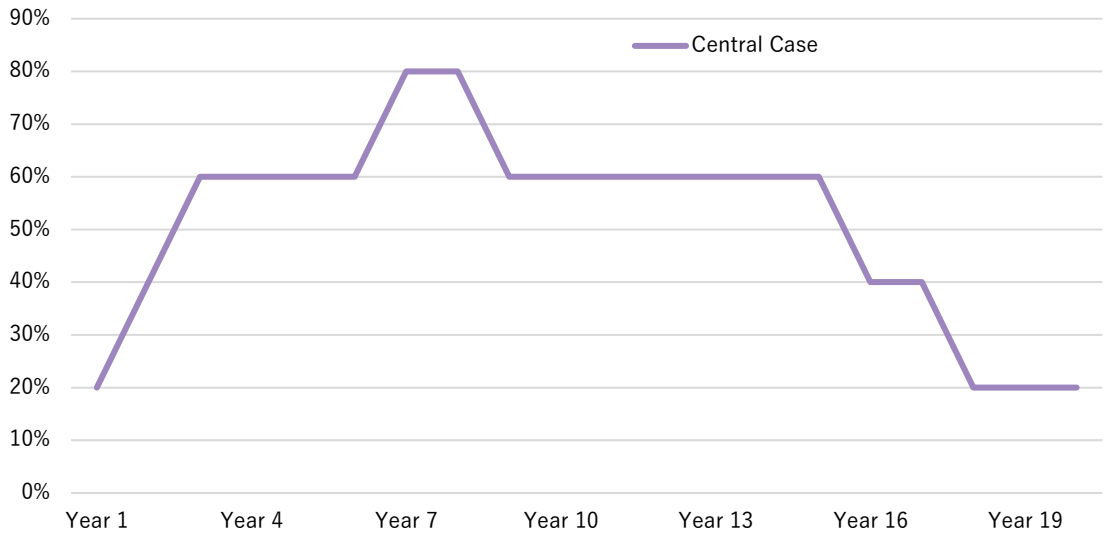
Figure 6.2 History of Drought Declarations in Queensland, % of land area



Source: ACIL Allen

ACIL Allen has assumed a profile of drought conditions in Queensland collectively as a means to translate the number of investments and their gross benefit into a net benefit which reflects the likelihood an asset will be used to avoid the impacts of drought in any one year. The profile is presented below (Figure 6.4).

Figure 6.3 Central Case Drought Impact Profile, % of Investments Called, By Year



Source: ACIL Allen

ACIL Allen met with the Queensland Government's Climate Projection and Services unit within Queensland Treasury to review and confirm the assumption made regarding the future incidence of drought. The unit confirmed there is no practical basis to reliable predict or forecast the areas of Queensland that may be experiencing drought conditions in a given year. They did however advise broad climatic trends supported the "return" to more typical drought incidence across the whole of Queensland from current levels, on account of general trends regarding rainfall (falling) and evapotranspiration (rising). On this basis the unit supported ACIL Allen's assumptions.[46]

[46] Personal Communication, 21 May 2025, and Queensland Future Climate Dashboard | LongPaddock | Queensland Government

6.3 Results and sensitivity analysis

The central CBA case is presented below. The central case quantifies the benefits of the interventions funded by the programs as though the patterns of drought which have pervaded Queensland over the past 20-30 years continue, which is that between 40-60% of the State at any one time is subject to drought conditions.

Central case

Overall, the CBA finds the program is expected to deliver $27.1 million of benefits (7% PV terms) over a 20-year period under a central drought expectation scenario, with Government and industry combined incurring costs of $101.9 million (7% PV terms) to deliver the program, invest in infrastructure, and maintain it over the period. This results in net disbenefits of $74.8 million over the modelling period, with a BCR of 0.266. This implies that for every $1 of funding invested by public and private sectors in the program there are $0.27 cents of benefits. The costs and benefits of the program over time (in 7% PV terms) and in summary (in 7% PV terms) are presented below (Figure 6.4).

This analysis suggests the program is not expected to deliver benefits which outweigh the costs which have been incurred to deliver it, under the frame of reference of the CBA. This is because the quantified costs of responding to drought conditions as and when they occur do not exceed the costs of pre-emptive investment to reduce the risk of these impacts materialising.

However, there are a range of other pertinent matters which should be considered within the CBA frame of reference, alongside the broader program evaluation findings and directions. These are described below.

In addition, scenario analysis is used to demonstrate how sensitive the CBA outcome is to changes to the underlying variables and assumptions which are required to deliver the CBA. This analysis is presented in a subsequent section.

Secondary benefits

The CBA presented in the previous section considers only a narrow set of the benefits associated with the investments funded by the programs, being the potential monetizable value of avoided future costs and impacts of drought. This contrasts to stakeholder feedback, which suggested there were “ordinary” farm benefits associated with infrastructure and other investments funded by the program. These benefits accrued to funding recipients during non-drought times, through cost reduction, efficiencies, or growth in production – the same mechanism as has been quantified through the CBA, but without the trigger of a drought for realisation.

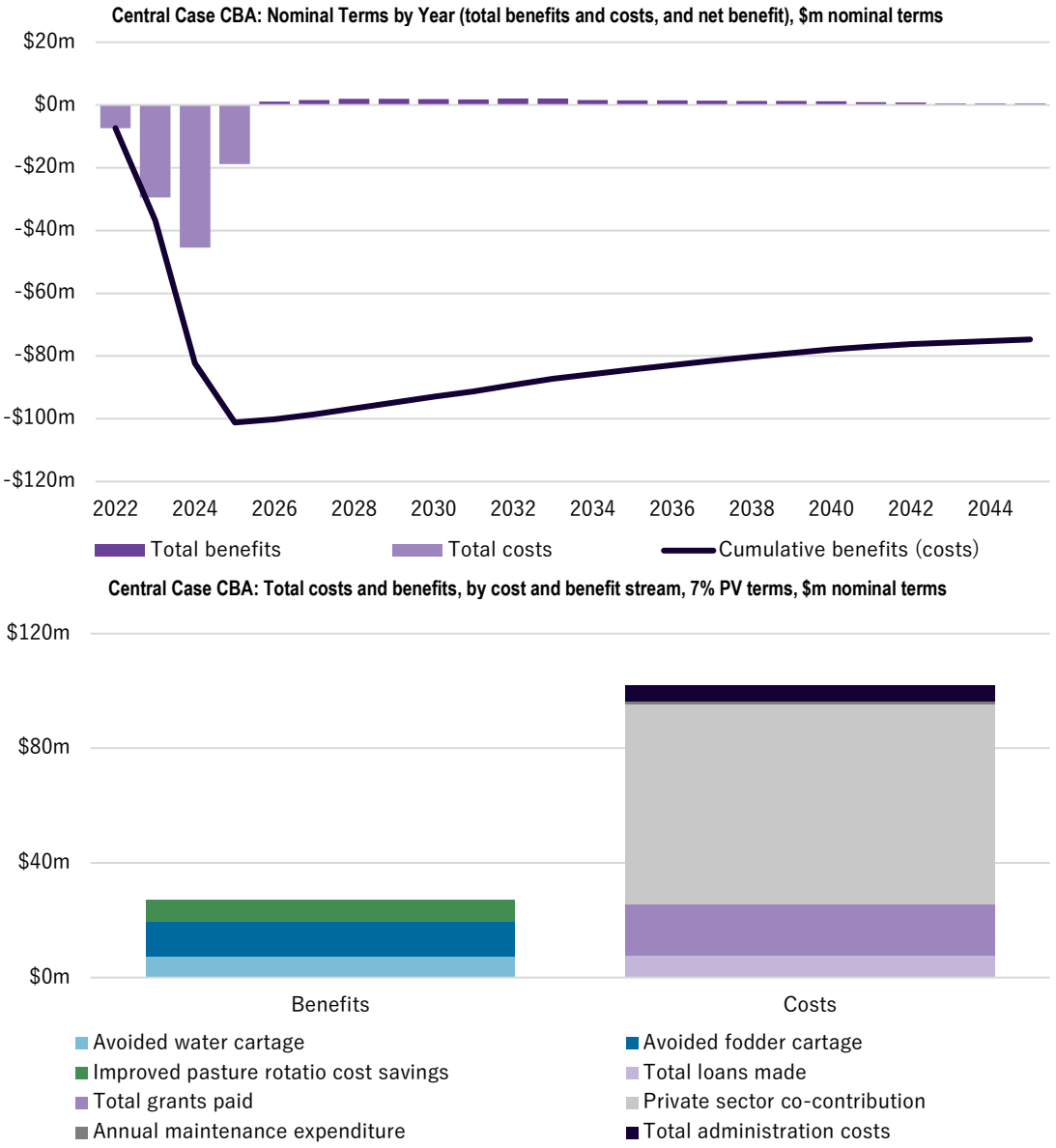
Some examples raised by stakeholders include:

- Reduced fodder wastage through installation of feed management systems
- Ability to “time” the market for fodder due to increased on-farm storage
- Reduced use of fertilisers on pasture due to rotation (from investment in fencing)
- Lower water consumption due to better targeted irrigation / water troughs for cattle

Unlike drought impacts, these benefits are specific to the situation of the individual farm business receiving funds. These were investigated using a case study approach to monetising these benefits, however the nature of the investments and diversity of cases means this would create misleading results. It is not possible to reliably quantify these benefits at a whole of sector level.

However, it is possible to determine what the scale of these unquantified benefits would need to be for the program to realise a breakeven BCR.

Figure 6.4 CBA Summary: Central Case



Source: ACIL Allen

The CBA found net disbenefits of $74.8 million over a 20-year projection period. This was predicated on 778 individual investments made at the time the inputs and assumptions for the CBA were set. If each investment was able to realise a non-drought benefit for the recipient each year for 20 years, it is estimated that just $7,317 (real 2025 dollars) worth of benefits per recipient per annum would be sufficient to realise a breakeven BCR. For context, the average medium sized[47] farm business in Queensland generated a profit (or value added) of $180,000, meaning this uplift would be a benefit of ~4%.

Costs and benefits to government

The other secondary matter is the framing of benefits and costs. While this analysis suggests the overall drought response benefits of the program may not exceed the costs, what is of greater relevance to the

[47] Defined in the data set (Commonwealth Department of Agriculture *Farm Data Portal*) as a farm business with cash receipts of $500,000 to $1 million in the reference year (2023).

Department is its own benefits and costs. In this case, the program comes much closer to breaking even in the central case.

As part of this analysis, the costs and benefits of the program to Government have been modelled by limiting the impact streams to those which have a direct financial bearing on the Queensland Government, being:

- Administration costs
- Total grant funds paid
- Net loaned funds (the cost being total funds borrowed by industry and benefits being repayments of principal and interest – with the costs and benefits modelled separately in the denominator and numerator of the CBA respectively)
- Avoided financial subsidy payments during drought. This is set at an assumed 50% of actual costs incurred by industry, in line with previous assistance programs.

This analysis finds total benefits of $17.7 million (7% PV terms) and costs of $23.3 million (7% PV terms), for net disbenefits of $5.6 million (7% PV terms) and a BCR of 0.760. This means under the central case for every $1 of Government investment the program generates a loss of $0.24. However, there are a range of future conditions where the program can be seen as generating a net positive return for Government.

