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## Acronyms and abbreviations

DAF Department of Agriculture and Fisheries, Queensland Government

DNRME Department of Natural Resources, Mines and Energy

Drought Relief Assistance Scheme DRAS

DRECS Drought Relief from Electricity Charges Scheme

IGA Inter-governmental Agreement

LGA Local Government Area

**TMR** Department of Transport and Main Roads, Queensland Government

## **Foreword**

Since 2012-13, drought programs delivered by the Queensland Government have provided \$164 million in financial assistance to eligible farmers, landholders, individuals and communities. The focus and performance of the programs is mixed. While the programs are broadly achieving their stated objectives and carefully administered, the effectiveness and efficiency of the programs is relative weak and can result in a variety of undesirable outcomes in the longer term. Most programs focus on drought declared farms and individuals but by their nature exclude many primary producers experiencing drought conditions and do not encourage preparedness and resilience. Some are limited by the mechanism of support or have unclear or practically unenforceable eligibility criteria whereas others are broadly targeted and address wider concerns pressures on drought affected landholders. The programs and the drought declaration process are generally poorly aligned with the national drought principles.

## Clarity of objectives, effectiveness and efficiency assessments

This evaluation has found that while the drought government programs are overall carefully administered, their objectives could be better defined and are relatively weak in terms of effectiveness and efficiency (Table 1). DRAS programs align to their intended purpose but the outcomes they seek to achieve could be better achieved through other means. This reflected in their relatively poor alignment to national drought reform principles.

Queensland drought programs have a range of objectives including maintaining breeding herds and their welfare and enabling recovery post drought and providing financial assistance to farm businesses and households and improving the resilience of communities. The program delivery agencies administer the programs carefully to ensure administrative efficiency targets with the scope of each program are met.

However, the programs are not underpinned by a clear overarching drought response policy and as such represent an evolving suite of programs that seek to achieve a mix of outcomes through a wide variety of mechanisms. There is very little detailed analysis of how these programs affect day to day on farm decision making and how over time the programs can affect the incentives and behaviours of drought affected landholders. DAF have undertaken a number of internal audits and made changes to improve the targeting of DRAS and the integrity of the programs. This has been positive, however application-based transaction framed drought assistance inevitably becomes more and more prescriptive to be better targeted but also thereby become less enforceable and more administratively burdensome.

At the other end of the spectrum broad based programs such as land rent and water licence waivers and DRECs are by their nature less prescriptive and burdensome to administer – however they are less well targeted to need. Indeed, there often are not clearly identifiable program plans or systematic performance reviews of farm

level outcomes beyond relatively high-level administrative efficiency targets. In the case of DREC there is no compliance activity to assess eligibility.

Some transaction-based programs may affect incentives and behaviours in ways counter to drought preparedness and management. Others such as rent rebates and licence waivers are more simply a transfer of income with consequent equity considerations and do not impact on immediate decision making and are unlikely to distort resource use in the medium term.

The DRAS programs often continue on rolling basis and as such the program guidelines evolve over time. This appears to have led to changes in understanding about the purposes of the DRAS programs overtime by deliverers and recipients. While the program guidelines are clear on the objective the interpretation as the rationale of why the programs operate varies. This could be clarified by providing a higher-level drought strategy program logic across government under which each program could be logically linked and better aligned, and outcomes measured against.

Table 1: Summary assessment of program efficiency and effectiveness

Key evaluation areas	Clarity of objectives and measures	Effectiveness	Efficiency
DRAS –Fodder and Water transport subsidy			
DRAS – Returning stock and restocking transport subsidy			
DRAS – Emergency water infrastructure			
Drought relief from electricity charges (DRECS)			
Land rent rebates			
Water licence waivers			
Transport Related Drought Assistance Measures			
Community Assistance Package			
Living Away from home allowance Drought supplement			

## Supporting drought 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 (Table 2).

This is the case with most input and transaction-based programs focussed on farm businesses in drought. Such programs do not support preparedness and resilience with the exception of programs that can in some circumstances embed longer term capacity such as infrastructure and knowledge to respond better to future droughts.

In most cases, there is not a clear market failure, or a demonstrable net benefit of the program once other countervailing factors are considered. One possible exception is the permits issued under the Transport Related Drought Assistance Measures which allow for longer vehicles and greater hay-loading height. These permits may be delivering productivity benefits that outweigh costs.

Where there are private benefits gained from the program, an important policy question is why these were not pursued individually under other phases of a farm business cycle and if providing direct private benefits to some and not others encourages the right responses over the longer term.

Table 2: Summary assessment of alignment against National Drought Reform Principles

Key evaluation areas	Drought reform principles
Drought assistance programs	
DRAS –Fodder and Water transport subsidies	
DRAS – Returning stock and restocking transport subsidies	
DRAS – Emergency water infrastructure rebate	
Drought relief from electricity charges (DRECS)	
Land rent rebates	
Water licence waivers	
Transport Related Drought Assistance Measures	
Community Assistance Package	
Other programs	
Royal Flying Doctor Service Drought Well Being Service	
Tackling regional adversity through integrated care	
Farm business training	
Primary Industry productivity enhancement program (PIPES)	
Drought and climate adaption program (DCAP)	

## Assessment of drought declaration process

The drought declaration process is generally effective and efficient in delivering drought declarations.

The administrative methods that provide for independence and robustness of advice however can at times impact externally on transparency and, at times, perceptions of fairness and quality of skills.

The process underpins the delivery of geographically based drought programs. By declaring drought in a region or for an individual farm, the process frames the existence of drought there and provides a means to define drought affected farm businesses and enable reactive responses.

As a result, the process does not align with national drought reform principles.

## Evaluation framework for possible new programs

We develop a framework to assess possible new drought programs. The framework is underpinned by best practice policy design principles. The framework:

- enables an objective comparative assessment of alternative options
- enables the design of a portfolio of aligned and coherent policy responses
- provides clarity and transparency of the intended outcomes and outputs
- requires an assessment of market failures and why government should intervene

- requires an identification of likely benefits and costs and distributional impacts
- requires assessment of alignment with drought policy principles.

We provide a simple two-page standardised assessment template that captures these features and can enable a rapid objective comparison of future program options.

This framework would be supported by data from more systematic program evaluation and economic and scientific farm systems analysis.

# 1. Introduction

The terms of reference and the approach of this evaluation is provided in this section.

#### Terms of reference 1.1

This evaluation will be drawn on by the Expert Panel as it makes recommendations to the Government on options moving forward to address the recommendations of the Parliamentary Review. To assist the Expert Panel, our tasks were:

- · Task 1: determine the criteria and evidence for evaluating the efficiency and effectiveness of drought assistance and related programs and their alignment with the IGA on National Drought Program reform
- · Task 2: evaluate the efficiency and effectiveness, consistent with the IGA on National Drought Program reform, of current Palaszczuk Government drought assistance programs
- Task 3: provide a framework to evaluate the efficiency and effectiveness of current Queensland Government drought declaration and revocation processes
- · Task 4: provide a framework to evaluate the efficiency and effectiveness of possible new drought programs to encourage a culture of drought preparedness and resilience in Queensland's agricultural sector.

#### 1.2 Framework of analysis

Our framework of analysis has three core components:

- · an analysis of program objectives, outputs and outcomes
- · an assessment of the efficacy of the program
- an assessment of the alignment of the program against the drought reform criteria.

Each component is briefly introduced below.

## 1.2.1 Understanding the program

In this evaluation we frame the assessment of the program by considering the objectives outputs and outcomes of the program:

- · key objectives of each program
- · the key outcomes expected and achieved by the program
- · the intermediate outcomes and outputs from the program
- the theory of action how the program is expected to result in the outcomes and
- the key inputs used to deliver the outcomes and outputs.

## 1.2.2 Evaluation framework

The purpose of the evaluation is to examine the key questions contained in Figure 1.

## Figure 1: Evaluation framework Clarity of objectives and measures Is there are clearly specified program objective? **Objectives** Is there a clear program logic and theory of action and outcomes and outputs to be measured? Are there performance measures for the program with clearly specified targets? Process (design, implementation and delivery) Has the program delivered its activities and outputs in line with the plan for implementation? Were performance targets met? Did the program fund all of the people and organisations that could be expected under the stated program objective and ensured that only eligible people/organisations received funding? **Effectiveness** Impact on outcomes What was the impact of the program? Financial impact? Social impact? Distributional impact? Has the program met its target outcomes? Were there any unintended consequences? **Program administration** Was the program administered in the most efficient manner? **Efficiency** Efficient outcomes What impact did the program have on efficient outcomes in the market place (including downstream impacts)? **Reform principles** How does the program align with the Intergovernmental Agreement on National Drought Alignment with Program Reform – in particular, Attachment A Principles for Reform? **National** In-drought principles **Drought** How does the program align with the Intergovernmental Agreement on National Drought

## 1.2.3 Determining a framework to evaluate program efficacy

We identify the evidence required to assess the efficiency and effectiveness of the program to deliver against the program logic:

Program Reform – in particular, Attachment B Principles and Processes for In-Drought

- effectiveness did the program result in the outcomes and outputs that were expected?
- efficiency in this evaluation we consider efficiency from a partial and allocative efficiency perspective. The partial perspective will consider the administrative efficiency of the program. For example, did the program deliver on time and on budget, were the program costs low etc? Allocative consideration will consider the broader implication of program design. For example, were the benefits greater than the costs, what were the direct and indirect costs and benefits, how did the program affect incentives and behaviours, were there unintended consequences or spill-overs?

**Principles** 

## 1.2.4 Assessing drought reform criteria

The objectives of the National Drought Policy are to encourage primary producers and other sections of rural Australia to adopt self-reliant approaches to managing for climate variability, facilitate the maintenance and protection of Australia's agricultural and environmental resources base during periods of climatic stress, and facilitate the early recovery of agricultural and rural industries, consistent with long-term sustainable levels.

The Inter-governmental Agreement (IGA) on National Drought Program Reform between the Federal, state and territory governments outline arrangements for drought preparedness and in-drought assistance. Consistent with all other jurisdictions, this policy has been adopted by Queensland.

The principles reconfirmed by the Standing Council on Primary Industries are relevant for these assessments. For this evaluation and keeping the above parameters in mind, the Queensland Government has indicated that the following factors are to be used for the purposes of assessment of each program:

- · address the specific needs of farming families, farming businesses and farming communities
- · assist farming businesses plan and prepare for the future
- focus on the importance of maintaining and supporting the natural resource base
- · support farming communities to prepare for drought and enhance their long-term sustainability and resilience
- · occur where there is a clear role for government and deliver a net public benefit
- enable links with other measures or between service providers; and
- be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted.

The principles and objectives were again reconfirmed at the National Drought Summit on 26 October 2018.

#### 1.3 Developing a framework to assess new programs

We develop a framework to evaluate the efficiency and effectiveness of new programs. This framework is informed by insights learned from the evaluations of current programs as well as principles of sound evidencebased policy design.

The key steps in a new robust framework mirror key aspects of the evaluation approach, with the following characteristics:

- · aligns with key policies
- · incremental made up of discrete steps and multiple threshold decision making
- · evidence based requires evidence to support claims and justifications
- transparent is open and understandable; and
- underpinned by sound policy principles.

Key considerations we incorporate include:

- is there a clear program logic and theory of action and outcomes and outputs be measured?
- is there a threshold test to assess the alignment of the program with the IGA?
- is there a clear role for government? What is the underlying failure in market provision that the instrument is seeking to address? Are there more appropriate alternatives?
- is the program effective, efficient, equitable and appropriately administered?

- is the program aligned with other current programs and other government initiatives?
- does the program lever net benefits are the benefits and costs known, can they be measured or qualitatively assessed?
- · has a set of program performance indicators been identified?
- · will the program be periodically evaluated?

#### Program data and consultation 1.4

In some cases, empirical data to support an indicator assessment are limited. We have used principles and economic frameworks applied to farm business systems to assist our analysis. We have consulted with each program delivery agency and key stakeholders and incorporated their insights into the traffic light and supporting indicator assessment.

#### Structure and approach of this report 1.5

This report has been structured to align with the terms of reference. Remainder of the report is structured as follows:

- section 2 provides an overview of the drought programs and their implementation
- section 3 assesses the fodder and water transport subsidies
- section 4 assesses the returning livestock and restocking transport subsidies
- section 5 assesses the emergency water infrastructure rebate
- section 6 assess the drought relief for electricity charges
- section 7 assesses the community assistance package
- section 8 assesses the land rent rebate
- section 9 assesses the water licence waivers
- section 10 assesses the transport related assistance arrangements
- section 11 assesses the living away from home allowance drought supplement
- section 12 comments on other support drought programs
- section 13 assesses the drought declaration process
- section 14 considers approaches to assess future drought program.

# 2. Overview of drought programs and implementation

This evaluation focuses on the drought programs delivered by Queensland during the current drought which is generally recognised to have commenced in northwest Queensland in 2013.

#### 2.1 Context

The largest Queensland drought program, the Drought Relief Assistance Scheme (DRAS) has a long history. It was established in 1969 and is the Queensland Government's largest drought assistance program in terms of budget. The DRAS currently includes:

- · assistance for transport of fodder and water
- · emergency water infrastructure rebate
- · assistance for drought charities
- assistance for the Commonwealth Rural Financial Counselling Service.

Other drought assistance provided by the Queensland Government includes:

- land rent rebates and water licence waivers
- · electricity charges relief for water supply
- · transport concessions
- · the Community Assistance Package
- · mental health programs
- · the Queensland Feral Pest Initiative, and
- · funding for additional rural financial counsellors
- living away from home allowance drought supplement.

The Queensland Government also provides a range of assistance to the agriculture sector that provides scope to improve responses and resilience to drought. While these will not be assessed in this review they will be discussed as linking to broader drought program outcomes.

#### 2.2 Departmental responsibilities for drought programs

The following programs are evaluated in this study and the responsible delivery agency is identified:

- fodder and water transport subsidies Department of Agriculture and Fisheries
- restocking and returning stock transport subsidies Department of Agriculture and Fisheries
- emergency water infrastructure rebate Department of Agriculture and Fisheries

- drought rebate for electricity charges Department of Natural Resources Mines and Energy and Ergon Energy
- · community assistance package Department of Communities Disability Services and Seniors
- land rent rebates Department of Natural Resources Mines and Energy
- water licence waivers Department of Natural Resources Mines and Energy
- transport related assistance Department of Transport and Main Roads
- living away from home allowance drought supplement Department of Education.

#### 2.3 Objectives of the drought programs

The objectives of the drought programs vary according to individual programs. The programs can be broadly grouped under the following objectives:

- · animal welfare DRAS and some of the transport related drought assistance measures
- maintenance of breeding stock<sup>1</sup> DRAS and some of the transport related drought assistance measures
- reducing farm business financial burden land rent subsidies, water licence waivers, drought relief from electricity charges and some of the transport related drought assistance measures
- reducing farm household financial burden living away from home allowance drought supplement and community drought support
- community and personal welfare community drought assistance package.

## A higher goal?

Individual programs set out program objectives usually at a program level such that the program objective is closely aligned to program deliverables and direct or immediate outputs and first round program outcomes – such as maintaining breeding herds. However, in our conversations, some stakeholders placed DRAS programs and indeed other Queensland drought programs into a wider strategic context such that the 'true' or 'real' objective or goal of the programs is enabling the development of productive and profitable farm enterprises which enable jobs and regional growth.

We have reviewed the DAF Queensland's Strategic Plan for 2017-2021 to assess these propositions. We note:

- DAFs vision statement is: Productive and profitable agriculture, fisheries and forestry sector
- · DAFs purpose statement is: Promote a sustainable and innovative agriculture, fisheries and forestry sector and rural business which adds value to the economy and community.

Under these statements DAF has three defined objectives

- 1. Create the conditions for successful agribusinesses and supply chains which encourage innovation and productivity
- 2. Assist people in agriculture, fisheries, forestry and rural businesses to respond to challenges and protect environmental values
- 3. Ensure the sustainable management of natural resources to underpin productivity and protect the environment.

The Strategic Plan does not identify the delivery of drought assistance under the three objectives. However, there is a connection to drought programs under Objective 3 via its intermediate objective: 'Increase the

<sup>1</sup> We note that the objectives of the program are often refer to either of these two objectives and there is at times ambiguity as to which objective is being pursued. We discuss this further in section xx

capacity of agribusinesses to respond to production risks and adapt to changes in climate'. This is a reflection of policy, but government has not changed the nature of its long running programs.

As result, in our assessment of the drought programs we consider them within the stated objectives of the programs as provided in program information. We note in this report that there are opportunities to provide more direction to the delivery and refinement of drought programs by developing an overarching drought strategy that aligns to the DAF Strategic Plan and Queensland Government objectives.

#### 2.4 Drought program expenditures

The Queensland government has spent \$163.79 million on drought assistance programs since the commencement of the current drought in 2012-13.

The expenditure has been delivered through subsidies, rebates and grants to eligible landholders and communities in drought declared areas and for individually declared drought properties. As such, drought program expenditures represent a net transfer of income from the community to eligible businesses and individuals.

## 2.4.1 Composition of expenditure

This data excluded the SEQ DRECs data, as it was unavailable. However, the funds were negligible reflecting the limited number of drought declaration and are not expected to influence the outcomes.

The composition of the expenditures by program are summarised in Figure 2 and Table 3. Major areas of expenditure have been the DRAS programs (particularly EWIR) and the DRECs programs. DRAS programs alone accounted for just over 55 per cent of total drought program expenditure. The expenditure on the transport subsidies to support the restocking of affected properties once drought revocations have been declared have been relatively minor (\$3.87 million) reflecting the stage of the drought across the State and the relatively small number of revocations.



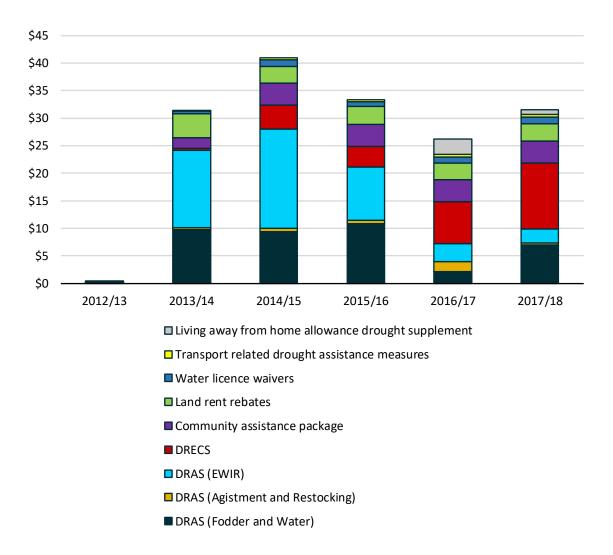


Table 3: Drought funding for each program (2012/13 to 2017/18) (\$million)

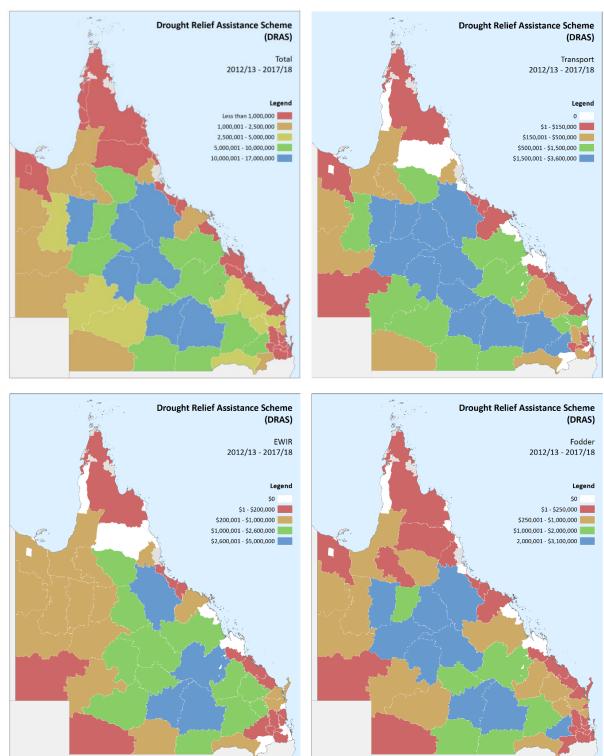
Program area	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total
DRAS (Fodder and Water)	\$0.02	\$9.74	\$9.45	\$10.84	\$2.14	\$6.94	\$39.13
DRAS (Agistment and Restocking)	\$0.01	\$0.36	\$0.57	\$0.62	\$1.87	\$0.45	\$3.87
DRAS (EWIR)	\$0.01	\$14.07	\$18.04	\$9.69	\$3.21	\$2.45	\$47.47
DRECS	\$0.00	\$0.40	\$4.30	\$3.70	\$7.60	\$12.00	\$28.00
Community assistance package	\$0.00	\$1.93	\$4.01	\$4.00	\$4.00	\$4.00	\$17.94
Land rent rebates	\$0.00	\$4.27	\$3.07	\$3.24	\$3.05	\$3.17	\$16.80
Water licence waivers	\$0.29	\$0.53	\$1.12	\$0.93	\$1.10	\$1.15	\$5.11

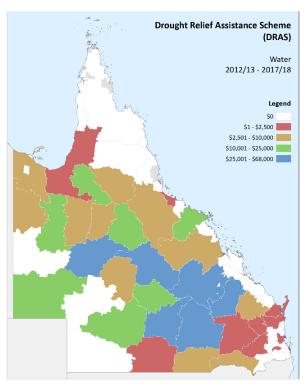
Program area	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total
Transport related drought assistance measures	\$0.00	\$0.08	\$0.38	\$0.34	\$0.43	\$0.49	\$1.72
Living away from home allowance drought supplement	\$0.00	\$0.00	\$0.00	\$0.00	\$2.83	\$0.91	\$3.74
Total	\$0.33	\$31.37	\$40.95	\$33.35	\$26.22	\$31.56	\$163.79

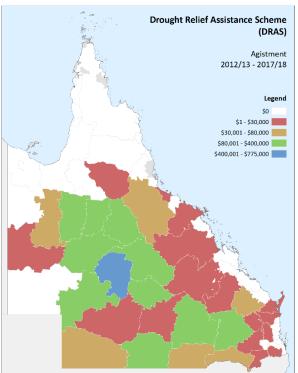
## 2.4.2 Expenditure by local government area

The intensity of expenditure across different parts of Queensland varies by each subsidy type. This is illustrated in Figure 3 and Figure 4.

