

**Introduction:**

At the moment I am employed through the Geraldton Corps of The Salvation Army as the drought support worker for the Midwest, Midland and helping with Southern regions as well.

The area I cover is from Kalbarri in the north, across through Binu, South through Mullewa, Morawa, all the way to the Great Eastern Highway and out through places such as Shackleton and Beacon.

It is a large area that encompasses many different styles of farming and cropping as well as stone fruit orchards and stations with sheep and beef.

The major problem throughout the region is not just the lack of rain, but the unusual and indiscriminate way in which the rain precipitates on the varying areas with which I am associated.

Some rain will fall on one side of the road and not the other, some rain will fall on some properties and not others, some rain falls one side of the railway tracks and not the other. It can never fully be predicted when, where and how much the rain will benefit the people and crops in the area.

I am fully aware that the weather is one issue that you, as a productivity commission, have no control over.

**Farmers lack of interest equity**

Many of the people, who I have helped with their personal needs, have over the years tried to improve their productivity by acquiring, during the good times, adjacent land to help keep the overall production costs to a minimum. They have tried to utilise the machinery to its fullest potential by having the most cost-efficient machine that is suitable for their land and to share appropriately with their neighbours the use of these machines.

The establishment cost of these machines is very high and so are the running costs. These also contribute to the equity of the farms and invariably place the farmers above the threshold for interest subsidy assistance.

Many of the farmers have spoken about the problems of filling out the required forms, with the assistance of a financial councillor or accountant, and then after many hours of work have the interest subsidy assistance rejected because there is too much equity in the farm. At the moment a typical broad acre farm around this area is around three and a half million dollars in value.

This also applied to some of the people who, during the good years, have had the forethought to buy an off-farm house in which to retire. In many instances they were receiving modest income from the house or their children were living in the house while they were attending TAFE or a University centre, and this again made them ineligible for help with the interest subsidy.

Many of the people who confided their problems with me objected to the way in which so much of their time, their advisor's time and also money was spent in what proved to be a fruitless and useless exercise.

The people I spoke to are very sympathetic to the needs of Government for the protection of the taxpayer's money but object to the waste of time and energy put into schemes that were non-productive.

### **Bank Interest Charges:**

There is a perception in the farming community that the banks are only there to maximise profits and as such when interest rates are cut by the Reserve Bank, very little flows onto the farmers and their farm mortgages, overdrafts, credit card payments and other loans. Most are still paying interest at the high costs that were there when interest rates were set to discourage inflation. This also flows on to off farm investments as well.

It would be very helpful to many of the people suffering from no or little income because of the drought, to be able to have the Government of the day bring pressure to bear on the banking institutions to adjust interest rates for all sectors of their borrowers and not just the more immediately noticeable housing market.

### **Food**

One of the more immediate problems of drought is the lack of water for food production as well as grains. This means that many of the families are not receiving adequate nutrition as they cannot grow vegetables or find it hard to visit towns and purchase food, usually at high cost, for themselves.

Many have "booked up" their groceries and find that they have little credit on their cards or are unable to meet the 30-day deadline for payment of their grocery accounts. Many live on canned products or frozen vegetables as fresh is very hard to, or expensive, to buy.

Parents will quite often go without themselves so that children can go to school and have lunch as well as something to eat when they arrive home late in the afternoon after a 40 – 60 minute bus ride home.

There are some families where children share meals with their pensioned parents, as they cannot afford the food for themselves. Granted some farmers do have chickens and livestock but these have been so greatly reduced by the lack of feed and water that they are usually left with only sufficient to start the process of restocking after there is sufficient water to replenish the feed.

We have tried using some of the available CER funding to purchase vouchers so that the people can then replenish their food stocks but this is only effective for a month or two and then the people are thrown back on credit, overdrafts and accounts to at least have something on the table.

The Salvation Army is a very effective vehicle of distribution for vouchers and foodstuffs but this is limited by the availability and the amounts offered to the organisation to help these people.

By the time most people are put in touch with our organisation, they are usually at the end of their tether and have utilised every available resource of credit, overdraft, re-mortgaging and similar to maintain some nutrition for their children and themselves.

### **Health Issues**

As I have travelled around the farms and observed, one of the problems that presents, are the distances and costs of medical treatment. As an organisation we have helped many of the people with varying health problems. Some of the issues are as simple as lack of funds to pay for health insurance, particularly when you are expecting your first child. Petrol to be able to travel to the nearest hospital for treatment after stroke brought on by stress or simple attention to treatment for carbuncles or similar.

Again we have helped by paying for these treatments as well as dentistry and similar. We, as an organisation, have picked up the accounts for older farmers who have had to travel 60km to the nearest hospital for occupational health due to stroke brought about by the stress of trying to keep the farm going even though there is insufficient income due to lack of rain.

Possibly a system of vouchers or payments to organisations like The Salvation Army to administer would be an easy cost effective way of overcoming some of these health issues as they present for the people on the farm.

Mostly we have not met the people until after Centrelink and the Rural Financial Councillors have already assessed their financial situations and have then turned to us to at least relieve some of the personal household pressure by helping with utilities such as Electricity, communications, water, rates and similar.

Many of our people with younger families have tried to help their children by sending them to a boarding school or similar so that they can have a better start in life and an education that will equip them for the future. This is very expensive and many schools and colleges are carrying an appreciable amount of debt for these people who cannot pay their fees.

Our charter does not allow us to pay these fees, but in the past we have helped by allowing money for books, uniforms and similar at the beginning of the school year, to go to the families who are struggling to meet their obligations because of the lack of cash flow due to the drought.

Again The Salvation Army is in a unique position to be able to help those who are struggling in this way and administer any grants given to help these people.

Many of the people will receive some income in the next few weeks but most of this will be assimilated into debt reduction, credit maintenance and similar farm saving activities. Even with reasonable harvests the people of the Midwest, Midland and other drought affected areas will still be struggling financially for the next three or

four years to overcome the financial and rain depleted hardships of the past two to seven years as well as renewing the productivity of the soil that has been degraded by lack of rain as well as wind erosion over the past few drought effected years.

**Conclusion:**

The Salvation Army is in a unique position to effectively serve the farming community in drought effected areas and offers a very viable, cost effective, caring way to help people retain some vestige of normality in the harsh circumstances of drought. The Salvation Army offers its caring concern and compassion as well as its ability to deliver effectively and efficiently personal help with the needs of the farming community for help with food, utilities, medical and other needs as well as offering a measure of community involvement and socialisation to many of those alienated by both the tyranny of distance and the financial depravation of lack of income due to the drought.

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