Broader social and environmental benefits

Another area of particular interest to government are the broader benefits of drought resilience programs. Although these cannot be attributed to this program specifically, and cannot be quantified, it is important to articulate them as nothing operates in isolation. There are likely spillover benefits in relation to cost savings, productivity enhancements, resource management, environmental benefits, and creation of greater linkages within regional communities.

Drought resilience programs that target producers and farmers yields significant benefits that may extend beyond individual agricultural enterprises, positively impacting society and the environment at large. These types of programs including those such as FBRP can strengthen the resilience of agricultural communities, ensuring economic stability. Environmentally, they promote sustainable farming practices that conserve water, improve soil health, and protect biodiversity. (Box 6.1).

Box 6.1 Social and Environmental Benefits from Public Investment in (Drought) Resilience

Socially, enhanced resilience strengthens rural and regional communities by reducing stress, economic disruption, and associated mental health impacts. Investments foster greater social cohesion, empower local populations through capacity building, and promote proactive rather than reactive responses to drought events.

Building resilience can mitigate the negative psychological and social impacts associated with droughts, such as stress, anxiety, and community fragmentation, thereby enhancing mental health and community resilience.[48] A more resilient community can stabilise employment and income, sustaining local economies and preventing rural depopulation.[49]

Publicly funded drought resilience investments can promote sustainable land and water management practices, directly benefiting ecosystem health. Improved soil conservation, water-use efficiency, and vegetation management significantly enhance biodiversity, reduce land degradation, and improve overall ecosystem resilience to climatic stressors.[50] Investment may help maintain vital ecosystem services such as pollination, carbon sequestration, and habitat provision, delivering long-term benefits well beyond agricultural productivity alone.[51]

Source: ACIL Allen

6.4 Sensitivities and scenario analysis

Scenario analysis of input values

Sensitivity analysis was conducted on two of the principal inputs and assumption sets, being:

- Drought incidence (i.e. the share of recipient facing drought conditions in a given year, over the 20-year projection period), and
- Costs of the counterfactual case (i.e. the cost of kL of water cartage, and cost per tonne of fodder / sileage cartage)

The scenario values are summarised below.

Drought incidence

The sensitivity analysis considers two additional scenarios beyond the central case: a "High" scenario, where there is a greater incidence of drought during the projection period, and a "Low" scenario, where there is a reduced incidence of drought during the projection period. These two variations are summarised below (Figure 6.5).

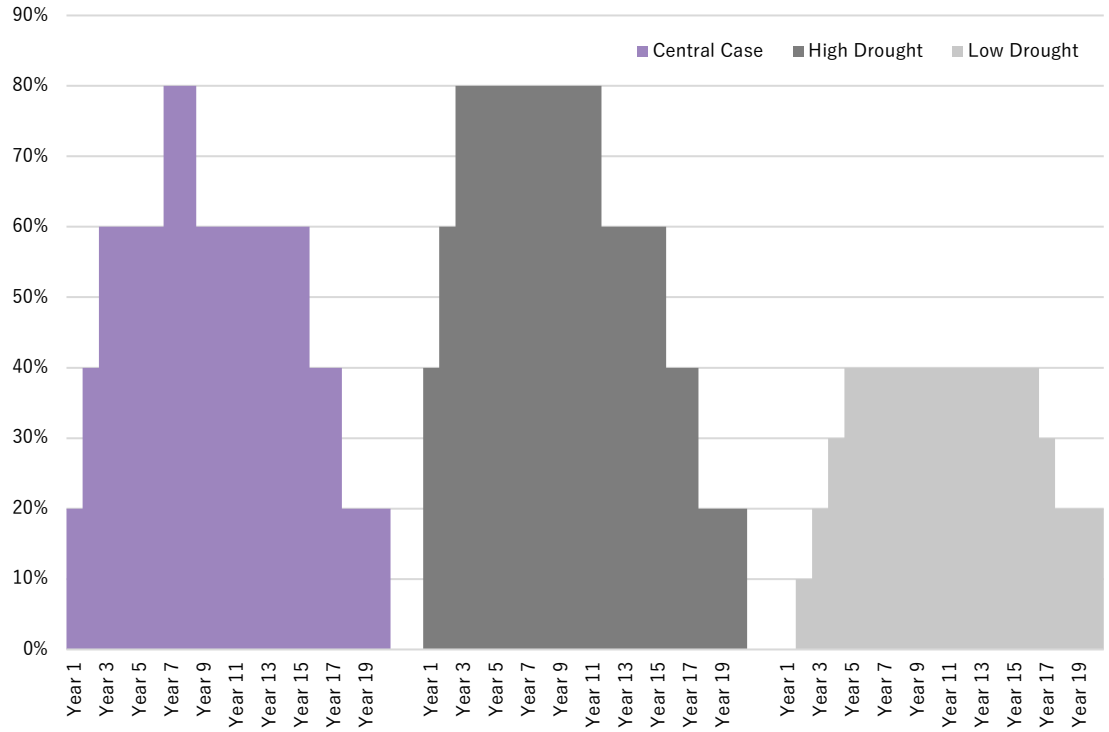
[48] Luong TT, Handley T, Austin EK, Kiem AS, Rich JL and Kelly B (2021) New Insights Into the Relationship Between Drought and Mental Health Emerging From the Australian Rural Mental Health Study. Front. Psychiatry 12:719786. doi: 10.3389/fpsyt.2021.719786

[49] Productivity Commission (2009). Government Drought Support. Inquiry Report No. 46. Productivity Commission, Canberra. https://www.pc.gov.au/inquiries/completed/drought/report/drought-support.pdf

[50] OECD (2016). Mitigating Droughts and Floods in Agriculture: Policy Lessons and Approaches. OECD Publishing. https://www.oecd-ilibrary.org/agriculture-and-food/mitigating-droughts-and-floods-in-agriculture_9789264246744-en

[51] ABARES (2019). Insights: Analysis of Australian agricultural productivity growth and climate variability. Australian Bureau of Agricultural and Resource Economics and Sciences. https://www.agriculture.gov.au/abares/research-topics/climate/agriculture-productivity-climate-variability

Figure 6.5 Drought Incidence Scenarios for Scenario Analysis, % of Recipients Impacted



Source: ACIL Allen

Costs of counterfactual case

The second scenario is in relation to cartage costs in the counterfactual case. The central assumptions are predicated on current market rates for these services in Queensland. It is reasonable to expect that during drought conditions these costs may rise due to higher demand, with a limited ability for supply responses in the short term (as there are only so many trucks, so much surplus silage / fodder, and so many kL of water). Therefore it is plausible that market rates for services would rise. For symmetry, a scenario is also presented where costs are lower than current market rates (which may occur in times of relatively low drought incidence due to low demand).

The High Case is for costs to be +50% on the central case, and the Low Case is for costs to be 1/3 lower than the central case. The asymmetry in the cases is deliberate as it is considered unlikely rates would substantially decline from current market rates except in exceptional circumstances.

Scenario results (total program)

The results for the total program analysis are summarised in Table 6.2. No pair of scenario values results in the program realising a net benefit / positive BCR. This is interpreted to be a sign that the benefits of the program should not be limited to the direct and tangible avoided costs of drought, and there are likely to be broader reasons why industry has made the investments it has made (including to benefit their operations during times of no drought).

Table 6.2 Scenario Analysis, net benefit (disbenefit) and BCR result, by scenario pairs

Drought Incidence	Counterfactual Costs: High	Counterfactual Costs: Central	Counterfactual Costs: Low
High	($47.29m) 0.536	($70.73m) 0.306	($78.55m) 0.229
Central	($55.34m) 0.457	($74.76m) 0.266	($81.23m) 0.202
Low	($71.46m) 0.298	($82.82m) 0.187	($86.61m) 0.150

Source: ACIL Allen

Scenario results (Cost to Government)

The results for the total program analysis are summarised in Table 6.3.

Unlike the total program benefits, there are certain combinations of scenario values which result in the program delivering a net benefit to Government in the form of avoided future emergency response costs. These centre on the Counterfactual Cost cases, where the cost of emergency response is "High" and the incidence of drought is in the Central or High cases. This analysis demonstrates there are likely to be benefits to Government (compared to a counterfactual case where it is required to invest in emergency response) during periods of extreme stress within the industry.

Table 6.3 Scenario Analysis, net benefit (disbenefit) and BCR result, by scenario pairs

Drought Incidence	Counterfactual Costs: High	Counterfactual Costs: Central	Counterfactual Costs: Low
High	$8.15m 1.349	($3.57m) 0.847	($7.48m) 0.679
Central	$4.12m 1.177	($5.59m) 0.760	($8.82m) 0.622
Low	($3.94m) 0.831	($9.62m) 0.588	($11.51m) 0.507

Source: ACIL Allen

However, the analysis also shows there is a risk of substantially worse financial outcomes for Government. This occurs particularly in cases where the future incidence of drought is set to Low, with the net disbenefit potentially increasing by up to 100% (in the Low Incidence, Low Cost scenario). This is a logical outcome, as the benefit to Government is in avoiding future emergency response costs, but if there are no emergencies

to respond to there is no counterfactual cost to avoid and therefore no benefits to the pre-emptive investment.

Sensitivity to discount rate

Results for the Central Case in varied nominal discount rate scenarios are provided below. Net benefits and BCR results are presented for total program and Cost to Government modelling outputs.

Table 6.4 Discount Rate Sensitivity Analysis

	7% nominal (base)	4% nominal	10% nominal
Total program	($74.76m) 0.266	($66.88m) 0.345	($80.28m) 0.211
Cost to Government	($5.59m) 0.760	($1.87m) 0.920	($8.33m) 0.643

Source: ACIL Allen

7 Findings and recommendations

This chapter synthesises key insights from the evaluation and provides specific recommendations for program design improvements, delivery efficiency, strategies to address barriers, and enhancements to monitoring and evaluation.

7.1 Findings

This evaluation of the four programs under Queensland's DARP reveals a strategically designed suite of programs that collectively represent a significant advancement in the state's approach to drought management. The shift from reactive crisis management to proactive resilience-building aligns strongly with the 2024 NDA and addresses fundamental limitations identified in previous programs.

However, the evaluation has found a range of challenges to program administration and implementation that, if addressed, could deliver greater benefits to Queensland producers, enhance program cost-effectiveness, and maximize the return on public investment in drought resilience.

A promising foundation

The grants and loans provide comprehensive support across the full drought cycle. They demonstrate several strengths:

- Strong alignment with national drought policy principles, particularly in promoting self-responsibility and preparedness
- Expansion of drought assistance beyond the grazing industry to all primary producers
- Integration with the FBR Program, creating a cohesive framework for drought planning
- Effective leveraging of public funding to stimulate private investment in drought resilience.

Notable impacts

The impact of the programs is evident through multiple measures that demonstrate tangible improvements in drought preparedness. Water-related investments emerged as the most common approved activities, resulting in significant increases in water security—averaging 292,670 additional adult equivalent days of water per applicant. Similarly, enhanced fodder storage capacity has improved drought readiness, with applicants averaging 16,680 additional adult equivalent days of fodder.