Figure 3: Expenditure by LGA – DRAS program







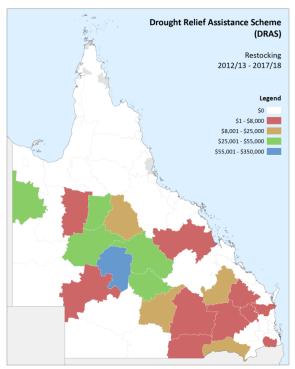
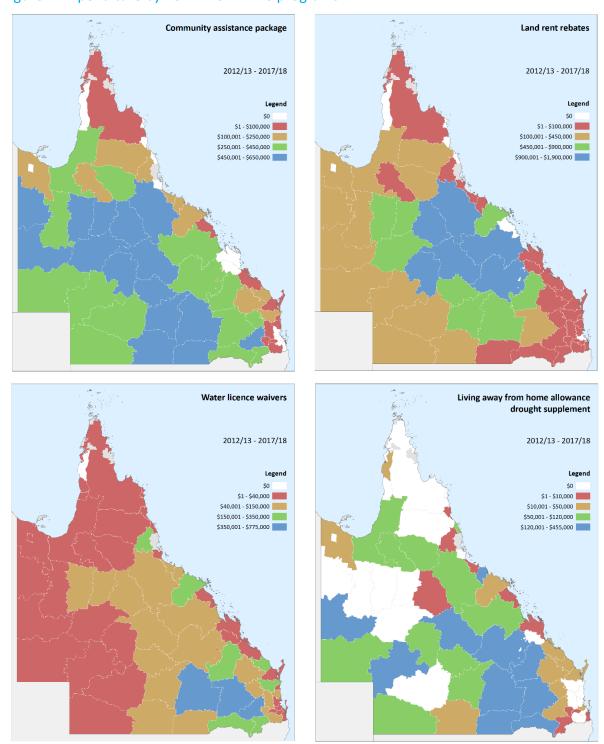
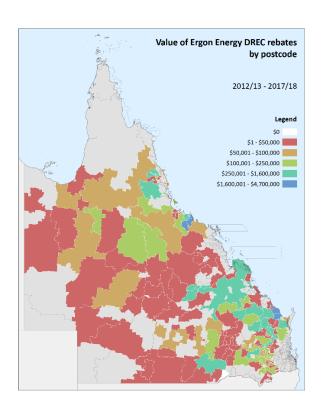


Figure 4: Expenditure by LGA – Non-DRAS programs





Uptake - all subsidies (%) 2012/13 - 2017/18 Legend Not eligible 1% - 20% 21% - 40% 41% - 60% 61% - 78%

Figure 5: Uptake of all DRAS subsidies

Note: This map refers to uptake of all DRAS programs, regardless of the type of subsidy, this map looks at the uptake across all programmes by region.

Due to data availability, the impact per subsidy recipient has been examined with reference to all DRAS programs combined (fodder, water, agistment and restocking). This provides insights for DRAS the fodder and water programs as they make up the larger majority of total DRAS expenditure.

#### 2.5 Drought phases and other factors

This review of the drought programs is considered within the context of drought being a normal part of the climate cycle. We do not assess the length or probability of occurrence of the cycle across droughts.

There are a wide range of other factors influencing the impact of drought and also affecting family farm business and community outcomes. Broader structural adjustment factors influencing outcomes are not considered within the scope of this report. These include factors such as changing:

- general farm business profitability
- · relative returns from individual farming enterprises
- · asset values
- levels of farm indebtedness
- · socio economic and demographic factors such as the age of farmer and the size and composition farm households
- · farm business structures
- · climate change.

The effect these factors can be both positive and negative depending on the context individual farm businesses and households

There are an array of other farm business, household and community programs across both the Queensland and Australian governments in place to address issues associated with structural adjustment and individual circumstances and these are outside the scope of this evaluation.

# 3. Fodder and water freight subsidies

#### Key points and overall assessment 3.1

The program has delivered fodder and water transport subsidies for eligible primary producers. The program:

- has delivered over \$40.8 million to eligible landholders since 2012-13 and has provided financial support to eligible farm businesses who experience increased supplementary feeding costs, and this can have positive financial outcomes for the affected businesses and farm households given the close connection of some farm businesses to household income — these factors appear to be major drivers of its continued operation despite its misalignment with national drought policy principles
- seeks to deliver a range of outcomes, including the maintenance of the core breeding herd of extensive livestock enterprises with the intention of aiding the recovery from drought
- · objective is not well defined and is open to interpretation and is not set within an overarching and clear drought policy
- · 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
- is focussed on the grazing systems and this does not offer assistance to a range of other livestock producers that can be experiencing the effects of drought induced effects on input markets such as higher feed prices and transport prices, and intensive livestock and cropping
- · has also excluded support to non-livestock primary producers
- has been delivered within program performance targets
- · is transaction based and does not align to the IGA principles and can create a range of unintended consequences
- does not appear to meet market failure and net benefit tests.

## Table 4: Summary of evaluation

Key evaluation areas	Overall assessment
Clarity of objectives and measures	
Effectiveness	
Process (design, implementation and delivery)	
Impact on outcomes	
Efficiency	
Program administration	
Efficient outcomes	
Alignment with National Drought Principles	

#### 3.2 Scope of program

Fodder transport subsidies have been a major component of drought assistance in Queensland for many decades. Water transport is very small component of the program. Over time, the programs have evolved but the central intent of the program is to support the maintenance of the Queensland core breeding stock with a view to enabling subsequent recovery.

Detailed guidelines are available on the DAF website. Landholders in drought declared local government areas and those with individual drought declared properties are eligible for the subsidies provided they meet a range of specific criteria designed to restrict access to the subsidy to landholders who among others:

- · receive the majority of their income from livestock enterprises
- · are extensive pasture-based enterprises that do not intensively feed stock
- · feed to cattle permanently residing on the property
- · have not introduced livestock while drought declared
- have stocking rates within expected regional norms.

The subsidies are designed to contribute up to 50 per cent of the cost of transporting the fodder or water. There are range of criteria that focus the subsidy toward ensuring the costs are paid on transporting the inputs from the most cost-effective source.

Landholders can claim up to \$20,000 per annum collectively on DRAS programs and as such can claim up to this amount on an individual program if no other programs are accessed. This can rise to \$30,000 and \$50,000 in subsequent years if the landholder has prepared a drought management plan for the affected property.

#### **Funding** 3.3

Total expenditure this drought on fodder and water transport subsidies was \$39.13 million (Table 5). Fodder transport subsidies accounted for the overwhelming majority of program expenditure with most of this provided between 2013/14 and 2015/16.

Table 5: Funding (\$million)

Year	Fodder	Water	Fodder and water
2012/13	0.0	0.0	0.0
2013/14	9.5	0.2	9.7
2014/15	9.3	0.2	9.5
2015/16	10.8	0.0	10.8
2016/17	2.1	0.0	2.1
2017/18	6.9	0.0	6.9
Total	38.7	0.4	39.1

#### 3.4 Objectives and programs logics

The goal of the program is maintaining breeding herds during a drought declaration and enabling the primary producer to more quickly recover after the revocation of the drought declaration.

## 3.4.1 Fodder transport subsidy program logic

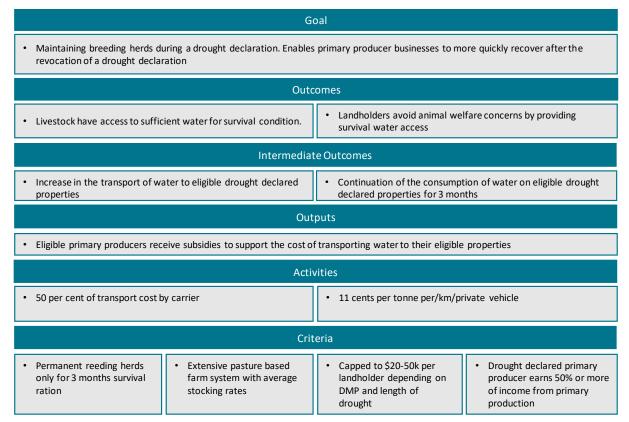
The fodder and water transport subsidies program logics, prepared by Marsden Jacob and based on our understanding of the program, are summarised in Table 6 and Table 7.

The subsidy is available to drought declared PICs to reduce the cost of purchase of an equivalent of up to 3 months purchased feed and water to maintain the survival of the affected herd. The subsidy is part of the wider DRAS program and enables affected landholders to receive a total of between \$20,000 and \$50,000 combined across the programs annually depending on eligibility criteria.

Table 6: Fodder transport subsidy program logic

Goal							
Maintaining core breeding herds during a drought declaration. Enables primary producer businesses to more quickly recover after the revocation of a drought declaration							
	Outo	comes					
Livestock have access to suffice	ient feed for survival condition	Landholders avoid animal we survival feeding regimes	lfare concerns by providing				
	Intermedia	te Outcomes					
Increase in the transport of fo properties	Increase in the transport of fodder to eligible drought declared properties     Continuation of the consumption of fodder on eligible drought declared properties for 3 months						
	Out	puts					
Eligible primary producers rec	eive subsidies to support the cost of	ftransporting fodder to their eligible	e property				
	Instru	uments					
50 per cent of transport cost or 20 cents/km	11 cents per tonne per km per private vehicle	50 per cent of the loaded portion of rail transport cost	50 per cent of the loaded shipping cost				
Criteria							
Usually permanent breeding herds only for 3 months survival ration	Extensive pasture based farming system with average stocking rates	Capped to \$20-50k per landholder depending on DMP and length of drought	Drought declared primary producer earns 50% or more of income from primary production				

Table 7: Water transport subsidy program logic



#### 3.5 Clarity of Objectives

The clarity of objectives and measures of the program are generally weak (Table 8).

The program has a relatively straight forward objective. However, in order to focus the program outcomes there is an array of eligibility criteria. Our conversations indicate there is likely to be mixed performance in applying the criteria. This is due to the evolution of the program over time and the scope for the interpretation of the guidelines.

Table 8: Clarity of objectives and measures

Key evaluation areas and questions	Assessment	Supporting justification
Clarity of objectives and measures		
Is there a clearly specified program objective?		The objective of the program is twofold: to maintain herds; and enable rapid recovery. Multiple objectives can lead to mixed responses.
Is there a clear program logic and theory of action and outcomes and outputs to be measured?		The program logic (as prepared by Marsden Jacob) is set out above. The logic clarity is impeded by multiple objectives/outcomes. Program outputs are measured whereas outcomes are not measured. Activities and criteria are clear.
Are there performance measures for the program with clearly specified targets?		The program is part of the suite of DRAS programs that are subject to the two key performance measures that applications are processed within 21 days and the administration costs are under 10 per cent of total program costs. Implementation of the eligibility criteria to applications determines who receives rebate and, in some cases, it is not possible or feasible to robustly assess eligibility.

#### **Effectiveness** 3.6

The effectiveness of the programs has been mixed. While the first-round direct outcomes align with the program logic, there are nonetheless likely to be a range of unintended consequences that are undesirable (Table 9).

Table 9: Effectiveness

Key evaluation areas and questions	Assessment	Supporting justification	
Process (design, implementation and delivery)			
Has the program delivered its activities and outputs in line with the plan for implementation?		Yes – the program has been administered in accordance with the program guidelines. However, some eligibility criteria cannot be practically assessed or enforced.	
Were performance targets met?		Yes – the program is part of the suite of DRAS programs that are subject to the two key performance measures that applications are processed within 21 days and the administration costs are under 10 per cent of total program costs. DAF data indicates these targets have been met across the DRAS programs.	
Did the program fund all of the people and organisations that could be expected under the stated program objective and ensured that only eligible people/organisations received funding?		Yes – but there is limited uptake of the program. DAF estimates that less than 20 per cent of eligible Property Identification Codes (PICs) applied for the subsidies. There are likely to be a mix of reasons why this occurs including: drought management decisions, transport of fodder may not be relevant / other responses/practices more important, preferring to manage through self-reliance; a range of private values such as pride; and a preference to avoid handouts.	
Impact on outcomes			
What was the impact of the program?			
Financial impact?		The direct financial impact in the short run is the value of the subsidies received by landholders. The longer-term financial impact is likely to be mixed depending on the effect of the subsidy on-farm.	
Social impact?		While the subsidy has positive direct impacts for affected landholders that can in turn lead to positive social outcomes for the landholder and local community, there are nonetheless likely to be offsetting impacts on landholders (due to price effects on feed and transport markets) not receiving the subsidy including landholders with operating cropping enterprises, intensive feeding regimes and those experiencing dry conditions but not drought declared.	
Distributional impact?		See above.	
Has the program met its target outcomes?		The program has been administered in accordance with the program guidelines. However, it is difficult to verify the strict adherence to the program guidelines. The program relies on self-declaration of eligibility and there is not sufficient data and resources to robustly test compliance and outcomes.	
Were there any unintended consequences?		Yes – over time the subsidies are likely to impact on landholder decision making. The subsidies, while on average relatively small per landholder, can create incentives to be less prepared and resilient to drought.	

## 3.6.1 Delivery of outcomes and outputs

General observations on the outcomes and outputs of the program are:

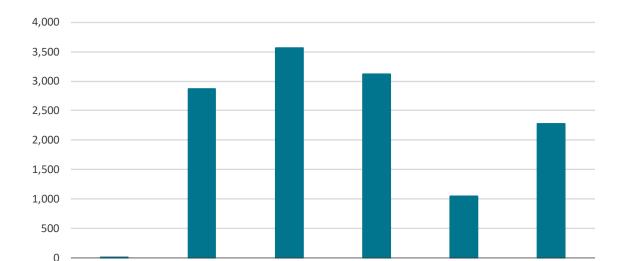
• the average annual value of the subsidy to individual landholders is relatively modest (around \$5,000 per annum) compared to other programs. However, this can mask a wide range individual level of subsidy received by some landholders — with a small number receiving up to \$50,000 per annum.

- · higher levels of uptake are associated with more intensive stocking systems such as dairy, sequence and length of drought and individual preparedness and management strategies.
- · uptake of the water transport subsidy has been relatively rare compared to fodder transport and this reflects that water carting in of itself is relatively rare because of the cost and viability of the practice in the short to medium term and that the EWIR is more preferred by landholders
- · there are substantive issues with the program objective and its enforceability
- the program is focussed on maintaining the core breeding herd but this is not defined
- under extended periods of drought, it is likely that herds will be supplemented with new stock, but this is difficult evidence and enforce.

## 3.6.2 Impact of program

The fodder transport subsidy program experienced significant uptake from 2013 to 2018, although there was a drop-off in 2016/17 (Figure 6). In contrast, the water transport subsidy program experienced its largest uptake in 2013/14 and then fell significantly in subsequent years (Figure 7).

In terms of regional distribution, uptake of the program is highest in the inland farming regions of Queensland.



2014/15

2015/16

2016/17

Figure 6: Uptake of fodder transport subsidy (number of properties per year)

2013/14

2012/13

2017/18

250 200 150 100 50 0 2012/13 2013/14 2014/15 2015/16 2016/17 2017/18

Figure 7: Uptake of water transport subsidy (number of properties per year)

In terms of total DRAS subsidy payments, most recipients received less than \$10,000 and a small number received much larger than this (Figure 8). Additionally, most properties only receive benefits for 1 or 2 years, the total value of benefits received is the greatest where properties receive benefits for 4 of the 6 year period (Figure 9).

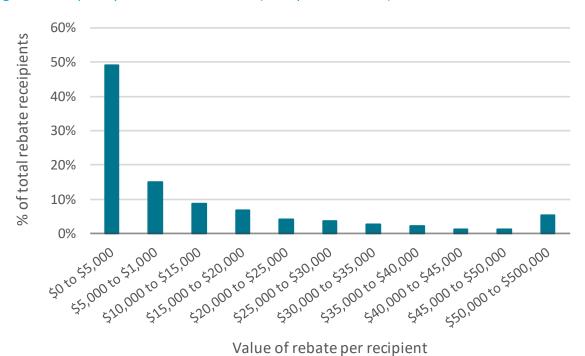


Figure 8: Frequency distribution of DRAS (transport subsidies)

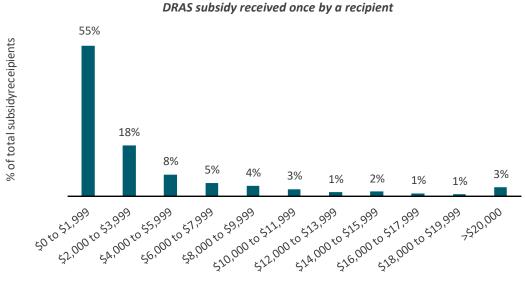
2,000 1,542, \$5,962,184 1,500 719, \$8,185,849 **Number of properties** 1,000 474, \$9,397,790 356, \$11,282,282 500 169, \$7,230,132 3, \$255,064 0

Figure 9: Benefit time length and value of subsidies

Note: Vertical axis is number of properties and horizontal axis is the number of years for which a subsidy is received by the same property. The size of each circle reflects the total value of the subsidies provided. The data labels reflect the number of properties and the total value of the subsidies provided.

Number of years

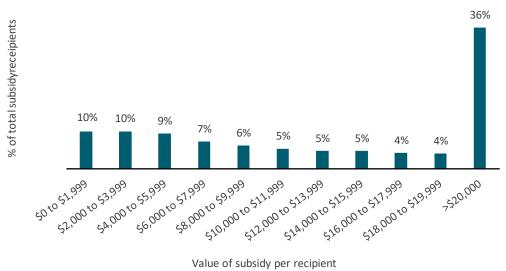




Value of subsidy per recipient

-500

## DRAS subsidy received more than once by a recipient



Value of subsidy per recipient

### 3.7 Efficiency

While the fodder and water transport subsidies programs appear to have been administered efficiently, the programs nonetheless have a range of inefficient outcomes for the farming sector (Table 10).

Table 10: Efficiency

Key evaluation areas and questions	Assessment	Supporting justification
Program administration		
Was the program administered in the most efficient manner?		Yes – the program appears to have been efficiently administered and was delivered within DAF performance targets.
Efficient outcomes		
What impact did the program have on efficient outcomes in the		The program has the effect of increasing the demand for water and fodder and transport services, other things equal.
marketplace (including downstream impacts)?		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 such as piggeries, poultry farms, feedlots and dairies where they increase feeding costs to these businesses. It could also negatively affect the self-reliance incentives of landholders that have not applied for the subsidy such as those managing properties in ways to avoid emergency feeding and watering requirements and those experiencing dry conditions but that are not drought declared.

### Alignment with National Drought Principles 3.8

The programs do not align well with the national drought principle (Table 11).

Table 11: Alignment with National drought principles

National Drought Principles	Assessment	Supporting justification
Overall assessment against principles		
Address the specific needs of farming families, farming businesses and farming communities		Feed and water transport subsidies can be a useful program for individual landholders seeking to secure emergency feed and water supplies to affected livestock. 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.
Assist farming businesses plar and prepare for the future		The program does not support landholders to plan and prepare for the future. The program is reactive and addresses short term (3-month window) emergency fodder and water needs. The program is likely to discourage future preparedness in some landholders who, on the basis of past provision, build an expectation the program will be similarly available in the future. Indeed, program data indicate there is a tendency for some landholders to seek repeat subsidies within years and across years that the program is available. However, where the program enables landholders to retain breeding stock, this may in some circumstances enable more rapid recovery of the farm business once a drought declaration is revoked. Nonetheless, the continuance of stocking in drought circumstances is a risky strategy and may ultimately undermine the longer-term sustainability of the business.
Focus on the importance of maintaining and supporting 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.
Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		The program does not support farming communities per se. The program is farm business based and not directed at community outcomes. There is unlikely to be any immediate direct benefit to local communities from the value of the subsidy as most of the sourced inputs being subsidised are imported external to the LGA. However, there may be short term positive household income effects as business expenses are subsidised. Given the program focuses on short term animal welfare, the program has limited effects on encouraging long term sustainability or resilience.
5. Occur where there is a clear role for government and deliver a net public benefit		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. Arguably, there may be information gaps for some landholders to make informed investment and farm management decision – however these are focus of other programs such as DCAPS.  Individual subsidies may result in large private benefits, but it is not clear that there are substantive public benefits from the program. The program can negatively influence the incentives for self-reliance – encouraging landholders to maintain a risky strategy of holding on to livestock for long droughts on a survival diet.

Na	tional Drought Principles	Assessment	Supporting justification
6.	Enable links with other measures or between service providers		The programs are linked to EWIR and the declaration process and the CAP across DRAS programs but are do not linked to other drought programs
7.	Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		There appears to be limited monitoring and performance of the broad outcomes of the program to understand in more detail the behavioural responses of landholders to the program  We have not assessed program audit data. Our consultations indicate there is not a consistent interpretation and application of the eligibility criteria.

# 4. Livestock freight subsidies

## Key points and overall assessment

The program has delivered livestock transport subsidies for eligible primary producers seeking to return agisted stock to the property of origin and to restock the property with new stock. The program:

- uptake has been relatively small reflecting the current phase of the drought and has delivered \$4 million to
  eligible landholders since 2012/13 and has provided financial support to eligible farm businesses who
  seeking to transport returning agisted stock and can have positive short-term consequences for those
  household incomes given the close connection of some farm businesses to the household budgets these
  factors appear to be major drivers of its continued operation despite its misalignment with national drought
  policy principles
- seeks to deliver a range of outcomes including the maintenance of the core breeding herd of extensive livestock enterprises with the intention of aiding the recovery from drought. However, these impacts can be mixed if the return of stock is premature and the feeding capacity of the land has not sufficiently recovered
- objective is not well defined and is open to interpretation and is not set within an overarching and clear drought policy
- has developed prescriptive eligibility criteria in order to target the delivery of the program. However, some criteria are difficult to practically verify, audit and enforce
- has excluded a range of other livestock producers that can be experiencing the effects of drought induced effects on input markets such as higher feed prices and transport prices
- has also excluded support to non-livestock primary producers
- · it has been delivered within program performance targets
- · does not appear to meet market failure and net benefit tests
- is transaction based as does not align to the IGA principles and can create a range of unintended consequences.

