Drought and Poverty in Central Western Queensland 2015 – 2016:

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Anti-Poverty Week
October 2016

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Introduction

Unfortunately yet again, in Anti-Poverty Week 2016, there is a need to further explore the ongoing impact of drought on rural communities, local landholders and small businesses. This report reprises the “Drought and Poverty in Central Western Queensland: Regional Development Area Fitzroy Central West” reports published in 2014 and 2015. It further examines the reality of extended drought and the flow on impact for communities.

Despite extremely welcome unseasonal winter rain over some localities, the central west is still part of the more than 80% of Queensland that remains drought declared. The area covered in this report, includes the Local Government Areas (LGAs) of Banana, Central Highlands, Gladstone, Barcaldine, Barcoo, Blackall-Tambo, Diamantina, Longreach, Winton and parts of Woorabinda. This report continues to explore the key themes from the 2014 and 2015 reports, but will also examine actions and issues that have occurred since mid-2015, and their effect on the resilience of drought declared central western communities.

Information provided draws on local anecdotal and empirical evidence from people living with drought, support workers and the broader communities; government, industry and media reports and existing research on the impact of drought.
The rain didn’t break the drought!

In June 2016, Longreach, Barcaldine, Isisford and Tambo, all received unseasonal soaking rain, that gave them their highest ever June rainfall totals, since records began in the late 1800s. The Longreach airport recorded 262mm of rain over winter, more than five times its average for the season. There has also been substantial follow up rain fall across some areas extending through until September.

Unfortunately, although this rain lifted people’s spirits, and has put winter herbage on the ground in many areas, it has not broken the drought. Graziers, the State Government and the weather bureau, are currently indicating that the historic dry spell cannot yet be called broken – with any change in the drought status unlikely to be clear until at least late October. In areas where there has been follow up rain, there is both optimism and uncertainty.

Following the June rainfall, State Agriculture Minister Leanne Donaldson indicated that although the unseasonal June rainfall was welcome, there is nearly 84 per cent of Queensland still drought-declared. She noted that rainfall in winter does not generate significant growth of the grass species that are the mainstay of the livestock industry, as these grasses are mainly summer growing.

Minister Donaldson indicated that she did not anticipate any change to the drought status of shires until local drought committees have assessed rainfall and pasture growth in April 2017.

Grazier Peter Douglas from Juno Downs near Jundah, believes that rain later in the year is critical for pasture growth.

“Until, the warm weather comes, we have just got to wait, that’s when we need the rains,” he said.

“As long as we have got enough to keep the soil moist until the weather warms up, we need some rain to germinate some Mitchell grass.”

Mr Douglas indicated that more rain in September, October, and through to March was needed to change the drought situation. Fortunately some areas have already received substantial rain in September.
Further Background

The amount and timing of rain in an area, are not the only preceptors of crisis in rural areas. As indicated in previous Anti-Poverty Week Drought Reports, there are a range of factors that contribute to the economic vulnerability of primary producers and rural communities when drought strikes. These differentiate them from other businesses experiencing liquidity and viability issues.

The impact on drought declared primary producers, of kangaroo and wild dogs in pest proportions; ongoing demands of livestock management without incoming revenue; the variability of drought cycles; a flow on impact from the ban on live cattle export and the declining value of rural property balanced against debt drawn down in better times have already been well documented, (including in previous “Drought and Poverty in Central Western Queensland Reports”), along with the vulnerability of rural and regional communities to the impact of drought.

Whilst there may be a perception that good cattle prices are currently benefiting communities, many central western properties are either wholly or partly de-stocked. Graziers who sold low during the drought will have to re-stock with cattle bought at a high price. In September 2015 the top price of a bull at the Droughtmaster Sale at Gracemere was $54,000: in September 2016 it was $80,000.

The most recent ABARES report “Australian beef: Financial performance of beef cattle producing farms 2012–13 to 2014–15” released in August 2015 showed that an estimated 30 per cent of Australian beef cattle producing farms in 2014–15, particularly farms in Queensland and northern New South Wales, were drought affected.

It further declared “Most of these farms were also affected by drought in 2013-14 and farm cash incomes vary substantially across farms depending on their specific circumstances. In 2014-15 around 22 per cent of farms affected by drought recorded negative farm cash incomes.

It is self–evident that, without outside interventions from government and community, and changes of practice from graziers and local people, the more prolonged the drought, the greater the negative impact on the economic health and social cohesion of whole communities. The small businesses that underpin their economic health and social cohesion are by their nature dependant on the viability of the local primary producers who make up a majority of their clientele.
Factors contributing to an economic crisis in the bush

With the aim of continuing to provide a consistent, longitudinal record of the over-all impact of the current drought on Central Western communities, this report will follow the format of the previous two (2014, 2015). It continues reflection on some of the key factors linked with drought and complicit in the financial downturn in rural and regional areas; and further considers the community’s and government responses.

Kangaroos

Kangaroos are still being cited by a number of sources, as having a negative impact on primary production in droughted areas. When monitoring kangaroo numbers in Central Western Queensland, it continues to be difficult to find current data that is supported by a broad range of stakeholders. There still remains disagreement about actual numbers of ‘roos in the area. The available Queensland Department of Environment and Heritage data indicates kangaroo populations have actually declined after a peak in 2013, dropping from 26.3 million in 2013 to 22.5 million in 2014, a decrease of close to 15 per cent.

In 2015 Queensland senator Barry O’Sullivan and Industry identity Mr. John Kelly chief executive of Kangaroo Industry Association of Australia have both claimed kangaroo numbers are out of control, despite the Departmental data.

Conservation organisations and the kangaroo meat industry also continue to hold differing views on kangaroo numbers.

In 2015 anecdotal evidence continued to reflect the belief that kangaroo populations are out of control. In January 2015, Yaraka Grazier, Harry Glasson reported having “10,000 – 15,000” roos” on his property. Grazier Bill Chandler from Barcaldine who estimated he had roughly “12,000 -15,000” kangaroos on his property Hillalong noted they were “adding enormous [grazing] pressure.”

At that point in time the Queensland Government noted it was aware of high densities of the animals damaging pastures and crops and was assisting farmers.

The financial impact of high kangaroo populations on graziers is highlighted by Darr River Downs grazer Cam Tindall who told media that “there are people who have got a roo to the acre, and if they have got a 25,000 acre place, that’s a lot of sheep or cattle they could be running.” Mr Tindall added kangaroo does were not being harvested and continued to breed rapidly, believing that the ‘roo population would have “over doubled at least in the last two years, because we have made it better for the ‘roos - we have put water everywhere and we have improved pastures.”

It is acknowledged that kangaroo numbers fluctuate depending on rainfall, however dry seasons force the surviving ‘roos to seek artificial water sources (i.e. such as dams, troughs and open bore drains); any remaining stock feed or surviving town gardens.

This problem of kangaroos moving into areas where despite the drought, there is available water, also creates a problem for local road users. Inspector Mark Henderson of Longreach Police said in January 2015 that kangaroos presented a growing problem on the roads with more than 100 incidents involving police cars in the district in the previous 12 months. He reported a carcass density of between “20, 30 or 40 of them in a stretch of 10 or 20 metres”, with hundreds and hundreds of dead ‘roos between Barcaldine and Longreach presenting a severe traffic hazard.
In March 2015 Longreach town residents were reporting “‘skin and bone’ kangaroos starving to death and too weak to move”, and the local Longreach Regional Council and local graziers indicated that they too believed kangaroo numbers were continuing to increase despite the dry conditions.

Commercial “‘roo shooters” believe that the impact of high ‘roo numbers, could in part, be address by opening new markets for commercially harvested kangaroo meat.

In 2016, the effective management of kangaroo numbers is still an issue that will need addressing well beyond the breaking of the drought. On the evidence currently publically available, although they themselves are negatively impacted by drought, ‘roos still survive in large enough numbers to continue to have a negative impact on the carrying capacity of the land and the economic viability of producers and rural communities.

Wild dogs

In Queensland wild dogs are well documented as contributing to economic, environmental and social problems, especially for agricultural businesses. The Department of Agriculture, Forestry and Fisheries (DAFF) uses the term ‘wild dog’ to collectively refer to “purebred dingoes, dingo hybrids, and domestic dogs that have escaped or been deliberately released”. A 2013 report by Australian Wool Industry (AWI) Limited estimated that wild dogs cost the Australian economy at least $66.3 million per year.