Beyond these physical improvements, the catalyst effect is particularly noteworthy, with 62% of successful grant recipients reporting they brought forward planned investments and 23% undertaking activities they otherwise would not have pursued.

The programs have also markedly increased producer confidence in drought management as noted when comparing confidence levels between successful and unsuccessful applicants—while 58% of successful applicants expressed confidence, 21% of unsuccessful applicants reported feeling not at all confident in their drought management capabilities without program support.

Successful applicants reported significant improvements across all resilience dimensions with 73% reported significant or major improvement in drought preparation capabilities, 70% in speed of response, 68% in recovery capabilities, and 64% in overall business resilience.

Some eligibility and implementation challenges

Despite the programs' strengths, the evaluation identified significant communication and design issues that have affected their implementation and uptake. At a fundamental level, there appears to be a disconnect between how the programs are conceptualised by administrators and how they are understood by producers. Examples of this include:

- The designation of the DPG as a "grant" rather than a "rebate" has created misaligned expectations about its financial structure, with many producers initially expecting traditional upfront funding rather than a 25% cost recovery mechanism.
- The restrictive definition of "primary producer" has excluded operators who would be considered eligible under Commonwealth definitions, particularly those with diversified income streams.
- The lack of transparency around the FBR Plan assessment process creates an information asymmetry that hampers effective preparation and has led to frustration among applicants who invested significant time and resources in developing plans that were ultimately deemed insufficient without clear guidance on requirements.
- The language and framing of eligibility criteria was often misunderstood, particularly the emphasis on "new infrastructure" rather than drought resilience outcomes.

These challenges have contributed to a lack of clarity about which producers the programs are designed to benefit.

While the programs appear conceptually targeted at Category 2 producers (viable operations needing resilience support, Figure 3.1), this targeting has not been conveyed, leading to frustration among producers whom the program may not seek to target and confusion from delivery partners, peak bodies and FBR Program providers about the boundaries of the programs.

Economic value and broader benefits

The quantitative CBA calls into question the extent to which there are sufficient benefits to justify the costs when considering drought preparedness only. However, the evaluation has revealed there are a range of broader benefits and impacts to farm businesses which accrue during non-drought conditions, plus other benefits which are not possible to quantify. Overall, the benefits of the programs are likely to outweigh the costs taking into account quantifiable and unquantifiable benefits against program costs.

There are a number of design features and mechanisms which ensure investments funded by the program lead to genuine improvements in drought preparedness, as well as general benefits to farm businesses. This includes the requirement for grants to be co-funded with a leverage ratio of $3:$1 for public funds (ie for every $1 of public funds investments require $3 of co-contribution), the requirement for farm businesses to have completed a FBR Plan, and that investments must be related to new assets (noting this raised some concerns with industry in its application).

Several examples of substantial spillover benefits were identified flowing from the investments made by farm businesses funded by the program which are not related to drought preparedness specifically. This includes benefits in relation to cost savings, productivity enhancements, resource management, environmental benefits, and creation of greater linkages within regional communities.

These benefits and positive impacts are not possible to quantify as they are farm business-specific, meaning they have not been incorporated into the CBA. However they are numerous and substantiated by stakeholders who have participated in both direct stakeholder engagement and survey instruments used as part of the evaluation.

The programs have been more costly to deliver than anticipated, due in part to the lack of take up of loan products which are part of the portfolio combined with the inability for QRIDA to recover its costs from industry (and these costs subsequentially falling to the Department). This underscores the need for robust program appraisal, forecasting and risk analysis, which would typically be expected to be completed as part of a program business case during the program development stage (which was not completed for this program).

Looking forward

It is important to acknowledge that these programs have not yet been tested during severe drought conditions across Queensland. The true measure of their effectiveness in building drought resilience will only become fully apparent when producers face significant drought challenges.

However, early evidence suggests the programs are successfully encouraging forward-looking drought preparation. The infrastructure investments and planning activities supported by these programs are building tangible capacity that will serve producers well when drought conditions emerge.

The recommendations in this report aim to enhance what is fundamentally a well-justified approach. By addressing identified barriers while maintaining the strategic focus on building preparedness and resilience, Queensland can further strengthen its drought assistance framework. These refinements would continue to move the programs towards the ultimate goal—a self-reliant agricultural sector with reduced vulnerability to drought impacts and decreased dependence on emergency assistance.

As climate variability continues to challenge agricultural producers, Queensland's proactive approach to drought management represents a valuable model for drought policy. With targeted improvements to implementation, particularly in program communication and design language, these programs have significant potential to transform how the state's agricultural sector prepares for, responds to, and recovers from drought events.

7.2 Recommendations

The following recommendations are proposed to enhance the administration, effectiveness and accessibility of Queensland's drought assistance programs:

Table 7.1 Recommendations

Theme	Recommendations	
Program Design and Eligibility	1	Refine infrastructure eligibility criteria to clarify that enhancing existing infrastructure (such as silo rings) is eligible, rather than applying overly strict "new" infrastructure definitions that exclude such improvements.
	2	Review the 'primary producer' definition and consider alignment with Commonwealth and other QRIDA program definitions, creating consistency across assistance programs.
	3	Rebrand the Drought Preparedness Grant as "Drought Preparedness Rebate" to accurately reflect its financial structure
	4	Enhance communication with stakeholders by clearly communicating the intended target audience for each program component
	5	Expand the scope of the programs to recognise broader resilience outcomes beyond drought, including resilience to other weather events and climate change impacts.
Program implementation and processes	6	Enhance FBR Plan assessment processes through increased transparency, collaborative redesign of the rubric, and analysis of approval thresholds
	7	Improve implementation flexibility for producers by extending DPG project timeframe to 12-18 months and/or establishing a clear extension application process
Financial Management and Resource Allocation	8	A comprehensive review of the MOUs across all DPI programs that utilise QRIDA's services should be undertaken to ensure value for money is being achieved across all the programs the Department commissions from QRIDA and duplication of costs is not occurring across multiple programs.

Source: ACIL Allen

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Appendices

A Evaluation Framework

This appendix provides the evaluation framework that guided the evaluation.

Table A.1 Evaluation Framework

Evaluation questions	Indicators What are you going to track?	Metrics How are you going to track it? How will the concept be measured?	Data sources Who, where and how to source the qualitative or quantitative data?
1.0. Appropriateness: How appropriate was the design of the initiatives?			
1.1. What is the need for the programs?	Historical drought impacts on agricultural businesses Existing support program coverage and gaps	Qualitative assessment of indicator	Document review of program documentation and guidelines Stakeholder consultations (Commonwealth, DAF, QRIDA)
1.2 How appropriate is the program design?	Evidence base supporting program design	Qualitative assessment of indicator	Stakeholder consultations (Queensland Treasury, Department of Premier and Cabinet, Co-design workforce participants, peak bodies) Documents and data to support jurisdictional case studies of lessons learned from other drought programs including previous QDAF projects
1.3 Are the programs aligned with the 2024 NDA principles and outcomes?	Alignment with NDA principles and outcomes	Qualitative assessment of indicator	Document review of program documentation and guidelines Stakeholder consultations (Commonwealth and DAF)

Evaluation questions	Indicators What are you going to track?	Metrics How are you going to track it? How will the concept be measured?	Data sources Who, where and how to source the qualitative or quantitative data?
1.4 Are the program aligned with relevant regulations, guidelines, and best practices in public financial assistance, including Government's financial management practices and duties under the Financial Accountability Act 2009, and the recent review of the Commonwealth Regional Investment Corporation Act 2018?	Alignment with relevant regulations, guidelines, and best practice	Qualitative assessment of indicator	Document review of program documentation and guidelines Stakeholder consultations Recent audit of QRIDA operations
1.5 How suitable are the eligibility requirements?	Appropriateness of eligibility criteria	Qualitative assessment of indicator Quantitative assessment of the application of eligibility requirements	Stakeholder consultations (DAF, QRIDA, peak bodies, successful/unsuccessful grant/loan recipients) FBR Plan metrics
2.0 Efficiency and effectiveness: Were the initiatives administered and delivered efficiently?			
2.1 How efficient is the administration and delivery of the programs?	Governance processes Administrative efficiency Cost-effectiveness of delivery Processing timeframes Program uptake rates Operational scalability	Qualitative assessment of indicator Quantitative assessment of processing time for applications, administrative costs staff resources required number of successful applications vs. total applications.	Stakeholder consultations (QRIDA) QRIDA administrative data Program financial records Application processing logs Comparative administration costs where readily available

Evaluation questions	Indicators What are you going to track?	Metrics How are you going to track it? How will the concept be measured?	Data sources Who, where and how to source the qualitative or quantitative data?
2.2 What are the actual costs vs. benefits of providing the loan programs?	Program benefits will be informed by stakeholder engagement and survey. It is expected benefits may include: – Lower insurance premiums – Avoided costs of dislocation / recovery – Avoided costs of adverse conditions – Externality benefits (such as productivity, non-drought related cost savings, etc) flowing from infrastructure purchases – Valuation of changes in stock of water held under management These will be compared to program costs, plus private costs and opportunity costs to form the CBA. The broader analysis will also give regard to the "leverage" benefits of the fund, noting attribution of these benefits is often challenging as benefits can only be ascribed if a recipient took action they would otherwise not have done.	Review of FBR activities Program reach and number of recipients / funding disbursed Review of PowerBI database Survey feedback Program cost analysis	Economic impact assessments Grant/loan recipient survey Stakeholder consultation (all stakeholders)
2.3 Are there opportunities to improve delivery mechanisms?	Barriers and enablers to implementation	Qualitative assessment of indicator	Stakeholder consultations (QRIDA, Successful/unsuccessful grant/loan recipients) Grant/loan recipient surveys

Evaluation questions	Indicators What are you going to track?	Metrics How are you going to track it? How will the concept be measured?	Data sources Who, where and how to source the qualitative or quantitative data?
3.0 Outcomes and impact: Did the initiatives work?			
3.1 How effective are the programs in meeting intended outcomes?	Achievement of program objectives Producer readiness, resilience and recovery improvements, with a focus on preparedness and the ability to respond and recover quickly from drought.	Qualitative assessment of indicator Quantitative assessment of the number and value of grants/loans approved	Stakeholder consultations (QRIDA, Successful/unsuccessful grant/loan recipients) Grant/loan recipient surveys Economic impact assessments Program case studies
3.2 What is the level of demand for the programs?	Supply and demand of the programs	Qualitative assessment of indicator Quantitative assessment of the number and value of grants/loans approved	Document review Stakeholder consultations (QRIDA, peak bodies, Successful/unsuccessful grant/loan recipients)
3.3 What are the barriers to uptake?	Program reach Program accessibility Awareness of the programs	Qualitative assessment of indicator Quantitative assessment of geographic, and industry/sector type of distribution of assistance	QRIDA administrative data Stakeholder consultations (QRIDA, peak bodies, Successful/unsuccessful grant/loan recipients) Grant/loan recipient surveys DAF communications plans for the programs
3.4 Have there been any unintended consequences, either positive or negative?	Unintended consequences Participant investment additionality and timing	Qualitative assessment of indicator	Stakeholder consultations (QRIDA, Successful/unsuccessful grant/loan recipients)

Source: ACIL Allen

B Stakeholder engagement

Table B.1 Stakeholder Engagement

Stakeholder	Survey	Consults	Focus area
Grant applicants and loan recipients			
Farmers (successful grant/loan recipients)	Yes	4 x one-on-one interviews (one per program)	- Understanding program benefits - Application experience - Implementation outcomes
Farmers (unsuccessful grant/loan recipients)	Yes	4 x one-on-one interviews (one per program)	- Identifying systemic barriers to access
Program management			
DPI staff	No	1 x one-on-one interview	- Program design - Policy alignment
Program design			
Commonwealth Department of Agriculture, Fisheries and Forestry	No	1x one-on-one interview	- Program design - Policy alignment
Queensland Treasury, Department of Premier and Cabinet	No	1 x focus group	- Strategic alignment - Public benefit considerations
Co-design workforce participants	No	1 x focus group	-Program design
Program delivery			
QRIDA staff	No	2 x focus groups	- Operational delivery - Administrative efficiency - Client interface
FBR Program Providers/Rural Financial Councilors	No	1 x focus group	- Program integration - Preparedness outcomes
Program outcomes			
Peak Bodies	No	2 x one-on-one interview	-Program outcomes -Barriers to program uptake
Subject matter expert	No	1 x one-on-one interview	- Strategic alignment - Public benefit considerations

Source: ACIL Allen

C Eligibility Categories

Category 1: Non-Eligible Producers

These producers are deliberately excluded from the scope of the new assistance framework because they cannot meet the 75% co-contribution requirement for DPG, or do not demonstrate sufficient financial viability to service loans. The design intentionally redirects these producers toward other support mechanisms better suited to their circumstances, such as welfare programs like the Farm Household Allowance.