## Table 12: Summary of evaluation

Key evaluation areas	Overall assessment
Clarity of objectives and measures	
Effectiveness	
Process (design, implementation and delivery)	
Impact on outcomes	
Efficiency	
Program administration	
Efficient outcomes	
Alignment with National Drought Principles	

### 4.1 Scope of program

Subsidising the transport of returning and new stock to a property that has had its drought declaration revoked has been a major component of drought assistance in Queensland for many decades. Over time, the programs have evolved but the central intent of the program to support the reestablishment of herds on drought revoked properties to enable farm business recovery has remained the same.

Detailed guidelines are available on the DAF website. Landholders in local government areas that has had its drought status revoked and those with individual properties that have had its drought status revoked are eligible for the subsidies provided they meet a range of specific criteria designed to restrict access to the subsidy to landholders who among others:

- receive the majority of their income from livestock enterprises
- are extensive pasture-based enterprises that do not intensively feed stock
- prior to the drought had cattle permanently residing on the property
- did not introduce livestock while they were drought declared.

The subsidies are designed to contribute to a significant share of the cost of transporting the stock to the property. Rates are higher for agisted breeders (100 per cent) compared to agisted and purchased nonbreeders (75 per cent). And rates apply for up to 75 per cent of the affected herd. There are a range of criteria that focus the subsidy toward ensuring the costs are paid on transporting the inputs from the most costeffective manner.

Landholders can claim up to \$20,000 per annum collectively on DRAS programs and as such can claim up to this amount on an individual program if no other programs are accessed. This can rise to \$30,000 and \$50,000 in subsequent years if the landholder has prepared a drought management plan for the affected property.

### 4.2 **Funding**

Expenditure on the program has been relatively modest to date (\$3.9 million) reflecting the relatively limited number of drought declarations that have been revoked since 2012/13 (Table 13). The overwhelming majority of claims have been for cattle returning from agistment rather than for livestock that have been purchased.

Table 13: Funding (\$million)

Year	Agistment	Restocking	Total
2012/13	0.0	0.0	0.0
2013/14	0.3	0.0	0.4
2014/15	0.5	0.0	0.6
2015/16	0.5	0.1	0.6
2016/17	1.5	0.4	1.9
2017/18	0.4	0.1	0.4
Total	3.2	0.6	3.9

## 4.3 Objectives and programs logics

These programs operate under the DRAS. The stated purpose of the DRAS is animal welfare and the return of stock to the property post drought. The stock transport programs focus is to subsidise the restocking of properties once a drought declaration has been revoked to enable the rapid recovery of the farm business. The program is unlikely to support animal welfare and breeder herd maintenance objectives.

## 4.3.1 Returning livestock transport subsidy program logic

The returning livestock subsidy and restocking livestock subsidy program logics, prepared by Marsden Jacob based on our understanding of the program, are summarised in Figure 11 and Figure 12.

Figure 11: Returning livestock transport subsidy program logic

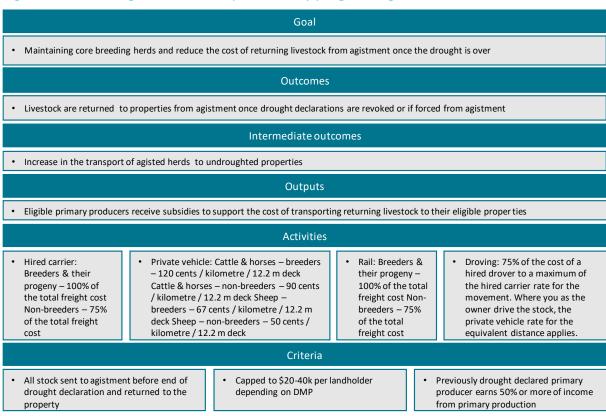


Figure 12: Restocking livestock transport subsidy

Goal				
Helps with the cost of restocking eligible landholdings	once the drought is over and decreases the recovery period			
	Outcomes			
Livestock are restocked on properties once drought de	clarations are revoked			
lr	ntermediate outcomes			
Increase in the transport of livestock to undroughted p	properties up to 75 per cent of the herd			
Outputs				
Eligible primary producers receive subsidies to support the cost of transporting livestock to their eligible properties				
Activities				
<ul> <li>Hired carrier: 75% of the total freight cost to a maximum charge in line with current average rates as approved by DAF</li> <li>Private vehicle: Cattle &amp; horses – 90 cents / kilometre / 12.2 m deck</li> <li>Sheep – 50 cents / kilometre / 12.2 m deck</li> </ul>				
Criteria				
Restocking credits are established for up to 75 per cent of the total number of livestock either sold from your property, from agistment or from feedlots during the time that your property was drought declared and for two months prior to the drought declaration.	Capped to \$20-50k per landholder depending on DMP and length of drought      drought      Capped to \$20-50k purchased (up to 24 months) after the drought declared primary producer earns 50% or more of income from primary production      Previously drought declared primary producer earns 50% or more of income from primary production			

### Clarity of objectives and measures 4.4

The objectives of the program are clear. The performance of the program can be measured by the value of transport subsidy paid but there is limited understanding of accuracy of the claims and eligibility.

Table 14: Clarity of objectives and measures

Key evaluation areas and questions	Assessment	Supporting justification
Clarity of objectives and measures		
Is there a clearly specified program objective?		The objective of the program is to help maintain the core breeding herd and help enable primary producers to recover more rapidly. The program seeks to achieve this by reducing the cost of restocking landholdings that have had a drought declaration revoked.
Is there a clear program logic and theory of action and outcomes and outputs to be measured?		Yes -The program logic is set out above is clear. However, the eligibility criteria are not well defined nor difficult to enforce given limitations of cattle traceability data.
Are there performance measures for the program with clearly specified targets?		The program is part of the suite of DRAS programs that are subject to the two key performance measures that applications are processed within 21 days and the administration costs are under 10 per cent of total program costs. Implementation of the eligibility criteria to applications determines who receives subsidy and, in some cases, it is not possible or feasible to robustly assess eligibility.

### **Effectiveness** 4.5

On the whole, the program appears to have been effective in achieving its stated objective. However, over the longer term the program is expected to have a range of unintended consequences that will undermine this outcome (Table 15).

Table 15: Effectiveness

Key evaluation areas and questions	Assessment	Supporting justification
Process (design, implementation and delivery)		
Has the program delivered its activities and outputs in line with the plan for implementation?		Yes – the program has been delivered according to its guidelines. However, as the guidelines have become more prescriptive to address less appropriate uses of the scheme.
Were performance targets met?		Yes – the program is part of the suite of DRAS programs that are subject to the two key performance measures: applications are processed within 21 days; and the administration costs are under 10 per cent of total program costs. DAF data indicates these targets have been met across the DRAS programs
Did the program fund all of the people and organisations that could be expected under the stated program objective and ensured that only eligible people/organisations received funding?		Yes – the program has been delivered to eligible primary producers. However, there are a range of eligibility criteria that are difficult to enforce. For example, it not feasible to determine whether non-breeding herd cattle that have been agisted have been included in the program.
Impact on outcomes		
What was the impact of the program?	1	
Financial impact?		There are positive financial gains for eligible primary producers and those businesses supplying transport services. However, the longer-term financial gains from returning livestock can be undermined where the program encourages premature restocking of properties that have had their drought declaration revoked. Financial outcomes for eligible primary producers could be undermined by the likely inflationary effect of the program on transport service and livestock prices. However, evidence of this not strong - it is likely these types of effects are negligible considering: the scale of the program relative to total transport movements; much of the program has funded return from agistment; and weak farm business finances tend to slow the pace of purchasing stock.
Social impact?		The program is not targeted at communities or social impacts. However, there are likely to be a range of longer-term benefits to communities through the flow on effects in the local economy of returning livestock. However, these longer-term gains may be less than optimal where the program encourages the return of livestock before the property is sustainably able to do so.
Distributional impact?		The program has benefited primary producers restocking properties after a drought declaration has been revoked. The program does not benefit other drought affected farm businesses. While the program has caps, the program is likely to benefit

Key evaluation areas and questions	Assessment	Supporting justification
		producers returning larger numbers of livestock and those that agisted cattle during the drought.
Has the program met its target outcomes?		Yes – livestock are returned to properties at a lower cost for eligible landholders.
Were there any unintended consequences?		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.
		At the margin, programs could in theory increase the cost of livestock and transport other things equal. However, it is likely these types of effects are negligible considering: the scale of the program relative to total transport movements; much of the program has funded return from agistment; and weak farm business finances tend to slow the pace of purchasing stock.

## 4.5.1 Delivery of outcomes and outputs

General observations on the outcomes and outputs of the program are:

- · restocking herds can have positive farm business and community outcomes by enabling herd and farm business recovery from drought
- there is a very wide distribution in the value of restocking subsidies and the subsidies are more beneficial for businesses with larger herds and with more financial wherewithal to purchase new stock
- · the program does positively benefit those landholders that had undertaken actions to destock
- restocking transport subsidies can assist with the short-term recovery of herds
- · there is mounting evidence from DAF research that restocking within 12 months of drought revocation can be counterproductive to longer term pasture regeneration. Under extended drought, the loss of pasture and absence of natural pasture reseeding could reduce capacity for pasture to regenerate. However, this risk is reduced through the program by enabling an extended period of time (up to two years) for uptake.

## 4.5.2 Impact of program

Uptake of the program has reflected the pattern of drought revocation with relatively low uptake of the program overall and with a spike in uptake during 2016-17 (Figure 13 and Figure 14).

The level of uptake and value of subsidies provided has been substantially higher for returning agistment stock than for purchased stock (Figure 13, Figure 14 and Table 13). This likely reflects the priority of primary producers first returning stock from agistment before commencing a broader restocking program and the relative financial capacity of affected farm businesses to purchase stock.

Figure 13: Uptake of transport subsidies for restocking (number of rebates paid per year)

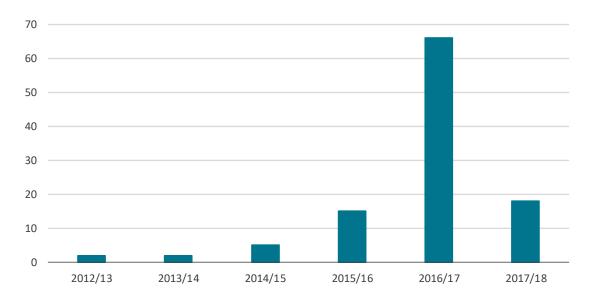
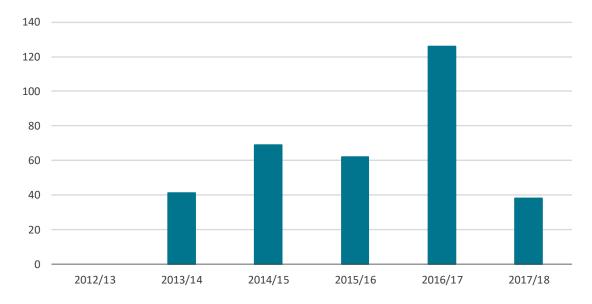


Figure 14: Uptake of transport subsidies for returning agistment livestock (number of rebates paid per year)



### 4.6 **Efficiency**

The efficiency of the program is mixed. While program delivery has met efficiency targets, it is likely that the program has a range of impacts on downstream markets that undermine the direct gains to eligible primary producers (Table 16).

Table 16: Efficiency

Key evaluation areas and questions	Assessment	Supporting justification
Program administration		
Was the program administered in the most efficient manner?		Yes – the program appears to have been efficiently administered. The program was delivered within DAFs performance targets.
Efficient outcomes		
What impact did the program have on efficient outcomes in the		The program is expected to increase the rate of recovery from drought of affected landholders.
marketplace (including downstream impacts)?		The program may have the effect of increasing the cost of restocking landholdings by increasing the demand for livestock and transportation services more rapidly than otherwise may be the case. This may have unintended consequences on landholders not eligible for the subsidy.

### Alignment with National Drought Principles 4.7

The subsidies to reduce the cost of transporting returning or purchased stock do not align well with the national drought principles (Table 17).

Table 17: Alignment with National drought principles

Nat	cional Drought Principles	Assessment	Supporting justification
	erall assessment against nciples		
1.	Address the specific needs of farming families, farming businesses and farming communities		Transport restocking subsidies is a useful program for individual landholders seeking to reintroduce livestock to drought revoked properties.  The eligibility criteria exclude those landholders without eligible livestock including those that have already acted to destock the property well before the property was drought declared and those that experienced dry conditions and destocked.
2.	Assist farming businesses plan and prepare for the future		The program can have mixed effects on assisting businesses to plan and prepare for drought.  The program enables properties to be restocked without reference to sustainable a future stocking rate and may encourage overstocking. The programs also do not encourage sufficient early preparedness during extended dry periods leading into a drought declaration.
3.	Focus on the importance of maintaining and supporting the natural resource base		The programs can have mixed effects on the natural resource base. On one hand, the programs do encourage destocking during drought and just prior to drought and this can reduce pressure on the natural resource base. Where the scheme encourages restocking before the feedbase has sufficiently recovered there may be adverse effects on the natural resource base over time. But the scheme does allow for an extended period of uptake to reduce this risk.
4.	Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		The programs can have mixed effects on the supporting communities prepare for drought. On one hand, the programs do encourage destocking during drought and just prior to drought. However, the eligibility criteria do not encourage earlier preparedness or restocking with reference to sustainable stocking rate.
5.	Occur where there is a clear role for government and deliver a net public benefit		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 investments themselves. Arguably, there may be issues associated with gaps in farm business information to make informed investment decision.  Individual rebates may result in large private benefits, but it is not clear that there are substantive public benefits from the program. The program risks influencing decision making — encouraging landholders to invest in livestock that may not align with their long-term preparedness plans.
6.	Enable links with other measures or between service providers		The program does not to appear to be linked in any way to other drought programs except through the declaration process and the CAP across DRAS programs.
7.	Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		There appears to be limited monitoring and performance of the broad outcomes of the program to understand in more detail the behavioural responses of landholders to the program.  We have not assessed program audit data. Our consultations indicate there is not a consistent interpretation and application of the eligibility criteria.

## 5. Emergency water infrastructure rebate

## Key points and overall assessment

The program has delivered subsidies to eligible livestock producers to install emergency water infrastructure to address pressing animal welfare needs. The program:

- uptake of the program has been relatively large reflecting the current phase of the drought and has delivered \$47.5 million to eligible landholders since 2012-13
- has provided financial support to eligible farm businesses who seeking to install emergency water infrastructure and can have positive short-term consequences for those household incomes given the close connection of some farm businesses to the household budgets
- is underpinned by a water availability statement that appears to be generally robustly applied to help ensure some criteria in relation to the availability of water and watering needs of livestock are met
- can in some circumstances encourage preparedness and resilience as the installed infrastructure provides water access. However, in the absence of robust drought management plans for the affected property there is also a risk the infrastructure may discourage future preparedness and entrench poor decision making in relation to the retention of livestock
- has excluded a range of other livestock producers that can be experiencing the effects of drought induced effects on input markets such as higher feed prices and transport prices
- has also excluded support to non-livestock primary producers
- · has been delivered within program performance targets
- does not appear to meet market failure as there are no obvious market failures that limit the scope of landholders to undertake appropriate investments themselves as normal preparedness actions. It is likely there are net benefits where the scheme addresses the risk of pressing animal welfare issues and there are no other cheaper alternatives
- is transaction based and does not align to the national drought reform principles. However, it can in some circumstances support preparedness.

## Table 18: Summary of evaluation

Key evaluation areas	Overall assessment
Clarity of objectives and measures	
Effectiveness	
Process (design, implementation and delivery)	
Impact on outcomes	
Efficiency	
Program administration	
Efficient outcomes	
Alignment with National Drought Principles	

### 5.1 Scope of program

The Emergency Water Infrastructure Rebate (EWIR) is a relatively new DRAS program. The subsidy is designed to support the establishment of water infrastructure on drought declared properties to meet emergency animal welfare needs.

Detailed guidelines are available on the DAF website.

Landholders in a local government area that has had its drought status revoked and those with individual properties that have had its drought status revoked are eligible for the rebate provided they meet a range of specific criteria including among others:

- receive the majority of their income from livestock enterprises
- · are extensive pasture-based enterprises that do not intensively feed stock
- have cattle permanently residing on the property
- did not introduce livestock while they were drought declared.
- has a genuine emergency animal welfare need due to insufficient in-situ water on the property the property may run out of water before the next expected inflow, there is not enough water within a reasonable walking distance for the affected livestock, or water is being carted to the property.
- · have had a water availability statement (WAS) completed for the property that endorses the claimed water

The rebate paid is up to 50 per cent of the cost of establishing the emergency water infrastructure including the costs of:

- · pipes, water tanks and water troughs
- · drilling a new working bore
- water pumps and power supply used to run water pumps such as generators
- other materials or equipment necessary to install the above
- · any freight component to purchase and install the equipment
- professional installation costs to install the water infrastructure.

Landholders can claim up to \$20,000 per annum in collectively on DRAS programs and as such can claim up to this amount on an individual program if no other programs are accessed. This can rise to \$30,000 and \$50,000 in subsequent years if the landholder has prepared a drought management plan for the affected property.

### 5.2 Expenditure and patterns of uptake

Total rebates paid under EWIR totalled \$47.47 million between 2012/13 and 2017/18. Highest outlays occurred in the earlier half of the program reflecting the generally once off nature of the expenditures on most properties. Feedback we received is that, in general, investment targeted permanent and semi-permanent infrastructure such as installing bores and extending the network of water piping and troughs on affected properties.

Table 19: Funding (\$ million)

Year	\$million
2012/13	0.01
2013/14	14.07
2014/15	18.04
2015/16	9.69
2016/17	3.21
2017/18	2.45
Total	47.47

### Objective and program logics 5.3

A Marsden Jacob prepared version of the program logic is illustrated in Figure 15.

Figure 15: Marsden Jacob simplified program logic (FWIR)

Figure 15: Marsden Jacob simplified program logic (EWIR)					
Purpo	Purpose				
Maintaining breeding herds during a drought declaration enables prevocation of a drought declaration	rimary producer businesses to more quickly recover after the				
Outco	mes				
Livestock have access to sufficient water for survival condition	Landholders avoid animal welfare concerns by providing survival water access				
Intermediate	e outcomes				
Continuation of the consumption of survival water on eligible droug	ght declared properties				
Outputs					
Eligible primary producers receive rebates to support the cost of installing emergency water infrastructure on their eligible properties					
Activi	Activities				
The EWIR is up to 50 per cent of the cost of: purchase and delivery of emergency water infrastructure; and the labour cost to engage a person to install the water infrastructure (if applicable), purchased for emergency animal welfare need.					
Criteria					
Permanent herds with water being carted to or expected to run out of water before next inflow      Extensive pasture based farming system with average stocking rates	Capped to \$20-50k per landholder depending on DMP depending on the length of the drought      Drought declared primary producer earns 50% or more of income from primary production				

### Clarity of objectives and measures 5.4

At a DRAS program level, the intent of the program to avoid animal welfare concerns and there is no rule relating to the eligibility of breeding and non-breeding cattle.

Table 20: Clarity of objectives and measures (EWIR)

Key evaluation areas and questions	Assessment	Supporting justification
Clarity of objectives and measures		
Is there a clearly specified program objective?		The objective of the program is to maintain animal welfare.
Is there a clear program logic and theory of action and outcomes and outputs to be measured?		The program logic is set out in Figure 15. The logic clarity is impeded by multiple objectives/outcomes. Program outputs are measured whereas outcomes are not measured. Activities and criteria are clear.
Are there performance measures for the program with clearly specified targets?		There are no targets specified for the program. Implementation of the eligibility criteria to applications determines who receives rebate. It is not clear how robustly the eligibility criteria are applied. There is audit evidence of inconsistent implementation at the regional level.

### 5.5 **Effectiveness**

The program has been relative effective (Table 21). The program has been delivered to eligible primary producers and can create number of positive longer-term outcomes.

Table 21: Effectiveness

Key evaluation areas and questions	Assessment	Supporting justification
Process (design, implementation and delivery)		
Has the program delivered its activities and outputs in line with the plan for implementation?		Yes – the EWIR has been delivered within the guidelines established by DAF
Were performance targets met?		Yes – the program is part of the suite of DRAS programs that are subject to the two key performance measures: that applications are processed within 21 days; and the administration costs are under 10 per cent of total program costs. DAF data indicates these targets have been met across the DRAS programs
Did the program fund all of the people and organisations that could be expected under the stated program objective and ensured that only eligible people/organisations received funding?		The program was delivered to eligible applicants. DAF undertook a detailed assessment of each application and each WAS review involved detailed property eligibility assessment.
Impact on outcomes		
What was the impact of the program?		
Financial impact?		EWIR had a positive impact on recipients. The EWIR provides financial support to farm businesses to enable the installation of infrastructure to meet emergency water supplies.
Social impact?		The program is not targeted at social outcomes but there can be some indirect positive social outcomes. Anecdotal evidence suggests that EWIR has a wide local economy effect than other DRAS programs as it is more likely that key on farm investments can be sourced through local suppliers. However, much of the underlying capital is manufactured and sourced external to the region. The EWIR can have positive effects on longer term sustainability of farm businesses.
Distributional impact?		EWIR only benefits eligible landholders and local suppliers and, therefore, excludes landholders who have undertaken appropriate preparedness actions such as installing more resilient watering systems and/or destocking.
Has the program met its target outcomes?		Yes – EWIR has been delivered to eligible properties.
Were there any unintended consequences?		EWIR has a number of potentially positive unintended outcomes. EWIR can encourage greater optimisation of available feed and can increase the preparedness for future drought. Although the WAS is robustly applied, in some circumstances EWIR may also some have negative unintended consequences in the longer term such as retaining stock and increasing carrying rates.

