Social Impacts of Drought

A report to NSW Agriculture

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Terms of reference

In 2003 the Centre for Rural Social Research at Charles Sturt University was contracted by NSW Agriculture and the Premiers’ Department to conduct a study of the social impacts of drought. In early October, 2002, the Director of the Centre for Rural Social Research, Associate Professor Margaret Alston, attended a meeting of the drought taskforce at NSW Agriculture offices in Orange. At this meeting NSW government and non-government organisations (such as Red Cross, Salvation Army, Rural Counsellors, St Vincent de Paul) expressed a strong desire to have access to adequate information on the social impacts of the drought. A follow up meeting occurred in Dubbo in December where organisations noted a further deterioration in conditions. The feeling of the taskforce was that there were major social issues emerging as a result of the drought. Funding was sourced from the Premier’s Department for the completion of the research. The proposal agreed to by the Centre and NSW Agriculture was as follows.

‘to study the social impacts of the current drought in rural NSW and, in particular, note the welfare implications and service needs of drought affected rural residents and communities’.

The methodology agreed to included a study of three communities in some depth. Those communities chosen in consultation with NSW Agriculture included:

- one community in remote NSW (Bourke);
- one community in the dryland irrigation areas of NSW (Deniliquin); and
- one community in the broadacre cropping areas (Condobolin).

Studying three contrasting areas allowed the researchers to note the differing implications for communities in remote, irrigation and broadacre communities in rural NSW and across industries. These contrasts allowed the development of some generalisations regarding the social impacts of drought.

**Key Research Questions**

Three key questions guided this research project:

> What are the social impacts of drought for farm families? Social impacts assessed included economic implications for individual families including debt restructuring and income access; loss of crops and livestock as a result of drought; educational access for family members; implications for employment of family members; health status of family members; welfare implications; impacts on social interactions; changes in lifestyle and knowledge of service providers.
What are the social impacts of drought for small towns? Social impacts assessed included loss of employment, health and welfare implications consequent on the drought, loss of population and business, implications for social capital in small communities.

What are the impacts for businesses in small towns consequent on the drought? Impacts assessed included loss of business, employment consequences, health and welfare implications, consequences for business survival and support services available.

The research methods included:

- a desk audit of existing material on drought and secondary data such as census material
- key informant interviews
- focus group interviews
- semi-structured interviews with farm family representatives

The desk audit began in February 2003 and was ongoing throughout the project. The original data was collected in the communities from March to the end of May. Analysis was undertaken from July to August. The draft report was submitted at the end of August and the final report in November 2003.
Executive Summary

Much is known about the economic and environmental impacts of drought but little of the social impacts for the people most affected – the farm families, small business owners and rural communities - and the resulting welfare implications. This project addresses that gap assessing the impacts of the drought of 2002-3, one of the most extensive and prolonged on record affecting individuals and communities across most of eastern Australia, and its welfare implications.

The project, funded by NSW Agriculture and NSW Premier's Department, focuses on three contrasting communities in NSW – the remote farming areas around Bourke, the broadacre farming areas around Condobolin and the irrigation-farming area around Deniliquin. In each of these areas members of farm families (both men and women), small business owners, service providers and other key community informants were interviewed using semi-structured qualitative interview techniques. Focus groups were also conducted in each community.

Small rural town decline and rural depopulation have been a factor of rural life at least since the 1970s. In more recent times structural adjustment, the loss of services and an economic rationalist focus on service and infrastructure support have added to the loss of services, jobs and population particularly in small inland rural towns. The drought then is an added factor in an already unfolding story of inland destabilisation. Nonetheless this research reveals that certain social factors are exacerbated by drought.

The significant social impacts occurring as a result of the drought include serious erosion of income for farms and small businesses, increasing rural poverty, increased workloads (both on-farm and off), the need to seek alternative income, health (including mental health) and welfare issues, problematic service access, overload on service providers, declining educational access and particular issues for women and men on farms, business operators, the aged, young people and children. Evident in this research is that drought is a gendered experience and that men and women sometimes experience drought in different ways as a result of their different work responsibilities, their workloads on and off-farm, their care responsibilities, and, particularly for women, their enhanced knowledge of the farm’s financial position.

Poverty has led to increasing isolation for farm family members, more often for men than women, as men are often locked into the long hours of farm work that drought necessitates. The data also reveals class or sector differences. Small businesses do not have the same access to benefits as farms and this has created tensions in the community. For workers and contractors there is the stress of losing employment, added to the stress of accessing employment benefits and the need to consider moving from communities hit by drought.

People in the three areas have experienced similar social impacts. However the following differences are noteworthy. People on farms in more remote areas (around Bourke and parts of Condobolin for example) have less access to services, jobs and infrastructure supports. In some cases this has led to involuntary separations as
(usually) women leave to find work and/or education for children. People in more remote areas are also more likely to be socially isolated as people withdraw from community activities as a result of workload pressures and cost of fuel to get to town. Farm families in Deniliquin have the added pressure of restricted water allocations exacerbating social impacts and adding to feelings of uncertainty about the future. It appears to the researchers that stress and health impacts were greater and more widespread in the Deniliquin area because of the extra issue of water.

The welfare impacts of this drought include increasing health and welfare problems and are evident in the caseloads of service providers. It is clear that support service staff in financial counselling, health and drought services are working hard to alleviate the worst stresses of drought. However it is also evident that they are experiencing significant increases in their workload, that there is need for enhanced staffing numbers and that financial counsellors need the support of social work services.

Data emerging from this study indicates that supports, including the EC and Interim Drought Support measures, have been welcomed and the level of household support benefit is adequate for those receiving support. However there are shortcomings in terms of the difficulties associated with proving eligibility, gaining access to the benefit, excessive paperwork and resultant overload for Rural Financial Counsellors and Drought Support Workers. Attempts to separate household support from the farm business, or welfare from structural adjustment, are still not effective creating significant issues, chief amongst them the failure to address poverty. The system is a cumbersome one and allows people to fall between the cracks – the welfare safety net for farm families and rural small businesses hit by drought has large holes. These issues together with policies around water allocations for example have led to a significant expression of mistrust of the state and its institutions, increasing feelings of marginalisation and strong expressions of alienation amongst those sampled. There are rural Australians on farms and in small communities who feel overlooked, unsupported and forgotten.

The welfare implications emerging from the research include the need for increased health and welfare services in the bush, innovative models of service delivery and attention to rurally appropriate service models. The way farm family and small business proprietors make sense of their experience is important to the way services are developed. Farm family and small business people usually see their need for assistance in financial terms. Yet there is evidence here that while this is the critical issue, it hides the need for social and emotional counselling. The Rural Financial Counselling Services are appropriate and accessible for financial counselling but are stretched. These workers also find themselves called on for social and emotional counselling, tasks for which they are inadequately trained. Rural Financial Counselling services have proved to be excellent rural service models and should be funded for ongoing service provision. However there is an urgent need to expand these services with social work services.