Category 2: Viable Producers Needing Resilience Support

The package specifically targets typically mid-sized operations with long-term growth potential. These agricultural operations must demonstrate financial viability and capacity to service loans or (in case of the grant) can contribute 75% toward drought preparedness infrastructure.

These producers will have taken reasonable drought preparation measures, including having a FBR Plan, but need additional support. The innovative aspect is the requirement for a FBR Plan addressing production risks (climate/weather, resource management, biosecurity), business risks (financial viability, market), and personal risks (workplace safety, key people). This ensures producers not only receive financial assistance but also develop comprehensive risk management strategies.

Category 3: Self-Sufficient Producers

These producers are likely to self-select out of these programs based on cost-benefit considerations. For very large operations, the maximum grant amount ($50,000) or loan amount ($250,000) may represent a relatively small proportion of their annual operating budget or infrastructure needs, making the administrative requirements not worth the benefit.

Many large-scale or highly sophisticated operations typically:

- Have sufficient scale to self-insure against drought risks
- Maintain strong financial reserves
- Operate diversified enterprises across multiple geographic locations
- Have established relationships with commercial finance providers
- Already have sophisticated drought infrastructure and management systems in place

The eligibility framework represents a fundamental shift from the reactive approach criticised in the Marsden Jacob report to a proactive model focused on building long-term resilience. By requiring FBR Plans and focusing on viable businesses with growth potential, the package aligns with the NDA principle to “assist farming businesses plan and prepare for the future.”

This approach also addresses the key criticism that previous programs “*do not encourage producers to adopt strategies to better prepare for drought*” (Wade & Burke, 2019, p. 3).

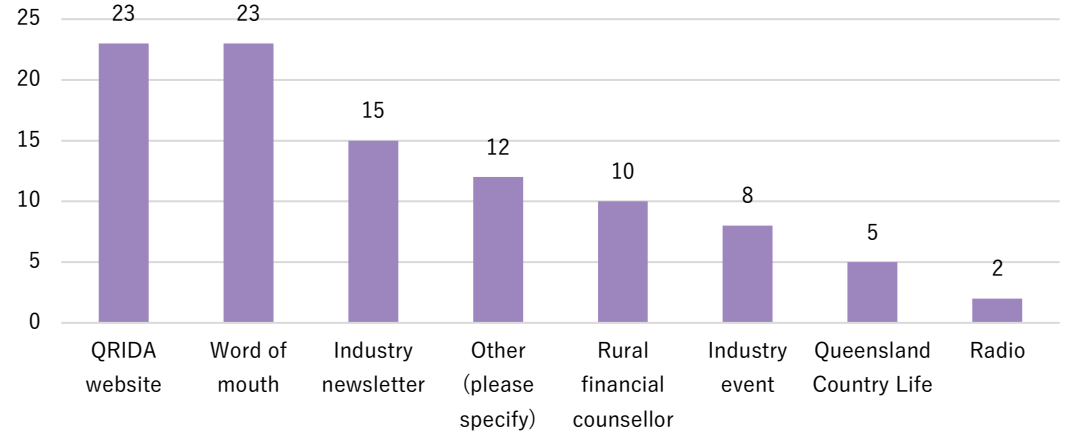
D Survey results

A survey was designed and distributed for those who applied to the programs subject to this evaluation. Different survey questions were provided to those who were successful in their application and for those who were unsuccessful in their application. We received 112 total responses, 98 of which were from successful applicants, and 14 from unsuccessful applicants.

This section provides analysis of the response data, displayed in the order as shown to a survey respondent. Qualitative responses have been considered elsewhere in the report and as such are not displayed in this appendix. Furthermore, questions with too few responses (<5) have been omitted.

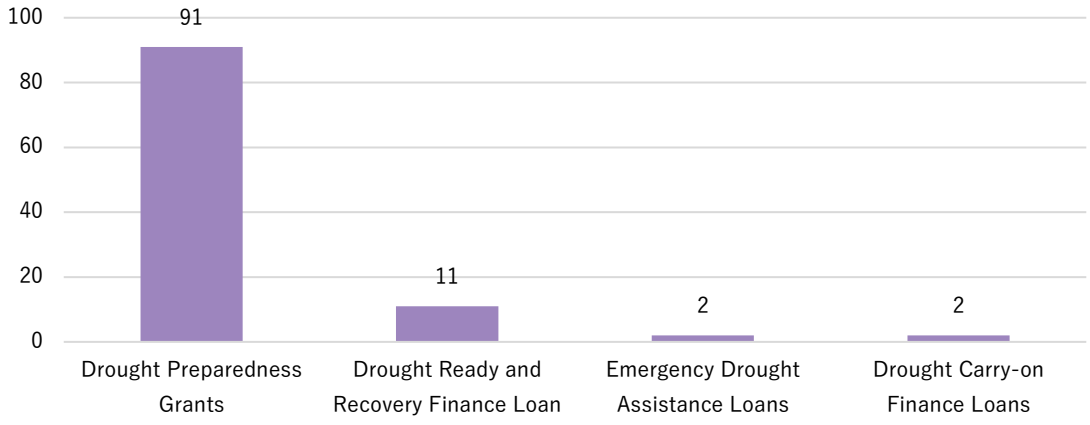
D.1 Successful applicants

Figure D.1 How did you first learn about the drought assistance program? (n=98)



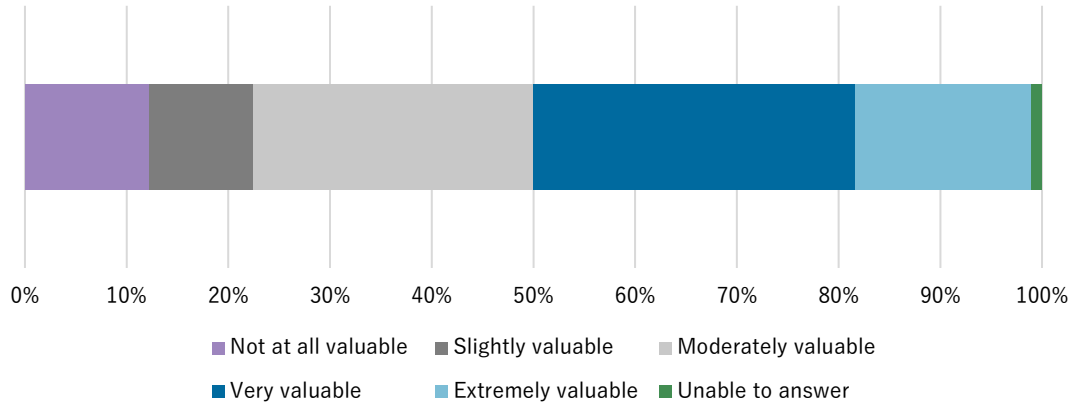
Source: ACIL Allen

Figure D.2 Which program(s) did you receive assistance from? (n=97)



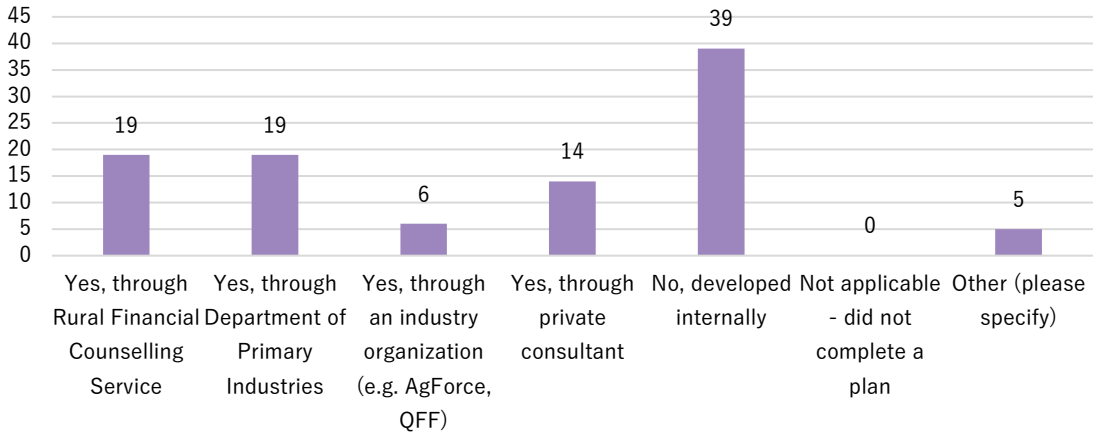
Source: ACIL Allen

Figure D.3 How valuable was the process of creating a FBR Plan to support your application? (n=98)



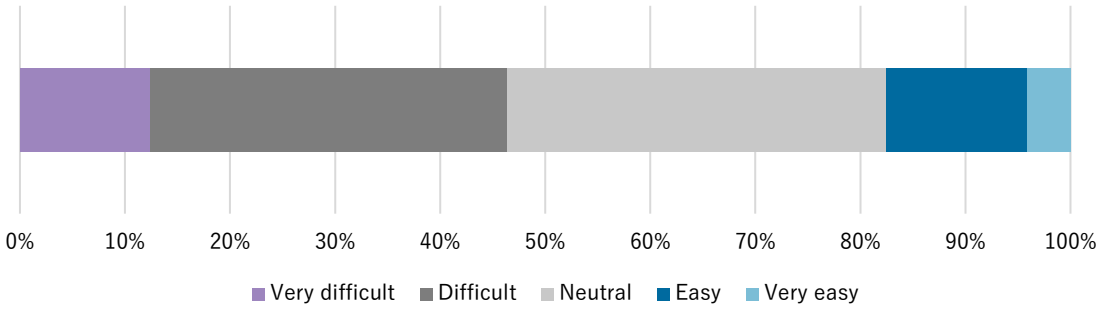
Source: ACIL Allen

Figure D.4 Did you receive assistance to develop your FBR Plan? (n=98)