In the past a variety of techniques has been used in an attempt to control dog numbers. These have included: baiting, shooting and trapping. In the three years immediately prior to April 2015, a single professional trapper caught 850 dogs on a western Queensland syndicate of eight properties, covering an area of about 150,000 hectares.

The 2014 Drought and Poverty in Central Western Queensland Report noted that cluster fencing, as a control measure for dogs, was generating much debate. Two approaches had received support: one was the cluster fencing of groups of properties; the other was a multi-shire dog fence enclosing around 8.5 million hectares. The second approach which had industry support was voted down by the majority of shires that comprise the Remote Area Planning and Development Board [RAPAD] and covers the area concerned.

In May 2015 RAPAD Chairman and Mayor of Barcaldine Regional Council, Rob Chandler, said the State Government had refused to fund any proposal unless both groups came together around a single plan. The two camps came to a consensus consisting of both cluster and linear fencing in parallel, to close off the mixed grazing country of central west, taking into consideration the strategic value of linking clusters together, with strategic linear fencing.

In July 2015 RAPAD approached both State and Federal Governments asking for $7 million to develop the Queensland Cluster and Strategic Fence Plan.

In September 2015 the State and Federal Governments agreed to contribute $14 million for wild dog control, with the bulk allocated for cluster fences to protect sheep from wild dogs.

In December 2015 the Australian and Queensland Ministers for Agriculture announced that RAPAD was a successful applicant for a cluster fencing program through the Queensland Feral Pest Initiative. There was a call for applications from eligible groups of landholders. These applications closed on April 29 2016. On 24 & 25 May, a Technical Assessment Panel assessed these applications. Their recommendations were provided to the RAPAD Board and these were reviewed by the Board at their 3 June meeting.
In June 2016 RAPAD was allocated $5.25 million for seventeen cluster fencing projects in the central-west, encompassing more than 1,700km of wild dog fencing. In an indication of the high local need for a wild dog solution, there were 36 applications received, however the allocated dollars limited the projects that could be funded. Each cluster in this funding round will receive on average $276,833 for 103km of fencing with the 93 properties involved contributing over $11 million to the fencing projects across the west.

The funded projects cover 93 individual properties, and will see more than 1.18 million hectares protected from wild dogs in the Barcoo, Blackall-Tambo, Barcaldine and Longreach shire council areas, RAPAD Chairman Rob Chandler said. Further adding, that with "Just on the 17 successful clusters, we can probably expect sheep numbers to rise by about a quarter of a million from 260,000 to nearly 500,000."

There is the potential for this to generate $2.72m in shearing, crutching and lamb marking wages in the first year that the fences are in operation.

Although the unsuccessful applicants were disappointed, in May 2016 Premier Annastacia Palaszczuk announced an additional $5 million for cluster fences. The State Government advised the ABC that funding had not yet been allocated, but would be made available in the new financial year.

Many central western graziers believe that this funding is needed urgently. Yaraka producer Harry Glasson, said in June 2016:

"My message to the State Government would be that we need this money to be rolled out pretty quickly, because people haven't really got much more time to wait to get fences up.

"They need to move forward with their business and you can't do anything until you get a fence up really. We are just sitting waiting.

"Also to get the stimulus going for these areas we need fences up, sheep here, shearers to be employed, crutcher, musterers, lamb markers, all those sort of people working again to put some stimulus into these areas."

In 2016, while there are now a number of graziers that will receive the protection of cluster fencing, there are many whose productivity will continue to be negatively impacted by wild dogs.

On property work may still be required to maintain remaining livestock welfare even as the income earned from the property declines or is non-existent.

There has been little change in the well documented need for many graziers now moving into their fourth year of drought, to choose between the conflicting priorities of earning an income and the ongoing demands of property management and the welfare of any remaining livestock. The necessity of providing ongoing care for animals, that severely limits the potential for livestock managers to seek work off property, will remain throughout the drought, whenever a property is still carrying stock. Where properties are run by couples, one partner may seek off farm earned income, however this can also add to the stress factors already imposed on a relationship by the drought.

Trying to retain good staff can also be a problem. In 2015 it was reported that grazier Paul Donnelly was himself working as a builder in Barcaldine, to retain a valuable employee.

“If we lost him, we’d never get someone as good,” he said. “And he’d leave town, so that’s another family we’d lose from the area; we’d lose three kids from the school, and that’s almost the school bus run gone.”
The variability and time frames of drought

The unpredictability and the timeframe of drought cycles continues to be an issue. The Office of Climate Change reports that: “Queensland’s rainfall varies substantially from year to year and decade to decade. El Niño and La Niña events explain about 25 per cent of these variations. Tropical cyclones and variations in coastal wind direction are also important drivers of rainfall. There is no clear long-term trend in annual or seasonal-mean rainfall in Queensland over the last 100 years—the period for which we have reliable rainfall records.”

Since autumn 2012, when the most recent La Niña concluded, rainfall was generally below average over large parts of Queensland until early 2016. The Bureau of Meteorology notes that “Despite above average rainfall over large parts of eastern Australia in recent months, the accumulated rainfall deficits over the past four years are very large, and will require a great deal of rain to remove them.” Seasonal conditions, like temperature, play a key role as a limiting factor in the current winter–spring growing season.

Professor Will Steffen in his 2015 report for the Climate Council, cited the Intergovernmental Panel on Climate Change warning that there is an over 90 percent probability that warm days will increase and cold days will decrease in Australia. In addition, there is a probability of longer warm spells and heatwaves occurring across the continent, with the anticipated increases in heat compounding existing drought conditions in Australia.

Impact of ban on live cattle export

The flow on effects of a month long, 2011 ban on Australian live cattle exports to Indonesia continue to be felt by many central western graziers despite it being over five years since the blanket ban was introduced. Drought hit at a time when producers were already overstocked because of the unexpected market closure. Australian live cattle exports fell 42 per cent from 521,002 in 2010, the year before the ban, to 278,581 in 2012, the year after. This pushed many producers from one crisis situation to another.

As previously noted, cattle prices have risen since 2015, however as many central western properties have either reduced stocking rates or retained no stock at all, there has been little or no benefit to many producers in this area. Additionally, anyone who can restock following rain, is buying at the top end of the market.

An AgForce survey conducted in May 2015 found that half of farmers have seen their gross annual income cut by half, and 17 per cent had their income cut by more than three quarters. One in two farmers reported that their debt had increased by between 25 and 50 per cent during the drought. Two-thirds of farmers surveyed said they believed this was the worst drought in living memory.

Declining land values

The Valuer-General’s 2016 Property Market Movement Report reconfirms its reports from 2014 and 2015. All rural industries are still struggling with the effects of a long-term and widespread drought, restrictive financial policies and increased costs. Limited sales have resulted in continued static land values. Many potential purchasers remained cautious, and are likely to continue while waiting on improvements in weather patterns and more economic confidence.

In the western pastoral zone, the market peaked around 2008 and then fell back to around 2005–06 value levels. This market has continued to be subdued, with very few sales transactions until the August 2016 sale of Tunbar, Jericho for $67.5 million. The property had first been offered for sale around 10 years ago.
It should be noted that sales of rural land purchased for the purpose of mining or extractive industries are not used to set the statutory land values of rural land. This market activity has now declined due to the slowing of the resource sector and rural landholders are now the major influence in the respective markets.

Debt and asset ratio

The devastating impact of declining values for both livestock and land to the point where the value of a grazier’s assets was less than the value of debt drawn down in better times, has been documented in the Drought and Poverty in Central Western Queensland 2014 and 2015 Reports. The example of Charlie Phillot, a then 87 year old western grazier, his eviction from his property and his long battle with the ANZ Bank is cited in the 2015 Report and was well publicised by social and mainstream media.

In August 2015, following a long battle with the bank Charlie’s property was returned along with substantial compensation. The story of the fightback and the victory can be found at: http://www.9jumpin.com.au/show/60minutes/videos/4346408065001/

However, Charlie is just one of many landholders who have flagged issues with their financial arrangements.