## 5.5.1 Delivery of outcomes and outputs

General observations on the outcomes and outputs of the program are:

- EWIR supports the provision of emergency water to livestock
- · the generally robust processes used assess the water availability statement help ensure the program is made available to pressing livestock needs
- purchase of water infrastructure goods and service can have positive flow on consequences for local economies providing those goods and services. This is moderated by the extent of the value of those goods and services that are imported to the region
- the program is an alternative to the water transport subsidy and, given that it supports the provision of once off fixed infrastructure, there can be longer term positive outcomes for preparedness and resilience.

## 5.5.2 Impact of program

The EWIR was received by a total of 3,834 properties.

The number of rebates allocated rose rapidly between 2013/14 and 2014/15, peaking at 1,515 in 2014/15, and then declined sharply. This reflects the 'once off' nature of the rebate. For a given property, once the infrastructure is in place, the improvement is permanent and there are fewer water infrastructure needs that may be required in the future.

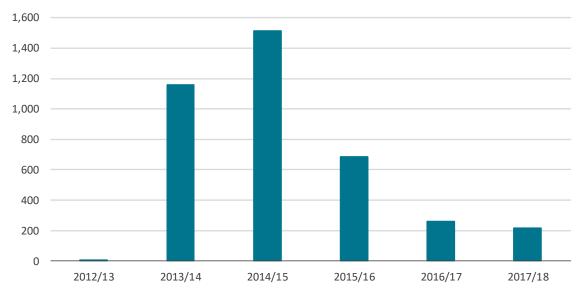
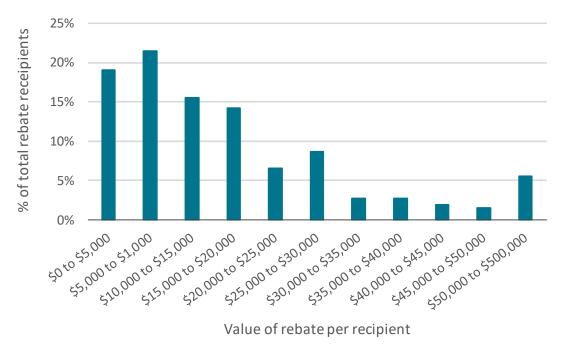


Figure 16: Uptake of EWIR (number of properties)

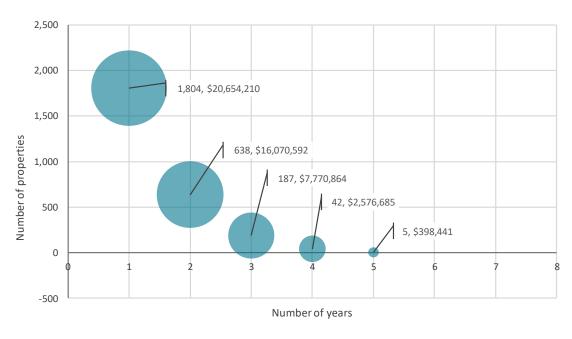
There was a wide distribution in the value of the rebate to individual primary producers. Most properties received a rebate between the low thousands and \$15,000. A small percentage of properties received very large rebates.

Figure 17: Frequency distribution of total rebate values



Source: MJA estimates based on DAF data. Based on total rebate values per property over period 2012/13 to 2017/18.

Figure 18: Value of subsidy by property



Note: Vertical axis is number of properties and horizontal axis is the number of years for which a subsidy is received by the same property.

### Efficiency 5.6

The program was generally efficiently delivered. However, a review of program audit data has not been undertaken. The program is likely to result in mixed effects on downstream water infrastructure markets.

Table 22: Efficiency

Key evaluation areas and questions	Assessment	Supporting justification
Program administration		
Was the program administered in the most efficient manner?		Yes – the program appears to have been efficiently administered and delivered within the performance targets set by DAF.
Efficient outcomes		
What impact did the program have on efficient outcomes in the marketplace (including downstream impacts)?		The program has the effect of increasing the demand for water infrastructure goods and services. This can have a mixed effect on the downstream supplier markets. For example, the increase in the demand for water supply services, such as bore drillers, could increase and the demand for hardware such as piping, and troughs may also increase. In a large-scale drought, this could inflate the prices of these goods and services in localised service markets as suppliers take advantage of the existence of the scheme. However, the increase in the demand for these good and services could also lead to a supply response and increase the capacity of providers to meet the rising demand. However, there is at best limited evidence that a price response has occurred since the scheme was introduced as it is not available nationally.

### 5.7 Alignment with National Drought Principles

The EWIR has limited alignment with the national drought principles.

Table 23: Alignment with National drought principles

National Drought Princip	oles Assessment	Supporting justification
Overall assessment agai principles	nst	
Address the specification needs of farming families, farming businesses and farming communities.		EWIR is a useful program for individual landholders seeking to secure emergency water supplies to livestock. The eligibility criteria exclude those landholders without eligible livestock including those that have already acted to address livestock water needs or have undertaken management actions to avoid the need for emergency water access.
Assist farming businesses plan and prepare for the futi		EWIR has mixed effects on assisting businesses to plan and prepare for drought. Eligible farms must require the water for emergency circumstances and, as such, EWIR does not support preparedness actions prior to the application for the rebate. However, once the rebate has been issued and the infrastructure is installed in the property the infrastructure can help the landholder be more resilient in future drought. It can also raise productivity through better pasture utilisation.
		However, in some circumstances this effect could have mixed results where weak DMPs are in place and the installation encourages the holding of stock on declared properties beyond the future feed capacity of the property and in turn creates needs of supplementary feeding support.

Nat	National Drought Principles Assessment		Supporting justification	
3.	Focus on the importance of maintaining and supporting the natural resource base		EWIR is likely to have mixed outcomes on supporting the natural resource base. By definition, the program encourages the utilisation of limited in-situ water resources. Increasing the supply of in-situ emergency water resources on drought declared properties is likely to lead to the retaining of stock and increase the consumption of available feed in drought. This may have positiv or negative effects on the natural resource base depending on how the landholder manages available feed. The EWIR may lead to an easing of pressures where overall pasture management is improved by the infrastructure such as being able to better utilise available feed both in drought and good years. However, there is a risk that producers may be encouraged to increase stock numbers due to the improved access to water. The likely undesirable outcomes can be limited by eligibility criteria that limit the distance that stock is expected to walk to water points. Additionally, the higher value of rebates is available where a DMP is in place, but this effect we be determined by the quality of the DMP and its implementation.	
4.	Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		EWIR is likely to have mixed effects on communities preparing for drought and enhancing long term sustainability. The program is property not community focussed. There can be positive local business effects where the goods and services for the infrastructure are purchased locally. As noted previously, the program can have positive longer-term farm business effects and, where these occur, there can trickle down to local businesses.	
5.	Occur where there is a clear role for government and deliver a net public benefit		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 investments themselves. Arguably, there may be issues associated with gaps in information to make informed investment decision. Individual rebates may result in large private benefits, but it is not clear that there are substantive public benefits from the program. It is likely there are net benefits where the scheme addresses the risk of pressing animal welfare issues under Biosecurity Queensland legislation and there where there are no other cheaper alternatives.  However, the program risks encouraging landholders to invest in infrastructure that in the longer term does not align with their long-term preparedness plans. Arguably, the program may result in a reduction in the future reliance on DRAS programs, but these gains are largely economic transfers that cannot be included in a net benefit test.	
6.	Enable links with other measures or between service providers		EWIR does not appear to be linked in any way to other drought programs except through the declaration process and the financial cap across DRAS programs.	
7.	Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		There appears to be limited monitoring and performance of the broad outcomes of the program to understand in more detail the behavioural responses of landholders to the program.  Program audit data has not been assessed. Our consultations indicate there is a risk of inconsistent interpretation and application of the eligibility criteria at the regional level.	

# 6. Drought relief from electricity charges (DRECS)

## Key points and overall assessment

## The program has:

- delivered in the order of \$28 million in electricity charge relief since 2012-13 to eligible landholders who
  have no water to pump or severely restricted access to water
- provided relief to landholders on their fixed electricity charges and the extent of that relief varies according to their intensity of energy use to pump water and can have positive short-term consequences for those household incomes given the close connection of some farm businesses to the household budgets
- the program is highly valued by eligible landholders and, in part, this reflects general financial pressures associated with the rise of electricity supply charges more generally over the period and the fact that fixed charges can represent a larger proportion of electricity bills in drought periods when variable usage falls
- · a simple objective but would benefit from a program logic with defined performance measures
- · requires primary producers to apply and declare eligibility
- criteria for eligibility are poorly defined and open to interpretation and there is no compliance to validate eligibility claims
- take-up in SEQ is lower than the rest of Queensland and may reflect differences in the promotion and administration of the scheme between DNRME and Ergon Energy;
- there is considerable administrative effort required to validate the properties that are included in drought declarations and drought revocations announcements given differences in property identification methods used by Ergon Energy and DAF
- there are gaps in administrative efficiency due to gaps in the timeliness of information relating to expected changes in drought status and changes in drought status
- poor alignment with national drought policy principles.

## Table 24: Summary of evaluation

Key evaluation areas	Overall assessment	
Clarity of objectives and measures		
Effectiveness		
Process (design, implementation and delivery)		
Impact on outcomes		
Efficiency		
Program administration		
Efficient outcomes		
Alignment with National Drought Principles		

### 6.1 Scope of program

An eligible customer is entitled to a waiver or reimbursement of the following supply charge components of their electricity account (excluding minimum demand charges):

- supply charges for tariffs used for pumping water
- · service fees
- · minimum payments.

To be eligible for the subsidy, applicants must:

- be a farmer of a property that has been individually drought-declared or is within a drought-declared area
- · be experiencing disruptions to pumping water for farming or irrigation (i.e. have no water or water availability is severely restricted within the billing period).

When applying for the subsidy, farmers attest (via the Ergon Energy or Queensland Government application form) that their farmer of a property which is individually drought declared or within a drought declared area, and do not have water to pump or severely restricted access to water.

The reimbursement continues until the drought declaration is revoked. Current drought declaration/revocation information is available at: www.daff.qld.gov.au/environment/drought/drought-declarations-and-revocations. It is expected that customers will apply for drought assistance on the basis that they have no water or limited or restricted access to farm or irrigation water because of the drought, affecting the normal use of pumping equipment.

### **Ergon Energy (regional Queensland)**

Ergon Energy retail customers (in regional Queensland) apply directly to Ergon Energy.

The subsidy is available for those under electricity Tariff 62, Tariff 65 and Tariff 66.

- Tariff 62 ('Farm time of use' tariff) the fixed charge being waived is the daily supply charge of 78.451 cents it is a time of use rural tariff (peak and off-peak with a cheaper peak rate after the first 10,000 kWh per month) that is for farmers who use electricity for irrigation, pumping, watering stock, heating piggeries, lighting hatcheries, dairy refrigeration or similar. Peak rate electricity is between the hours of 7.00 am and 9.00 pm, Monday to Friday inclusive. Electricity consumed outside these hours is charged at Off Peak rate.
- Tariff 65 ('Irrigation time of use tariff') the fixed charge being waived is the daily supply charge of 78.003 cents – it is a time of use rural tariff (peak and off-peak) that is available for irrigation only. The Peak rate is for electricity consumed in a fixed 12-hour, daily pricing (as agreed between the network owner (ENERGEX), Origin and the customer for periods 7.00am to 7.00pm or 8.00am to 8.00pm) Monday to Sunday inclusive. The Off-Peak rate is for electricity consumed at other times.
- Tariff 66 ('Irrigation tariff') the fixed charges being waived are the daily supply charge of 171.915 cents, the annual fixed charge of \$37.503/kW (first 7.5kW), and the annual fixed charge of \$112.759/kW for the remaining KW – it is for those who use irrigation pumps over 7.5 kW capacity for long periods of time. Users are charged an annual supply charge based on the size of the motors installed, the usage charge plus a daily supply charge.

Users that are not on Tariff 62, Tariff 65 and Tariff 66 must provide a statutory declaration stating that the connection is being used primarily for pumping water for farm or irrigation purposes.

However, it is worth note that all of Ergon's rural tariffs (Tariff 62, Tariff 65 and Tariff 66) are transitional, which means they'll no longer be available from 30 June 2020.

Eligible customers using tariffs other than Tariff 62, Tariff 65 and Tariff 66 must provide a statutory declaration stating that the connection is being used primarily for pumping water for farm or irrigation purposes.

## Non-Ergon Energy (South East Queensland and around Goondiwindi)

Non-Ergon Energy customers apply through the Department of Natural Resources, Mines and Energy via an online application form.

### 6.2 **Funding**

Funding of DRECS has increased over the last four years from \$0.4 million in 2013/14 to \$12.0 million in 2017/18 (YTD) (Table 25). All beneficiaries of the program were in drought declared areas. The vast majority of recipients and funding is in regional Queensland.

Table 25: Funding (\$ million)

Year	\$million
2012/13	0.0
2013/14	0.4
2014/15	4.3
2015/16	3.7
2016/17	7.6
2017/18	12.0
Total	28.0

Note: Drought declaration commenced in April 2013 and relief measures 'kick started' or commenced the following billing cycle.

### 6.3 Objectives and program logic

The objective of the Drought Relief from Electricity Charges Scheme (DRECS) is to financially assist farmers in drought declared areas by providing relief from supply charges on electricity accounts that are used to pump water for farm or irrigation purposes.

The DRECS scheme is one of the several energy rebates and concessions the Government provides to assist customers struggling to pay their energy costs.

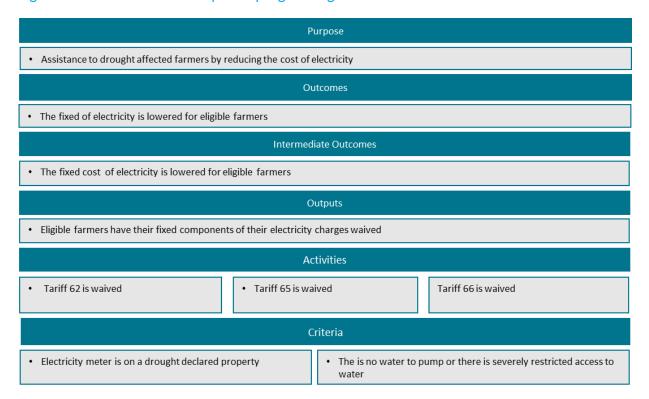
However, while there is a clearly stated program objective, there is no clear program logic or target performance measures (Table 26).

Table 26: Clarity of objectives and measures

Key evaluation areas and questions	Assessment	Supporting justification
Clarity of objectives and measures		
Is there a clearly specified program objective?		Yes – the objective is to provide relief on electricity charges for drought declared primary producers pumping water.
Is there a clear program logic and theory of action and outcomes and outputs to be measured?		There is no stated program logic. Marsden Jacob has prepared a simplified version of what appears to be the program logic in Figure 19.
Are there performance measures for the program with clearly specified targets?		There are no stated performance measures for the program. The only performance measure applied by Ergon Energy is an application for the rebate is processed within 5 days – Ergon Energy advised this target is being met.

A Marsden Jacob prepared version of what appears to be the program logic is illustrated in Figure 19. This illustrates that the final desired outcome from the program is to assist drought affected farmers by reducing the cost of electricity.

Figure 19: Marsden Jacob simplified program logic



### 6.4 **Effectiveness**

The program has been somewhat effective in providing relief to electricity customers (Table 27).

Table 27: Effectiveness

Key evaluation areas and questions	Assessment	Supporting justification
Process (design, implementation and delivery)		
Has the program delivered its activities and outputs in line with the plan for implementation?		It appears that that program has delivered lower fixed electricity charges to a range of properties in drought affected areas.  However, there is no compliance undertaken to assess if applicants meet the eligibility criteria.  Ergon Energy delivers the program in regional Queensland and DNRME delivers the program in SEQ. This can lead to differences in the way the program is administered, for example differences in application processes, and the way customers receive the benefit. This has potentially led to a lower take-up in SEQ.
Were performance targets met?		The 5-day approval target was met. However, there is no compliance undertaken to assess if applicants meet the eligibility criteria.
Did the program fund all of the people and organisations that could be expected under the stated program objective and ensured that only eligible people/organisations received funding?		Some key issues have potentially limited its effective application. This is discussed more in section 6.4.1.  Given difference in property identification methods used by Ergon Energy and DAF there are challenges to accurately establish the eligibility of properties for the program. At times, there are likely to eligible properties not receiving the rebate and potentially some ineligible properties receiving the rebate.
Impact on outcomes		
What was the impact of the program?		
Financial impact?		The average relief per recipient is around \$2,600 (over the five-year historical period), although it was around \$4,550 in 2017/18 (YTD). This is illustrated in section 6.4.2.
Social impact?		The program is not designed to have a direct social impact. However, it may have contributed to community well-being by alleviating financial pressure of drought affected farmers.
Distributional impact?		Uptake of the program in SEQ is low, possibly because DNRME rather than Ergon Energy (which administers the program for much of regional Queensland) is responsible for administering the program.
Has the program met its target outcomes?		Yes – the program has clearly provided relief for farmers. However, it is noted that the program objectives are broad in nature.
Were there any unintended consequences?		Unclear.

## 6.4.1 Delivery of outcome and outputs

There are some key issues that have potentially limited the program's effective application:

• not all eligible producers receive the subsidy as it relies on producers applying to Ergon Energy or DNRME

- the current trigger for when a drought declaration commences needs to state when the drought declaration is approved to enable the retailer to adjust billing to that date
- assessment criteria to validate water availability (i.e. applicant's eligibility if a water pump is still being used).
- potential inconsistency regarding procedures and customer notification after revocation of drought for customers in regional Queensland
- · when a part of a Local Government Area is drought declared, it can be difficult to clarify whether a particular customer is located within the boundaries of that area
- · when a property is individually drought declared, Ergon Energy and DNRME rely on the customer attaching the individual declaration to their application to receive the drought relief. However, Ergon Energy and DNRME will not know when the individual declaration is revoked, unless the customer notifies us about the change
- Ergon Energy delivers the program in regional Queensland and DNRME delivers the program in SEQ. This can lead to differences in the way the program is administered, for example differences in application processes, and the way customers receive the benefit.

## 6.4.2 Impact of program

Program uptake has increased from 776 customers in 2013/14 to 2,635 customers in 2017/18 (Figure 20), noting that some customers have more than one account (i.e. several pumping sites).

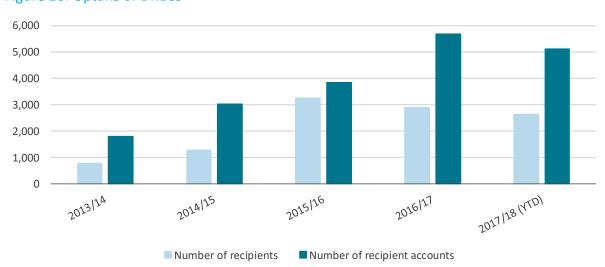


Figure 20: Uptake of DRECS

The average relief per recipient is around \$2,600 (over the five-year historical period), although it was around \$4,550 in 2017/18 (YTD) (Figure 21).

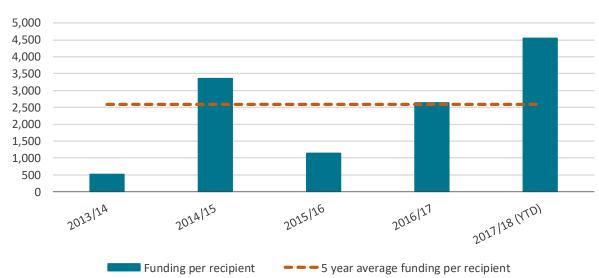


Figure 21: Impact per DRECS recipient

Uptake of the program in SEQ is also low largely reflecting that the region has been most not drought declared. DNRME rather than the farmers' electricity retailers are responsible for administering the program. DNRME noted that the program has not been widely promoted in the region. DNRME have observed some electricity bill relief to farmers in drought declared areas via supply charge waivers and reimbursements. Region-specific agricultural industry groups are generally proactive in notifying their members about the scheme when droughts are declared. However, it is unclear whether the program has reached all its intended recipients.

## 6.5 Efficiency

The efficiency of the program is mixed (Table 28). There are several substantive gaps in the administrative efficiency of the program and there are a likely to a range of longer-term efficiency outcomes of the program.

Table 28: Efficiency

Key evaluation areas and questions	Assessment	Supporting justification
Program administration		
Was the program administered in the most efficient manner?		<ul> <li>The program was delivered against the stated performance target. However, there were a number of administrative issues that undermined other aspects of administrative efficiency.</li> <li>difference in property identification method (address meter number and post code are not concorded with the PIC and LGA systems) result in challenges confirming the eligibility of properties in a timely manner. For individual boundary issues and IDPs the eligibility must be manually assessed</li> <li>the eligibility of IDPs is at times unclear as privacy restrictions limit data sharing being DAF and Ergon</li> <li>there is no compliance to verify eligibility declaration by applicants- Ergon Energy does not have the capacity to physically undertake audits or checks on the validity of the section of this confirmation relating to not having water to pump or severely restricted access to water.</li> </ul>
Efficient outcomes		
What impact did the program have on efficient outcomes in the market place (including downstream impacts)?		The program is unlikely to have had a short-term impact on efficient outcomes at a farm level as the program is not likely to have had an impact on electricity usage. This is because the reduction in electricity charges was for the fixed supply component of electricity charges.  In the medium to longer term, it is possible that farmers may
		invest in water infrastructure that uses electricity as they will foresee that they will not have to pay the fixed component of electricity charges in time of drought.
		Across much of regional Queensland, DRECs is funded by Ergon Energy. The cost to Ergon Energy Retail business to deliver the DRECS programme is recovered only partially, via the Community Service Obligation (CSO) calculation. Administration costs are not recovered. Additionally, other Ergon Energy costs that are not recovered include: the impact of revenue recovery delay; costs of debt carried; and administration of customer payment plans.

### Alignment with National Drought Principles 6.6

The DRECS is not well aligned with national drought principles (Table 29).