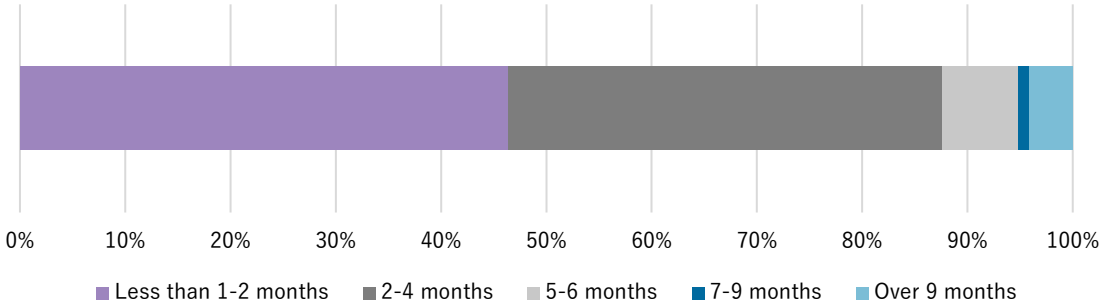
Source: ACIL Allen

Figure D.5 How would you rate the overall application process for assistance with QRIDA? (n=97)



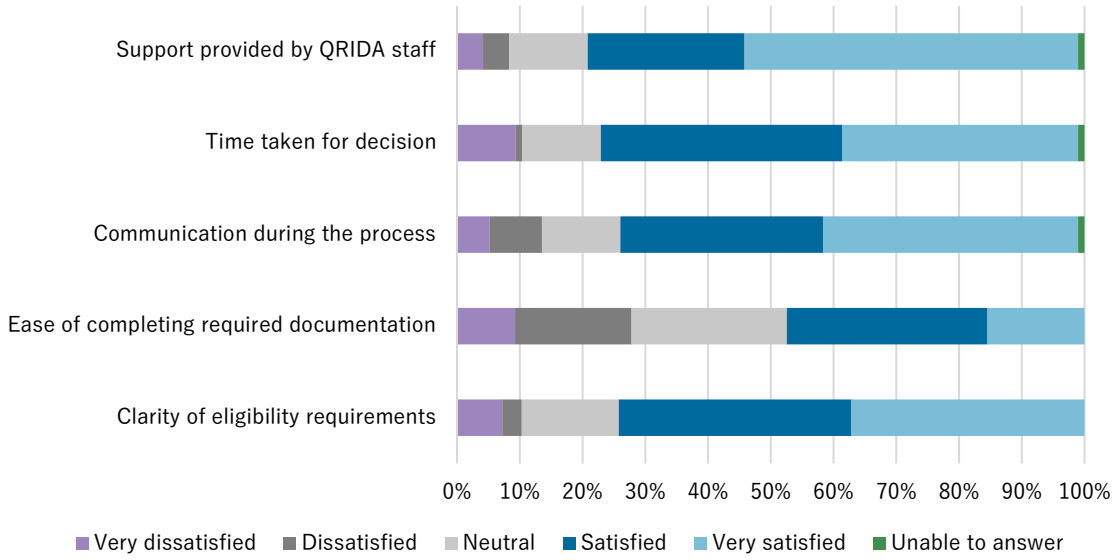
Source: ACIL Allen

Figure D.6 How long did it take from submission of your application to receiving a decision? (n=97)



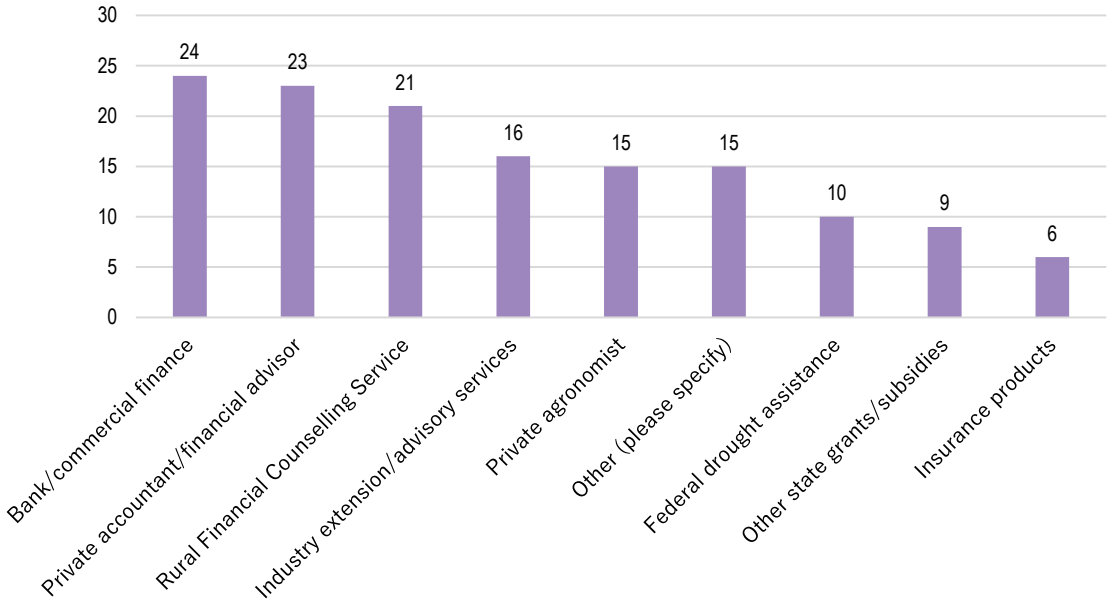
Source: ACIL Allen

Figure D.7 How satisfied were you with the following aspects of the application process:? (n=97)



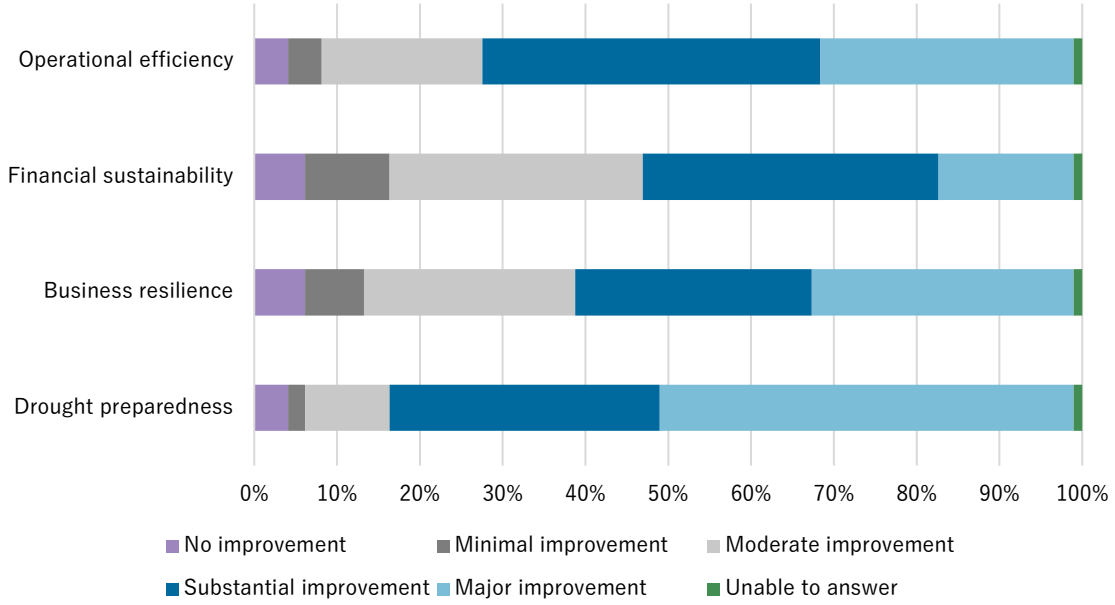
Source: ACIL Allen

Figure D.8 What other support have you accessed for drought and business resilience? (n=81)



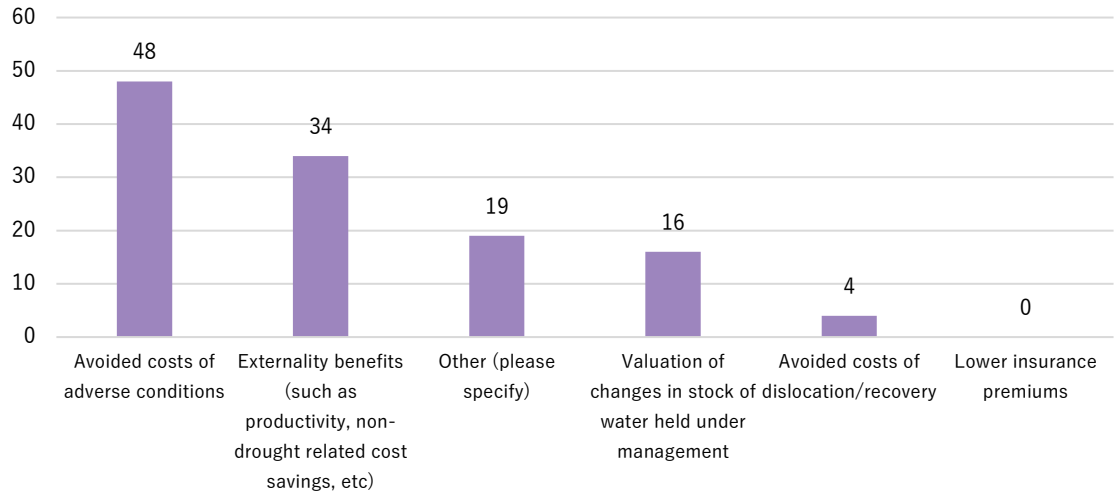
Source: ACIL Allen

Figure D.9 How has the funding helped improve your: (n=98)



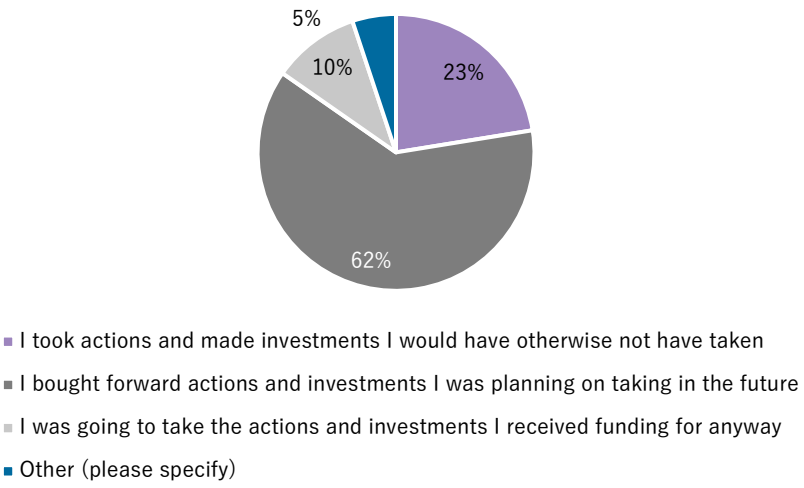
Source: ACIL Allen

Figure D.10 What has been the most significant benefit to your business from participating in the program? (n=94)