Following a number of public meetings, commencing with "Winton's Last Stand" called by federal MP for Kennedy, Bob Katter, December 2014, and featuring Charlie’s story, and a parliamentary committee investigation — a Rural and Debt Taskforce was established by the Queensland Government in October 2015. The Chair was Rob Katter MP for Mt. Isa. The “Rural Debt and Drought Taskforce Chairman’s Report: ‘Addressing Debt and Drought Problems in rural Queensland” was released in April 2016.

This Taskforce Report explored many of the contributors to the current drought crisis identified in the – 2014 and 2015. Simply put, it showed that:

- For a number of reasons, debt to equity lending played a significant role in financing agricultural business becoming the weakness in financial models built on ever increasing capital values.
- 57% of participants in an anonymous Taskforce survey would need to renegotiate borrowings in 2016. Extraordinary seasonal conditions overlaid with the live cattle export ban exacerbated debt burdens.
- There is general agreement that situations have deteriorated badly in many areas of Queensland since 2011.
- Graziers that destocked found that restocking funds became a liability when applying for Centrelink income support. Unquestionably the impost of drought compounded already existing financial distress.
- The Ban on Live Cattle Export caused a market failure that generated “an industry contagion effect, depressing cattle values state-wide,” which combined with drought, added significant pressure to already present financial troubles.
Shifts in government policy design has meant that Drought loans were available but only to those considered “long term viable”: with empirical evidence presented at Taskforce hearings suggesting that those eligible were in reality accessing cheap credit rather than seeking drought assistance, leaving those most in need without support.

Charity, primarily from metropolitan areas has been a major source of support for financially distressed and drought stricken graziers.

The Taskforce Report went on to make 14 recommendations that it believed would “stabilise then reinvigorate our primary industries.” These Recommendations are included in “The Way Forward” section of this report.


Flow on effects for local small business

Small business plays a major role in the economic health and social cohesion of all rural and regional communities. A study “Key Statistics: Australian Small Business” undertaken by the Australian Government Department of Innovation, Industry, Science and Research in 2011 and using figures from 2008-2009 indicated that 22 per cent of small businesses in Queensland were associated with agriculture and another 20 per cent were service focused. This makes around 42 per cent of businesses in rural communities very susceptible to reduced spending during drought.

The two previous Drought and Poverty in Central Western Queensland Reports documented the consequences of drought and reduced primary production on “all the chains surrounding it, whether they are helicopter musterers or livestock transporters or the general store that sells the graziers’ groceries.”

In April 2015 the Courier Mail reported that central western businesses were facing a 50 to 60 per cent reduction in turnover, due to the ripple on effect of agricultural businesses experiencing a financial downturn due to drought. This view is supported by a Rural Debt and Drought Taskforce contributor from Barcaldine who stated, “There has been a 60% downturn in business in Longreach. They have laid off 30% to 40% of staff. The lack of money and business flows through to community. People are moving out of the area to look for work elsewhere. State primary schools have half the enrolments.” The situation in Longreach is congruent with most others in western grazing areas.

The Western Drought Appeal website also confirms that in Longreach, business turnover was reduced by 22% in 2013-14 and a further 36% in 2014-15, with retail shops and service providers retrenching 38% of their staff since the start of 2014. As an example, it cites the case of a shearing contractor who employed 74 staff being forced out of business, with all the shearers and associated staff leaving the district to find work elsewhere. It notes there are 330 job seekers within the central-western district alone.

Cash has dried up in Central Western Queensland. The reduced agricultural economic activity is reported to be costing the region in the order of $700 million.

Nicki Blackwell, from Drought Angels, told news.com.au that the situation was turning everyday items like shampoo and 99 cent packets of jelly into out-of-reach luxury items.
“Farmers started budget cutting years ago,” she said. “Things like shampoo and conditioner aren’t on shopping lists. Jelly is a luxury. And we’ve received emails about that, saying thank you so much for the jelly in that box or the Pringles or whatever, because those are luxuries.”

Additionally, there is an ongoing ripple effect, with the cash shortage leading to reduced employment, families moving away, and fewer children in school, fewer teachers required, leading to a reduction in services and business activity.

The dwindling numbers of contract workers, along with the drought, has seen the closure of the Longreach council run boarding Hostel. Since it was opened in the mid-1960s the Hostel provided accommodation for children from outlying areas wanting to access primary and high school education. There are no longer enough students to justify keeping the hostel running.

When announcing the Australian Government’s Assistance package in May 2015, then Prime Minister Tony Abbott confirmed that: “When the farmers have problems in farming communities, everyone has problems.”

**Social Impacts of Drought**

The social impact of drought is felt both throughout the event and following it. The more extended a drought, the greater the pressure placed on those experiencing it. As previously noted, families and communities that are living with drought, are facing devastating change; experiencing loss of livelihood, and facing challenges of loss of lifestyle and identity.

The 2014 and 2015 Drought and Poverty in Central Western Queensland Reports documented that conversations with people living in the drought impacted areas indicate that as expected, the social impacts of drought in these areas are similar to those documented in existing research literature and acknowledged throughout this report.

For landholders, managers, farm workers and contractors in the region these have included:

- a slide into poverty and in some cases bankruptcy
- capital purchases, and maintenance of equipment and infrastructure being postponed – sometimes with consequences that impact on farm safety
- families faced with decisions about whether to continue to farm – even where the property has been in the family for generations
- limited available finance forcing difficult decisions about prioritising personal and farming expenditure
- an increase in stress and other negative health impacts
- an increasing need for off-farm income
- difficulty in accessing off farm employment
- forced separation, as one partner moves to take up employment elsewhere
- women and children taking on additional work on-farm as outside labour hire is unaffordable
- the daily necessity to feed and water livestock keeping people close to home, restricting opportunity for both outside work and recreational activities
- intergenerational conflict
- marital conflict
- social isolation
- restricted educational access for children - this is not limited to the ability to pay for the travel and fees related to boarding school, university or other education away from home; families have reported not being able to afford to send their children into the in-reach activities associated with Distance Education
• ageing couples remaining on farm and delaying retirement
• drawing down on their “super” to keep animals fed
• an emotional impact on producers who whilst already under stress from the drought are further distressed by the death and injury of livestock caused by wild dogs

For small business and the community as a whole, social impacts included:
• population decline especially amongst younger people
• lower levels of community and personal resilience
• reduced access to services
• a decline in social capital reflected in lower social participation
• increased job losses and/or reduction of working hours in small communities affected by drought
• closure of non-essential businesses such as shops selling high end home wares; cafes and restaurants
• businesses staying open but reducing their stock options
• expenditure on business improvements and new equipment being put on hold
• the pool of volunteers in the larger communities being reduced because landholders with limited access to funds for travel need to remain close to home

**Assistance Available**

The Queensland Government’s 2016-17 State Budget continued support for the rural sector in its fourth consecutive year of severe drought, with a $77.9 million Rural Assistance and Drought Package.

The package will include:
• further pest and weed management programs
• introducing new legislation for compulsory farm debt mediation
• reconfiguring the Primary Industry Productivity Enhancement Scheme (PIPES) loans and lending facilities to make them more accessible and relevant to Queensland’s farming families’ grants to support farm financial management, climate risk mitigation, succession planning and undertaking of multi-peril insurance assessment, which will be administered by QRIDA,
• establishing an Office of Rural Affairs.

The 2016-17 Federal Government budget maintained some ongoing support for primary producers and will also provide $7.1 million over four years from 2016-17 to maintain the additional rural financial counsellors in drought-affected areas, funded through the Agricultural Competitiveness White Paper (the White Paper). This will provide an additional 15 more financial counsellors each year in areas experiencing prevailing drought. They will support farming families with drought management and drought recovery. The additional funding in the White Paper was a one-off measure for 2015-16 to provide increased resources to service providers in drought-affected areas.

An extensive list of drought support options, including available government assistance can be found as an Addendum to this Report. Eligibility criteria may apply to some categories of assistance.