Table 29: Alignment with National drought principles

Nat	ional Drought Principles	Assessment	Supporting justification
Overall assessment against principles			
1.	Address the specific needs of farming families, farming businesses and farming communities		It is unclear the extent to which DRECS contributes to addressing specific needs of farming families. DRECS provides a financial benefit for farmers but it is not structured to directly benefit to those that are most in need as the eligibility criteria for DRECS does not include a means test.
2.	Assist farming businesses plan and prepare for the future		In the short term, DRECS does not directly support farmers prepare for the future as it provides in-drought financial relief. In the medium to longer term, it may provide an incentive for farmers to invest in water infrastructure that promotes onfarm efficiencies as farmers will foresee that they will not have to pay the fixed component of electricity charges in time of drought.
3.	Focus on the importance of maintaining and supporting the natural resource base		DRECS does not contribute to this objective.
4.	Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		Refer to point 2 above.
5.	Occur where there is a clear role for government and deliver a net public benefit		The DRECS program does not justify a clear role for government as there is no obvious failure in the market.  Electricity providers should be able to charge a supply charge even if there is no electricity usage as it enables them to recover their fixed costs of production and, therefore, is consistent with cost recovery principles.  However, it is noted that the program may beneficially contribute to social welfare and equity outcomes – albeit in an
6.	Enable links with other measures or between service providers		There does not appear to be a link between DRECS and other measures.  DRECS does provide assistance to a group (irrigators) that do not have access to DRAS.
7.	Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		Current property identification systems used by Ergon Energy do not align with the PIC database. As a result, inefficient concordance (often manual) methods are employed to clarify eligibility.  Furthermore, Ergon Energy does not undertake systematic compliance to verify the claimed eligibility of customers to the detailed program criteria. Subsequently, there are likely to be ineligible properties receiving the rebate.

# 7. Community assistance package

## Key points and overall assessment

## The program

- has delivered over \$17.9 million to drought affected communities and households since 2012/13
- delivers both community resilience and preparedness initiatives but also individual welfare relief
- is delivered by a local government and a wide array of community agencies with a regional or state-wide presence
- tends to be focussed on more remote and isolated communities that have a drought declaration and, as a result, can miss pressing individual and community resilience issues elsewhere
- · allocations to LGAs and providers are determined by the Department based on multiple criteria and internal judgement on community need and there does not appear to be systematic transparent methodology applied
- is valued by stakeholders and where appropriately targeted and delivered can support longer term resilience and preparedness
- · has had some issues with welfare uptake where the program is externally perceived or able to be identified as welfare
- aligns with the national drought principles.

## Table 30: Summary of evaluation

Key evaluation areas	Overall assessment
Clarity of objectives and measures	
Effectiveness	
Process (design, implementation and delivery)	
Impact on outcomes	
Efficiency	
Program administration	
Efficient outcomes	
Alignment with National Drought Principles	

### 7.1 Scope of program

The program has two principle assistance components and is available by application to community groups in local government areas identified as drought declared or partially drought declared.

• Community support activities and events. Funds are provided by the Queensland Government to local councils and other community program providers in drought declared communities. The councils distribute these funds to local community organisations which deliver a range of local community events and activities that contribute to connectedness, social well-being and increase access to support services. Councils also use the grants to deliver events and activities directly themselves. Individual community program providers

(including welfare agencies and community and primary producer groups) also receive support for the delivery of state-wide programs. The program aims to strengthen the resilience of drought-affected communities by revitalising existing community support mechanisms within defined geographic regions

· Community flexible financial hardship support. Funds are provided by the Queensland Government to local councils, neighbourhood centres and emergency relief providers in drought declared communities. The Queensland Country Women's Association also received funding for flexible financial hardship for distribution in specific regions where there is no suitable alternative provider - this is in addition to the donation by the program to their Rural Crisis Fund. The councils provide these funds to community members experiencing hardship in drought declared communities within the local government catchment area. Funds are distributed through a variety of mechanism such a direct bill payment, pre-paid and debit cards.

The program also provides:

- support to local communities to developing a community drought resilience plan. A community drought resilience plan is a tool that funded organisations may choose to use to identify issues and coordinate activities in a drought affected region
- support for aligned programs delivered by representative agencies such as the QFF, Agforce and the Country Women's Association. Funding has supported small, medium and large-scale community events encouraging social engagement and inclusion – and has also been provided in the form of a donation to the QCWA Rural Crisis Fund. Some of these events have provided a 'one-stop shop' — combining access to practical skills development activities for farmers and graziers with mental health and wellbeing workshops, and agricultural seminars.

Grants are available by application to communities in declared or partially declared local government areas. The allocation of grants is determined by a needs-based criterion determined by the Department. Plans for the dispersal of the grant within the communities are usually set out in the grant applications process, although community groups have considerable flexibility on how support is provided and the criteria by which allocations to groups and regions are made.

### 7.2 **Funding**

Funding has remaining steady over the last four years (2014/15 to 2017/18) (Table 31).

Table 31: Funding (\$million)

Year	Community activities or events	Flexible financial hardship support	Other	Total
2012/13	0.0	0.0	0.0	0.0
2013/14	1.0	0.0	0.9	1.9
2014/15	3.2	0.0	0.8	4.0
2015/16	3.0	0.5	0.5	4.0
2016/17	2.8	0.8	0.4	4.0
2017/18	2.3	1.2	0.5	4.0
Total	12.4	2.4	3.2	17.9

#### 7.3 **Objectives**

The objective of the Community Assistance Package (or Community Drought Support package) is to strengthen the resilience of drought affected Queenslanders.

However, while there is a clearly stated program objective, there is no clear program logic or target performance measures (Table 32).

Table 32: Clarity of objectives and measures

Key evaluation areas and questions	Assessment	Supporting justification
Clarity of objectives and measures		
Is there a clearly specified program objective?		Yes – the objective is to strengthen the resilience of drought affected Queenslanders.
Is there a clear program logic and theory of action and outcomes and outputs to be measured?		There is no stated program logic. However, in some cases, individual grant applicants have provided detailed program logics in their grant applications.
Are there performance measures for the program with clearly specified targets?		There are no stated performance measures for the program as a whole. However, community group grant recipients are required to provide milestone reports on the outputs and outcomes of their programs. These milestone reports provide often rich detail on the performance of the program.

A Marsden Jacob prepared version of what appears to be the program logic is illustrated in Figure 22. This illustrates that the final desired outcome from the program is to strengthen the resilience of drought affected Queenslanders.

Figure 22: Marsden Jacob simplified program logic

Goal		
Strengthen the resilience of drought affected Queenslanders		
Outcomes		
The community events program component improved the resilience of the community via a community events program	The Flexible financial hardship support program component improved the resilience of those individuals experiencing hardship	
Intermediate Outcomes		
Increase in community resilience and well-being	Increase in financial well-being of individuals	
Outputs		
Community activities and events     Financial assistance provided to those experiencing hardship		

### **Effectiveness** 7.4

The program has been relatively effective (Table 33).

Table 33: Effectiveness

Key evaluation areas and questions	Assessment	Supporting justification
Process (design, implementation and delivery)		
Has the program delivered its activities and outputs in line with the plan for implementation?		Yes – a sample of milestone reports indicate that individual projects funded under the program are delivering outputs and outcomes in line with the intent of the program.
Were performance targets met?		There are no specific targets per-se rather but rather the objective is to ensure grants are funded in a timely manner and the spread of grants is broadly reflective of community needs. Individual programs report back outcomes through milestone reports, but these appear to be more an accountability framework to demonstrate the money was acquitted as planned rather than as a systematic evaluation tool.
Did the program fund all of the people and organisations that could be expected under the stated program objective and ensured that only eligible people/organisations received funding?		The program funds a wide array of community programs.  Community based delivery programs payments are not distributed on the basis of application only. Each local government area is allocated a funding pool determined through a needs-based criterion determined by the Department. As such, there may be programs that do not receive funding applications that are sought.  Flexible financial hardship support funding is delivered through a variety of methods and there has been under-utilisation of the some of the schemes due to a variety of social factors. Over time, the deliverers have developed more innovative methods to deliver welfare to address some of these impediments and improve uptake.
		There is also some concern the program has funded long standing community events that would have occurred anyway, and this reduced the pool of funding for more targeted needs.
Impact on outcomes		
What was the impact of the program?		
Financial impact?		The program supported a range of projects that aimed to relieve the financial pressure on individual households and businesses and reduce the financial impediments to them participating in community events.
Social impact?		The program supported a wide array of projects designed to have positive social impacts including building community resilience and shared resources to improve community and individual outcomes.
Distributional impact?		The program provided support to affect communities and individuals experiencing hardship. However, in some cases there was reluctance by eligible community members to receive support given a reluctance to receive charity. The program has also been more focussed on remote and isolated communities and individuals and there is a perception by some stakeholders that some programs focussed on areas and industries perceived to have more connectedness have missed funding opportunities.

Key evaluation areas and questions	Assessment	Supporting justification
Has the program met its target outcomes?		Yes – milestone reports and feedback from the Department indicates projects have been able to deliver most, or all the expected outcomes - with the exception of Flexible financial hardship support where some individual uptake targets were not met.
Were there any unintended consequences?		The delivery of the Flexible financial hardship support has evolved, and, in some cases, delivery mechanisms altered in order to address gaps in the uptake of support. However, there is a deep reluctance by some individuals to accept perceived charity in the form of flexible financial hardship support and in small communities well intentioned projects can miss the mark.

## 7.4.1 Delivery of outcomes and outputs

Some general observations on the outcomes and outputs of the program:

- there does not appear the be defined formulae for determining the quantum of grants allocated to each local government area. The Department of Communities Disability Services and Seniors program staff liaise with regional departmental staff before deciding on the LGAs to receive grants. Through this process some councils were assessed as not requiring funds
- · there is a wide array of community resilience and support arrangements offered under the program and that on the whole it is appropriate that communities themselves determine the priorities best suited to them. Given the diversity of programs and grants provided, it is difficult to demonstrate outcomes without a first principles assessment of the broad intent of these programs. Milestone reports provided by the community groups are by their nature limited in their capacity to assess longer term outcomes.
- a range of community groups provided evaluations that demonstrated the provision of Flexible financial hardship support has been valued by recipients. However, a range of privacy issues emerged with the provision of Flexible financial hardship support that limited its effectiveness and intent. This includes there is often a reluctance to accept financial charity particularly if the provider is a recognisable welfare provider. There is a reluctance to receive financial support where it can be recognised by traders as financial support. We noted some examples of some flexible financial hardship support providers directly paying business expenses such as utilities, fodder and other farm business expenses.

## 7.4.2 Impact of program

Around 400 community activities or events were provided with funding from the program for each of the years 2015/16 and 2016/17. This funding was distributed by around 35 local councils over each year (Figure 23). Some key features of these activities or events are:

- around 504,000 participants have been involved in community activities or events which receive funding from this program; and
- around 408 participants are involved in each activity or event.

The number of recipients of flexible financial hardship support was around 2,500 in 2016/17 which was an increase from 2015/16 (Figure 24). In both 2015/16 and 2016/17, 21 council regions were involved in providing flexible financial hardship support with an average of 87 people per council region accessing this support in 2015/16 and 117 in 2016/17.

Figure 23: Uptake of community activities or events

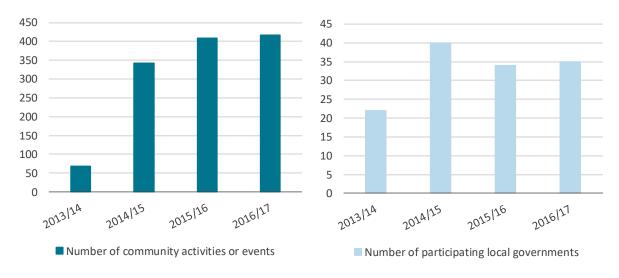
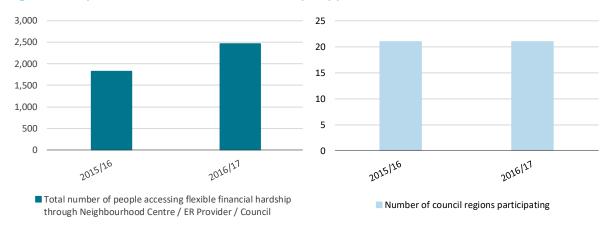


Figure 24: Uptake of flexible financial hardship support



#### 7.5 Efficiency

The program has been generally efficient (Table 34).

Table 34: Efficiency

Key evaluation areas and questions	Assessment	Supporting justification
Program administration		
Was the program administered in the most efficient manner?		Available evidence indicates the program was generally administered in an efficient manner. Success of the program relies on bespoke local design and delivery. As such, the administration of the program overall is relatively light touch with a milestone report being the primary administrative requirement. This can lead to some inefficiencies where the delivery of similar projects lacks a coordinated approach. Nonetheless, there are whole of state approaches to projects where they are led by whole of state delivery bodies.
Efficient outcomes		
What impact did the program have on efficient outcomes in the marketplace (including downstream impacts)?		On the whole, the program is not intended to create efficient outcomes – its focus instead is mainly on equity outcomes. It is intended to improve the resilience of communities and gaps in their capacity to respond to drought and address instances of individual household hardship. However, the program indirectly supports efficient outcomes through projects specifically designed to increase farm preparedness and business resilience and through programs that by virtue of increasing individual and community resilience, in turn, have positive outcomes for business resilience

#### Alignment with National Drought Principles 7.6

The Community Assistance Package broadly aligns with the intent of drought principles that support farm families and encourage community resilience and preparedness (Table 35).

Table 35: Alignment with National drought principles

Nat	ional Drought Principles	Assessment	Supporting justification
Ove	erall assessment against principles		
1.	Address the specific needs of farming families, farming businesses and farming communities		Yes – projects under the program are designed and delivered largely by local community groups based on their understanding of community needs.
2.	Assist farming businesses plan and prepare for the future		On the whole the program was not targeted at farm business planning and preparedness. However, there were a number of individual programs that did provide outputs to support a range of planning and preparedness initiatives.
3.	Focus on the importance of maintaining and supporting the natural resource base		On the whole, the program was not targeted at farm businesses and resource management. However, there were a number of individual programs that did provide outputs to support a range of planning and preparedness initiatives.
4.	Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		Yes – the program provided a wide variety of initiatives that supported this principle.
5.	Occur where there is a clear role for government and deliver a net public benefit		Yes – there is a role for government to address community welfare needs and these can create a range of positive private and public benefits.
6.	Enable links with other measures or between service providers		Yes – the programs can improve connections between providers and provide line of sight to pressing welfare cases that may need to be addressed through other welfare services.
7.	Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		Individual programs are required to provide milestone reports on program performance. However, there does not appear to be a systematic program evaluation methodology or systematic assessment of these milestone reports to address performance issues or improve the design of the program going forward. In some cases, the program has supported welfare programs providing business debt payments. This can undermine the direction and intent of other drought business programs.

# 8. Land rent rebates

## Key points and overall assessment

The program delivers rent rebates on drought declared leasehold land used for primary production. The program:

- delivered \$16.7 million in financial support to eligible leaseholders
- is automatically applied to eligible leaseholders
- is intended to reduce the financial burden on drought declared leaseholders given the close links between farm business expenses and household finances for some primary producers, the program can make an incremental contribution to household income.
- is not needs based and the value of the rebate is determined by the area of land and the rental rate. As such large farm businesses receive the largest gains from the program
- excludes financial support to primary producers on freehold title
- is being delivered within a narrow set of performance parameters set for the program
- · has some administrative efficiency issues that could be addressed by improving information systems relating to eligible properties and the timeliness of information relating to expected changes in drought status
- has limited alignment with the national drought policy principles.

Table 36: Summary of evaluation

Key evaluation areas	Overall assessment
Clarity of objectives and measures	
Effectiveness	
Process (design, implementation and delivery)	
Impact on outcomes	
Efficiency	
Program administration	
Efficient outcomes	
Alignment with National Drought Principles	

#### 8.1 Scope of program

Landholders of rural leases (being Category 11 leases used for grazing and primary production) issued under the Land Act 1994 are eligible for a rebate on the annual rent where that annual payment is more than the minimum rent of \$261.00 (excl. GST). The percent reduction in the rent is calculated every year by dividing the funded amount for that year by the total sum of rents due from drought declared properties. As a result, the percentage reduction varies each year. The landholders must be in a in a drought-declared area or for individually droughted properties.

Annual rent is currently calculated, as prescribed by the Land Regulation 2009, at:

subcategory 11.1: 1.5% of the land value

• subcategory 11.2: 0.75% of the land value.

Category 11 covers leases, licences and permits to occupy whose use is primarily for primary production. Primary production covers aquaculture, viticulture and agriculture (including growing cane, coffee, tea, tobacco, fruit, vegetables, flowers and other horticultural crops, and farming of cattle, pigs and poultry).

Category 11– Primary production comprises 2 subcategories:

- subcategory 11.1 includes perpetual leases
- subcategory 11.2 includes term leases, licences and permits to occupy.

The rebate is available to leases in drought declared areas and individually droughted properties. Landholders who are eligible for the rebate receive information with their annual or quarterly invoices.

#### 8.2 **Funding**

Program expenditure has remained reasonably steady over the last four years (2014/15 to 2017/18) (Table 37).

Table 37 Funding (\$ million)

Year	\$million
2013/14	4.27
2014/15	3.07
2015/16	3.24
2016/17	3.04
2017/18	3.13
Total	16.76

#### 8.3 **Objectives**

The objective of the Land Rent Rebate program is to provide rent assistance (in the form of a subsidy) to landholders of rural leases issued under the Land Act 1994 that are in a drought-declared area or for individually droughted properties.

A Marsden Jacob prepared version of what appears to be the program logic is illustrated in Figure 25. This illustrates that the final desired outcome from the program is to reduce the financial burden on drought declared category 11 leaseholders.

There is a clearly stated program objective, and clear program logic and target performance measures (Table 38).

Figure 25: Marsden Jacob simplified program logic

# Purpose · Assistance to drought affected farmers by reducing the rental cost of category land leased for primary production Outcomes · Rents of category 11 land under the 1994 Land Act are partially rebated **Intermediate Outcomes** • Rents of category 11 leased land under the 1994 Land Act are partially rebated Outputs • Eligible farmers have their rents partially rebated in 2017-18 by 15 per cent where the annual rental payment is more than \$261 ex GST Activities • Eligible farmers have their rents partially rebated in 2017-18 by 15 per cent where the annual rental payment is more than \$261 ex GST Criteria • The land is category 11 land under the 1994 Land Act · The rented property is drought declared

Table 38: Clarity of objectives and measures

Key evaluation areas and questions	Assessment	Supporting justification
Clarity of objectives and measures		
Is there a clearly specified program objective?		Yes – the land rent rebate is for eligible properties.
Is there a clear program logic and theory of action and outcomes and outputs to be measured?		Yes – the program is relatively straight forward. The outcomes and outputs are measured by the eligible properties receiving the rebate according to program specifications.
Are there performance measures for the program with clearly specified targets?		The broad performance measure is the achievement of the delivery of the land rent rebate to eligible properties the program has been automated so that land rents are automatically adjusted, and all available landholders are eligible for the program.

#### 8.4 Effectiveness

The program has been effective in providing land rent rebates to eligible primary producers. However, there can be a range of distributional and equity outcomes given the relatively limited criteria for eligibility (Table 39).

Table 39: Effectiveness

Key evaluation areas and questions	Assessment	Supporting justification
Process (design, implementation and delivery)		
Has the program delivered its activities and outputs in line with the plan for implementation?		Yes – the land rent rebate has been provided to all eligible landholders.
Were performance targets met?		Yes – the land rent rebate has been provided to all eligible landholders.
Did the program fund all of the people and organisations that could be expected under the stated program objective and ensured that only eligible people/organisations received funding?		Yes – the land rent rebate has been provided to all eligible landholders.
Impact on outcomes		
What was the impact of the program?		
Financial impact?		The program reduced the financial burden on landholders' businesses up to the value of the land rent rebate. The size of the rebate varies according to land rents which vary considerably per hectare across regions and by business due the varying size of eligible properties.
Social impact?		The program is blind to individual circumstance or need. Landholders with rents less than \$243 per annum are ineligible and there is no restriction on size of rebate or consideration farm business circumstances. There is expected to be a farm household income effect for landholders that operate as sole traders and as family business. The reduction in rent is likely to boost relative farm business and household incomes and this is expected to have positive consequences for local economies where business and households source goods and services.
Distributional impact?		There are substantial distributional impacts. The scheme only benefits category 11 leases and excludes freehold businesses. While the rebate is a fixed percentage of the land rent the value of the rebate to an individual is a function of the applicable leasehold rent rate and the size of the area under lease. As such the absolute value of the rebate (but not in percentage terms) favours those landholders with large leases and higher rental rates. The rebate does not distinguish between the type of business structure and large rebates are being paid to corporate farming enterprises.
Has the program met its target outcomes?		Yes – the land rent rebate has been provided to all eligible landholders.
Were there any unintended consequences?		There is the possibility sustained provision of the rebate could affect incentives over the longer-term. Other things equal the rebate could make leasehold land relatively more profitable than comparable freehold land. This could distort farm investment and property values over time as the value of the rebate would be factored into the value of future land purchases. However,

Key evaluation areas and questions	Assessment	Supporting justification
		there are variety of countervailing factors including the rental rate is relatively small and the property right advantages private land holds over leasehold.

#### 8.4.1 Delivery of outcomes and outputs

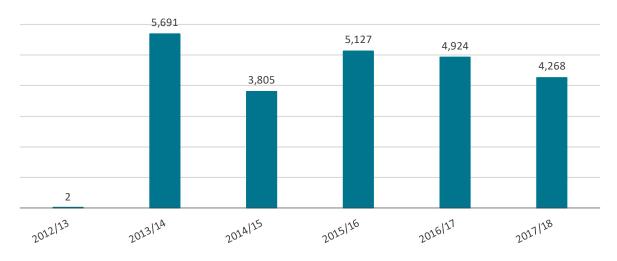
General observations on the outcomes and outputs are the program:

- the rent rebates are provided under a system that provides some degree of automation, however the identification of eligible properties is predominantly a manual process
- is relatively low transaction cost once the properties are identified as there is no application process and most systems are automated
- · has a wide distribution in the value of rebates given the rebate is a function of land size and rental rate with many relatively small rebates and a small number of very large rebates
- · benefits all eligible landholders regardless of circumstance or need or form of business structure
- · over time can influence at the margin the relative value of leasehold compared to private land and other things equal can be factor that may discourage conversion to freehold.