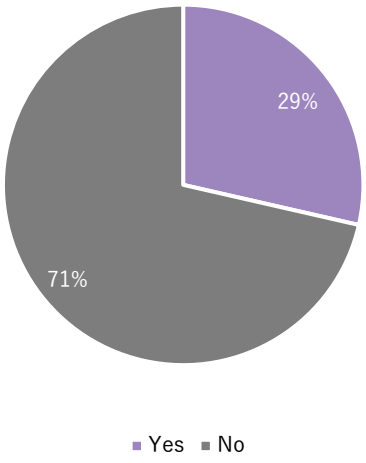
Source: ACIL Allen

Figure D.11 Which of the following statements best describes the role the program played in encouraging you to take action and / or invest in the resilience of your operation? (n=94)



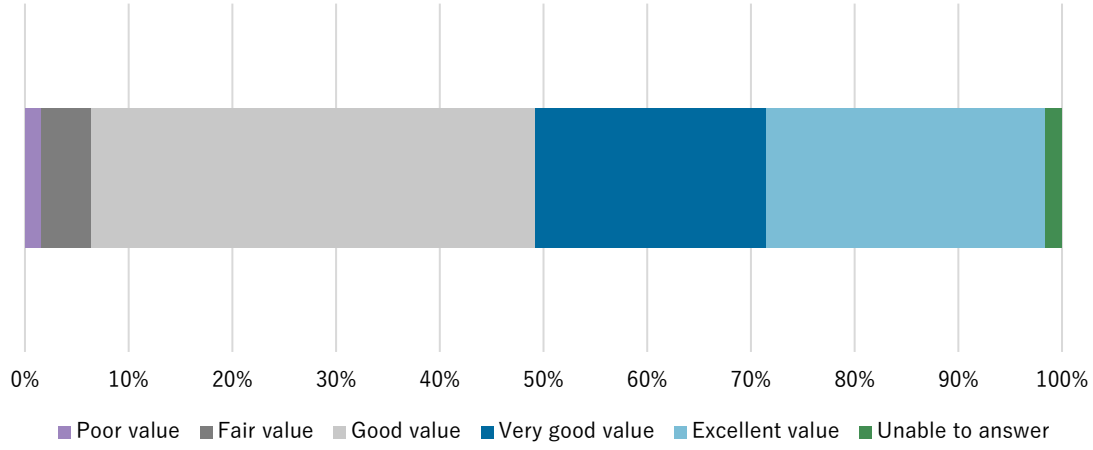
Source: ACIL Allen

Figure D.12 Have you experienced any challenges in implementing your funded activities? (n=98)



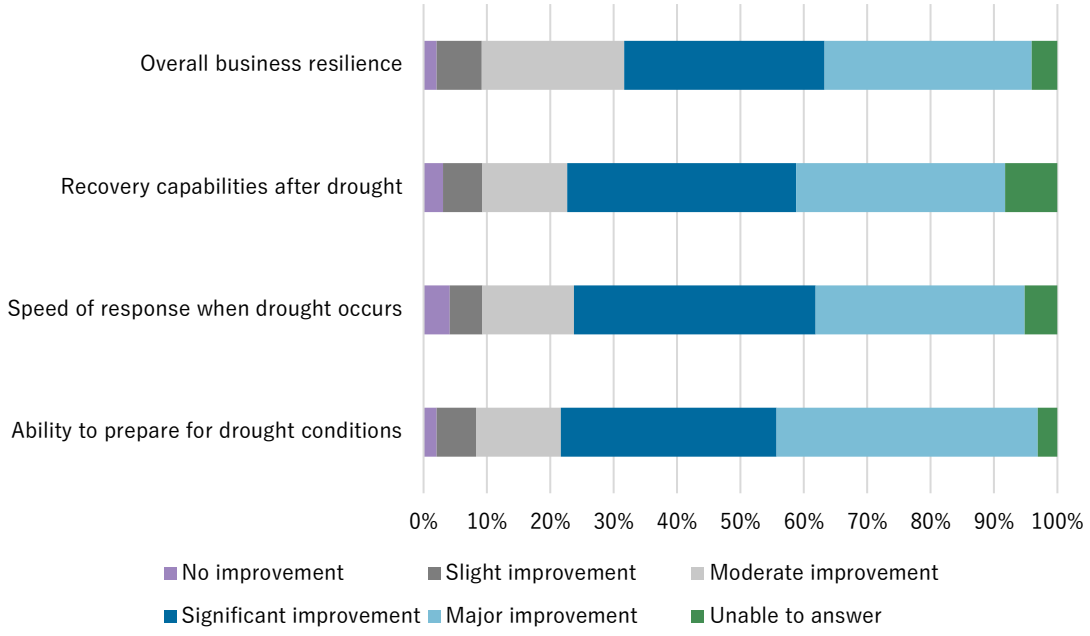
Source: ACIL Allen

Figure D.13 How would you rate the value for money of your funded activities? (n=98)



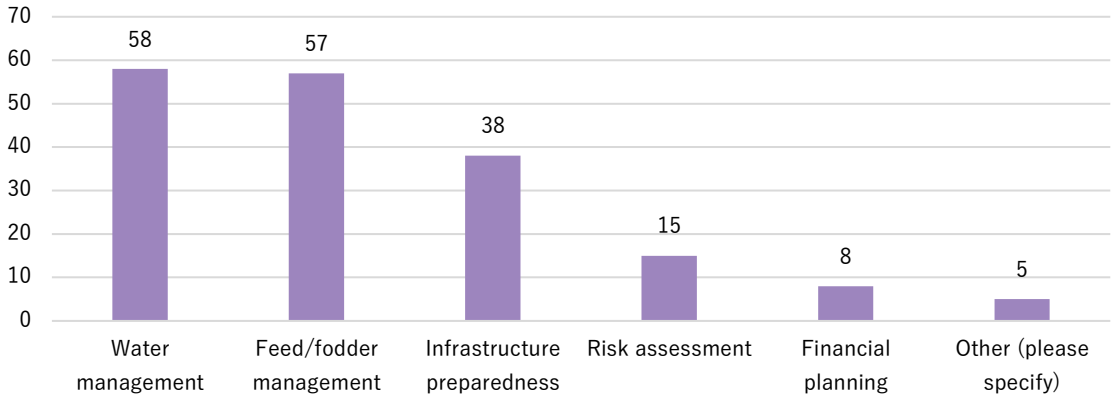
Source: ACIL Allen

Figure D.14 How has participating in the drought assistance program improved your:? (n=98)



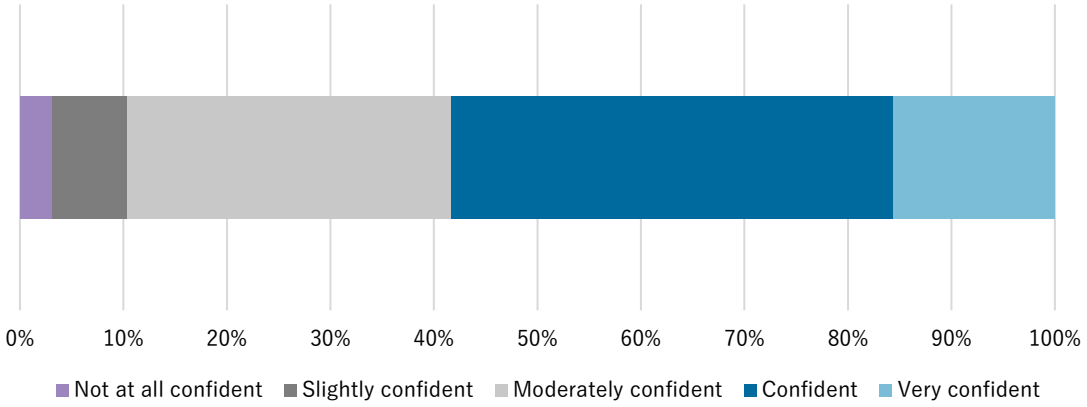
Source: ACIL Allen

Figure D.15 What specific drought management capabilities have most improved through your participation in the program? (n=96)



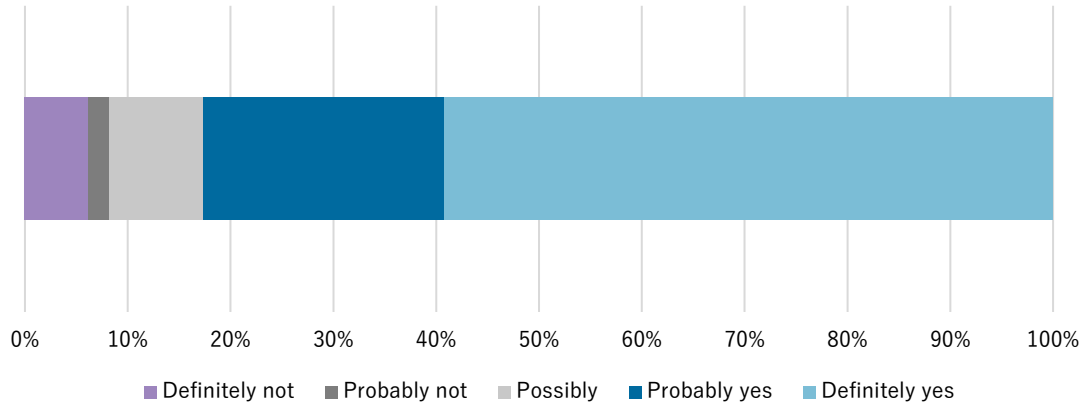
Source: ACIL Allen

Figure D.16 How confident are you in your ability to manage future drought conditions as a result of this program? (n=96)



Source: ACIL Allen

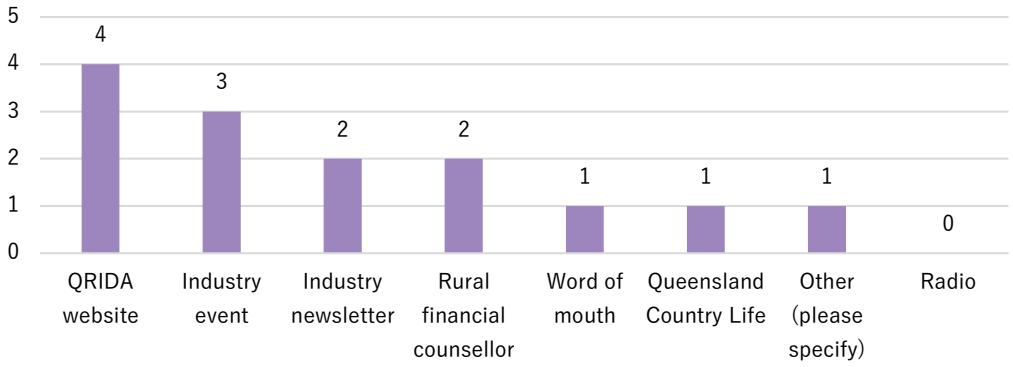
Figure D.17 How likely are you to recommend this program to other primary producers? (n=98)