In the three areas studied general practice services are adequate. However there is limited bulk billing provided and this makes medical services inaccessible to some. This issue needs attention in rural communities affected by drought. Additionally the need for more allied health services was evident in all areas. Incentives to attract
professional health workers to the bush are needed and these should not include lower wages for rural workers, a distinct disincentive.
1. Background

‘The worst drought in almost a decade’\(^1\), ‘one of the worst on record’\(^2\) and ‘one of the most severe in the last 100 years’\(^3\) are just some of the ways the 2002-3 drought affecting the whole of NSW has been described. While the extent of drought declared areas has extended across most of the continent, by February 2003, 100 percent of NSW was drought declared. Indicating the severity of the drought, for the first time since the mid-1990s, Sydney was also drought declared.

Critical features of the 2002-3 drought have been not only its widespread nature but also that the low rainfall characteristic of drought has been exacerbated by higher than average temperatures. Consequently for farming families there has been a lack of agistment opportunities outside drought affected regions and low levels of fodder available for sale inter- and/or intra-state leading to hugely inflated prices. Another critical feature of this drought has been the erosion of Australian breeding stock.

The current drought is the latest in a succession of major droughts since adequate reporting was instituted in the 1860s\(^4\) and it is likely that this one is at least as severe as the major droughts of 1967-8 and 1982-3. ABC reports have suggested that this drought will cost the country $2 billion\(^5\) and treasurer Peter Costello is reported as saying that the drought is a major threat to Australia’s economy as a result of major crop losses. Verifying this information are Australian Wheat Board crop forecasts which suggest significant falls in production\(^6\). Additionally stock losses are indicated by the drop in the numbers of sheep from 120 million to less than 100 million\(^7\) and some suggestions that this number will drop much further.

1.1 Economic impacts

The impact of the drought on economic growth in Australia has been significant. The following economic indicators give some sense of the devastating impact of the drought.

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1. ABC News, July, 2002
4. Drought in Australia, ABS, 1988
5. ABC News online, July, 2002
6. www.morning.com
7. AFP, October 9, 2002
ABARE has estimated that the drought will reduce the rate of economic growth in Australia in 2002 – 2003 by around 0.9 percentage points, or around $6.6 billion, from what would otherwise have been achieved.\(^8\)

Adams et al. (2002) suggest that the impact of the drought and its flow on effects are expected to remove 1.6 percent of GDP. This decline is unevenly distributed however with the 17 worst affected regions including the 14 with 20 percent or more of their output in agriculture.\(^9\)

ABARE reported that dry weather over much of the grain belt resulted in a severe cut to Australia’s winter grains production in 2002-2003. Production of the four major winter grains of wheat, barley, canola and lupins is estimated to have been 13.8 million tonnes in 2002-2003, down 60 percent from the previous year.\(^10\) NSW and Victorian grain producers were the most severely affected by the drought on 2002-2003 grain crop figures and ABARE also reported that the lack of irrigation water has severely impacted on the area sown to summer irrigated cotton and rice.

The drought has also had adverse effects on livestock producers. ABARE noted that the turnoff of light under-finished stock and the cost of purchasing hay and grain to supplement depleted pastures are further affecting livestock producers.\(^13\) Nonetheless prices have remained reasonably high despite the drought.

According to the 2003 Australian Beef Industry Report commissioned by Meat and Livestock Australia and produced by ABARE, specialist beef producer cash incomes were predicted to have fallen by around 67 percent in 2002-2003, largely due to the drought.

In addition, fodder costs for beef producers increased from an average of $11,965 per farm in 2001-2002 to an estimated $19,318 per farm in 2002-2003.\(^14\) The fall in sheep numbers will be matched by a drop in the cattle herd. At the same time lamb exports will fall 6 percent and beef exports 5 percent.\(^15\)

The net value of farm production for 2002-2003 was estimated to drop by 80 percent to $2 billion down from the record $9.8 billion in 2001-02.\(^16\)

A reduction of 12.8 percent in farm exports for 2002-3 to $27 billion is also predicted, with earnings from farm exports forecast to be $25.9bn in 2003-2004 compared with $31bn in 2001-2002.\(^17\)

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9 Adams et al., 2002: ii
11 Hooper, Barrett & Martin-ABARE 2003
15 Canberra Times 4/2/03
16 ABARE reported in Financial Review 17/2/03, p 1.
By the latter part of 2003 the break to the worst drought on record has been patchy. The Bureau has even odds for above average rainfall but many growers, particularly in NSW, have dry sown a lot of their crop. As a result, ABARE has downgraded the forecast recovery in farm income.20.

1.2 Social Impacts

There is no doubt that the drought, caused by El Nino weather patterns, has had a major impact on the NSW and Australian economies and, given the roll-on economic effect to urban areas and businesses, it is perhaps not surprising that the focus of attention has been economic indicators and the economic implications for NSW and Australia. Yet despite the wealth of economic data and forecasts it is evident that there has been little research on the social impacts on the people most affected by the current drought - the farm families, small communities and businesses reliant on agricultural production. What is happening to the people and communities most affected?

What we do know is that there have been serious job losses in inland areas. The Premier Bob Carr noted that 40 000 jobs have been lost as a direct result of the drought21. ‘You can see the impact of the drought moving the Australian economy towards recession’ he is reported as saying during a drought tour in the west of NSW in early October, 200222. Meanwhile the general secretary of Queensland AgForce has noted that entire rural communities are under threat because the drop in farm incomes has flowed into businesses in small communities reliant on agriculture23.

In early October, 2002, the Director of the Centre for Rural Social Research, Associate Professor Margaret Alston, attended a meeting of the drought taskforce at NSW Agriculture offices in Orange. At this meeting NSW government and non-government organisations (such as Red Cross, Salvation Army, Rural Counsellors, St Vincent de Paul) expressed a strong desire to have access to adequate information on the social impacts of the drought. A follow up meeting occurred in Dubbo in December, 2002, where organisations noted a further deterioration in conditions. The feeling of the taskforce was that there were major social issues emerging as a result of the drought. NSW Agriculture in conjunction with the NSW Premier's Department commissioned the Centre for Rural Social Research at Charles Sturt University, Wagga Wagga to conduct research into the social impacts of drought. This research, conducted by A/Professor Margaret Alston, Ms Jenny Kent and research assistants working through the Centre, is the subject of this report.

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17 Financial Review 17/2/03 p.69
19 http://www.abareconomics.com/pages/media/2003/5march.html
21 AFP, October 9, 2002
22 AFP, October 9, 2002
23 ABC News online, July, 2002
The proposal agreed to by the Centre and NSW Agriculture was as follows.

‘to study the social impacts of the current drought in rural NSW and, in particular, note the welfare implications and service needs of drought affected rural residents and communities’.

While it is noted that there are other forces at work other than drought that impact on the health and well-being of rural people and their communities, and this is indicated in a well-developed literature on rural social change, it is anticipated that the drought will exacerbate these changes and accelerate rural structural adjustment.

Rural population decline (Salt, 2000, Tonts, 2000), decline in educational access (Sidoti, 2000), and more adverse health and well-being indicators in rural populations (Lawrence, 1995) are all well-established trends. What this research is focused on is whether drought has exacerbated these trends and the welfare implications. It is anticipated that the research will inform drought and rural policy.