Recently there has been greater government recognition of the financial distress being experienced by rural business families and the need for the money required to assist these families, being spent in their own local communities. In June 2016 Federal Government moved to provide relief funds to drought-affected councils across Queensland, with small business owners in the Longreach Council area being given access to pre-paid cash cards to buy essentials in the local community. Longreach Regional Council had given $25,000 towards the project, and Westpac staff had also fundraised about $9,000. The Western Queensland Drought Appeal will distribute the cards through the post, similar to support provided to landholders earlier in the year.
The funding will be provided to individual business owners to help them and their families with necessities: it does not cover business expenses like rates and power bills.

In June 2016 Western Queensland Drought Appeal Committee Chairman David Phelps told the ABC small business owners were often similar to graziers in that they did not like to ask for help. He added prior to the distribution, his group had worked with referral groups to identify business owners who are doing it a bit tough. We just want to try and get the support extended to everyone who needs it." Mr Phelps said.

Tourism into the region continues to offer some respite from the cash drought, contributing over $220 million per annum. Increased tourism numbers will help the towns and communities of Western Queensland substantially.

Factors that limit access to support

As documented in the 2014 and 2015 Drought and Poverty in Central Western Queensland reports and by the media and industry organisations, many farming families have experienced difficulty in accessing drought relief funds due to strict eligibility criteria, complex forms, confusing application processes, difficulty submitting applications on-line, the asset value of properties, and long waits for urgent payments.

In some cases, off farm assets such as a second home to enable children to attend a town school, or superannuation, may also make people ineligible. In previous years, a majority of support was also targeted at land owners – not employees, contractors or small businesses.

In the first years of this current drought there was also strong anecdotal evidence of people being reluctant to seek Centrelink Payments and drought workers reported that many “rural families really struggle emotionally with accessing local charities .... as the staff are sometimes their peers and it is a pride thing.”

In December 2015 news.com reported families across western Queensland reduced to strict, wartime-like food rations to survive, with some depending on charitable organisations for food and necessities.

During that time, Dr David Rimmer, from the Central West Hospital and Health Service told the Courier Mail that he was, “… seeing problems like sores on the body which come both from lack of good nutrition and the stresses that come from dealing with this drought.”

He said that the population in Longreach, was under “immense stress” with business income down 60 per cent and about 40 per cent of the town’s workforce having been laid off.

Current Reality

Weather

Currently more than 80 per cent of Queensland, including the central west, remains drought declared. This is despite 2016 winter rainfall being very much above average. It was the seventh-wettest July on record for Queensland, with further higher than average follow up falls in some areas.

As of the end of September 2016, whilst much of Central Western Queensland now has a blanket of green, it is not yet strong, sustainable pasture growth across the whole of the district. If summer rain does follow, as the long range weather forecasts are suggesting, this will then ensure a favourable outlook for the region.
The Queensland Government’s drought policy continues to encourage producers to be self-reliant. Graziers are being encouraged to adopt risk management strategies to reduce the impact of the drought on their properties. Where properties are already struggling owners are advised to seek appropriate assistance. (See Addendum: Drought Support Available)

It is self-evident that to a certain extent, agricultural business will continue to suffer the vagaries of the weather, regardless of their own risk management strategies and land management frameworks. After severe natural events, including prolonged drought, government intervention may still be required to support agricultural business and their communities.

Despite the winter rain, it is anticipated that there won’t be any change to the drought status of shires until local drought committees assess rainfall and pasture growth in April 2017.

And, even though we may be moving to a La Niña weather cycle, the Bureau of Meteorology (BOM) warns that the effect of La Niña events on winter/spring rainfall is limited for Queensland extending only to around Fraser Island in southern Queensland. It should be noted that rainfall often arises from the lifting of onshore air streams as they flow over the Great Dividing Range. BOM notes: “A lot of the month to month and year to year rainfall variability from these airstreams seems to be due to the chaotic nature of the mid-latitude weather systems, which form a major feature of the weather and climate patterns of southern and central Australia.” It also adds that: “It should not be expected that winter/spring rainfall in any given La Niña year will follow the pattern …, nor should it be expected that 'below average' rainfall will not occur in a La Niña year”.

As previously identified, the impact of drought will not end with good rainfall. Pasture has to regrow; livestock fatten and breed, new stock may need to be bought in; crops sown, grown and harvested and all successfully marketed before any income is returned to the producer.

The human face of drought and poverty

In line with the predictions in the 2015 Drought and Poverty in Central Western Queensland, drought declarations are still in place in 2016. Even after good rainfall occurs, recovery from drought itself is a slow process. Despite the assistance available, community feedback continues to indicate that the drought is having a profound effect on the daily lives of rural people.

The Western Queensland Drought Appeal Website paints a stark picture:

> When it does rain, as many as a third of the family farms could be for sale. The reasons will vary but include bank foreclosures, to settle debt or because people will be unwilling to face the stress of another drought. Those that stay on their properties will face 3-5 years of rebuilding their sheep and cattle numbers and getting their businesses back on track, assuming another drought does not intervene first. This also means a slow recovery for the towns and communities of western Queensland.

In June 2016, despite the best rain in three years, the Walker family from Cumberland Station near Longreach had to move 700 breeders to agistment nearly 2,000 kilometres away on a property west of Innamincka. Cumberland has been drought declared since 2013 and destocked for around 18 months and the rainfall was not sufficient to enable restocking to take place. For the Walkers selling their cattle has not been an option.
By September some lucky sheep producers west of Longreach were able to restock but many were not so fortunate. For others the rain was an indicator that it was time to sell: where there is the need to borrow to restock, a number of producers aren’t willing to take the gamble.

Longreach-based accountant Bill Ringrose told the ABC that “… we’re going to see people who have had enough droughts perhaps and are going to step out themselves, ones who it might be suggested to and ones that might get asked to leave,” - “hopefully financiers can work with people and see a way to get them through these initial challenges after the rain.”

Despite also noting that the lack of cash flow caused by drought impacted on business in Longreach, as well as the producers Mr Ringrose said “The beauty of the rain is that it brings hope and optimism”

However because of the time lag between rain, pasture growth and recovery the Central Western Drought Appeal will continue through this rebuilding phase to help communities recover.

A graphic visual display of the reality of a more than usually prolonged decline in rainfall is presented in the CentacareCQ photo exhibition: “Drought – What next?” These images display the barrenness of the landscape and the toll on people living through a long term drought. The exhibition has toured Queensland to raise awareness and garner support for central western communities. The images and links to media coverage of the drought can be viewed online at http://annesusesmith.com/drought.php

Addressing mental health in drought affected areas

Research continues to present a mixed perspective on the direct links between the impact of drought and the mental wellbeing of those affected.

Previous Drought and Poverty in Central Western Queensland Reports documented:

- The University of Canberra 2015 survey, involving more than 12,000 people in Central Queensland and central western New South Wales, noted ‘high levels of psychological distress and low levels of life satisfaction in communities where drought has dragged on or mining jobs have gone.’

- The “Social Impacts of Drought: Review of the Literature” for the Australian Government Bureau of Rural Sciences, (2008) noted there is some primary evidence linking suicide to drought in New South Wales, with an 8 per cent rise in the long-term mean suicide rate being associated with a decrease in precipitation of about 300 mm. This study did identify that there are gender-related aspects to living with drought, as men and women reflected their experiences differently.

- A 2015 study by Natalie Thompson, Priority Research Centre for Gender, Health and Aging, flagged that there was still limited research exploring the relationship between drought specifically (not just rural life) and mental health. The research reviewed 6,664 women from the Australian Longitudinal Study on Women’s Health (ALSWH), born between 1946 and 1951, living outside major cities and perceived to be vulnerable to the adverse effects of drought.

Yet, 2014 research on “The Impact of Drought on Mental Health in Rural and Regional Australia”, Edwards. B. et el, 2014, which purports to be one of few large-scale studies exploring the impact of drought on mental health found that drought does have negative mental health impacts and that those who are most impacted upon are farmers and farm workers.
This study provides estimates of the impact of drought on mental health using a large-scale representative survey. It reviewed a 2007 survey of 8,000 people living in rural and regional areas of Australia during a severe drought that covered a substantial part of the continent. “The impacts of drought are estimated using regression models which allow for the effects of demographic and geographic variables to be held constant.”

The feedback from a range of people in rural areas—including non-farmers as well as farmers and farm workers was estimated separately.