Source: ACIL Allen

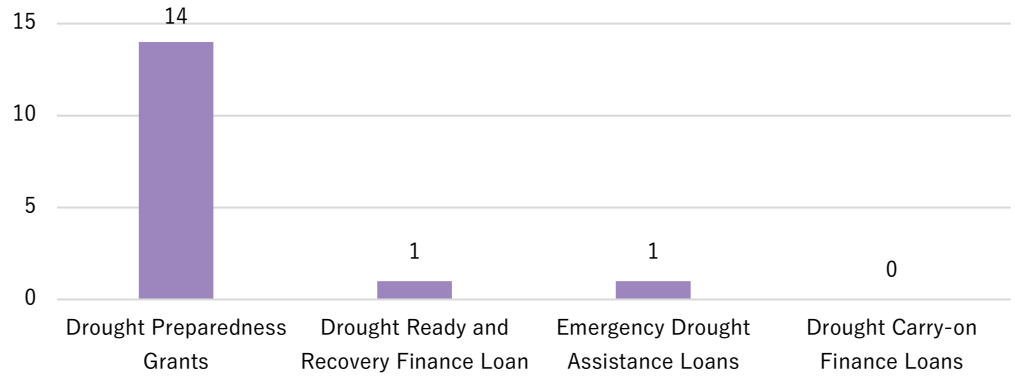
D.2 Unsuccessful applicants

Figure D.18 How did you first learn about the drought assistance program? (n=14)



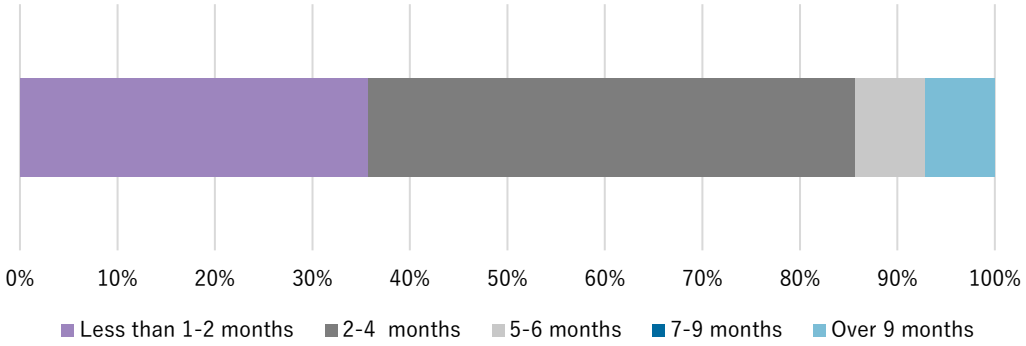
Source: ACIL Allen

Figure D.19 Which program(s) did you apply for?(n=14)



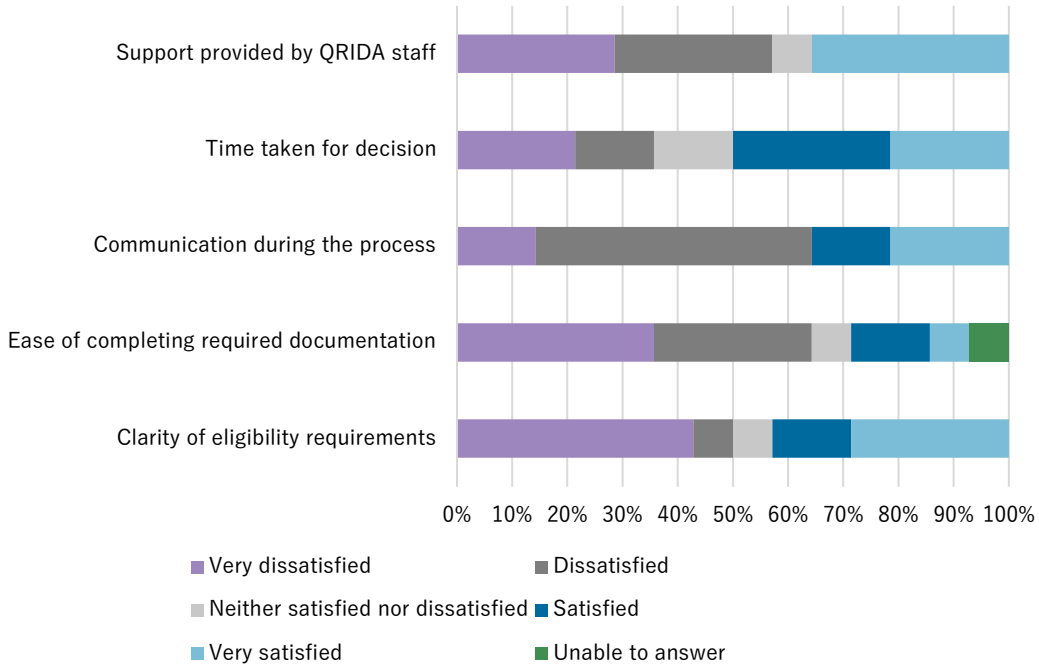
Source: ACIL Allen

Figure D.20 How long did it take from submission of your application to receiving a decision?(n=14)



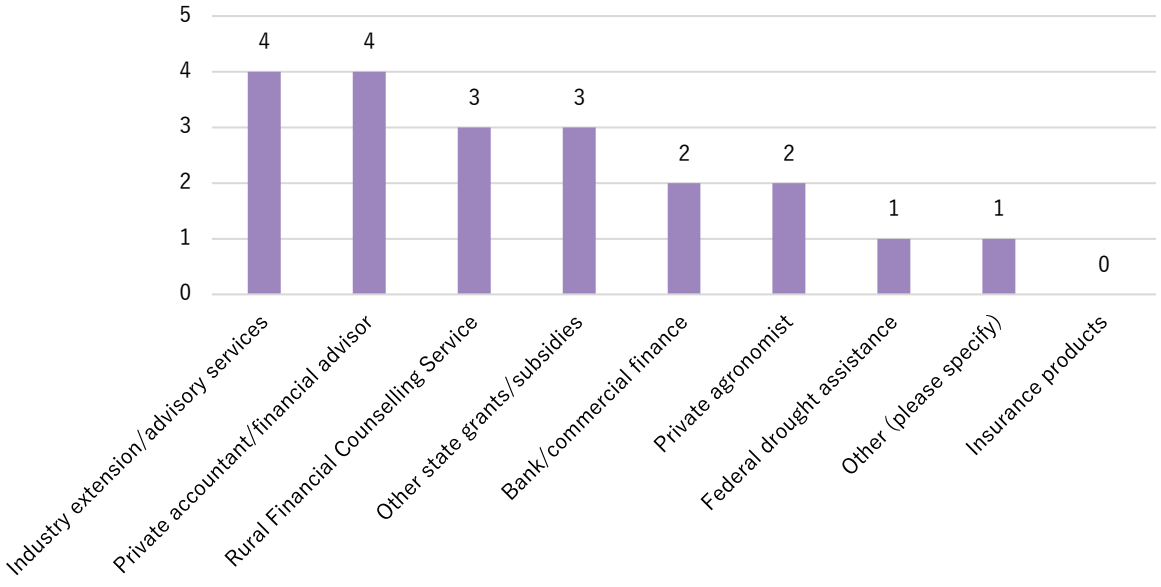
Source: ACIL Allen

Figure D.21 How satisfied were you with the following aspects of the application process: (n=14)



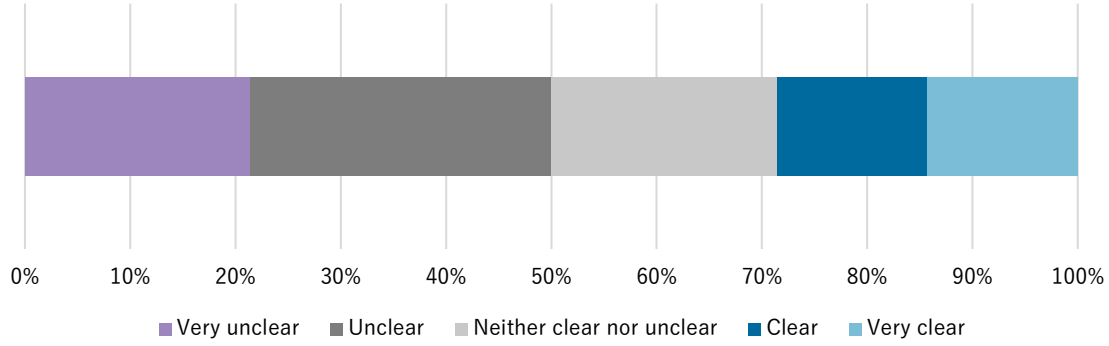
Source: ACIL Allen

Figure D.22 What other support have you accessed for drought and business resilience? (n=11)



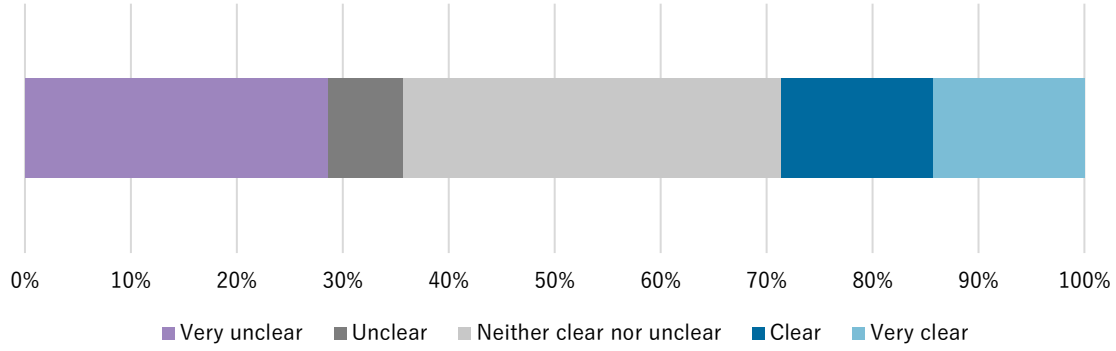
Source: ACIL Allen

Figure D.23 How clear were the reasons provided for your unsuccessful application? (n=14)



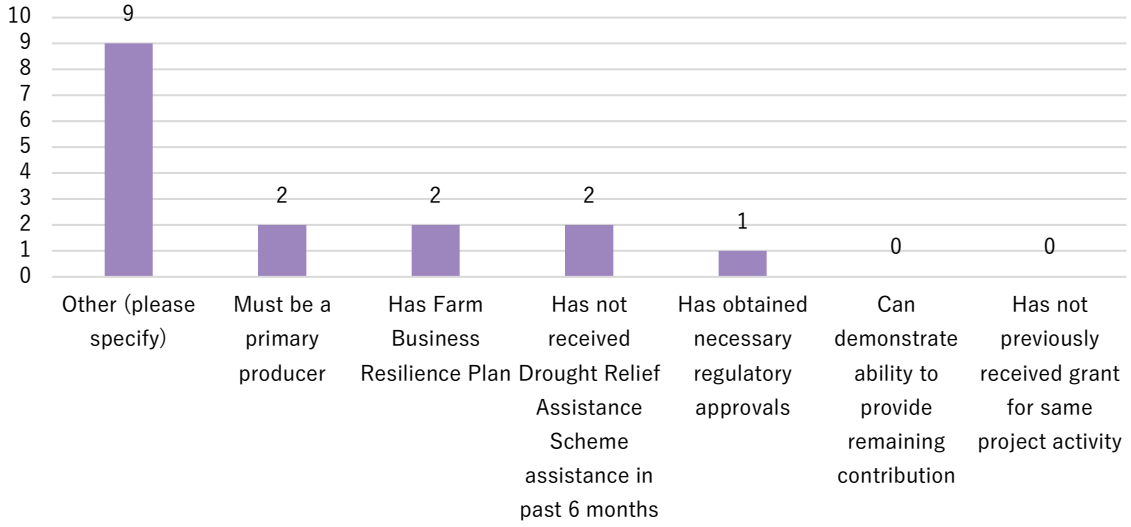
Source: ACIL Allen

Figure D.24 How clear were the eligibility requirements? (n=14)