It is anticipated that the research will focus attention on policy and programs in relation to drought in the short term, and on welfare implications for rural people and communities in the long-term. The current gaps in knowledge that this research is designed to address are the social impacts of drought on farm families, small businesses and rural communities and the effects of policies on these impacts.

1.3 Definitions

For the purposes of this research farm families are defined as families on farms 'where one or more members of a family hold title (freehold or lease) to an agricultural property and some members reside on that property. Generally one or more members of the family are responsible for the strategic management of the property' (Elliot, 1990: 176). In Australia 99.6% of farms are run by farm families (Garnaut and Lim-Applegate, 1998) making this group critical to the study of the impacts of drought.

Nonetheless there has been a 25% decline in the number of farms (approximately 40000 farms) over the last twenty-five years (Gray and Lawrence, 2001) to about 140700 farms (Garnaut and Lim-Applegate, 1998) suggesting the structural adjustment is underway regardless of drought. Gray and Lawrence (2001) note that the rural restructuring has also created a growing differentiation between wealthy and poor farm families.

The differentiation between farms that are producing relatively healthy incomes and those that are at the lower end of the scale is marked. In good times the top 20% of farms are doing very well with incomes over $100 000 (Gray and Lawrence, 2001). These are the farms gaining benefit through their linkage to the global economy. The middle 50-60% of farm families survive by adopting multiple income generating strategies. However, for many farm families, survival in farming means living in poverty. Twenty per cent of farms report incomes below $10 000 (Garnaut et al., 1997). Further, when incomes are averaged, farm income in broadacre and dairy farms ($27310) is much lower than that of the average Australian family ($38740) (Garnaut et al., 1997). There is no doubt that farm poverty is a very real aspect of
Australian agriculture experienced by a significant number of farm families. Separating the impacts of drought from structural adjustment processes already underway will be a focus of this study.

**Small businesses** are described as the (usually) family owned businesses in rural communities.

Australia has a **population** of 19 million, 82% of whom live in major metropolitan centres and along the coastal regions. The remainder live in inland areas in small communities or regional centres. In NSW, for example, 27% of people (almost 2 million) live outside of Newcastle, Sydney and Wollongong (Harrison, 1997) in regional cities, in rural towns and villages of differing sizes. Rural population decline has been a feature of rural Australia for several decades and is generally attributed to farm mechanisation, improvements in transport and the increase in the size of farms and, since the 1970s, agricultural restructuring (Tonts, 2000). Salt (1992, 2001) has documented the population shifts occurring across Australia noting the sharp exodus of population from inland towns to regional sponge cities and to the coast. In the 12 months to June 2000 ABS reports 270 shires, mostly in rural areas lost population ([http://www.abc.net.au/rural/sa/stories/s249661.htm](http://www.abc.net.au/rural/sa/stories/s249661.htm)). Small towns that are reliant on broad acre farming are the ones more likely to be in decline (ABARE, 2000).

However Sorensen (1993) notes that decline is more a small town phenomenon with about 92% of decline occurring in towns with populations of less than 5000 (Tonts, 1992). There is much debate on the size of a viable rural community. Burnley (quoted in *The Land*, August 1996) for example argues that a viable community is one with a population over 6000. Nonetheless, there are 431 towns in NSW alone with a population of less than 4000 (Harrison, 1997) making these towns significant study sites.

For the purposes of this research **rural communities** are defined as small inland towns dependent on agriculture with populations on the cusp of viability. We know that these towns are already experiencing the effects of rural restructuring and their dependence on agriculture leaves them unprotected in the face of a severe drought. It is reasonable to assume that the social impacts of drought will be amplified in these communities.

Social impact assessment has been a critical focus of research particularly where processes of change are underway and are often undertaken in conjunction with environmental assessments. Social impact assessments usually examine the positive and negative impacts of change processes. Lockie et al. (1999) argue that social impacts assessments need to assess the cultural and psychological as well as the meanings attached to these changes by the people most affected.

For the purposes of this research the researchers determined that the significant **social impacts** to be assessed included the health and well-being of farm family members and small business owners, educational access, income loss and work role changes. Hallebone et al. (2000) argue the well-being of the entire community is an important assessment factor. Thus trends in community well-being were assessed via secondary data and informants were questioned about community issues. More importantly it was critical to assess the meanings people attach to their experiences of drought. Thus
while these issues were canvassed, so too were the ways people were interpreting and making sense of their experiences. Thus focus groups and semi-structured interviews were the main ways that original data was collected.

1.4 Structure of the Report

The report is presented in a series of chapters. Chapters 2-7 provide detailed background information on drought before the study findings are reported in chapters 8-11.

Chapter 2 provides material on the definition of drought. How we define and problematise drought significantly impacts the people whose livelihoods are eroded by drought. This chapter also provides a detailed history of the Commonwealth's response to drought particularly since 1990 when the Drought Policy Review Task Force reconceptualised drought as a business risk rather than a natural disaster. Maps are provided showing the extent of the drought across NSW.

Chapter 3 details the Exceptional Circumstances legislation noting its significance for farm families and small businesses seeking support. Because the research revealed that people found the process so confusing, this chapter explains the process of EC declarations and the consequent assistance measures.

Chapter 4 provides a list of Commonwealth and NSW assistance measures. Again this is provided for the information of those most affected because of confusion about what assistance measures are available.

Chapter 5 provides a brief summary of the literature on the social impacts of drought. The most significant study occurred following the 1994-5 drought and was conducted by Stehlik, Gray and Lawrence (1999). This chapter details material on the social impacts on farm families, small businesses and rural communities.

Chapter 6 describes the methodology used in the study noting that three case study sites were chosen to cover three very different areas centred on a small rural community. In each site semi-structured interviews and focus groups were conducted with farm family members, small business owners and community key informants.

Chapter 7 provides background details on the three communities. In particular it is noteworthy that indicators suggest low or static growth in each area, an aging population and low levels of skilled, full-time employment. These indicators suggest that structural adjustment was already a part of the story of these communities and that the drought is exacerbating established social trends.

Chapters 8-11 provide details on the study findings presented firstly by area and then summarised around a number of critical issues.
2. Drought

2.1 What Is It?

As Botterill and Chapman (2002) note there is no agreed definition of drought. They argue that various definitions point to meteorological (problematic weather patterns), hydrological (lack of rain), agricultural (low commodity production) and / or socio-economic (low incomes and social consequences) explanations. They suggest that it is drought’s impact on people and their activities that is the important feature and therefore they define drought as ‘a mismatch between demand for and supply for water’ (p.7). More controversially they suggest that the rise in the break-even positions for farmers and therefore the demand for higher yields and the spread of farming to more marginal country results in the mistaken impression that droughts are increasing.