## 8.4.2 Impact of program

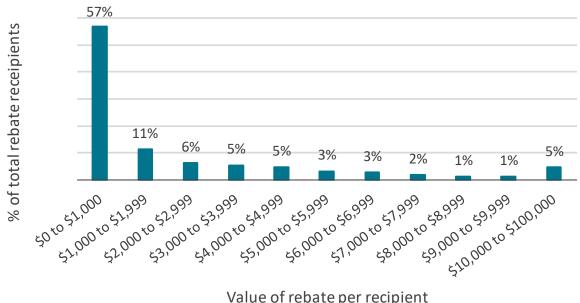
The number of annual recipients for the program has been between 3,800 and 5,700 over the last five years (Figure 26).

Figure 26: Uptake of land rent rebates (number of recipients)



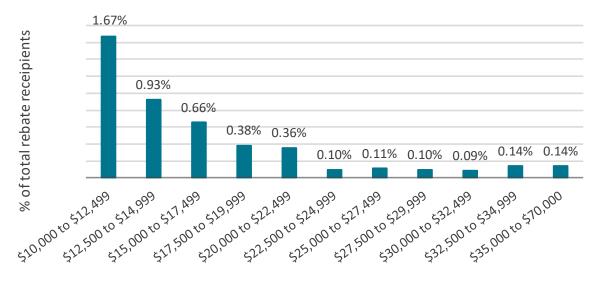
Most recipients received a rebate of less than or equal to \$1,000 (Figure 27). However, a small number of recipients received more than \$10,000 (Figure 28). The average rebate value per recipient over the five years is \$705. The value of the rebate reflects the relative length of drought experienced by individual leaseholders.

Figure 27: Frequency distribution of land rent rebate values



Value of rebate per recipient

Figure 28: Frequency distribution of land rent rebate values (>=\$10k recipients)



Value of rebate per recipient

#### Efficiency 8.5

The program appears to have been efficiently administered and this reflects the relatively simple delivery mechanism and eligibility criteria. While these characteristics underpin administrative efficiency, they tend to undermine the broader economic efficiency of the program (Table 40).

Table 40: Efficiency

Key evaluation areas and questions	Assessment	Supporting justification
Program administration		
Was the program administered in the most efficient manner?		Yes – the program was delivered on time and within budget within existing resources.
Efficient outcomes		
What impact did the program have on efficient outcomes in the marketplace (including downstream impacts)?		The reduction in rent is likely to boost relative farm business and household incomes and this is expected to have positive consequences for local economies where business and households source goods and services.
		There could be a range of longer-term impacts under sustained provision of the rebate. Other things equal the rebate is likely to make leasehold land relatively more profitable than comparable freehold land and could distort farm investment and property values over time. However, the rebate on only affects a relatively small fixed cost for most landholders and is unlikely to be material to most decision making.

#### Alignment with National Drought Principles 8.6

Land rent rebates do not align well with the national drought principles (

Table 41). On the whole, the program does not support preparedness or resilience and there is not a clear role of government nor efficient outcomes in subsidising land rents.

Table 41: Alignment with National drought principles

National Drought Principles	Assessment	Supporting justification
Overall assessment against principles		
Address the specific needs of farming families, farming businesses and farming communities		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.
Assist farming businesses plan and prepare for the future		No – the rebate is not tied to any business planning or preparatory activities. The rebate may be counterproductive to business planning and preparedness where an expectation develops that the rebate will be available in future drought circumstances. However, the rebate on only affects a relatively small fixed cost for most landholders and is unlikely to be material to most decision making.
Focus on the importance of maintaining and supporting the natural resource base		No – the rebate is not tied to any decision-making to maintain and support the natural resource base. The rebate may be counterproductive to maintaining and supporting the natural resource base where an expectation develops that the rebate will be available in future drought circumstances. However, the rebate on only affects a relatively small fixed cost for most landholders and is unlikely to be material to most decision making.
Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		No – the rebate is paid to the farm business and is not directly linked to communities. The rebate may have positive follow on benefits to regional communities through reduced pressure on farm business and household budgets and, where there is a preponderance of leasehold land, this may have positive effects for the ongoing resilience of these communities.
5. Occur where there is a clear role for government and deliver a net public benefit		There is no clear market failure of the rental rebate arrangements. Favouring leasehold land over private land over the longer term is likely to result in distortions in those markets. The rebate is likely to result in large private benefits, but it is not clear there are substantive public benefits.
Enable links with other measures or between service providers		The rebate is not linked to other schemes.
7. Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		There appears to be limited monitoring and performance information provided on the program.

# 9. Water licence waivers

## Key points and overall assessment

The program delivers waivers on the cost of water licences held on drought declared land. The program:

- has delivered \$5.1 million to eligible water licence holders on drought properties since 2012/13
- is automatically applied to eligible landholders
- is intended to reduce the financial burden on drought declared water licence holders
- excludes financial support to primary producers without water licences
- is being delivered within a narrow set of performance parameters set for the program
- has some administrative efficiency issues that could be addressed by improving information systems relating to eligible properties and the timeliness of information relating to expected changes in drought status
- is not well aligned with national drought policy principles.

#### Table 42: Summary of evaluation

Key evaluation areas	Overall assessment
Clarity of objectives and measures	
Effectiveness	
Process (design, implementation and delivery)	
Impact on outcomes	
Efficiency	
Program administration	
Efficient outcomes	
Alignment with National Drought Principles	

#### Scope of program 9.1

The program waives the annual water licence fees for Queensland producers in drought declared areas and individually droughted properties. Fees for all new water licence applications for stock and domestic water in all drought-declared areas in Queensland are also waived (including individually droughted properties).

All un-supplemented (i.e. a natural stream flow that does not rely on water infrastructure) water licence holders are required to pay an annual water licence fee other than to take water for stock or domestic purposes (unless the licence is for taking underground water for stock and domestic purposes from the Great Artesian Basin).

Licences bills are waived on a monthly basis after advice is received from DAF on eligible properties. All properties with a water licence are eligible with exclusion of properties that are under the ownership of the government or mining companies. Water licence waivers occur for all property types and are not exclusively applied to primary producers.

The rebate is available to all properties in drought declared areas and individually droughted properties.

The program is administered by the Department of Natural Resources, Mines and Energy.

#### 9.2 **Funding**

Funding has remaining reasonably steady over the last four years (2014/15 to 2017/18) at around \$1.0 million per annum (Table 43).

Table 43: Funding (\$ million)

Year	\$million
2012/13	0.29
2013/14	0.53
2014/15	1.12
2015/16	0.93
2016/17	1.10
2017/18	1.15
Total	5.11

#### **Objectives** 9.3

The objective of the Water Licence Waiver program is to waive water licence fees that are in a droughtdeclared area or for individually droughted properties.

However, while there is a clearly stated program objective, there is no clear program logic or target performance measures (Table 44).

Table 44: Clarity of objectives and measures

Key evaluation areas and questions	Assessment	Supporting justification
Clarity of objectives and measures		
Is there a clearly specified program objective?		Yes – water licence fees are waived for eligible drought declared properties. The objective is to reduce the licence fees and reduce the financial burden on the properties that are drought declared.
Is there a clear program logic and theory of action and outcomes and outputs to be measured?		Yes – the program is relatively straight forward. The outcomes and outputs are measured by the eligible properties receiving the waiver according to program specifications.
Are there performance measures for the program with clearly specified targets?		The broad performance measure is the achievement of the delivery of the waiver and minimising incorrect billing of the licence fees to eligible properties.

A Marsden Jacob prepared version of what appears to be the program logic is illustrated in Figure 29. This illustrates that the final desired outcome from the program is to reduce the financial burden on water licence holders on drought declared properties.

Figure 29: Marsden Jacob simplified program logic

Purpose		
Financial assistance to drought affected farmers by reducing water licences fees		
Outcomes		
Eligible farmers have their water licences waived		
Intermediate Outcomes		
Water licence fees are waived on drought declared properties		
Outputs		
Outputs     Water licence fees are waived on drought declared properties		
Water licence fees are waived on drought declared properties		
Water licence fees are waived on drought declared properties  Activities		

#### 9.4 **Effectiveness**

The program has been generally effective in delivering water licence waivers to eligible landholders but in doing so excludes a range of other landholders and can have some unintended longer-term consequences (Table 45).

Table 45: Effectiveness

Key evaluation areas and questions	Assessment	Supporting justification
Process (design, implementation and delivery)		
Has the program delivered its activities and outputs in line with the plan for implementation?		Yes - the waivers have been delivered to eligible properties.
Were performance targets met?		There are a range of internal accuracy and timeliness targets for billing waivers. At times, there are challenges meeting these targets when there are delays receiving information on which properties are eligible. Because licence fees are billed on a monthly basis, it is critical DNRME receive timely information on expected and actual changes to property eligibility status. In some circumstances, delays can be experienced with receiving this information and monthly bills or waivers are sent to properties that may have very recently had their eligibility status changed.

Key evaluation areas and questions	Assessment	Supporting justification
Did the program fund all of the people and organisations that could be expected under the stated program objective and ensured that only eligible people/organisations received funding?		Yes – but in some circumstances there may be gaps in information to appropriately determine the eligibility of some properties – either due to delays in information on the licencing database, eligible properties or changes in property ownership.
Impact on outcomes		
What was the impact of the program?		
Financial impact?		The program has a positive financial impact on eligible properties. But does exclude properties without an appropriate water licence.
Social impact?		The waiver reduces general business operating costs and can have a positive implication for the associated farm household incomes that can, in turn, have positive wider social outcomes. However, the scope of the programs' social impact is limited by the scope of the program to properties with water licences and the relative low water licence costs relative to other business expenses.
Distributional impact?		The program has delivered licence waivers to eligible licence holders and so excludes landholders without water licences. The rebate applies to non-primary producers and, given that licences fees are relatively fixed, the rebate is relatively evenly distributed across eligible licence holders. The rebate is not targeted at need.
Has the program met its target outcomes?		Yes – the program has delivered water licence waivers to eligible properties.
Were there any unintended consequences?		In a broader context, water licence waivers are a relatively blunt way of delivering support to droughted communities. Licences waivers do come at the expense of cost recovery principles and potentially other government programs that could be alternatively delivered to a wider group of affected landholders and can create longer term dependencies on business input subsidies and undermine the recovery of the cost of government service provision.

# 9.4.1 Delivery of outcomes and outputs

General observations on the outcomes and outputs of the program are:

- water licence waivers are provided under a system an automated process that is relatively low transaction cost once the properties are identified as there is no application process
- water licence waivers occur for all property types and are not exclusively applied to primary producers
- it reduces general business operating costs and can have a positive implication for the associated farm household incomes that can, in turn, have positive wider social outcomes
- it benefits all eligible landholders regardless of circumstance or need or form of business structure
- · the value of the financial benefits per recipient are widely distributed across eligible landholders
- over time may have a range of unintended consequences.

## 9.4.2 Impact of program

Between 2013/14 and 2017/18, the number of recipients for the program was between 10,100 and 15,600 (Figure 30).

15,625 14,556 14,327 12,539 7,637 4,358 2017|18 2012/13 2014/15 2015/16 2013/14 2016/17

Figure 30: Uptake of water licence waivers (number of recipients)

Most recipients received a waiver between \$50 and \$400 (Figure 31). The average waiver value per recipient over the five years is \$74. The value of the waiver over time reflects the relative length of drought experienced by individual licence holders.



Figure 31: Frequency distribution of water licence waivers

Value of waiver per recipient

#### Efficiency 9.5

The program has been generally administered efficiently, although there can be issue with ensuring correct rebates are applied to water bills in a timely manner (Table 46). The program is also likely to create a range of inefficiencies in market outcomes.

Table 46: Efficiency

Key evaluation areas and questions	Assessment	Supporting justification
Program administration		
Was the program administered in the most efficient manner?		The program, on the whole, was delivered relatively effectively. The program has significant economies of delivery compared to many other business input cost subsidies as it has: broad eligibility criteria; and automatic approval rather than application, with the delivery mechanism through automated billing.  However, given gaps in information systems and timeliness in the provision of eligibility information, incorrect billing can occur and there can be significant administrative burdens created to correct the rebate billing issues.
Efficient outcomes		
What impact did the program have on efficient outcomes in the marketplace (including downstream impacts)?		The program does not support efficient outcomes in the longer term. The program is a relatively blunt instrument to deliver drought support and does not necessarily reflect need nor support preparedness. The provisions of waivers for the costs of doing business ultimately undermine the longer-term cost recovery of government services and favours some parts of the primary industry sector over others.

#### Alignment with National Drought Principles 9.6

The water licence waiver does not align well with the national drought principles (Table 47).

Table 47: Alignment with National drought principles

Nat	ional Drought Principles	Assessment	Supporting justification
	erall assessment against aciples		
1.	Address the specific needs of farming families, farming businesses and farming communities		No – while the program delivers support to some drought affected farm businesses and this in turn has positive implication for affected farm families, the program is nonetheless a relatively blunt instrument to meet the specific needs of affected families, business and communities.
2.	Assist farming businesses plan and prepare for the future		The program does not assist planning for the future per se. The program is targeted at an immediate fixed charge which is unlikely to affect decision making.
3.	Focus on the importance of maintaining and supporting the natural resource base		No – the program is targeted at immediate water licence bill relief and not farm business decision making relevant to the natural resource base.
4.	Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		No – the program is targeted at immediate water licence bill relief of individual properties and is not targeted at communities per se. Licence waivers do not support community preparation for drought. Arguably, over time, waivers can at the margin reduce the general financial pressures on affected businesses. Over the medium term, this can support wider economic activity but may also undermine resilience in the longer term by creating business dependencies on concessions.
5.	Occur where there is a clear role for government and deliver a net public benefit		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 arrange of hidden costs such as supporting some businesses without a genuine need. The program also undermines the effectiveness of genuine hardship programs where individuals can apply for water bill relief based on need and personal hardship.
6.	Enable links with other measures or between service providers		No – the program is operated separate to other drought support programs. However, the program does have indirect links to hardship programs in that broad non-application-based approvals tend to undermine the needs based individual hardship programs.
7.	Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		Yes – the program is routinely monitored, and performance information is assessed by the DNRME.

# Transport related drought assistance measures

# Key points and overall assessment

The program delivers enhanced access for heavy vehicles to transport goods to and from their properties during the drought period and provides financial relief on some registration fees. The program:

- has been utilised in the transport sector to move livestock to and from farm properties more efficiently
  using longer multi-combination vehicles, although it is unclear how much the program has been used for
  hay-loading. It is also unclear how much of the benefits from the permits has been shared or directed to
  farmers, although Transport and Main Roads (TMR) have indicated that most of the transport operators
  benefitting were transport companies
- has delivered financial relief to transport operators via fee waivers and exemptions. The total financial benefit of the certificate of inspection waiver is approximately \$1.5 million over the five-year period 2013/14 to 2017/18. TMR was not able to provide information on the value of the other waivers, although they are likely to be less significant than the certificate of inspection waiver
- appears to be operated in an administrative efficient manner, although TMR has indicated that it is difficult to be sure that the permits are always used for their intended purpose
- may be delivering a net benefit for the community by reducing red tape through enhanced vehicle access. It
  is possible that the benefits of allowing longer vehicles and greater height allowances are greater than the
  costs of additional road wear and potential safety risks. In contrast, the registration and licensing waivers
  and exemptions are transaction based and, similar to the DRAS program, there is no clear market failure
  issue that they appear to be addressing
- is generally not well aligned with the national drought policy principles, particularly for the registration and licensing fee waivers and exemption components. However, the enhanced vehicle access components may be delivering net benefits to the community.

Table 48: Summary of evaluation

Key evaluation areas	Overall assessment
Clarity of objectives and measures	
Effectiveness	
Process (design, implementation and delivery)	
Impact on outcomes	
Efficiency	
Program administration	
Efficient outcomes	
Alignment with National Drought Principles	

# 10.1 Scope of program

The program consists of a number of eleven components (Table 49). A key eligibility requirement for all of these components is that the property of the primary producer has been drought declared by the Queensland Government (in addition to the specific eligibility requirements listed in Table 49).

The program is administered by the Department of Transport and Main Roads.

Table 49: Features of program

No.	Program component	Features	Specific eligibility requirements
1	Multi-combination drought permits	These permits allow transport operators and/or producers to access routes with multi-combination vehicles that would not otherwise be allowed to be used on those routes. For example, type 2 road trains may travel on type 1 routes.  Applications for a multi-combination drought permit are processed through the National Heavy Vehicle Regulator (NHVR).	Any transport operator or primary producer who is responsible for the movement of eligible livestock to or from their original property for agistment, or to another location for sale or slaughter, or moving fodder to their property may apply for a permit.  The operator needs the permit only if the operator of a multi-combination vehicle wishes to access a drought declared property or shire by a route that they cannot otherwise access.
2	Increase to the maximum loaded dimensions of baled or rolled hay or straw	The National Class 3 Drought Assistance Dimensions Exemption Notice is available to increase the maximum loaded dimensions of baled or rolled hay or straw for transport operators and graziers in drought affected areas. Under the drought assistance notice an eligible vehicle that already has either general access, or restricted access under a Gazette Notice, may operate up to the following dimensions  2.83m in width  4.6m in height	<ul> <li>The following vehicles are eligible to operate under the Drought Assistance</li> <li>Notice: <ul> <li>A heavy rigid vehicle up to 12.5m in length</li> </ul> </li> <li>A rigid truck and dog trailer</li> <li>A prime mover and semi-trailer combination up to 19m in length</li> <li>A prime mover and low-loader combination up to 19m in length</li> <li>A B-double</li> <li>A road train</li> </ul>
3	An additional registration pay term of 3 months and exemption from surcharge for a 3 or 6 month registration pay term	A registered operator who has a vehicle registered with a purpose of use of private or farm may apply for a 3 month registration term (instead of the current 6 month maximum).  Alternatively, operators can have registration for the available 6 month reduced registration term option and	Vehicle used for private or farm use.

No.	Program component	Features	Specific eligibility requirements
		apply to have the surcharge for this registration term exempted.  Administered by the Department of Transport and Main Roads.	
4	Exemption from an administrative fee for late payment of registration	Exemption from paying an administrative fee for late payment of registration fees.	
5	Waiving of certificate of inspection fees	Fee exemption from certificate of inspection fees.  Certificate of Inspection fees relate to vehicles (such as heavy vehicles, buses, taxis and booked hire vehicles) registered in Queensland which need to have a periodic or programmed inspection (between 6 and 12 month) to check minimum vehicle safety standards.	Eligible vehicles registered for primary production that is due for inspection.
6	Seasonal registration vehicles can have dormant period extended to two years	Registration may be deferred at the end of the registration term for a maximum period of 2 years.  The registration may then be renewed at the end of that period.	This item applies to a vehicle owned by a primary producer who has a vehicle with seasonal registration.
7	Cancellation and re- registration of vehicles	A vehicle's registration can be cancelled if registered under the Primary Producer's Concession Scheme until reregistration is required, for example, seasonal conditions favourable for planting.  The Department of Transport and Main Roads will recognise a previous certificate of inspection for the vehicle when processing an application for reregistration provided certain conditions are met.	
8	Fodder transport with primary producer concession	Vehicles registered under the Primary Producer Concession Scheme can be used for the transport of fodder on behalf of eligible drought declared primary producers, to or within a	Only applies to vehicles registered under the Primary Producer Concession Scheme to transport fodder.  The Primary Producer Concession Scheme is available to producers for vehicles are only involved in the carriage of produce

No.	Program component	Features	Specific eligibility requirements
		drought declared area provided certain conditions are met.	between the point of primary production and the first point of processing or other transport (e.g. rail head).
9	Farm plate concession vehicles able to cart water for up to 80 km	Farmers may use vehicles on the farm plate concession in drought declared areas to cart water for up to the current distances outlined in the Conditional Registration Zone Access Categories:  Zone 1: Coastal Location — maximum distance is 20 km  Zone 2: Western Location — maximum distance is 40 km  Zone 3: Far Western Location — maximum distance is 80 km.	Only applies to vehicles registered under the Farm Plate Concession Scheme to car water.  The Farm Plate Concession Scheme applies to vehicles that are used only by Primary Producers in their business as a Primary Producer and restricts the vehicle to travel between different parcels of land managed by the Primary Producer. The travelling distance is restricted to the maximum distance allowable as in the Conditional Registration Scheme Zone Access category.
10	Stock grazing on declared road reserves	Farmers may apply to graze stock on a declared road reserve, provided sufficient stock control is present.  Approval is obtained from the Department of Transport and Main Roads or the relevant local government if it is a local government road or a stock route.	
11	Drought assistance under School Transport Assistance Scheme	Additional conveyance allowance (for travel to and from school) may be available for eligible students who live on a drought declared primary producing property and who qualify for conveyance allowance Class A or C.	Class A allowance is payable to parents/guardians of eligible students who are driven to and from school in a private motor vehicle.  Conveyance allowance Class A is not available when students live within 3.2km of a kilometre-based school bus service that provides transport for the year level required.  Class C allowance is payable to parents/guardians of students who are driven more than 3.2km to the nearest point of a kilometre-based or approved fares-based school bus route. Class C is also payable to parents/ guardians who drive their students over 3.2km to the nearest railway station.

# 10.2 Funding

The cost to the Queensland Government of those transport measures that involve enhanced vehicle access (e.g. permits, farm plate concession vehicles and stock grazing) is not significant as they do not involve providing financial assistance.

In terms of fee waivers and exemptions, the certificate of inspection waiver is estimated by TMR to provide a total financial benefit for transport operators of approximately \$1.5 million over the six-year period 2012/13 to 2017/18 (Table 50). Additionally, the exemption from surcharges on 3 or 6 month payment terms and the late payment fees for re-registration provide a combined financial benefit of around \$0.2 million over the six year period. TMR was not able to provide information on the value of other waivers and exemptions, although they are likely to be much less significant than the certificate of inspection waiver.