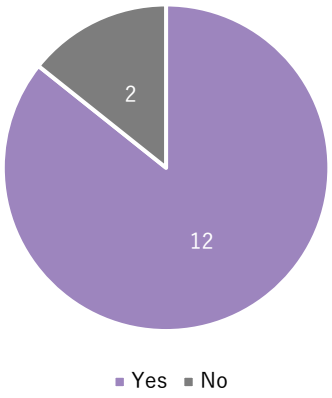
Source: ACIL Allen

Figure D.25 What specific eligibility criteria for the DPG were you unable to meet? (n=14)



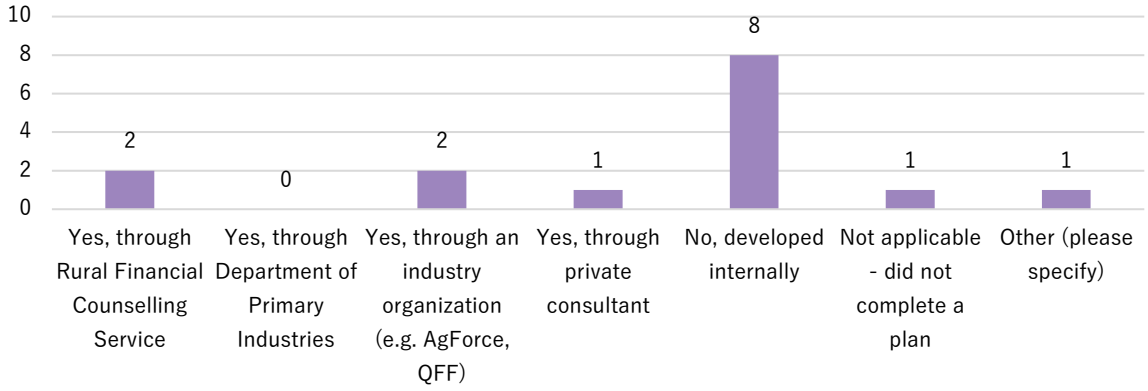
Source: ACIL Allen

Figure D.26 Did you complete a FBR Plan as part of your application? (n=14)



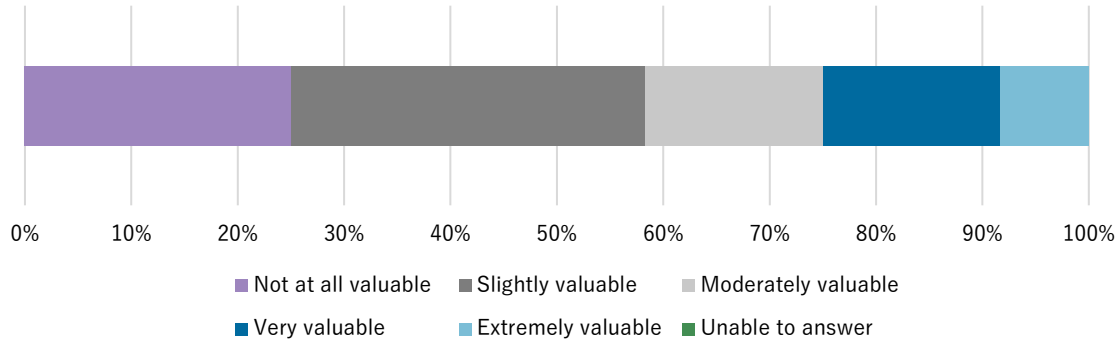
Source: ACIL Allen

Figure D.27 Did you receive assistance to develop your FBR Plan? (n=14)



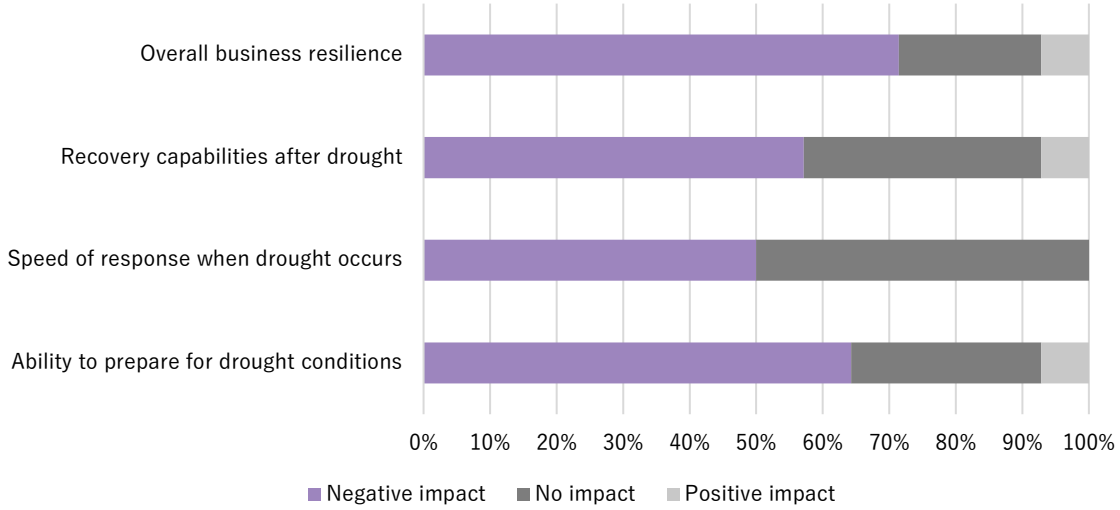
Source: ACIL Allen

Figure D.28 How valuable was the process of creating the plan, despite not receiving funding? (n=12)



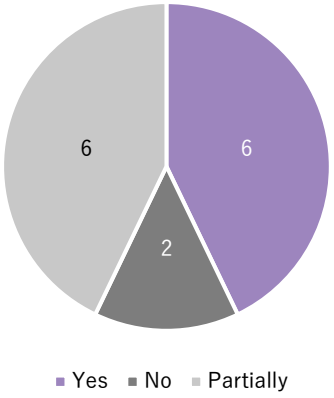
Source: ACIL Allen

Figure D.29 How has not receiving drought assistance affected your: (n=14)



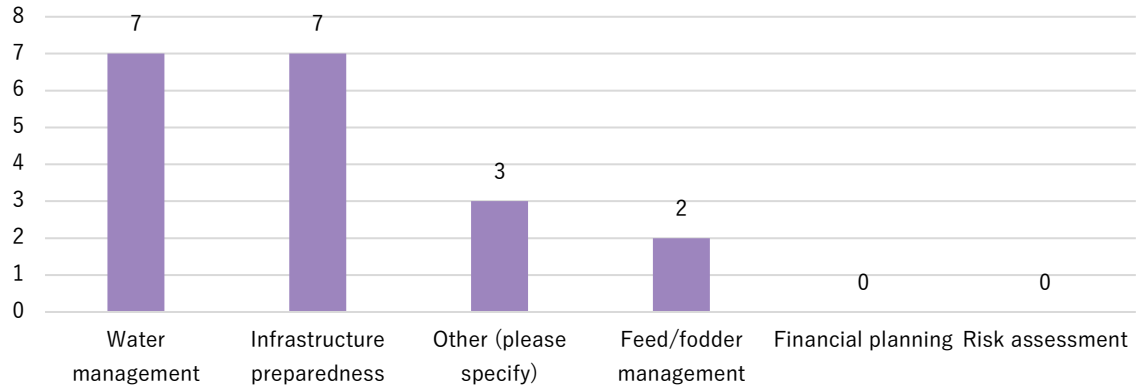
Source: ACIL Allen

Figure D.30 Have you been able to implement your planned activities through alternative means? (n=14)



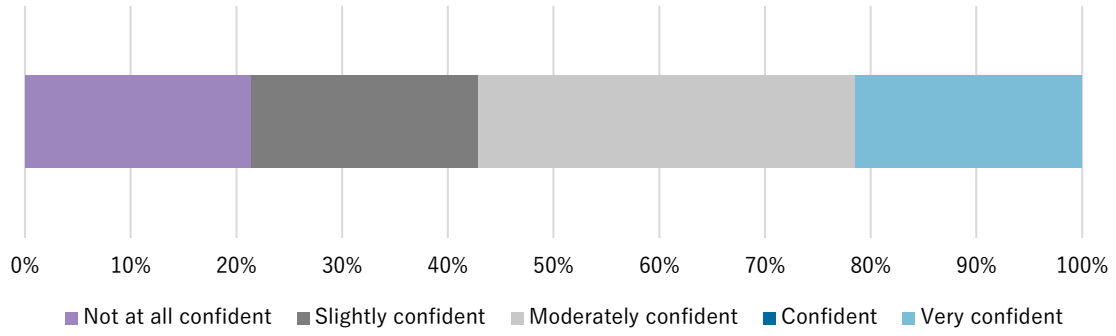
Source: ACIL Allen

Figure D.31 Which drought management capabilities have been most challenging to develop without program support? (n=13)



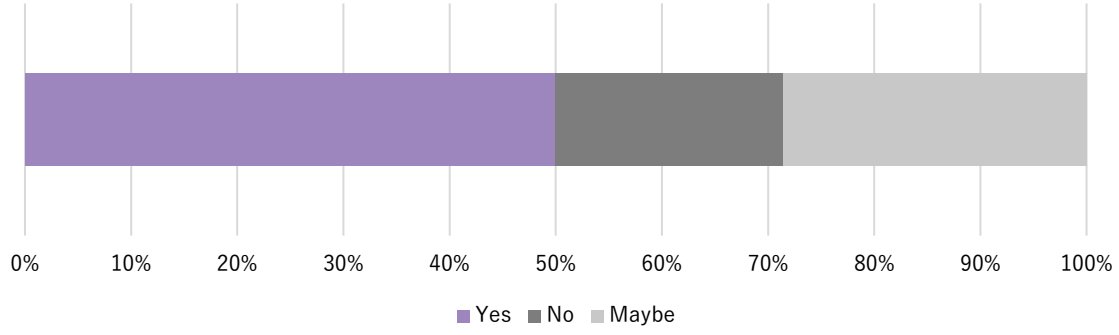
Source: ACIL Allen

Figure D.32 How confident are you in your ability to manage future drought conditions without this program support? (n=14)



Source: ACIL Allen

Figure D.33 Would you consider applying for drought assistance programs again in the future? (n=14)



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