2.2 Commonwealth Government Policy on Drought

In any discussion of the social impacts of drought it is important to note that Commonwealth policy responses have varied with significant shifts in the focus of rural policy occurring through the twentieth and into the twenty-first century. The main philosophical shift has been from a focus on farm poverty towards one of structural adjustment within the industry. Botterill (2002) notes that governments of the 1930s and 1940s provided assistance as a form of ‘income relief’ (Botterill, 2002: 3). However following the release of the Henderson Poverty Report in the 1970s which highlighted the number of farming families living in poverty, policy focus shifted from income support to adjustment support (Botterill, 2002) facilitating a process of moving disadvantaged farming families out of the industry. However, critical to the ongoing debate about income supplementation has whether welfare objectives are integrated with or disaggregated from structural adjustment objectives.

Because the social security system has been unable or unwilling to address the issue of self-employed or asset rich/income poor farming families, they have continued to slip through the safety net (Botterill, 2002). The assets test has effectively restricted farmers and spouses from seeking income support including employment benefits for those genuinely looking for work during the 1990s (Botterill, 2002). Additionally the hardship provisions within the social security system required the farm to be placed on the market effectively prohibiting many farm families from applying.

In terms of protecting farm families from poverty during times of crisis (such as during drought) the social security system has been cumbersome, inadequate and sometimes ineffectual. The introduction of special Commonwealth drought relief
measures as announced in December 2002 is testament both to the inadequacies of the social security safety net and to the need for special consideration during times of hardship. It is important to note that the response to the current drought highlights policy inadequacy in failing to separate welfare issues from the need for structural adjustment. Policy has been focused on streaming low income farm families out of agriculture often at the expense of the welfare implications of such policies on farm families in general.

Until 1989 drought came under the provisions of Natural Disaster Relief thus signalling that the costs would be borne by government in the public interest. In 1989 the Drought Policy Review Task Force determined that drought should be seen as a normal feature of the farm families’ operating environment to be risk managed (Stehlik, Gray and Lawrence, 1999; Botterill, 2002). Higgins (2001) notes that drought became reconceptualised as a ‘manageable risk’ following the review and farmers were expected to plan for drought as for any other business risk.

The drivers for the change were the perception that those farming families who did prepare for drought were disadvantaged and also to provide encouragement for all farming families to prepare for drought. Consequently Federal funding was provided through the Rural Adjustment Scheme rather than Natural Disaster Relief (Stehlik, Gray and Lawrence, 1999).

The recommendations of the Drought Policy Review Committee were based on a philosophy of self-reliance and promotion of better farming practices (Stehlik, Gray and Lawrence, 1999) and were posited on reduced government intervention in the business of drought (Botterill, 2002). Thus henceforth assistance was to be targeted at farming families with prospects of long term prosperity and emergency assistance was to be supplied only in exceptional circumstances (Botterill, 2002). From 1989 rural adjustment policies were aimed at re-educating farming families, improving productivity and advancing the notion of self-reliance (Stehlik, Gray and Lawrence, 1999). This change created major difficulties in assistance measures. How could assistance be provided to farming families in poverty without propping up struggling farm businesses (Botterill, 2002)?

In 1991 a modified Job Search Allowance exempting assets and the activity test was approved for farm family members. However the complexity of the application process led to a very low take up rate (Botterill, 2002).

Thus by the early 1990s attention to farm poverty had become problematic. The social security system does not address the needs of farming families and so rural adjustment policies have necessarily incorporated some form of household assistance to address farm poverty. One consequence of this shift is that drought declarations and the determination of exceptional circumstances upon which poverty relief is dependent become critical and politicised.

In July 1992 the National Drought Policy supported among other things:

- self-reliance and risk management;
- the maintenance and protection of Australia’s resources during times of climate stress;
early recovery of agricultural and rural industries;
the RAS as the appropriate vehicle for dealing with hardship;
drought preparedness training; and
that exceptional circumstances may require additional measures of support (Stehlik, Gray and Lawrence, 1999 derived from Kingma et al., 1992; Botterill, 2002).

The policy moved away from the Drought Policy Review Task Force in its view that farm welfare needs are separate from the Rural Adjustment Scheme (RAS) to be addressed through a new Farm Household Support Scheme (Botterill, 2002). RAS legislation was amended in July 1992 to include exceptional circumstances as the basis on which provision of targeted assistance for severe events outside normal risk management relied (Stehlik, Gray and Lawrence, 1999). Support included up to 100 percent interest rate subsidies for such things as carry-on finance, restocking and productivity improvements.

RAS was reviewed in September 1992 and a restructured RAS commenced in January 1993. The changes included a Rural Adjustment Scheme Advisory Council (RASAC) to oversee the scheme and report to the Minister on adjustment and drought (Stehlik, Gray and Lawrence, 1999). The review retained the link between welfare support to farm families and structural adjustment and targeted support at farm businesses (rather than families) with viable futures encouraging productivity improvements (Botterill, 2002). Marginal farm businesses, and therefore farm families, received no support.

Included in the restructured RAS was a new Farm Household Support Scheme (FHS) designed to provide financial assistance to farm families unable to meet daily expenses and to encourage them to leave the industry (Botterill, 2002). This payment replaced the modified Job Search. Further, if the farm was not sold FHS payments had to be repaid with interest resulting in those families experiencing poverty, not only being the only group of Australians required to pay back welfare payments in full, but also sometimes being left further in debt with no support (Botterill, 2002). The FHS was therefore set up to fail. The nature of the eligibility criteria meant that a very low number of farm families received the support (107 in 1995 and 42 in 1996 (Botterill, 2002)) and the scheme was eventually wound up in May 1997.

In response to the 1994 drought then Prime Minister Paul Keating announced the implementation of a Drought Relief Payment (DRP) to be paid to families in exceptional circumstances areas and to be at the level of Job Search (Botterill, 2002). This payment was not linked to viability, there was no requirement to leave and it was not assets tested. This scheme focused squarely on poverty ignoring any need for adjustment. Signalling the success of this scheme, 10500 families received it in 1995 (Botterill, 2002). The payment of DRP placed the focus back on a family’s needs rather than the viability of the business allowing the issue of farm poverty to be addressed (Botterill, 2002).

However the link between DRP and exceptional circumstances declarations has politicised the application process for exceptional circumstances. The introduction of the exceptional circumstances criteria has resulted in continuous requests for areas to be declared exceptional and intense scrutiny on the parameters that define such
circumstances. Further, the application process is arduous for rural community members. The Queensland Farmers’ Federation reported in its weekly newsletter of 14 February 2003 that the process included assessing regional rainfall data, surveying regional farming families on rainfall figures and income impacts, undertaking case studies across different enterprise units and then constructing the application. The application is then assessed in the Federal Department of Agriculture, Fisheries and Forestry against EC criteria. If a prima facie case exists it is then referred to the National Rural Advisory Council (NRAC) to determine if a case has been made. Members of that committee then travel to the affected area visiting several sites. Finally they make a recommendation to the Minister. This process takes several weeks at least and can lead to considerable hardship.

A further review of drought policy was conducted in 1995 to examine drought response measures and to identify policy options (Stehlik, Gray and Lawrence, 1999). Underpinning the review was the continued commitment by government to farmer self-reliance and sustainability, to the view that farmers had responsibility to manage the risk of drought themselves and to structural adjustment (Stehlik, Gray and Lawrence, 1999).