As mentioned above, findings indicate that drought does have negative mental health impacts and that those who are most impacted upon are farmers and farm workers. Those employed outside the agricultural industry did not reflect the same substantial impact on mental health.

Evidence indicated that the worse the agricultural impact of drought the worse the impact on mental health. Where drought had eliminated or reduced a producer’s productivity to the lowest point ever, there were significantly higher rates of mental health problems and lower mental health wellbeing scores compared with those who indicated that the drought had little or no consequence for them.

As noted in the 2014-2015 Drought and Poverty in Central Western Queensland Report, documented research, previously undertaken and including the 2008 study, identified isolation as a contributing factor in rural suicide. The isolation caused by the reluctance of producers to spend on non-essential items like trips to town or a social or community event, is an added burden on those already coping with debt, dying stock and no income.

Speaking on ABC Radio’s Country Hour in July 2014, Sabina Knight, Director of the Mount Isa Centre for Rural and Remote Health and a member of the expert panel established by the Federal Government to conduct the review of the social impacts of drought in 2008, indicated that community events were found to be an effective method of supporting good mental health and building community resilience in drought affected areas.

For two years prior to July 2016, the Australian Government’s Enhanced Social and Community Support Measure funded ongoing social and community support to assist farmers, their families and drought-affected communities. During that time more than $35 million dollars was spent on assisting people with family relationship issues, distress or mental illness. A portion of that funding was allocated for events and activities which drew people together, provided social support, and assisted people maintain their mental wellbeing, outside a clinical situation.

The Federal funding for this program was considered “one-off” ceasing at the end of June 2016. This has resulted in some communities feeling abandoned and without support.

From July 2016 PHN’s have been funded to deliver a range of medical and allied mental health services to communities and Queensland Health is providing primary mental health support to drought-affected areas through the Royal Flying Doctor Service. For more information on what the PHNs can provide please go to http://www.health.gov.au/internet/main/publishing.nsf/Content/PHN-Mental_Tools
With the aim of building community resilience and reducing the negative effects of droughts, disasters and other crises Queensland Health also offers the **Tackling Adversity in Regional Drought and Disaster communities through integrating Health Services (TARDDiHS)** grants program to help:

- build community networks that foster social connectedness
- improve help-seeking behaviour
- build capacity for learning to live with change and uncertainty
- promote positive adaptability in response to adversity.

There will be a new TARDDiHS round in 2017.

**Ways forward**

**Government support.**

Despite winter rain in many areas Queensland’s Central West region remains drought declared. The Queensland and Australian Government continues to provide a number of support programs.

The Agricultural Competitiveness White Paper released in July 2015, identified drought as the major challenge for producers that has a substantial impact on ‘agricultural output, productivity and farm incomes.’ Under ‘Priority 3: Strengthening our approach to drought and risk management’ government has set aside funding under two key strategy areas:

- Preparing for drought
- In drought support

Producers can use a number of these new, practical approaches not only during drought, but also to address other risks. See [Chapter 3 of the Agricultural Competitiveness White Paper](#)

The 2016 Federal Budget (Budget Paper 2) contained additional funding that may assist producers. The Budget website identifies programs that include:

- **Farm Household Allowance — transitional debt waiver**
  In 2015-16 the Government will provide a transitional debt waiver to any Farm Household Allowance (FHA) recipients who incurred an income support debt arising from an underestimate of their annual business income in 2014-15.

  From 2015-16 onwards FHA recipients who incur an income support debt will be subject to the usual debt recovery arrangements.

- **Managing Farm Risk Programme — efficiencies**
  This programme is being delivered by the Department of Agriculture and Water Resources instead of by the State governments, providing administrative savings. Consultation with industry suggests that demand at the time of the White Paper may have been over-estimated. There are adequate funds available under the revised allocation to meet expected demand over the life of the programme. The savings from this measure will be redirected by the Government to repair the Budget and fund policy priorities.
National Water Infrastructure Loan Facility

Loans will be provided to the States and Territories to support major water infrastructure projects (for a 10 year period from 1 July 2016). The cost to the Government of providing concessional loans will be offset over the life of the program by the interest revenue collected from loan recipients.

Rural Financial Counselling Service — additional counsellors

The Government will provide $7.1 million over four years from 2016-17 to maintain the additional rural financial counsellors in drought-affected areas funded through the Agricultural Competitiveness White Paper (the White Paper). The additional funding in the White Paper was a one-off measure for 2015-16 to provide increased resources to service providers in drought-affected areas. Continuing this funding will provide the equivalent of 15 extra counsellors each year. This measure builds on the 2015-16 Budget measure titled Supporting Drought Affected Communities — Immediate Assistance.

The 2016 Queensland Government Budget included a $78 million drought support package.

These Budget measures include:

- Abolition of stamp duty on inter-generational farm transfers, with grants of up to $2,500 for farmers to seek financial advice, access succession planning services or take out multi-peril crop insurance
- $24 million in continued funding for the Drought Relief Assistance Scheme
- $3.7 million over three years in additional financial support for rural school students in drought-affected regions
- $3.7 million extra for better wild dog control
- $3.5 million for the Queensland Climate Risk and Drought Resilience program, to be delivered in partnership with the University of Southern Queensland.

Further, in line with a recommendations by Mount Isa MP Rob Katter in his chairman’s report from the Rural Debt and Drought Taskforce, a new Office of Rural Affairs will be established to better coordinate on cross-departmental issues. And, the Queensland Rural Adjustment Authority (QRAA), will be re-branded as the Queensland Rural and Industry Development Authority. It will have a broader role to help deliver better, and more timely data on rural debt, as proposed by Mr Katter.

On August 30, 2016 the Palaszczuk Government introduced The Farm Debt Mediation Bill to the Queensland parliament to establish a mediation process between primary producers and their financial institutions and to formally establish the new Queensland Rural and Industry Development Authority (QRIDA) to replace QRAA. The new Authority will administer enhanced schemes of assistance to farmers. It will also undertake research into the financial performance and sustainability of Queensland’s rural and regional sector, and administer the farm debt mediation program. A number of the measures affecting QRAA loan schemes will require changes to the Rural and Regional Adjustment Regulation 2011 which will be made in the near future.

Further, in September 2016 the Queensland Government announced that it would spend $50,000 to fund a survey on the impact of drought on Queensland’s outback communities, as part of its Tackling Regional Adversity through Integrated Care scheme.

The research, which will include first-hand accounts from locals, will be run through the Western Queensland Drought Committee and the University of Queensland. It will not only explore the effect on the grazing industry, but also the flow-on impact on people living and working in western Queensland towns.
It will gather information for governments and policy makers, providing a valuable evidence base for the assessment of how much assistance may be required in drought affected communities.

Government can only be effective in supporting industries and communities to survive drought events when it addresses matters holistically. The strategies utilized by both state and federal governments need to continue to dovetail and not overlap.

**Sustaining Existing Community Resources- investing cash into rural communities**

As the drought drags on into its fourth year, and there is increasing recognition that the recovery period will take at least three years following drought breaking rain, it becomes more and more important that drought affected communities themselves, influence how, when and what support is provided.

Along with the “dry”, Central Western Queensland is also experiencing a cash drought, with reduced agricultural economic activity costing hundreds of millions of dollars across the area.

This financial drought contributes to reduced employment, families relocating to other communities, and fewer children in schools. Longreach Primary School numbers have dropped by around a third. This has impacts on the number of teachers employed; once again reducing services and business activity in town.

Although well meant, inappropriate support from outside a community that targets only a particular group of people, i.e. primary producers, or provides goods that could be purchased from local business, without recognition of flow on impacts, may be unintentionally increasing the sense of isolation or financial distress.

Over time Not For Profit groups have become key players in channelling appropriate support in ways that can assist the whole community.

Whilst fodder is always appreciated, where properties are carrying stock and feed is not available locally – two other effective ways people can help is by providing cash and/or time.

The Queensland Country Women's Association through its long established Public Rural Crisis Fund has advocates for support for distressed communities to be provided by grocery store gift vouchers, store credit, or payment of accounts. In June 2015, the State President, Robyn McFarlane told ABC Rural: "We [CWA] have a great saying, 'send money not stuff.'” Adding, “That is really important because we want to keep the shops open in these local areas”.

