

Inquiry into Government Drought Policy

A submission by Western Australian Rural Counselling Service Inc.

The Western Australian Rural Counselling Association Inc (WARCA) is the peak body in Western Australia since 1996. During the past two years WARCA was responsible for the delivery of the Rural Financial Counselling Service programme in WA, where 8.5 FTE counsellors covered the whole of the State.

This submission is made with the knowledge acquired over a significant period, of the Client group who represent farming enterprises and small rural businesses.

Almost uniquely of the Australian States, WARCA adopted a case management approach to service delivery, whereby counsellors would come to know quite intimately their clients over a period of time through directly visiting them on farm or place of business. The aim was to encourage self reliance in managing their enterprise through financial assessment, advocacy and empowerment.

As at the 30th June 2008 WARCA was servicing approximately three hundred clients.

Encourage primary producers and other sections of rural Australia to adopt a self reliant approach

As covered above, WARCA understood this role and encouraged clients through a range of strategies, including a financial comparison of the past five years. The counsellor would complete a current statement of position, comparable to the preceding periods, which in many instances pointed to a deterioration in the trading position.

RFC would also assist with preparation of budgets and cash flows and would accompany Clients if necessary, when negotiating with lenders and creditors.

Other forms of assistance would include:

- assessment of cropping returns based on pasture utilisation and optimum use of fertiliser.
- referral to agricultural consultants, agronomists and the WA Dept. Agriculture, who would also provide information to the RFC without charge.

Counsellors and Clients found the “Farm Help” programme useful, especially the voucher system, which could be used to obtain professional advice and additional training to enhance client knowledge. Of course the Income support element of up to \$19,000 for a couple was also a big help.

The re-establishment grant element, whilst theoretically beneficial was not accessed to any degree for some of the following reasons;

- assets generally exceeded maximum allowed
- reluctance to quit farming
- timing in submitting the application was crucial, the farm had to be sold first in order for the asset values to be verified.

Many of the Clients were of the view that they would benefit greatly if the Income Support element of Farm Help was of two year duration. However this appeared problematic and difficult to verify.

Business support, such as Dry Seasons support, whilst useful to many was relatively modest at \$8000, and largely went towards Shire rates. Similarly, funds available through the Salvation Army were helpful with some household expenses.

RFC worked with WA Rural Water Planning Dept. to assist clients in accessing grants for improving water services on farm.

Exceptional Circumstance whilst involving significant support such as interest rate subsidy, created regional conflict, whether certain adjoining properties were included or not. Some compliance requirements were difficult to resolve and there were varying degrees of co-operation from those administering the programme locally, ranging from helpful to difficult and pedantic, and RFC also experienced difficulties in resolving problems from time to time.

Maintain and protect Australia's agricultural and environmental resource base, during period of extreme climate stress.

Counsellors observed a growing realisation amongst the Client group that we are dealing with a finite resource, and many were anxious for information that would minimise environmental degradation.

Information seminars were better attended; there seemed a readiness to adopt methods which help to sustain the environment, especially the low cost methods. Farming support groups played an important part in informing farmers of improved methods.

Many have adopted shallower drilling, and the advent of sophisticated plant allows seed to germinate in lower levels of soil moisture and with a reduced height of stalk. Some have returned to traditional farming methods, such as fallow pasture and alternate cropping, due to the steep increase in fertilisers and chemicals.

Much of Western Australia range lands and the wheat belt are directly reliant on annual rainfall, with no river system to speak of. If climate change does produce dryer conditions in these areas, which are already marginal, their continued viability is in doubt.

Ensure early recovery agricultural and rural industries, consistent with long term sustainable levels

The availability of reliable information in the areas affected is essential for early recovery. RFC found farmers generally receptive to new ideas; however we found it is often best presented in a public forum. The simpler the idea, the greater chance of its early implementation.