The 1996 mid-term review of RAS suggested that confusion concerning the ‘exceptional’ nature of drought was widespread (Stehlik, Gray and Lawrence, 1999). It also emphasised the focus on profitability, sustainability, competitiveness and self-reliance (Botterill, 2002). A review of the Social Security Assets test was also conducted in 1996 and a further review of National Drought Policy in 1997. Additionally a National Rural Finance Summit held in July 1996 recognised in its report the need for ‘a welfare system that works for rural Australians’ (Special Rural Task Force, 1997:45).

The culmination of these reviews was the Agriculture Advancing Australia (Triple A) policy of September 1997. This policy abolished RAS 1992 and clearly distinguished farm business goals from family welfare (Stehlik, Gray and Lawrence, 1999). The key objectives defined by Minister Anderson are:

- to help individual farm businesses profit from change;
- to provide positive incentives for ongoing farm adjustment;
- to encourage social and economic development in rural areas; and
- to ensure the farm sector has access to an adequate welfare safety net (quoted in Botterill (2002: 29).

Assistance for drought would only be provided in exceptional circumstances and the encouragement of self-reliance was central. Triple A focused on managing risk and developing skills as well as providing access to welfare. Key features included the creation of Farm Management Deposits (FMDs), the Farm Business Improvement Program (FarmBis) and an intergenerational transfer scheme. Exceptional Circumstances assistance including a new Exceptional Circumstances Relief Payment to replace the Drought Relief Payment, a Farm Family Restart Scheme and a reduction in interest subsidies were also incorporated (Stehlik, Gray and Lawrence, 1999).
This brief history of relief measures developed for Commonwealth drought support suggests several issues for policy makers seeking to focus on drought and post-drought policy. The issues include:

- the very real need to separate farm business assistance (economic) from poverty relief measures to families (social) and a commensurate need to include environmental sustainability support;
- a need to make farm poverty alleviation measures accessible;
- a need to reflect on the emphasis on structural adjustment and self-reliance as the cornerstones of policy;
- a need to reflect on market failure if banks will not lend financial support;
- the incremental nature of policy development through the 1990s resulting in a lack of alternative options;
- the growing politicisation and frustration with the ‘lines on the map’ approach necessary for exceptional circumstances declarations;
- the lengthy process involved in EC applications and the reliance on regional people to prepare and provide the required information;
- a need to provide assistance to young people through an examination of Austudy Assets provisions particularly in times of exceptional circumstances (Botterill, 2002; Stehlik, Gray and Lawrence, 1999).

These issues of the 1990s have set the scene for rural Australians impacted by the severe drought of the early 2000s. The extent of those most affected can be better understood through an examination of drought declared areas of Australia.

### 2.3 Drought Declared Areas of Australia

The following map depicts the extent of drought affected areas in Australia as at December 2002 when the 1 in 20 year drought declaration extended the drought support to areas not covered by EC.
2.4 Drought Declared Areas of New South Wales

There are 48 Rural Lands Protection Boards (RLPBs) in NSW. Each Board is a statutory authority operating under the Rural Lands Protection Act 1998 and the Stock Diseases Act 1923. The Boards provide services to their ratepayers and the wider community relating to herd-based animal health, pest animal control and management of travelling stock routes and reserves. The Boards are made up of Directors elected by the ratepayers of the Board every four years who meet once a month to set policy, which is implemented by Board staff (Source: Rural Women’s Network, NSW Agriculture).

The Minister for Agriculture, Fisheries and Forestry in NSW releases the drought maps each month. These maps are prepared from information provided by the 48 Rural Lands Protection Boards around the State, rainfall details from the Bureau of Meteorology and reports from NSW Agriculture regional staff. The criteria for drought affected classification requires that a review of historic rainfall records for the area and pasture availability is below agreed levels for each geographic/climatic area. This is considered in relation to other climatic events, such as frosts, and seasonal factors such as pasture growing seasons. NSW Government assistance measures require that a Rural Lands Protection District be in the drought affected category for six months before landholders are eligible for assistance.
Map 2: Areas of NSW suffering drought conditions – April 2003

Source: NSW Ag Website: http://www.agric.nsw.gov.au
Map 3: Areas of NSW suffering drought conditions – August 2003

Key:

Seasonal Conditions
- In Drought
- Marginal
- Satisfactory

Source: NSW Ag Website: http://www.agric.nsw.gov.au
3. Exceptional Circumstances

In 1994 the Commonwealth and State governments determined that droughts become ‘exceptional’ on the basis of six criteria:

- meteorological conditions;
- agronomic and stock conditions;
- water supplies;
- environmental impacts;
- farm income levels; and
- scale of the event (Botterill and Chapman, 2002).

The 2002-3 drought has met all of these indicators for significant areas of Western Australia, Northern Territory, South Australia, Victoria, Queensland and all of NSW.

Map 4: Exceptional Circumstances (EC) Boundaries 2003

Commonwealth drought policy is based on areas being determined as exceptional based on the criteria listed above. Areas determined as drought declared in February 2003 included the following:
Social Impacts of Drought

- The West Australian wheatbelt (various parts EC-declared in 2001 and 2002)
- Eastern Darling Downs in Queensland (EC-declared 2001)
- Bourke and Brewarrina in New South Wales (EC-declared 2002)
- Peak Downs in Queensland (EC-declared 2002)
- Western Division in New South Wales (EC-declared 2002)
- Riverina in New South Wales (EC-declared 2003)
- Walgett and Coonamble in New South Wales (EC-declared 2003)

3.1 EC Declaration

An EC declaration triggers short-term support for producers in situations beyond the scope of normal risk management and when the future of significant numbers of farmers in a region is at risk. Events triggering an EC declaration have an impact so severe and prolonged that they are likely to occur only every 20 – 25 years.

To become EC declared, communities or peak industry groups in a region must, in the first instance, approach their State or Territory Government for assistance. When the State Government is confident that the event and the case fully meet the EC criteria, it can then lodge an application for EC assistance with the Commonwealth Minister for Agriculture, Fisheries and Forestry.

EC applications are required to demonstrate that the event:

- was rare (a one in 20 – 25 year event) and severe;
- resulted in a severe downturn in farm income over a prolonged period (e.g. more than 12 months) for a significant number of farmers in a region or industry; and
- was not predictable or part of a process of structural adjustment (the policy does not cover downturns in commodity prices).

Applications are assessed on a broad range of data including rainfall over at least a twelve-month period, individual case studies, and data on long-term stock and pasture losses.

Once the Commonwealth Minister for Agriculture, Fisheries and Forestry receives an application, he will request a preliminary assessment of it against the EC criteria. If a prima facie case exists he then refers the application to the National Rural Advisory Council (NRAC) – an independent panel of farmers, agribusiness and industry experts – to determine whether a full case has been made against the EC criteria. NRAC provides a recommendation to the Minister on whether the application region should be EC declared. The Minister is ultimately responsible for declaring if an area is experiencing exceptional circumstances, however he must first obtain Cabinet approval as funding for EC declarations is agreed on a case-by-case basis.

Summary of EC Declaration Process

27 Department of Agriculture, Fisheries and Forests Website, www.affa.gov.au
28 Commonwealth Drought Assistance Fact Sheet
1. State or Territory Government must have declared drought in the relevant area and have provided substantial new assistance not normally available.