The Western Drought Appeal Website says it all, when it notes that a cash donation:
- Helps retain essential services in our region, like teachers, doctors and police
- Encourages local spending and enables the local economy to continue
- Helps local businesses stay open
- Supports local jobs and employment
- Keeps people in the community and children at our schools.

The Buy a Bale group takes a multi-pronged approach, to providing stockfeed, money and volunteers to farmers and rural communities across Australia. Some hay is purchased, some donated; some truckies donated their time and fuel and some is paid for. The Farmers card funded by donations provides cash directly into the rural communities and the supply of stockfeed saves graziers cash that they can continue to spend on other items. Buy a Bale aims to help not just producers but also their communities.
In September 2015 Buy a Bale announced the launch of its Farm Army website, where producers can list jobs they need doing and volunteers can apply for a job directly. People can register to volunteer and receive notification of farmers requiring help. This helps address a need brought about both by the lack of cash and the loss of trades people from communities. Jobs can also include fencing, cleaning up debris, ploughing or any other tasks required.

A number of organisations including Burrumbuttock Hay Runners which has partnered with local groups including Drought Angels and the Dollar for Drought Facebook page, set up in October 2015 by Jack Nielson, a third-generation cattleman from Boulia, continue to supply stockfeed into areas where there is need.

Practical, support that contributes to keeping employees on properties and puts infrastructure projects into droughted areas, maintaining population stability and community sustainability, is also highly valued. The Longreach Baptist church started the Drought Contractors Scheme in August last year, raising more than $90,000, and assisting 27 local contractors get work. The scheme subsidises 40 per cent of a contractor’s bill. The majority of work has been for earth moving; de-silt dry farm dams. Treasurer of the group, Mr Peter Whip told ABC Rural "Often we sort of think that the city doesn't know what is going on out here or doesn’t care". "But all of these donations have come from out of our area, you know it has been up and down the coast and some of the cities" he said. "It has been really humbling in a way to see how people care about other people doing it tough."

As noted in the 2014-2015 Drought and Poverty in Central Western Queensland Report, Tourism has now become a key contributor to the struggling economy of rural communities, bringing in around $220 million per annum and providing some relief from the cash drought.

In 2015 the Queensland Government invested $500,000 in tourism in a new campaign “Live Australia’s Story”, to entice visitors to the state's outback, to help western regions struggling with the drought. Websites like www.outbackqueensland.com.au and the Longreach Region’s Visitors Guide also promote the events and unique experiences available in Central Western Queensland.

A few rural landholders have also been able to tap directly into the tourism market, as a source of income. For example, Lara Station, near Barcaldine, has opened its gates to campers and allows access to the station’s wetlands fed from a single historic bore on the Great Artesian Basin.

The Kinnon Family from Nogo Station near Longreach offer a broad range of recreational activities including Cobb and Co coach rides, Starlight’s Cruise on the Thompson River, the Harry Redford Old Time Tent Show, the Station Store and the Nogo Station experience. In 2016 the Kinnon’s also moved into offering outback heritage style accommodation.

Visitors to any central western based tourism venture like The Stockman’s Hall of Fame, The QANTAS Museum. Lark’s Quarry Dinosaur Stampede, and the Australian Age of Dinosaurs Museum and use of the numerous local tour companies, puts vital dollars directly into the local economy and helps maintain social and physical infrastructure.
Be Prepared

The need for primary producers, their business stakeholders and rural communities to be prepared for the next drought, will continue to be a constant in any forward planning for regional Australia, and is essential in moving communities out of a cycle of drought poverty.

The ongoing impact of drought on land management in Australia since settlement is well documented. Therefore it is essential that when planning for the future we focus on both the micro and macro levels, with government, industry, producers, small business and local government working together.

The 2016 Federal Budget has incorporated strategies from the Australian Government’s Agricultural Competitiveness White Paper with funding for drought preparation as well as support, for people currently affected.

The Queensland Government’s Business and Industry Portal has a Planning for Drought Page to assist producers, and the site also provides links to current support available.

The industry body Agforce also has up-to-date planning and support information available on http://www.agforceqld.org.au/index.php?page_id=34

In the long term, producers, businesses and the broader community need to be better prepared financially, physically and mentally to cope with inevitable drought events. However it should be acknowledged that in extreme events additional assistance may be required.

Build Resilience

Resilience is frequently simply identified as the capacity to “bounce back” from a negative experience. However real resilience also requires the abilities to think positively, anticipate and plan for the future, respond proactively, seek out opportunities and undertake actions that will make a meaningful change.

The University of Queensland, Australian Research Council Linkage Grant funded study: “Identifying models of personal and community resilience that enhance psychological wellness: A Stanthorpe Study’ sought to identify factors that contributed to people’s positive adaptation to living in a rural community. It highlighted 11 Resilience Concepts and subsequently produced the 2008 “Building Resilience in Rural Communities Toolkit” freely available online at http://www.uq.edu.au/bluecare/docs/toolkit_v5.pdf

Although not specifically targeted at communities in crisis, many of the concepts identified in the “Building Resilience … Toolkit” such as: Social Networks and Support; Positive Outlook; Learning; Infrastructure and Support Services; Sense of Purpose; Diverse and Innovative Economy; Embracing Differences; Beliefs and Leadership are especially important if communities are to survive a drought crisis

Previous research has shown that community events are an effective approach to providing social networks and support. During the current drought, service providers identified that providing support at community events, rather than holding mental health workshops, was a more effective process. The social interaction and coming together as a community was found to be really beneficial for those involved.

Organisations that already exist in communities, such as churches, agricultural organisations, QCWA, arts groups, sporting organisations, etc. should be encouraged and resourced to support a regular calendar of interactive local events that are consistently available; enabling meaningful connections and relationships to be established and available during drought times.
Formal training that increases the capacity of both professionals and the community to identify and support those experiencing mental health challenges is probably best delivered into communities, prior to drought or major stress events. However additional support may be required following major or prolonged events, such as an extreme drought.

An initiative that continues to encourage communities to build their own resilience has been developed by the Foundation for Rural and Regional Renewal (FRRR). The program called Tackling Tough Times Together (TTTT) has made funds available to support drought affected communities in NSW and Queensland to access the resources they need to support one another through drought. Funding supports community based activities that help to relieve current stressors and symptoms, and build capacity and resilience for the future.

Among the projects funded in the most recent round are:

- Helping people stay connected via a local newsletter
- Alleviating pressures for a short time with community events
- Assisting families struggling financially to provide their kids with holiday activities, taking them from the bush to the beach
- Building local small business capacity via digital marketing workshops
- Building personal resilience via workshops about strategies to reduce stress and improve wellbeing


**Industry Leadership**

Proactive Industry leadership continues to be essential in establishing a more sustainable future for Central Western Queensland. Prior to the establishment of the Rural Debt and Drought Taskforce a number of Community Forums were held to explore ways of addressing the issue of inevitable prolonged periods without rainfall, and provide some leadership and direction, now and into the future.

These included:

- The 'renewal summit' held in Longreach in August 2014.
- The December 2014 'Last stand at Winton', was organised by Federal MP Bob Katter and his son, State MP Rob Katter
- “Getting a Grip on Drought Forum” in Longreach in May 2015
- The August 2015 “Debt Crisis Summit” in Charters Towers which although outside the central west was a direct follow up on the Winton meeting and was initiated by Rob and Bob Katter, in conjunction with Katter’s Australia Party MP, Shane Knuth,
- On the 1st September 2015 Premier Palaszczuk also visited Charters Towers to listen to the concerns of local people.
- The Sunday Mail Bush Forum held in Longreach on September 26th – 2015

These forums provided an opportunity for local leaders to identify concerns, seek solutions in conjunction with people of influence, and engage in constructive and strategic thinking in a supportive environment. Three common themes through-out all these discussions were the prevailing drought; the financial issues facing many farm businesses and requests for the Queensland Government to provide additional assistance for farmers affected by debt.
As previously noted, in this report, in October 2015 the Queensland Government established an independent Rural Debt and Drought Taskforce, to examine debt issues. The Chair was the Member for Mount Isa Rob Katter who stipulated a 60 day reporting deadline. Members of the taskforce included, parliamentarians, representatives from Local Government, representatives from two key agricultural industry bodies, an Academic, and a Farmer/Economist. There were two additional consultation members: a Farmer and a Real Estate Agent.