In order for agriculture to survive there is a need for farmers to stay on their land and continue to provide the support structure for the towns. Govt agencies and commercial organisations need also to retain a presence. The gradual disappearance of infrastructure has a detrimental effect on a town, making an early recovery difficult if not restored, or a suitable alternative provided.

Centrelink chartered an information bus during 2007, which was a good initiative and was potentially cost effective. However there is a need to be able to provide useful information, and ensure the level of expertise is adequate.

RFC Counsellors accompanied a number of these trips, and were able to assist a number of people and acquire new clients.

A regular mobile information service that encapsulates a range of issues relevant to rural communities is highly desirable. This could be provided by not for profit organisations, which may be considerably more cost effective than a Centrelink outreach and supply a wider range of helpful information and support.

A Government initiated mobile response to a recovering town or region would be a valuable resource, and could cover a significant geographical area. The mix of information could be adjusted to reflect any urgent imperatives.

Once the need has been identified, referrals are made to specialist services, such as agronomists, consultants, Accountants, Solicitors, lending groups, grant making bodies and Govt agencies.

RFC were trained to detect mental health issues in clients, where a large proportion of the male client base suffered varying degrees of depression. Options were discussed and suitable referrals made.

Relationship breakdown were frequently presented in client interviews and often have a damaging effect on the management and viability of an enterprise. Relationships could include fraternal and generation relationships, as well husband and wife issues.

Summary

The social impact of the drought and climate change is substantial. Despite rural folk being largely a stoic group, this has been a socially damaging period. Farming has never

been easy; however the rewards in good years can be significant relative to cropping and viticulture.

They represent a traditional way of life, and many remain independent and proud. They are reluctant to ask for help, which they see as unearned and a handout.

WARCA believe that the target group deserve the same access to benefits and services, as other members of society. There is a compelling argument for the asset value of their holding to be disregarded when assessing eligibility for benefit.

Anecdotally, a number of clients felt they would benefit from a maximum of two years Income Support benefit, as opposed to one year.

WARCA experience with reestablishment grants leads us to think that they are of limited value in most cases. Not least due to the timing issue requirement of submitting the application after the property has been sold, when any number of practical and emotional issues, at this time requires the client's attention.

RFC have a privileged and unique role to play in promoting the effectiveness and wellbeing of rural enterprises and are probably the closest group to a "One stop shop" through their relatively unique insight into the lives of farmers and their families.

WARCA fully supports the retention and expansion of Rural Financial Counsellors nation-wide. Their role could be expanded to include facilitation of seminars and training sessions.

WARCA supports the appointment of a National Facilitator for RFCS as originally envisaged, but subsequently dropped from the Dept Agriculture Fisheries and Forestry agenda.

WARCA supports the concept of a mobile regional resource, as outlined in our submission, which will supply a range of services and information and will assist in an early recovery of a town or region.

SOCIAL IMPACT ON RURAL COMMUNITIES SUBMISSION

Education and training

The major obstacles to accessing education and training are the cost of the training, and the lack of knowledge of what is available. The farmer or business is not at all negative towards training and is open to being educated.

Chemical Training organisations in WA are experiencing the lowest number of applicants accessing training courses due to the uncertainty farmers are experiencing with their programmes. This expense is considered a non-essential item in times like drought, training is put on hold until more confidence is seen in financial returns. This management decision has nothing to do with the content or negativity towards pursuing accreditation and training, cost cutting is considered for most an essential requirement in drought financial management.

Smaller schools in rural areas suffer loss of numbers as a result of families selling out and moving away. These numbers don't seem to be replaced.

Finding off-farm income for most farmers is not that hard. Setting this up that can be a costly exercise and it may only be a seasonal situation. A number of my clients have expressed why they don't go out to work – perceptions from the locals, leaving the family at home to manage and associated costs considered too high for the short term.

Community development and sustainability

A number of my clients told me of their concerns about what they thought the community was saying about them if they shared their financial hardship brought on by the drought. There is a view that everyone knows about their financial hardship due to district creditors and gossip. In some communities it was easier to leave the district than to face perceived community opinion. These families may leave in the most devastating way, never to return to a rural community again.