2. To become EC declared, communities or peak industry groups in a region must approach their State or Territory Government.

3. When the State Government is confident that the event and the case fully meet EC criteria, it can lodge an application for EC assistance with the Commonwealth Minister for Agriculture, Fisheries and Forestry.

4. Once the Commonwealth Minister for Agriculture, Fisheries and Forestry receives an application, he will request a preliminary assessment of it against the EC criteria.

5. If a *prima facie* case exists the Minister then refers the application to the National Rural Advisory Council (NRAC) to determine whether a full case has been made against the EC criteria.

6. NRAC provides a recommendation to the Minister on whether the application region should be EC declared.

7. The Minister is ultimately responsible for declaring if an area is experiencing exceptional circumstances, however he must first obtain Cabinet approval as funding for EC declarations is agreed on a case-by-case basis.

If not previously available through the Commonwealth Drought Assistance Package, six months of Interim Income Support and access to Interest Rate Relief is provided for eligible farmers through Centrelink from the date that a *prima facie* case is established and NRAC is asked to examine an EC application.

### 3.2 Assistance Following an EC Declaration

**(i) Income Support for Farmers**

After an area is EC declared, eligible farmers will be transferred from Interim Income Support to the Exceptional Circumstances Relief Payment (ECRP), with assistance available for a total period of 24 months. (ECRP is equivalent to the NewStart Allowance, and delivered by Centrelink).

To receive an ECRP you must hold an ‘Exceptional Circumstances’ certificate issued by your State or Territory Rural Adjustment Scheme Authority, which identifies that the farm enterprise is in an exceptional circumstances declared area.

Eligible farmers may also receive a Health Care Card and concessions under the Youth Allowance means test from Centrelink.

Farmers in EC declared areas can also access their Farm Management Deposits (FMDs) within 12 months of lodgement without losing their tax benefits.

**Additional Business support for farmers**

Eligible farmers are also able to apply for interest rate subsidies on new or existing loans under EC business support measures. EC interest rate subsidies of 50 percent for
two years are delivered through the State/Territory Rural Adjustment Authorities, with assistance capped at $100,000 per year, or $300,000 over five years. Ninety percent of the cost of this EC component is met by the Commonwealth Government with the State/Territory contributing 10 per cent. (This support is in addition to the Interest Rate Relief available to eligible farmers during the *prima facie* period. Only one set of subsidies is permitted per loan).

3.3 Interim Assistance in *prima facie* Areas

The scale of the 2002-2003 drought led the Minister Warren Truss to announce, in September 2002, new measures to complement the existing Exceptional Circumstances (EC) program. It allowed interim income support to be paid to eligible farmers for up to six months where an application had established a *prima facie* case for EC assistance. Where full EC is declared, ECRP is then provided. Total income support provided under *prima facie* and ECRP is limited to two years. Where EC is subsequently not declared, interim income support continues for six months only. It is estimated that cost of *prima facie* cases will amount to $37.2 million in 2002-03 and $30.5 million in 2003-04.

In November 2002 further emergency measures were announced by the Prime Minister including earlier access to FMDs, counselling support and a $1 million Emergency Aid Fund to be run through the Country Women’s Association (CWA). Deteriorating conditions led to the announcement in December 2002 of additional interim measures, including the provision of interim income support for a period of six months from 9 December 2002, for areas that had suffered a one-in-20 year rainfall deficiency during the period March 2002 to November 2002. Further, farmers in EC areas or *prima facie* areas, as well as small businesses in EC areas or reliant on EC areas are also eligible to claim interest rate relief each year for two years on new and additional commercial loans up to $100,000. Drought Force was also established as a Work for the Dole provision in an attempt to retain workers in drought areas. By February 2003 more than 3500 farm families were receiving either interim drought support or exceptional circumstances funding.

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29 The Agriculture: Advancing Australia (AAA)-Farm Management Deposits Scheme encourages eligible primary producers to become financially self-reliant by improving their financial risk and cash flow management practices. The scheme, which started in April 1999, provides a tax-linked financial risk management option to eligible primary producers to help deal with uneven income streams resulting from fluctuations in market and climatic conditions. The scheme allows taxable primary production income from profitable years to be set aside to improve cash flow management during more difficult years. It complements other risk management strategies available to primary producers such as developing fodder and water reserves, financial planning and diversifying the production system. As at 31 December 2001, over 23 000 primary producers had over $1 billion invested in the scheme. DOTARS website [http://www.dotrs.gov.au/dept/budget/regional/2003_2004/agriculture.aspx](http://www.dotrs.gov.au/dept/budget/regional/2003_2004/agriculture.aspx) 10/8/03


31 Financial Review, 17/2/03, p. 68.
In June 2003, some farmers in areas for which EC applications had been submitted or where these applications were under review, could continue to access Interim Income Support and Interest Rate Relief until a decision on their region’s EC application had been made by NRAC or until 30 September 2003 – whichever was sooner.

3.4 Small Business Interest Rate Relief Program

Under the Commonwealth Drought Assistance Relief Package announced on 9 December 2002, eligible small businesses in Exceptional Circumstances (EC) declared areas can apply to Centrelink for interest rate relief on new and existing borrowings of up to $100,000 for a maximum of two years. The program provides financial assistance to small businesses significantly affected by the current drought. The interest rate relief is on existing or new commercial loans up to $100,000 to solvent small business in, or reliant on, EC-declared areas at a rate of five percentage points on commercial loans or 50 percent of the prevailing interest rate, whichever is the lower. The entitlement of each business will not exceed $5,000 each financial year for two years. Centrelink is delivering the program on behalf of the Office of Small Business.32

Changes to the Small Business Interest Rate Relief (SBIRR) program criteria were announced on 4 July 2003. The changes include an easing of the threshold for the decline in turnover businesses have experienced under the drought, a reduction in the required minimum average annual turnover, and an easing in the requirement for a minimum proportion of turnover to be earned within EC areas. (Applications already lodged with Centrelink will be reassessed against the criteria). Eligibility for interest rate assistance is not confined to small businesses. Larger businesses may be eligible if they too are substantially reliant on the farm sector in an EC area.

**Summary of changes to SBIRR announced on 4 July 2003**

1. The required reduction in turnover is lowered from 50 percent to 30 percent, when compared with the average of the same six-month period in the previous three years;
2. The minimum average annual turnover for the past three years is reduced from $50,000 to $30,000;
3. Small business outside an EC area needs to have at least 50 percent of their turnover from an EC area (currently 75%); and
4. Removal of the current requirement for small businesses inside an EC area that at least 60 or 75 percent of turnover (depending on whether an owner resides in an EC area) be from EC areas.

4. Services and Programs for Drought Affected Families, Communities and Businesses

There are a number of assistance measures and programs for farm families and rural businesses affected by drought. These include the following. Note that the list is not necessarily comprehensive as there are a number of existing community wide programs available for drought affected farm families as members of the Australian community.