In an interactive consultation process, completed by January 2016, the Taskforce conducted 14 regional meetings and received submission from primary producers, financial services providers, stakeholder organisations, and rural and regional leaders. This process enabled Industry Leaders to further highlight the concerns raised during the Community Meetings, and to put forward workable solutions to better manage drought situations, in future.

Concurrently, in November 2015 Queensland Treasurer Curtis Pitt convened a State Government rural debt banking roundtable attended by senior executives from Australia’s major banks, the Australian Bankers’ Association, the Queensland Rural Adjustment Authority (QRAA) and Queensland Treasury Corporation. Following this Roundtable, Mr Pitt said he was heartened by the willingness of government, banks and the agricultural sector to work together on policy solutions.

In May 2016 The Drought and Debt Taskforce released its “Addressing debt and drought problems in rural Queensland” Report with 14 Recommendations.

These recommendations are listed below.

Recommendation 1: That the Government of Queensland establishes a Rural and Industries Development Bank.

Recommendation 2: That Government make provisions for a contemporary Farm Debt Reconstruction Authority with the ability to address untenable financial arrangements.

Recommendation 3: That the State Government engages with all stakeholders to facilitate the uptake of a commercial Multi-Peril Insurance (income protection) product for all primary industries but with particular urgency for grain, cotton, sugar, pastoral industries and horticulture.

Recommendation 4: That the Government initiate a Royal Commission to investigate financial conduct within the finance sector.

Recommendation 5: That the State Government as a matter of priority ensure that sufficient mental health workers are provided to identified struggling regions commensurate with the level of stress.

Recommendation 6: That the State extend and expand a funding model to facilitate intergenerational transfer of farm properties including stamp duty exemptions

Recommendation 8: That the State Government Emergency Water Infrastructure Rebate be extended to desilting of dams.

Recommendation 9: That inside the Queensland Department of Agriculture and Fisheries (QDAF), an independent office of rural affairs be established.
**Recommendation 10:** That a commitment be made to give preferential consideration to engaging local businesses and local authorities in the construction of new and improved infrastructure for drought effected rural areas.

**Recommendation 11:** That significant direct public funding be made available to producers for continual learning opportunities to build their capacity to manage farm financial and climate risks.

**Recommendation 12:** That the State Government provides additional financial assistance for children’s education in severely affected drought areas until drought recovery is complete.

**Recommendation 13:** That State government make strong representations to the Federal Government to revise the eligibility criteria of the Farm Household Allowance (FHA) so it is more accessible to operators of primary production enterprises.

**Recommendation 14:** That the State make strong argument to the Federal Government that any drought that lasts longer than two years be declared a natural disaster.

In the ‘Chair’s forward’ of his report, MP Rob Katter says: “The absence of effective government support will see a continuation down the path of crisis and rural decline. However, we believe that with the right mechanisms, as outlined in our report we can allow farming industries to recover and prosper in the good times. As a result, the State will be able to harness the enormous potential of our agricultural sector to service the vast emerging markets of our world while continuing to provide Australian consumers with high quality food and fibre. Rob Katter MP.

Rural Industry is now awaiting decisions on the implementation of the Recommendations arising from The Drought and Debt Taskforce process.

One step forward has been the previously mentioned introduction of the Farm Debt Mediation Bill to parliament in August 2016. The legislation provides a process for addressing financial disputes between farmers and banks and aims to reduce financial stress for Queensland producers. The Bill honours key commitments in the Rural Assistance Package, establishing a fair and effective farm business debt mediation pathway for the resolution of disputes between farmers and financial institutions. The Bill will apply to all providers of rural credit in respect of farm mortgages.

The mediation process is identified as an affordable and accessible alternative to expensive legal action and doesn’t interfere with farmers initiating their own legal process where such action is justified. Nor does the Bill prevent financial institutions and producers from using informal negotiations to address unresolved issues.

Also, as noted previously in this report, the Bill will establish the Queensland Rural and Industry Development Authority (QRIDA) to replace QRAA.

**Hope**

For the first time, in this, the third report into Drought and Poverty in Central Western Queensland, there is an element of hope that is enabling people to think about a more positive future and moving forward. The rain has lifted spirits and for some it has allowed them to think about restocking. Approximately 30 producers in western Queensland have already revoked their individual drought status.
Graziers can apply for low-interest loans to restock, whilst drought declared, so the current advice is to access financial expertise before making a revocation decision, as drought status does have financial benefits including some tax concessions.

**Conclusion**

In the last 12 months the drivers of the economic distress in Central Western Queensland have not changed. Wide scale rain in winter 2016 lifted hopes and provided short term relief in some areas however at the time of writing this report the central west was still Drought Declared.

Therefore the conclusion reached in 2016 remains very similar to that drawn in previous years. As noted in 2015, the longer the drought continues, the greater the emotional and financial pressure it imposes on people in affected areas with even the most resilient are tested.

The factors that mitigate the impact of drought continue to remain the same, regardless of the length of the drought itself. These are:

- being well prepared for the inevitable
- building resilience in people and communities
- learning from past and current experiences
- state and federal government support that is timely, strategic and accessible
- approaches that encourage people to come together and build social networks of support
- sustaining existing resources in the community
- industry leadership
- diversification

Two steps forward unique to this year were the establishment of the Rural Debt and Drought Taskforce, its consultation process and the handing down of its final report and recommendations in May 2016; and the drought impact survey initiative to provide a credible evidence base on which assessments of support required, can be made.

And, as advised in both the 2014 and 2015 Drought and Poverty in Central Western Queensland reports, the effective implementation of these mitigating strategies can only be achieved when Federal, State and local governments, industry and business leaders, landholders, service providers and other stakeholders work together collaboratively, to achieve a sustainable agricultural industry and thriving rural communities. The long term survival of both producers and their communities continues to depend on appropriate support in the present, and strategic forward thinking and leadership, now and into the future.

When the drought does break, it will be still several years before many producers receive an income flow. Most, will be starting from scratch, with a need to restock, and they may also be dependent on banks for favourable refinancing. High cattle prices and low land values further complicate financing decisions.

Additionally, good rain may open the rural property market to “bargain hunters”, putting pressure on banks to foreclose and sell properties. Hidden poverty will continue to be present in rural communities for several years.

However, this year there is a hope that things will improve in the foreseeable future.
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Queensland Government: The Queensland Cabinet and Ministerial Directory


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University of Queensland

Weekly Times June 7, 2016
DROUGHT SUPPORT AVAILABLE

There are a number of assistance programs available to landholders and those being impacted by drought. Eligibility criteria may apply to some categories of assistance.

The Queensland Government Department of Agriculture and Fisheries (DAF) website https://www.daf.qld.gov.au/environment/drought/assistance-programs provides broad descriptions of government drought assistance programs available to Queensland producers. Check the eligibility requirements for drought financial assistance and access the funding guidelines and application forms. Read the latest information about which areas are currently drought declared.

Queensland Government drought assistance

In 2013, at the start of the current drought, the Queensland Government announced a package of drought assistance programs that adopted a whole-of-government approach. The government has committed to maintaining these programs until 2018. The estimated value of the Queensland drought assistance package over the next 4 years is $52.1 million.

Drought Relief Assistance Scheme (DRAS)
The Drought Relief Assistance Scheme provides 5 assistance measures.

Drought-declared properties may be eligible for:
- freight subsidies for transporting fodder
- freight subsidies for transporting water
- the EWIR (Emergency Water Infrastructure Rebate), which provides a rebate on the purchase and installation of water infrastructure purchased for animal welfare needs. (EWIR addresses immediate animal welfare needs, helps improve properties to be more drought resilient, and generally lifts productivity by providing water supply to areas where pasture was less than fully utilised.)

Properties that have had their drought declaration revoked may be eligible for:
- freight subsidies for transporting livestock returning from agistment
- freight subsidies for transporting livestock purchased for restocking.