Table 50: Funding (\$ million)

Year	Exemption from surcharge for a 3 or a 6 month pay term	Exemption from an administrative fee for late payment of registration	Certificate of inspection waiver	Total
2012/13	\$0.000	\$0.000	\$0.000	\$0.000
2013/14	\$0.014	\$0.023	\$0.045	\$0.081
2014/15	\$0.076	\$0.079	\$0.226	\$0.381
2015/16	\$0.002	\$0.004	\$0.330	\$0.336
2016/17	\$0.001	\$0.004	\$0.425	\$0.430
2017/18	\$0.001	\$0.003	\$0.488	\$0.492
Total	\$0.094	\$0.113	\$1.514	\$1.721

Note: funding in the table only includes: the financial cost to TMR of the certificate of inspection fee waiver; the exemption from surcharge for a 3 or a 6 month pay term; and the exemption from an administrative fee for late payment of registration. There may be a financial cost of providing other waivers and exemptions and also in administering permits and other concessional vehicle access which is not shown in the table.

#### 10.3 Objectives

The objective of the transport related drought assistance measures is to reduce transport related costs for farmers and transport operators by providing for enhanced access for heavy vehicles to transport goods to and from their properties during the drought period and to provide relief on some registration fees.

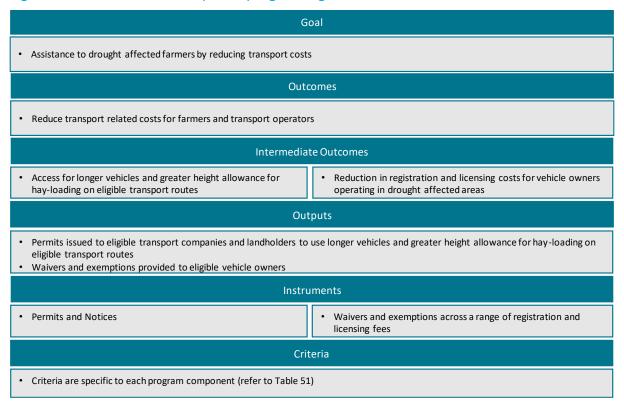
However, while there is some clarity concerning objectives, program performance measures do not exist.

Table 51: Clarity of objectives and measures

Key evaluation areas and questions	Assessment	Supporting justification
Clarity of objectives and measures		
Is there a clearly specified program objective?		Yes – the objective to reduce transport related costs for farmers and transport operators in transporting goods to and from the farm property.
Is there a clear program logic and theory of action and outcomes and outputs to be measured?		There is no stated program logic. Marsden Jacob has prepared a simplified version of what appears to be the program logic in Figure 32.
Are there performance measures for the program with clearly specified targets?		There are no stated performance measures for the program.

A Marsden Jacob prepared version of what appears to be the program logic is illustrated in Figure 32.

Figure 32: Marsden Jacob simplified program logic



#### 10.4 Effectiveness

The program appears to have been generally effective in delivering financial relief to landholders, although the benefit of the multi-combinational permit is mostly limited to one region of Queensland and it is unclear to the extent to which transport companies have passed on cost savings to landholders. Data availability somewhat limits effective analysis of impacts of the different program components – especially the impact on farmers.

Table 52: Effectiveness

Key evaluation areas and questions	Assessment	Supporting justification
Process (design, implementation and delivery)		
Has the program delivered its activities and outputs in line with the plan for implementation?		Yes – the permit component of the program appears to have been administered in accordance with the program intent with permits typically administered within 2 to 3 days of the application.  Permit applications are assessed via the National Heavy Vehicle Regulator (NHVR) and then, in the case of the multi-combination permit, further assessed by TMR from a safety perspective.
Were performance targets met?		There are no stated performance measures.
Did the program fund all of the people and organisations that could be expected under the stated program objective and ensured that only eligible people/organisations received funding?		There is limited data to assess whether the program components were effective in funding all relevant transport companies and farmers.  However, taking into account that the permits, waivers and exemptions are not automatically granted, anecdotal information from TMR indicated that the certificate of compliance waiver was predominantly taken up by fleet operators which may appear to indicate that most small operators/farmers are not benefitting from the scheme – probably due to a lack of awareness.  Additionally, TMR indicated they have had a concern that some of the permits have not always been used for the intended purpose. However, it is unclear as to the extent of this problem.
Impact on outcomes		
What was the impact of the program?		
Financial impact?		The multi-combinational vehicle permits for additional length are likely to have resulted in lower transport costs in transporting livestock to and from farms – especially considering that the permits allow the maximum vehicle length for a road train (under certain conditions) to increase from 36.5 to 53.5 metres. Information from TMR indicates that around 300 of these permits were issued in the last 12 months of a duration of 1 week each.  The hay-loading permits are also likely to have had an impact on transport costs as they allow for the maximum height of machine-baled hay to be increased from 4.3 m to 4.6 m.
		The financial benefit for transport operators of the waivers on the certificate of inspection fees is estimated by TMR to be approximately \$1.5 million over the last five years and the number of vehicles benefiting from the program has been steadily increasing over time (
		Figure 33). However, it is unclear how much of this was shared by transport companies with landholders.
		Other waivers and exemptions are likely to be much less significant than the certificate of inspection waiver.
Social impact?		The issuing of permits and fee waivers and exemptions are likely to have had positive direct financial impacts for local transport companies and affected landholders which can lead to positive social outcomes for the landholder and local community.

Key evaluation areas and questions	Assessment	Supporting justification
Distributional impact?		The multi-combination permits were predominantly issued in the eastern part of the Darling Down region. This is because there are relatively more routes in this region that are restricted to type 1 road trains (i.e. 36.5 metre length) under no drought conditions than other parts of Queensland.  It is difficult to assess other components of the program due to limited data availability.
Has the program met its target outcomes?		The program has provided financial relief to road transport operators, although there are no clear output targets.
Were there any unintended consequences?		The reduced transport costs may not have provided relief for landholders if transport companies did not pass on the cost saving. It is unclear as to extent to which cost savings were passed on to landholders.

#### 10.4.1 Impact of program

In terms of permits, TMR indicated that the number of multi-combinational permits were 300 in the 12 months to August 2018 and around 500 in years prior to this. TMR indicated that the reduction in number of permits was likely due to increase in duration of the permits from 3 days to 1 week.

No information was available for hay-loading as TMR indicated that it is not clearly identified which of these permits related only to drought conditions.

In terms of the certificate of inspection fee waiver, the number of vehicles that have received the waiver has been steadily increasing since 2012/13 (Figure 33). The average subsidy per recipient over the five years is around \$119 per vehicle.

As indicated by the size of the financial assistance for the two fee exemptions in Table 50, the impact of other waivers and exemptions is likely to be much smaller than the certificate of inspection fee waiver.

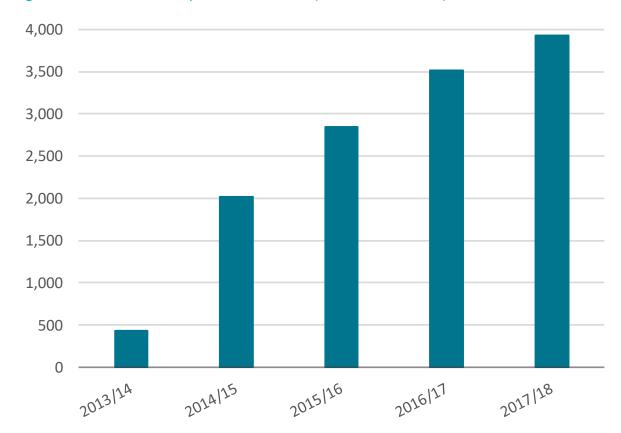


Figure 33: Certificate of inspection fee waiver (number of vehicles)

# 10.5 Efficiency

The program appears to be administered reasonably efficiently. However, it is unclear the extent to which it is benefiting farmers and would benefit from closer monitoring of program outcomes.

Table 53: Efficiency

Key evaluation areas and questions	Assessment	Supporting justification
Program administration		
Was the program administered in the most efficient manner?		The permit component of the program appears to be operating reasonably efficiently as it is taking only 2 to 3 days to issue a permit, notwithstanding that the permit system is now operated by the National Heavy Vehicle Regulator (NHVR). Additionally, the hay-loading program component now operates under a Notice which does not require a permit and hence reduces the administrative effort.
		In terms of the certificate of inspection fees, TMR indicated that it is a relatively simple process for applying the waiver. On request, the TMR call centre checks the drought maps and applies the waiver when the registered operator makes the booking. As a result, TMR indicated that administering the waiver is not a significant administrative burden.
Efficient outcomes		

Key evaluation areas and questions	Assessment	Supporting justification
What impact did the program have on efficient outcomes in the marketplace (including		The permits may be delivering a net benefit to the community as the productivity benefits that they deliver may be greater than the additional road wear and safety risks.  The certificate of inspection fee waiver (around \$119 per vehicle which, in
downstream impacts)?		effect, applies for 6 or 12 months) is not likely to have a significant impact on transport costs and hence efficiency in the transport marketplace.

# 10.6 Alignment with national drought principles

The program is generally not well aligned with national drought policy principles, particularly for the registration and licensing fee waivers and exemption components. However, the enhanced vehicle access components may be delivering net benefits to the community.

Table 54: Alignment with National drought principles

Nat	ional Drought Principles	Assessment	Supporting justification
	erall assessment against nciples		
1.	Address the specific needs of farming families, farming businesses and farming communities		The drought permits can be a useful program for individual landholders seeking to reduce the cost of transporting goods to and from drought affected properties. However, it is unclear to extent to which these benefits flow from transport companies to farming businesses.
2.	Assist farming businesses plan and prepare for the future		The program does not support landholders to plan and prepare for the future. The program is reactive and addresses short term transport needs. The program is likely to discourage future preparedness in some landholders who, on the basis of past provision, build an expectation the program will be similarly available in the future. Indeed, DRAS program data indicate there is a tendency for some landholders to seek repeat subsidies within years and across years that the program is available. However, where the program enables landholders to retain breeding stock, it may in some circumstances enable more rapid recovery of the farm business once a drought declaration is revoked. Nonetheless, the continuance of stocking in droughted circumstances is a risky strategy and may ultimately undermine the longer-term sustainability of the business.
3.	Focus on the importance of maintaining and supporting the natural resource base		The program does not focus on the importance of the 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.
4.	Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		The program does not support farming communities per se. The program is farm business based and not directed at community outcomes. There is unlikely to be any immediate direct benefit to local communities from issuing permits as most of the sourced inputs being subsidised are imported external to the LGA. However, there may be short term positive household income effects as business expenses are subsidised. Given the program assists with short term animal welfare, the program has limited effects on encouraging long term sustainability or resilience.

Nat	tional Drought Principles	Assessment	Supporting justification
5.	Occur where there is a clear role for government and deliver a net public benefit		In terms of the registration and licensing relief program components, there does not appear to be a clear role for government other than as a mechanism to provide financial relief to some members of the community. However, a role for government does exist in providing enhanced road access where it is beneficial to do so as roads are operated by TMR and access to roads are constrained by mass and dimension limits so as to limit road wear across the road network and provide for safe vehicle travel outcomes. Moreover, there may be a net public benefit in providing enhanced vehicle access where the productivity benefits outweigh the additional road wear and perceived safety risks.
6.	Enable links with other measures or between service providers		The program appears to have some linkage with the DRAS program as it complements the fodder and water freight subsidies.
7.	Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		There appears to be limited monitoring and performance of the broad outcomes of the program to understand in more detail the behavioural responses of transport companies and landholders to the program.

# 11. Living away from home allowance drought supplement

## Key points and overall assessment

The program provides a financial supplement to the living away from home allowance. The program:

- has provided \$3.7 million in assistance since 2012/13
- provides financial support to households within drought declared areas or on individually droughted properties that have dependents who live away from home to attend school
- · the supplement supports eligible remote drought affected households as it is focused on students from remote areas
- · the program excludes those households with school children not receiving the living away from home allowance
- has weak alignment with some national drought reform principles.

#### Table 55: Summary of evaluation

Key evaluation areas	Overall assessment
Clarity of objectives and measures	
Effectiveness	
Process (design, implementation and delivery)	
Impact on outcomes	
Efficiency	
Program administration	
Efficient outcomes	
Alignment with National Drought Principles	

# 11.1 Scope of program

The Living Away from Home Allowances Scheme (LAFHAS) supports eligible Queensland families whose children need to live away from home to attend a state school or an accredited non-state school. This may be because their homes are geographically isolated and/or nearest school is a bypass school. The LAFHAS drought supplement is an additional allowance that is provided to those eligible under the LAFHAS in areas affected by drought.

The LAFHAS drought supplement provided an additional payment to eligible persons under the LAFHAS for the 2016/17 and 2017/18 years.

The program is administered by the Department of Education.

# 11.2 Funding

Total program funding was \$3.8 million (Table 56).

Table 56: Funding (\$ million)

Year	\$million
2012/13	0.0
2013/14	0.0
2014/15	0.0
2015/16	0.0
2016/17	2.8
2017/18	0.9
Total	3.7

Note: 2015/16 refers to the 2016 calendar year etc.

# 11.3 Objectives

The objective of the program was to provide educational drought funding to those that are currently receiving the LAFHAS.

However, while there is a clearly stated program objective, there is no clear program logic or target performance measures (Table 57).

Table 57: Clarity of objectives and measures

Key evaluation areas and questions	Assessment	Supporting justification
Clarity of objectives and measures		
Is there a clearly specified program objective?		Yes – the objective is to provide educational drought funding via the LAFHAS.
Is there a clear program logic and theory of action and outcomes and outputs to be measured?		There is no stated program logic. Marsden Jacob has prepared a simplified version of what appears to be the program logic in Figure 34.
Are there performance measures for the program with clearly specified targets?		There are no stated performance measures for the program.

A Marsden Jacob prepared version of what appears to be the program logic is illustrated in Figure 34. This illustrates that the final desired outcome from the program is to provide financial assistance to drought affected families by reducing cost of dependents living way from home to attend school.

Figure 34: Marsden Jacob simplified program logic

#### Purpose

• Financial assistance to drought affected families by reducing cost of dependents living way from home to attend school

#### Outcomes

• Eligible primary producers receive a supplement for dependents receiving the living away from home allowance

#### Intermediate Outcomes

· Eligible primary producers receive a supplement for dependents receiving the living away from home allowance

#### Outputs

The living away from home allowance is supplemented for recipients from drought affected areas and individually droughted properties

#### Activities

• Each eligible LAWHA recipient received a supplement of \$1250 in 2016 and 2017 and \$279 in 2018

#### Criteria

• The LAWHA recipient is from a drought affected area or individually droughted property

## 11.4 Effectiveness

The program has been effective in achieving its stated outcomes (Table 58).

Table 58: Effectiveness

Key evaluation areas and questions	Assessment	Supporting justification
Process (design, implementation and delivery)		
Has the program delivered its activities and outputs in line with the plan for implementation?		Yes – program funding has been fully distributed.
Were performance targets met?		There are no stated performance measures.
Did the program fund all of the people and organisations that could be expected under the stated program objective and ensured that only eligible people/organisations received funding?		Yes – program funding was distributed to recipients of LAFHAS.
Impact on outcomes		
What was the impact of the program?		
Financial impact?		The average funding per payment is around \$937 over the funding period (Table 59), although it is likely that some families received higher than this amount as they would have been eligible for more than 1 year.
Social impact?		The program funding may have had some impact on the financial viability of keeping children in boarding school at their current school location. This may have minimised the social disruption associated with children changing schools that could result from changes in the financial situation of parents.
Distributional impact?		Those eligible for LAFHAS in drought affected areas were all funded the same amount (Table 59) - i.e. \$1,250 for 2016 and 2017 and then \$279 for 2018. It does not provide any funds for school children in drought declared areas not already in receipt of LAFHAS.
Has the program met its target outcomes?		Yes – the program has provided relief to those that were eligible for LAFHAS.
Were there any unintended consequences?		Unclear.

## 11.4.1 Impact of program

The number of payments under the program was 1,098 in the 2016 calendar year, 1,608 in 2017 and 1,287 in 2018. Eligible recipients received \$1,250 in each of the 2016 and 2017 calendar years. In 2018, \$279 was provided to remaining eligible recipients.

Table 59: Program impact

Calendar year	Funding per payment	Number of payments
2016	\$1,250	1,098
2017	\$1,250	1,608
2018	\$279	1,287
Average/Total	\$937	3,993

# 11.5 Efficiency

The program is relatively weak in delivering efficient outcomes (Table 60)

Table 60: Efficiency

Key evaluation areas and questions	Assessment	Supporting justification
Program administration		
Was the program administered in the most efficient manner?		The program was a supplementary payment to an existing program. This reduced the administrative burden for families and the administrative cost to the Department relative to establishing a new payment and distribution method.  However, administrative effort was required to ensure that only those in drought affected areas received the payment. This upfront work effort did result in some delay in the distribution funding.
Efficient outcomes		
What impact did the program have on efficient outcomes in the marketplace (including downstream impacts)?		It is possible that the funding resulted in children staying in their preferred schooling location. It does not provide any funds for school children in drought declared areas not already in receipt of LAFHAS

# 11.6 Alignment with National Drought Principles

The LAHAS drought supplement alignment to the National Drought principles is summarised Table 61. In some cases, the principles are not relevant as the program as the program appears to be focussed on farm household support.

Table 61: Alignment with National drought principles

Nat	National Drought Principles Assessment Supporting justification		
Ove	erall assessment against nciples	Assessment	Supporting Justineation
1.	Address the specific needs of farming families, farming businesses and farming communities		The program directly targets a specific need of farming families as it appears that it is intended to reduce the cost of sending children to boarding schools. This can have positive social and health outcomes for affected families. However, as an educational program, the program does not address the broader spectrum of school children in drought affected areas – e.g. where students remain in the local community and attend state schools, schools of distance education (SDE) or home education units.
2.	Assist farming businesses plan and prepare for the future		The program is focussed on farm household support and does not impact on this objective.
3.	Focus on the importance of maintaining and supporting the natural resource base		The program is focussed on farm household support and the program does not impact on this objective.
4.	Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		The program is focussed on farm household support and the program does not impact on this objective.
5.	Occur where there is a clear role for government and deliver a net public benefit		The program may beneficially contribute to social outcomes by keeping some children in their preferred schooling location or ensuring a decent education for those who are at risk of being withdrawn from school altogether.
6.	Enable links with other measures or between service providers		The program is linked to the drought declaration process.
7.	Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		There appears to be limited monitoring and performance of the broad outcomes of the program to understand in more detail the behavioural responses of families to the program.

# 12. Other programs

We have been asked to briefly note and comment on a suite of other programs that are part of the drought program but not focussed on delivering payments. These programs support resilience and recovery arrangements for affected landholders.

These programs include:

- · Royal Flying Doctor Service Drought Well Being Service
- · This program provides mental health services to drought affected remote communities through workshops and primary health care.
- · Tackling regional adversity through integrated care
- This program provides grants of between \$5,000-\$10,000 to enable drought affected communities to build community resilience
- · Farm business training
- This program has provided nationally recognised training to twenty-one participants to improve practical business skills - such as planning budgeting, risk management and succession planning.
- Primary Industry productivity enhancement program (PIPES)
- This program provides concessional loans to eligible primary produces via (a) the sustainability program and (b) the First Start program. Sustainability programs loans have largely supported the development of onfarm infrastructure such as water, fencing and pasture improvements. First Start has focussed on property livestock and machinery purchases.
- Drought and climate adaption program (DCAP)
- DCAP is the Queensland Government's \$17.5 million initiative to improve drought preparedness and resilience for Queensland producers. The program began in 2016 with Phase One ending June 2017. Phase Two runs to June 2021 and at this stage consists of nine projects managed and funded through a series of partnerships with government and industry partners. The program has allocated \$21 million in research, development and extension (RDE), focussed on: resilience and preparedness; and improving the capacity of primary producers to manage climate variability and adapt to climate change.

The feedback from stakeholders was that these programs are valued and contribute positively to improving outcomes over the longer term.

Our assessment below found the programs a well aligned to the national drought policy principles (Table 62).

Table 62: Alignment of other programs to national drought policy principles

Key evaluation areas	Drought reform principles
Royal Flying Doctor Service Drought Well Being Service	
Tackling regional adversity through integrated care	
Farm business training	
Primary Industry productivity enhancement program (PIPES)	
Drought and climate adaption program (DCAP)	

#### 12.1 General observations

Some general observations are:

- on the whole, the programs are better aligned to the drought reform principles than those evaluated in previous sections of this report
- despite providing critical skills, uptake of the farm business training has been low and landholders for various reasons are voting with their feet and utilising other kinds of training, including best management practice. This should be better understood in order to design appropriate responses to improve the uptake going forward
- · aspects of the PIPES program support drought resilience and preparedness through enabling upgrades of onfarm infrastructure. However concessional finance in of itself may not align where it is a lender of last resort. The program has been previously evaluated by the Queensland Treasury Corporation
- · DCAP aligns to the IGA and there are sound market failure rationales for government support of the program. There may be opportunities to continue to improve the focus RDE efforts toward demonstrated practical private benefit outcomes for primary producers and in doing so improve cost sharing arrangements with industry for the provision of the RDE.

## 12.2 Alignment with IGA

In this section we provide a high-level assessment of the alignment of these other programs with the IGA. On the whole these programs align well with the national drought reform policy principles (.

Table 63, Table 64, Table 65, Table 66, Table 67).