4.1 Commonwealth Assistance Measures

- Exceptional Circumstances assistance (EC)
- Exceptional Circumstances Relief Payment (ECRP)
- Interim Income Support
- Drought subsidy
- Exceptional Circumstances Interest Rate Subsidy (EC IRS)
- Interest Rate Relief for Small Business in EC areas
- Farm Management Deposits (FMDs)
- Early Access to FMDs in EC areas
- Australian Government Envirofund (AGE) Drought Recovery Round
- Personal Counselling for people in drought affected areas through Centrelink
- ‘Just Ask’ National Mental Health hotline
- CWA Emergency Drought Aid
- AAA Farm help
- Drought Force (Centrelink)
- Rural Financial Counsellors

4.2 NSW Provisions

While Commonwealth policy provides the overarching framework for farm family support, it is important to note that the States also provide assistance measures. In NSW the Rural Assistance Authority administers Commonwealth and State assistance measures to farm families and businesses.

Rural financial counselling services are also provided through locally managed committees. Funding is provided by the community (25%), the NSW government (25%) and the Commonwealth (50%). In NSW there are 33 rural financial counsellors.
and 25 rural counselling services. Additional funding was also provided by the NSW
government during 2003 to further support these services and drought support
workers were appointed for a short term period in several areas critically affected by
drought.

NSW also operates a drought support hotline, provides the NSW Government
Information Service, facilitates freight subsidies and interim interest rate relief and
supports farm family gatherings across the State. The following services are provided
by the NSW government.

Livestock Management Subsidies
Drought hotline
Rural Financial Counselling support
Drought support workers
Drought transport subsidies
Farm Business Cost reduction
Drought Proofing funding
TAFE training for drought affected farm employees
Payroll Tax exemption.
5. Impact of Drought

5.1 Social

Given the serious economic losses experienced in agriculture, as discussed in the background section, this chapter addresses the accumulated wisdom regarding the social impacts on the people, businesses and communities most affected. Before turning to the findings of our research a brief summary of existing literature is presented here.

5.2 Poverty

One of the critical issues for farm families is the loss of income synonymous with drought. With little or lower rainfall, families can experience prolonged periods with little or no cash income coming into the farm creating significant hardship. It is important to note that the poverty of farm families in times of crisis is more than relative deprivation by comparison with other Australians. There is also evidence that psychological poverty or a poverty of the spirit is exacerbated during times of drought. Psychological poverty includes a lack of access to services, an increase in workloads and a withdrawal from community (Alston, 1996). Stehlik (forthcoming) also reports the withdrawal of farm family members from their communities, from their social activities and community groups. This leads to a loss of social capital and a weakening of networks. Psychological poverty is also exacerbated by a feeling of mistrust for governments and a feeling that other Australians do not understand the hardships being experienced. Stehlik, Gray and Lawrence (1999) reported widespread distrust of governments and policy and a frustration with contradictory advice from ‘experts’ in their study of the 1994-5 drought. The compounding of relative deprivation by psychological poverty creates a need for sensitivity on the part of policy makers. Stayner (2002) argues that farm families tend to express their distress as a need for income support but that there remains an unarticulated need for counselling and advice.

5.3 Farm Family Issues

One of the most comprehensive studies in recent times is that conducted by Stehlik, Gray and Lawrence (1999) who found that farm families experiencing drought manage various tensions in relation to production. These are:

- the extent to which production levels are maintained or reduced;
whether the farm is run full or part-time and/or whether off-farm work is sought;
how limited funds should be spent;
whether to remain independent or to seek drought relief;
to what level should natural resources be depleted before stock are removed;
decisions about future drought proofing strategies;
whether to leave the farm; and
the availability of support from the government (Stehlik, Gray and Lawrence, 1999: 43).

Farm business responses to the drought also include:

- postponement of capital purchases;
- debt restructuring;
- cost reduction – belt tightening;
- working longer hours;
- reduction in OH&S attention;
- selling stock;
- reduction in maintenance;
- off-farm employment; and
- the procurement of government assistance (Webb et al., 2002 and NSW Agriculture report to drought meeting, Orange, 12/2/03).

Significant social impacts related to the operation of the farm reported in the Stehlik et al. study include:

- the inability to afford labour to assist with drought work;
- the enslavement to farms or the inability to leave the property because of feeding and water regimes; and
- the impact on the environment.

Webb et al. (2002) note that the decision to leave farming altogether is dependent on financial concerns, debt, children’s education needs, an inability to expand, drought, conflict, lack of services, the need for change and an opportunity to sell.

Stehlik, Gray and Lawrence (1999) and Stehlik (forthcoming) also report impacts related to managing the lives of farm families. These include:

- a commitment to the farm that may result in extreme poverty;
- a financial crisis for the family that results in stress and effects on family members’ health;
- anecdotal evidence of increasing suicide levels;
- the seeking of off-farm work which impacts on time available for the farm and intra-family conflict;
- a need to decide whether to go or stay;
- intergenerational conflict;
- marital conflict; and
- a reduction in interactions with the community.
Importantly they note that men and women experience drought differently. Further Stehlik et al. (2000) argue that drought is a gendered experience. Women, for example, may be focusing on decisions about the affordability of children’s education; how to eke out a precarious budget; accessing food and services for the family; whether or to what level they will work off-farm; whether to leave the area to find work; assessing the role changes expected of them on and off-farm; coping with a low level of decision-making; keeping up community involvement; the impacts on their own and partner’s health; and the impact on gardens and other areas of their spirituality (Stehlik, Gray and Lawrence, 1999: 80-92).

5.4 Small Business

The effect of drought on small business is an important aspect of this study. Levantis (2001) examined the links between farms and communities by analysing the impact of farmers’ expenditure on employment and population. The key findings of the study were that small towns are highly reliant on surrounding broadacre farming for their economic survival. The study also revealed that the larger the town, the lower the importance of farm expenditure to the town’s economy. It is therefore anticipated that the impact of drought will be greater in smaller towns. The following graph from the Levantis study depicts farm expenditure by size of population:

Figure 1: Farm expenditure by size of population 1998-1999

![Graph showing farm expenditure by size of population](image)

Note that expenditure by farm families in smaller towns is a significant input to small businesses and is an important source of income for many non-farm businesses. Service industries like retail and wholesale trade, transport and storage, finance and machinery repairs are all affected by farmers’ spending patterns. Employment opportunities for town residents and opportunities for off-farm employment for farmers are likely to be linked to expenditure by farmers in country towns. ABARE surveys also indicate that off-farm employment is an important source of income for farm families, especially on smaller farms. In 1998-99, off-farm income accounted on average for half of total household income on broadacre farms.

The CPA Australia Small Business Survey concluded that drought has had a negative impact on 24 percent of businesses and 37 percent expect it to impact on their business in the next 12 months. Only 33 percent of businesses and 63 percent of CPAs surveyed are aware of any drought assistance. Eighty-one per cent of CPAs who have assisted small business in applying for crisis relief from government found the paperwork involved to be difficult.

Almost a quarter of businesses claim to have been affected by drought in the past 12 months - 14 percent of metropolitan based businesses and 41 percent of rural businesses. Of those that suffered a negative impact, about a third were severely affected.