DRAS generally provides a maximum of $20,000 per property per financial year on all freight subsidy and rebate types. This may increase to $30,000 with the approval of a drought management plan by DAF Extension staff. This can increase further up to $40,000 in the third and later years of a drought declaration.

Producers in a drought-declared area or who have an individually droughted property (IDP) declaration can apply for DRAS support through DAF.

Additional rural financial counsellors

The Queensland Government has also contributed additional funding to the Australian Government’s Rural Financial Counselling Service (RFCS), and has delivered extension workshops on drought management.
Mental health programs
Queensland Health is providing primary mental health support to drought-affected areas through the Royal Flying Doctor Service.

Land rent rebates/water licence waivers
Annual water licence fees from 1 July 2015 until 30 June 2016 will be waived for Queensland producers in drought-declared areas. Affected landholders will be advised of the waiver by letter.

Holders of rural leases (Category 11 leases used for grazing and primary production) issued under the Land Act 1994 are eligible for a rebate of 12% of their annual rent where that annual rent is more than the minimum rent of $235. The rebate is available for leases that are in drought-declared areas and for those that have an IDP. Landholders who are eligible for the rebate will receive information with their annual/quarterly invoices.

Community Assistance Package
The Queensland Government is providing
- community support to help people under stress
- assistance for organising community events
- training and resources for community leaders.

Electricity charges relief for water supply
The Department of Energy and Water Supply operates the Drought Relief from Electricity Charges Scheme (DRECS) for customers in Energex areas and for non-Ergon Retail customers in regional areas. The scheme provides relief from fixed charges for accounts that use electricity to pump water for farm or irrigation purposes during periods of very low or no water availability.

For the majority of customers in the Ergon Region, DRECS is delivered by Ergon Energy Queensland, which is reimbursed by the government via monthly community service obligation payments.

Grazing in national parks
As an emergency measure, the Queensland Government allowed temporary grazing on national parks until the end of December 2013. It is estimated that around $2.1 million in free agistment and infrastructure improvements were delivered through the program.
While the project was successful, it could not be continued due to deteriorating land conditions caused by ongoing drought. Cattle were removed before the parks were damaged.

Transport concessions
Drought assistance measures provided by the Department of Transport and Main Roads include:
- permits for increasing the maximum hay loading height
- concessions on shifting droughted livestock
- waivers and greater flexibility on certain vehicle registration conditions and fees and charges
- increased school transport allowances for some families that drive their children to school or connect with a school bus run.
Wild Dog and Feral Cat Destruction Initiative
The Queensland Government has committed to providing an additional $5 million over 3 years to support new initiatives aimed at destroying wild dog and cat populations. DAF has allocated $4 million to support wild dog projects in drought-affected areas and $1 million for feral cat research that will support future programs in national parks and key private conservation reserves that are heavily affected by feral cat predation. Read more about feral pest initiatives in Queensland.

Climate information
The Queensland Government's Long Paddock website provides climate information, including seasonal climate outlooks, rainfall and pasture growth, and a drought conditions update.

Australian Government drought assistance
On 9 May 2015, the Australian Government announced a drought support package worth $333 million. The package includes funding for:
- local infrastructure and employment projects
- management of pest animals and weeds
- social and community support programs
- rural financial counsellors
- concessional loans.
Funding will also continue for the Farm Household Allowance.

Farm Household Allowance
On 1 July 2014 the Australian Government introduced its Farm Household Allowance. The allowance provides eligible farm families experiencing hardship with money to meet basic living expenses. The Australian Government has now raised the net assets limit for eligible families to $2.5 million, which allows more farm families to access the allowance.

Local infrastructure and employment projects
The Australian Government has provided $35 million for shovel-ready local infrastructure and employment projects. Funding will target projects that offer the greatest potential to stimulate local spending, use local resources and provide lasting benefit to the community.

Pest animal and weed management
The Australian Government has provided $25.8 million for programs to manage pest animals and weeds in drought-affected areas. This will provide work for rural contractors while helping producers to deal with the impact of feral animals on livestock and pasture. This funding is delivered through regional natural resource management groups. It is expected that DAF will oversee these groups' delivery of the projects on behalf of the Australian Government.

The Queensland Government also continues to administer $5.6 million in federal funding for feral animal control in drought-affected areas. The first phase of funding grants began in 2013, and the second phase will be completed in 2016.
Read more about Queensland projects currently funded under this program.
Read more about feral pest initiatives in Queensland.
Rural Financial Counselling Service

Like the Queensland Government, the Australian Government has committed to providing extra support for the Rural Financial Counselling Service during the drought.

Drought Recovery Concessional Loans Scheme and Drought Concessional Loans Scheme

Drought Recovery Concessional Loans are available to help eligible farm businesses to undertake planting and restocking activities. Drought Concessional Loans are available to help farm businesses recover from, and prepare for, future droughts, and to return to viability in the long term.

The Australian Government has committed a total of $45 million for the provision of these schemes in Queensland in 2015–16. These loans are being delivered by QRAA on behalf of the Australian government.

Additional Support Available

Local Community Service Organisations, Volunteer Groups, Church Groups and Service Volunteer Organisations Clubs in many communities are also providing support for drought affected communities.

The Western Bush Bible produced by the Rural Financial Counselling Service and Suncare Community Service Drought Relief Program provides information and contact details on many of the assistance programs available in the Central Western Queensland. It should be noted, however, that although a wide range of support is still available, some programs listed in the “Bible” are no longer available.


Churches, Services and Volunteer Groups

Funds from church and religious organisations and service and volunteer groups with both broad outreaching networks and a strong local presence in many towns, have been channelled into support for communities (not just for those affiliated with these organisations.) Hay deliveries, gift cards and gift parcels of food and toiletries are amongst the distribution processes.

Industry bodies such as Agforce, Future Beef and National Farmers’ Federation have information on drought support available on their websites.


Drought Angels is a project of The Chinchilla Family support centre a not for profit organisation. 100% of funds raised and donated go to helping farmers and rural communities.

https://www.facebook.com/519529671494691/photos/a.519554668158858.1073741827.519529671494691/755819367865719/?type=1&theater
**CWA Public Rural Crisis Fund** was established to help women and their families in crisis, whether from natural disaster or personal crisis. One hundred per cent of every donation goes directly to helping the recipients recover, rebuild and get ahead. A donation also sends a very important message that someone cares. Practical assistance is given in the form of grocery store gift vouchers, store credit or payment of accounts. No cash payments are made. By helping in this way, not only is the recipient assisted but the money stays in the local community. Every little bit helps, with donations over $2 tax deductible. To make a donation, [click here](#).

If you urgently need financial assistance, [please complete this form](#).

As well as access to local and face to face services, additional ongoing support for families can be found by contacting the following organisations:

- The Australian Centre for Agricultural Health and Safety provides a website at [http://www.aghealth.org.au/pressures](http://www.aghealth.org.au/pressures) which contains checklists and support information related to farm business, family farms and personal issues to support people on the land
- Rural Mental Health Support Line 1800 201 123
- Lifeline: 13 11 14 or to access a database for where to go for help see [http://www.justlook.org.au](http://www.justlook.org.au)
- BeyondBlue 1300 22 4636 or [http://www.beyondblue.org.au](http://www.beyondblue.org.au)

**Aussie Helpers supports farmers**

**Support to build resilience**
*Foundation for Rural and Regional Renewal.*
Priority is given to organisations run by, and based in the regions over those delivering services to, but not based in the listed regions. Projects led by local communities are also given preference.

*The Objectives of the program are to:*
- Enhance the mental health and wellbeing of drought-stressed rural and remote communities
- Reduce social isolation by facilitating strong social cohesion and connection
- Build community capacity to cope now and in future droughts

Grants of up to $10,000 are available across most of Queensland. A small number of grants valued at up to $50,000 are also available for larger-scale projects that have a broader impact.

Funding is to enable community based activities that both help to relieve current stressors and symptoms, but most importantly, build capacity and resilience for the future. They may also be used to support activities that engage people in being active, exploring options and creating something that will stand the test of tough times.

The Queensland component of the program is funded by the Tim Fairfax Family Foundation.

Another resources to assist in building community and individual resilience is:

The Resilience Institute provides consulting, assessment and training to assist individuals and organisations develop resilience.