Table 63: Royal Flying Doctor Service Drought Well Being Service alignment with national drought reform principles

National Drought Principles	Assessment	Supporting justification
Overall assessment against principles		
Address the specific needs of farming families, farming businesses and farming communities		Yes – the program provides mental health services to those affected by drought. The program is delivered in a collaborative way to ensure engagement with producers who may not traditionally seek support.
Assist farming businesses plan and prepare for the future		The program is focussed on mental health services. Nonetheless the services provide support that can enable affected farmers to be better able to cope and become more resilient and thereby enable them to be better prepared for future droughts
Focus on the importance of maintaining and supporting the natural resource base		The program is focussed on mental health services.
Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		The program is focussed on mental health services. Nonetheless the services provide support that can enable affected farmers to be better able to cope and become more resilient and thereby enable them to be better prepared for future droughts.
Occur where there is a clear role for government and deliver a net public benefit		Yes – the service provided targeted public health outcomes

National Drought Principles	Assessment	Supporting justification
Enable links with other measures or between service providers		Yes – the service is connected to other health and drought programs
Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		Yes

Table 64: Tackling regional adversity through integrated care alignment with national drought reform principles

National Drought Principles	Assessment	Supporting justification
Overall assessment against principles		
Address the specific needs of farming families, farming businesses and farming communities		Yes – the program provides grants to enable provision of integrated care initiatives in communities affected by drought.
Assist farming businesses plan and prepare for the future		The program is focussed on improving integrated care services.  Nonetheless the services provide support that can enable affected farmers to be better able to cope and become more resilient and thereby enable them to be better prepared for future droughts
Focus on the importance of maintaining and supporting the natural resource base		The program is focussed on mental health services.
Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		The program is focussed on improving integrated care services  Nonetheless the services provides support that can enable affected farmers to be better able to cope and become more resilient and thereby enable them to be better prepared for future droughts
Occur where there is a clear role for government and deliver a net public benefit		Yes – the service provided targeted public health outcomes
Enable links with other measures or between service providers		Yes – the service is connected to other health and drought programs
Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		Yes

Table 65: Farm business training alignment with national drought reform principles

National Drought Principles	Assessment	Supporting justification
Overall assessment against principles		
Address the specific needs of farming families, farming businesses and farming communities		Yes – the program provides farm business training.
Assist farming businesses plan and prepare for the future		Yes – improving farm business training enables farmers to have the skills to prepare business plans and better prepare for the future.
Focus on the importance of maintaining and supporting the natural resource base		Potentially yes. The improvement in business skills can translate into better management decisions including better preparedness that can in turn have positive outcomes for the natural resource base.
Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		Yes – improving farm business training enables farmers to have the skills to prepare business plans and better prepare for the future and improve the longer-term sustainability and resilience.
Occur where there is a clear role for government and deliver a net public benefit		Potentially yes where there are gaps in the capacity of the market to provide these services and where there are gaps in the information and impediments to farmers privately sourcing these skills.
Enable links with other measures or between service providers		Yes – the service is connected to other health and drought programs
Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		Yes – DAF undertakes a program evaluation.

Table 66: Primary Industry productivity enhancement program (PIPES) alignment with national drought reform principles

National Drought Principles	Assessment	Supporting justification
Overall assessment against principles		
Address the specific needs of farming families, farming businesses and farming communities		Yes — the program enables concessional loans for first start farmers to purchase livestock and farm machinery and for other farmers to undertake works to support sustainable farm practices. These loans aim to be productivity enhancing and can be used for farm infrastructure upgrades to improve resilience and preparedness.
Assist farming businesses plan and prepare for the future		Yes — the loans require an appropriate farm business proposal
Focus on the importance of maintaining and supporting the natural resource base		Yes — the program enables concessional loans for first start farmers to purchase livestock and farm machinery and for other farmers to undertake works to support sustainable farm practices. The loans focus on productive, sustainable and profitable outcomes for businesses, which includes protecting the natural resource base.

National Drought Principles	Assessment	Supporting justification
Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		These are focused on farm businesses, however there can be flow on effects across droughted communities.
Occur where there is a clear role for government and deliver a net public benefit		Potentially yes — QRIDA only take on loans which fit strict criteria and require certain securities which does not make QRIDA a lender of last resort. There can be a case for government support for rural finance concessions for first start farmers to address gaps in commercial lending markets.
Enable links with other measures or between service providers		
Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		Yes – loans program was evaluated by the Treasury Corporation.  Monitoring and Performance through the QRIDA Quarterly Report to the Minister for Agricultural Industry Development and Fisheries.

Table 67: Drought and climate adaption program (DCAP) alignment with national drought reform principles

National Drought Principles	Assessment	Supporting justification
Overall assessment against principles		
Address the specific needs of farming families, farming businesses and farming communities		Recent program evaluation found there is credible evidence that DCAP projects are addressing industry needs and involving stakeholders in product development and research design.
Assist farming businesses plan		Yes — among others the program provides:
and prepare for the future		<ul> <li>research to give Queensland graziers the forage decision tools to master drought-prone climate, enabling proactive climate responsive business decisions.</li> </ul>
		<ul> <li>engage directly with Queensland graziers, extension officers and scientists to identify barriers to drought preparedness, and strategies to assist the grazing industry to improve business resilience and adaptation to drought</li> </ul>
		<ul> <li>improved seasonal climate forecasts, development of information products for grazier decision making and integration of this information into existing and new extension activities.</li> </ul>
		<ul> <li>economic impacts of grazing management decisions will be analysed to improve the capacity of businesses to manage the productivity and profitability challenges of droughts in Queensland.</li> </ul>
		<ul> <li>improved temperature forecasts will be developed and customised to enhance farm management decision making in the Queensland vegetable industry and improve the capacity of the horticulture industry to manage climate variability and adapt to a changing climate</li> </ul>

National Drought Principles	Assessment	Supporting justification
		<ul> <li>grazing businesses across western Queensland will ability to identify and implement changes on-farm which improve business resilience to drought and climate extremes and deliver enhanced community and economic development outcomes</li> <li>improving and customising forecasts of extreme rainfall and temperature events will be developed to help primary producers to make more informed short and medium-term management decisions to improve farm profitability in Queensland's grazing and sugar industries.</li> </ul>
Focus on the importance of maintaining and supporting the natural resource base		Yes – the programs create improved information platforms and farm decision tools that enable better preparedness and management of resources within drought. These tools will lead to decisions that reduce pressures on the natural resource bases
Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		Yes – as above
Occur where there is a clear role for government and deliver a net public benefit		Yes – the program provides underpinning research to support preparedness and resilience. There are underlying market failures in the provision of R&D by the private sector that require government intervention.
Enable links with other measures or between service providers		A recent evaluation found opportunities were being noted for DCAP to link/collaborate with other similar/relevant/aligned projects including: Livestock Aust co-innovation project about grazing and drought resilience; reef policy groups; and linking with some southern projects.
Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		Yes – the suite of programs is subject to extensive evaluation. A recent independent external meta evaluation of the program found that the program was on track and delivering initial outcomes in line with expectations. The evaluation identified a range of opportunities in each program area to be progressed to ensure planned outcomes are achieved for key program targets

## 13. Drought declaration process

#### Key points and overall assessment

The DDP underpins the delivery of drought relief programs to affected drought properties.

- The DDP enables declaration and revocation of drought status collectively to farms within a local government area and individually to specific properties within an LGA.
- The DDP is operationalised by Local Drought Committees (LDC) who operate under robust guidelines to provide objective evidence-based assessments of local drought conditions defined prescribed criteria.
- · The LDCs, overall, appear to operate according to their terms of reference and there are relatively few instances where they have not operated to their charter or maintained the required integrity standards.
- However, there is no guarantee of a consistent application of robust evidence-based data that is systematically assessed against a defined hierarchy of drought criteria.
- · Without the enforcement of the guidelines and use of more subjective assessment methods there is a risk of declarations being recommended relatively early in a dry sequence and a slowness to be revoked.
- · DDP does not align with the IGA. The DDP entrenches a range of programs that are either input based or blunt in meeting specific needs which can often impact on key decision-making timeframes.
- The LDC can provide a line of sight to local application of best practice management practices and farm decision making information.

While the program has generally been delivered effectively and efficiently, it nonetheless underpins the delivery of a suite of drought assistance programs that do not align with the IGA principles (Table 68).

Table 68: Summary of evaluation

Key evaluation areas	Overall assessment
Clarity of objectives and measures	
Effectiveness	
Process (design, implementation and delivery)	
Impact on outcomes	
Efficiency	
Program administration	
Efficient outcomes	
Alignment with National Drought Principles	

#### 13.1 Scope of program

The Drought Declaration Process (DDP) underpins the operation and administration of the DRAS and other drought programs also utilise the process to determine eligibility. The DDP has evolved over time and is now primarily operationalised through Local Drought Committees.

An LDC operates in each Local Government Area. An LDC is comprised of representatives from DAF and representatives nominated by industry organisation from the various primary industries in that area – for example AgForce, Canegrowers, Queensland Dairyfarmers Organisation, Queensland Farmers' Federation and Australian Beef Association. The Chair is a DAF officer who normally holds the position of Climate Risk Coordinator within the LGA region. Membership of the LDC is reflective of the structure and composition of farming types of industries in the LGA.

The LDC is supported by other DAF and government officers that provide technical information to help support an LDCs decision making process. An LDC is required to make recommendation on whether the LGA and individual properties in the LGA should be drought declared or have declaration revoked.

Each LDC is required to adhere to a set of decision-making guidelines aid its determinations. These guidelines set out the factors and information that is to be assessed when making a determination. LDCs are required to meet annually and this is usually after the end of the summer rainfall season.

The LDCs are also required to adhere to a range of integrity requirements to help ensure their processes are sufficiently separated for policy making and political influence. The requirements include objective evidencebased decision making, confidentiality of decision making and structural separation of decision process from policy and delivery arrangements.

#### 13.2 Objectives

The objective of the DDP is to enable the declaration and revocation of area and individual properties for the purpose of defining the eligibility of individual landholders to specific drought programs (Table 69).

Table 69: Clarity of objectives and measures

Key evaluation areas and questions	Assessment	Supporting justification
Clarity of objectives and measures		
Is there are clearly specified program objective?		The DDP and LDC have clear objectives which are set out in terms of reference documents. However, as there are multiple LDCs there is a risk of inconsistent descriptions and interpretation of delivery program objectives. There is no defined process to objectively assess the drought criteria in a consistent manner across the state, for example, a statistical approach at the state level.
Is there a clear program logic and theory of action and outcomes and outputs to be measured?		Yes – there are clear actions outputs required of the DDP and LDCs.
Are there performance measures for the program with clearly specified targets?		Yes – the DDP and LDCs are required to operate with in prescribed performance standards. However there appears to be mixed performance among LDCs depending on membership.

#### 13.3 Effectiveness

The DDP program has been generally effectively delivered but the process underpins the input-based programs that are likely to have a number of undesirable unintended outcomes (Table 70). The process provides a mechanism for review of drought circumstances with a greater degree of arms-length from government — the process utilises local knowledge and decision making and provides a degree of independence of advice from government and political decision makers.

Table 70: Effectiveness

Key evaluation areas and questions	Assessment	Supporting justification
Process (design, implementation and delivery)		
Has the program delivered its activities and outputs in line with the plan for implementation?		The performance of LDC is mixed. While there are guidelines for the operation of LDC at a high level, there have been gaps in LDC performance.
Were performance targets met?		There has been mixed performance. Feedback form stakeholders was that, on the whole, LDC have performed against their broad terms of reference. However, there are concerns that LDCs decision making is not underpinned by a consistent set of evidence-based criteria.
Did the program fund all of the people and organisations that could be expected under the stated program objective and ensured that only eligible people/organisations received funding?		The DDP enables the identification of drought affected primary producers and other landholders in a drought declared area. There is concern that gaps in the robustness of LDC decision-making enable the subsequent inclusion of some areas as drought declared when the decision has not been sufficiently underpinned by objective data and consistent decision-making frameworks.
Impact on outcomes		
What was the impact of the program?		
Financial impact?		Not applicable – the program did not directly have financial impacts.  The effects were indirect through the programs it underpinned.
Social impact?		Not applicable – the program did not directly have social impacts. The effects were indirect through the programs it underpinned.
Distributional impact?		Not applicable – the program did not directly have distributional impacts. The effects were indirect through the programs it underpinned.
Has the program met its target outcomes?		LDCs have delivered decisions for the DDP. However, the timeliness of decision making appears to be mixed. Often program providers do not have a clear line of sight on the timing of LDC decisions and this can affect program delivery performance. There are concerns that LDC have not applied sufficiently robust decision-making frameworks and deliberations have not been underpinned by sufficiently objective and evidence-based data.
Were there any unintended consequences?		The DDP determines access to assistance based on "lines on maps" which is specifically renounced in the IGA.  The LDC provide a line of sight to operation of best practice farm systems and provide platform for the delivery of information required for informed decision-making under drought.

#### 13.3.1 Delivery of outputs

The DDP results in a range of outcomes and outputs:

- the DDP and LDC provides independent advice on local and individual property drought conditions;
- · the program provides arms-length advice on the declaration and revocation decisions
- · while confidentiality of membership underpins independence, it can undermine community confidence in representativeness and skills and there is some evidence of excessive length of tenure in some LDCs
- · available evidence indicates that, overall, the program is operating within the guidelines and there have been few integrity issues and where these have occurred, they have been dealt with
- · there does not appear to be a consistent application of objective data and decision criteria by LDCs
- the program underpins the delivery of a suite of drought assistance programs that in of themselves have a range of additional eligibility criteria
- · the program underpins a range of reactive input-based programs as well as supporting local community programs. However, the program does enable the revocation of drought status and cessation of these programs
- on the whole, the program underpins reactive rather than preparedness programs given the focus is on defining in and out of drought status of regions and individual properties.

#### 13.4 Efficiency

The DDP appears to be administered efficiently. However, the program underpins a suite of drought assistance programs that are likely in the longer term to result in the is likely to result in a range of inefficient outcomes (Table 71).

Table 71: Efficiency

Key evaluation areas and questions	Assessment	Supporting justification
Program administration		
Was the program administered in the most efficient manner?		Yes – overall, the DDP was administered efficiently by DAF. LDCs appear to follow their guidelines but gaps in decision making frameworks and use of objective data mean that recommendations may not align with an objective state-wide view. There are also gaps in the turnover of LDC membership that can result in more of the same assessment and a loss of objectivity.
Efficient outcomes		
What impact did the program have on efficient outcomes in the market place (including downstream impacts)?		The DDP process provides a relatively consistent mechanism to determine eligibility for drought programs and this can improve the efficiency of the delivery of these programs. Nonetheless the 'lines on maps' approach of the DDP underpins the delivery of a range of programs that do not lead to efficient outcomes. These inefficient outcomes are summarised in individual program assessments.

### 13.5 Alignment with National Drought Principles

The alignment of the DDP to the national drought principles is assessed in (Table 72).

Table 72: Alignment with national drought principles

Nat	ional Drought Principles	Assessment	Supporting justification
	erall assessment against aciples		The DDP creates lines on a map which is inconsistent with the IGA.
1.	Address the specific needs of farming families, farming businesses and farming communities		The DDP and LDC underpin a range of programs that provide indrought assistance to eligible farms and communities. The programs focus on farm business inputs and exclude a range of farm enterprises. The DDP does enable a range of community-based programs to be targeted at drought affected communities.
2.	Assist farming businesses plan and prepare for the future		No – the DDP predominantly underpins the provision of reactive assistance measures that are not focussed on assisting farm businesses to plan and prepare for the future. Although the level of eligible assistance can be raised by demonstrating business planning and preparation through the preparation of a drought management plan.
3.	Focus on the importance of maintaining and supporting the natural resource base		No – the DDP predominantly underpins the input support measures that can encourage the maintenance herds that can increase pressure on the natural resource base.
4.	Support farming communities to prepare for drought and enhance their long-term sustainability and resilience		No – the DDP predominantly underpins the provision of reactive assistance measures that are not focussed on preparing for drought or enhancing long term sustainability and resilience.
5.	Occur where there is a clear role for government and deliver a net public benefit		The DDP is a mechanism to deliver arm's length advice on drought declaration and revocations. The LDCs provide a level of expert advice and independence that supplements the role of government in high level decision-making. However, the process underpins a suite of programs that are unlikely to deliver net public benefits.
6.	Enable links with other measures or between service providers		Yes – the DDP enables links between programs and service providers by providing the basis for determining eligibility based on the resource condition of the region and individual landholdings.
7.	Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted		The LDCs were supported by a range of scientific and local data. Some of these indicators of drought are subjectively assessed and there is limited transparency to the decision-making process and the robustness and appropriateness of decision making. Additionally, the confidentiality of membership that underpins independence can undermine community confidence in representativeness and skills.

# 14. A framework to assess possible new programs

#### **Key points**

We develop a framework to assess possible new drought programs. The framework

- is underpinned by best practice policy design principles
- enables an objective comparative assessment of alternative options
- enables the design of a portfolio of aligned and coherent policy responses
- provides clarity and transparency of the intended outcomes and outputs
- · requires an assessment of market failures and why government should intervene
- · requires an identification of likely benefits and costs and distributional impacts
- · requires assessment of alignment with drought policy principles
- enables rapid assessment using a standardised response template.

#### 14.1 A rapid assessment tool for programs

In the template below, we set out a rapid assessment tool to assess drought programs. It is underpinned by more detailed best practice policy design principles outlined in Appendix A.

# Rapid assessment tool

#### What is the objective of the program?

State the objective(s) of the program.

#### How will the programme achieve the objective?

Click or tap here to enter text.

Click or tap here to enter text.

Program

Click or tap here to enter text.

#### Why should the Government provide the program?

Identify sources of market failure preventing the desired outcome.

#### Who will be affected directly and indirectly by the program?

Positive		Negative	
Indirectly	Directly	Indirectly	Directly
Click or tap here to enter text.			

#### What are the expected benefits of the program?

Benefit	Value (\$ per year)
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.
Total	Click or tap here to enter text.

#### What are the estimated costs of the program?

Cost	Value (\$ per year)
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.
Total	Click or tap here to enter text.

#### What are the key performance measures?

List key performance indicators

#### How will performance be evaluated and report?

Explain how you will evaluate and report on your key performance indicators listed above.

### Does the program align with the IGA principles?

Address the specific needs of farming families, farming businesses and farming communities	Select an option
Assist farming businesses plan and prepare for the future	Select an option
Focus on the importance of maintaining and supporting the natural resource base	Select an option
Support farming communities to prepare for drought and enhance their long-term sustainability and resilience	Select an option
Occur where there is a clear role for government and deliver a net public benefit	Select an option
Enable links with other measures or between service providers	Select an option
Be underpinned by monitoring and performance information to ensure any measures implemented are appropriately targeted	Select an option

What risks are there in the operation of the program and how will they be measured?

Consider political risks, integrity risks, financial risks etc.

## Appendix 1: New program assessment

#### Foundations of good design

The key steps in a new robust framework mirror key aspect of the evaluation approach undertaken to assess current programs — with the following characteristics:

- · will it achieve what it sets out to do
- practical and implementable
- · underpinned by sound policy principles
- evidence based requires evidence to support claims and justifications
- transparent is open and understandable
- · aligns with key policies.

#### 14.1.2 Will the program achieve its stated outcomes?

- · Have policy makers rigorously tested or assessed whether the policy design is realistic, involving implementers and/or end users?
- How will the policy achieve the high-level objectives of the government / ministry / local government area?
- Have the policy-makers addressed common implementation problems?
- · Is the design resilient to adaptation by implementers?

#### 14.1.3 Is the program objective clear and evidence based?

- · Has the issue been adequately defined and properly framed?
- Have the options been robustly assessed?
- Are they cost-effective over the appropriate time horizon?
- · Have the risks been identified and weighed fairly against potential benefits?
- · Are they resilient to changes in the external environment?
- Has the policy process been informed by evidence that is high quality and up to date?
- Has account been taken of evaluations of previous policies?
- Has there been an opportunity or licence for innovative thinking?
- Have policy-makers sought out and analysed ideas and experience from the 'front line' or other departments and jurisdictions?

#### 14.1.4 Is the program aligned and accountable?

- Is the program consistent with key polices and other programs?
- · Have those affected by the policy been engaged in the process?
- Have policy-makers identified and responded reasonably to their views?
- · Have policy-makers judged the appropriate level of (central) government involvement?
- Is it clear who is responsible for what, who will hold them to account, and how?

- · Does the policy allow for effective evaluation?
- Is there a realistic plan for obtaining timely feedback on how the policy is being realised in practice?

#### 14.2 Assessment criteria

Key considerations we incorporate include:

- is there a clear program logic and theory of action and outcomes and outputs be measured?
- is there a threshold test to assess the alignment of the program with the IGA?
- Here we would consult on the scope of alignment required. For example, is at least one aligned principle required or is more than one required? Is there a hierarchy in the IGA principles such that one or more principles must be met at a minimum?
- is there a clear role for government? What is the underlying failure in market provision that the instrument is seeking to address? Are there more appropriate alternatives?
- is the program effective, efficient, equitable and appropriately administered?
- is the program aligned with other current programs and other government initiatives?
- does the program lever net benefits are the benefits and costs known, can they be measured or qualitatively assessed?
- has a set of program performance indicators been identified?
- · will the program be periodically evaluated?

#### 14.2.1 Investment logic test

Proposed programs are required to document a program logic.

#### 14.2.2 Role of Government tests

A program that achieves its objectives and has net benefits are necessary but not sufficient conditions for program intervention. The program should also address an underlying gap that is not being addressed by government other providers or normal market outcomes. Reasons why markets might not be achieving the outcomes desired should be identified.

#### 14.2.3 Efficacy tests

Does the program

- · create benefits that exceed expected costs?
- have any unintended consequences for those not part of the program?
- · recognise the importance of maintaining natural resource base?
- · avoid lender of last resort?
- · enable links with other measures and providers?
- · avoid unnecessary administrative burdens?

#### 14.2.4 Equity considerations

A proposed program should be transparent about the likely equity effects and should demonstrate that equity outcomes are expected and justified:

- · Is there transparency about who benefits and does not benefit?
- Are some substantially better off under the program than others?
- Is anyone made worse off by the program?
- Is there clarity on who is excluded from the program and why?
- · Is there agreement about the likely distribution of benefits and the justification for differences between people?
- Is a discrete drought program the best way to achieve the desired social outcomes?
- Is the program the most direct way of achieving household support?
- Is the program the most direct way of achieving business support?

#### 14.2.5 IGA residual alignment test

Does the program align with any other IGA principles?

#### 14.2.6 Performance and integrity tests

The program should have set out an approach to assess performance and achieve minimum integrity requirements:

- · Does the program logic have KPIs?
- Are the KPIs objective and measurable?
- · What is the process to assess and report back on the KPIs?
- · How will the program be periodically?
- · Have the risks of the program been identified?
- What are the arrangements to manage the risks?
- Is the program open to fraud or integrity risks?
- · How will these be managed and audited?