A lot of farming women have expressed to me the frustration they feel when they know they could go to the city and get work. They have told me that when they have suggested that they go to the city for more work choices and money to help with finances they often meet with objections from family members.

Families

I have noticed a trend in the family owned farm to leasing out the farm and corporate farming which in many cases provides relief for the family owned farming enterprise. In some cases the family can stay on the farm and live in their home, get paid a wage and a percentage of the income under the new management scheme.

The decision to leave their home of many years and the district is usually made by factors over which they have had no control, climate, production costs, and the ill return for the product, and has nothing to do with production management decisions.

Marriage and family relationship stress can be high if financial hardship is being experienced. This also extends to poor decision making processes.

Marriage breakdown remains an issue. Financial hardship is experienced by the farm because of this. There is a myth amongst some lawyers, protection agencies and courts that most farmers have got incredible wealth, resulting in the farming family being abused – emotionally and financially. A family farm had been in and out of court, paying out huge sums of money to lawyers for over 3 years. Finally it came to an end within four weeks after assistance from RFC. This marriage breakdown was due to the dry and loss of income in earlier years.

Employment and professional development

Labor shortages are high and the prospects of work on the land are good. There are some very good employees, but hard to come by. Although most are receiving great incomes and lovely homes to live in, farm income to retain good employees remains difficult. Good housing is difficult to provide. I have come across complacent behaviour from the farm employer to provide good and sound housing and knowledge of the working conditions. I have also had a few employees complain and ring the service to ask for financial assistance due to not having wages come in while the employer was away on holidays.

Mental and Physical Health

The frequency of mental health issues is on the rise, men and women who are suffering “burnout”. This fatigue is misunderstood and can develop into depression. This isn’t something that a good night sleep will fix. I don’t think enough is being done about understanding this fatigue that rural Australians suffer. I feel that this mental and physical problem is being overlooked and called depression when in fact it isn’t. Australian rural/country communities have been labelled resilient for a very very long time and in most cases this attitude has assisted many to be motivated to “get through it” but it comes at a cost. Far too many are going through too much and people are **not** handling life as well as they once did.

Accessing services such as Mental Health is not easy in the bush. When I refer a client it is better for me to take them to Perth straight to the hospital or to the local hospital, and then go thru the hospital referral process. This requires good relations with the doctors.

If mental health staff referred to RFCs their farming clients who have huge financial and debt issues a lot of their mental anguish would dissipate.

Amongst my male clients are a high number of prostate or bowel cancer sufferers. They openly tell me that they did not detect or simply ignored early warning signs.

There was one particular client who feels his relationship with his brother was a significant contributor to his bad health. Contending with the threat of violence, constant verbal abuse and having no control of the farms finances has lead to the farm's erosion; from being 15,000 acres to a mere 600 acres and old and large debts that cannot be serviced.

I have experienced disinclination by many social/family counsellors to refer clients to appropriate services. I have been told quite a few times "that they have become everything to everybody" and "I am the only one they can talk too" is a quote I hear too often.

The communities had a counsellor come to Merredin a few years back for 3 months. We didn't even know she was attending the town until she left and not once did she see any farming clients. Her title was Drought Counsellor. I found out a Government Department thought she was wonderful and therefore never once had promoted the local agencies because she represented a real social service. Services need constant promotion to overhaul this conditioning.

We all have an intense compassion to help our clients but surely we can regain the common sense and unselfish behaviour to see the benefits of referral to appropriate areas in the best interest of our clients. Doctors, as good as they are, and I wish we had a bigger number of them in the bush, I think are all too quick to hand a prescription for depression. I have been told by many a client that they have no idea what it will do to them or how it will make them feel. Many discard them after a month and say that they still feel unwell and the medication hasn't worked. In the defence of the professionals the client may want a quick fix when there isn't one. I am convinced that a lot of clients need a good dose of happiness and there isn't any coming their way.