The following table from the CPA Australia small business study depicts the distribution of their sample between small businesses and public practitioners:

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34 ABARE Australian Farm Surveys Report 2001, p.29
35 ABARE Australian Farm Surveys Report 2001, p.29
The majority of those impacted by drought claimed this resulted from their customers or suppliers being directly affected (88%). However the effects on their region (71%) and/or their industry (60%) were also major contributors to their problems.\footnote{CPA Australia Small Business Survey Program: Compliance Burden, April 2003, p.22.}

Table 2 highlights that most of the drought-impacted firms suffered either a great deal or a fair amount (62%) however there was limited knowledge about any assistance that might be available to them for drought relief — only 33 percent were aware there was any assistance available. CPAs were twice as likely to be aware of drought assistance for small businesses, with 63 percent claiming to be aware of programs to assist.

Table 2:  The drought factor impact in last year

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<td></td>
</tr>
<tr>
<td>Metro</td>
<td>52</td>
<td>9</td>
</tr>
<tr>
<td>Regional / Rural</td>
<td>28</td>
<td>6</td>
</tr>
<tr>
<td>Tas/ACT/NT**</td>
<td></td>
<td>45</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metro</td>
<td>401</td>
<td>75</td>
</tr>
<tr>
<td>Regional / Rural</td>
<td>300</td>
<td>30</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td></td>
<td>701</td>
</tr>
<tr>
<td></td>
<td></td>
<td>105</td>
</tr>
</tbody>
</table>

Notes: * Half regional and half rural. ** We treat these as metro.
The effects on rural small businesses are poorly researched. However there has been an evident need expressed during this drought for assistance for rural small businesses suffering a downturn as a result of the drought. This identified need has been addressed in part through the announcement of interest rate subsidies for eligible small businesses in EC declared areas\(^{41}\).

### 5.5 Rural Communities

Rural communities have been characterised by population decline in the last two decades particularly in areas reliant on agriculture (see for example Salt, 1992 and 2001). This decline results significantly from the drift of population from rural areas notably documented by Bernard Salt (1992, 2001) and in particular by the loss of young people seeking higher education and employment in cities. Left behind in smaller communities are aging populations needing access to health and welfare services. Standards of health in rural communities are poorer than the rest of the community (Lawrence, 1995). However changes to government policy during the 1990s have resulted in widespread withdrawal of services in rural communities and poorer service delivery mechanisms. Particularly serious is the lack of access to mental health services (Wilkinson, Gray and Alston, 2003). During times of drought the issues for people in crisis are exacerbated.

Rural community members experience lower incomes by comparison with the rest of the population, lower standards of living and higher levels of unemployment (Stehlik, Gray and Lawrence, 1999). Poverty in rural Australia is higher, more widespread and more chronic than urban areas (Bourke, 2001). The precarious nature of employment in rural areas dependent on agriculture has also been established (Alston, 2002) and the added pressure of drought impacts on the rural labour market. The loss of jobs in rural communities is one of the significant features of the 2002-3 drought with the Deputy Prime Minister John Anderson suggesting that 70 000 jobs have been lost to

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41 Media release from the Prime Minister, 9/12/02
rural and regional communities (Canberra Times, 18/2/03). These jobs include farm workers but also workers in rural communities affected by the drought.
6. The Research Study

Given the paucity of research on the social impacts of drought and the extraordinary dimensions of the current drought, NSW Agriculture and the NSW Premier's Department funded this study of the social impacts of drought in NSW. The study has been undertaken through the Centre for Rural Social Research at Charles Sturt University, Wagga Wagga, a centre located within a severely drought affected area of the State.

Three key questions drove this research project:

- *What are the social impacts of drought for farm families?*
- *What are the social impacts of drought for small towns?*
- *What are the impacts for businesses in small towns consequent on the drought?*

The methodology for this research was largely qualitative with in-depth interviews conducted with farm family members (62) and with key informants (60) including Rural Financial Counsellors, health and welfare service providers, teachers, local government personnel and small business owners in the towns surveyed.

The research included the following stages:

**Stage 1 – desk audit**

This phase involved collecting and analysing literature including census data, government and non-government reports on drought in rural areas.

**Stage 2- selection of case study sites**

Because of the precarious nature of inland rural towns with a low population base (see chapter 1) three small rural town sites were selected for in-depth study. These sites were chosen in consultation with NSW Agriculture for agricultural industry variability and included one remote area (Bourke), one dryland irrigation area (Deniliquin) and one broadacre cropping area (Condobolin).

**Stage 3 – key informant interviews**

In each of the areas studied in-depth, key informant interviews were held with financial counsellors, local government officials, welfare support staff, business representatives and other key community stakeholders such as school principals.
Information was gathered on community dynamics, social impacts of drought on the community and business impacts.

**Stage 4 – focus group interviews**

In the selected site, where feasible, focus groups were held with business representatives, service providers, farm women and other significant community representatives.

**Stage 5 – face-to-face interviews with farm family representatives**

Given the sensitive nature of the information sought from farm families, the researchers conducted face-to-face interviews with farm family members. In all, 62 interviews were conducted, 37 with farm women and 25 with farm men. These people were selected through contact with the Rural Financial Counsellor in the area. In each case the Counsellor sought permission to disclose names and addresses to the researchers. While the sample contained significant numbers of clients of the Rural Financial Counselling Service, it also included members of the Rural Counselling Management Committees and others in the community whose names were provided by the Counsellors. Additionally following advertising of our presence in the community several people came forward.

In Bourke our presence at the Isolated Children's Parents' Association conference and our invitation to delegates to speak to us resulted in a number of people coming forward. An attempt was made to ensure that the sample covered a range of farm production styles and circumstances. There is, however, no claim that the sample is representative of the broader community and, in fact, significant percentages of the sample in each area are receiving assistance through EC or Interim Drought Support payments. It may, therefore, be significantly biased towards those most seriously impacted. The sample does however contain a broad cross-section and covers a range of industries and it does adequately represent those who are receiving drought assistance measures. It cannot claim to adequately represent those who have not been harshly impacted by the drought.

Few of those contacted did not come forward for interview. In all only two were unable to attend because of work commitments. In Bourke more women than men were interviewed because the research visit was planned to coincide with the Isolated Children's Parents' Association Conference. After an announcement at the conference several additional women and a couple of men not on the original list came forward for interview.

Information was gathered on economic implications for individual families including debt restructuring and income access; loss of crops and livestock implications; educational access for family members; implications for employment of family members; health status of family members; welfare implications; impacts on social interactions; changes in lifestyle and knowledge of service providers.
Stage 6 – Analysis

Interview and focus group data were taped, transcribed and subsequently analysed using conventional qualitative data analysis techniques (see Alston and Bowles, *Research for Social Workers*, 2nd edition, 2003) including data reduction, collation and determination of emerging themes.

Chapter 7 details background material on the communities before detailed data findings are presented.
7. Community Profiles

The three New South Wales communities selected as part of this Social Impact Study are Bourke, Condobolin and Deniliquin. Map 6 depicts the location of each community within a map of NSW. These communities were chosen to ensure the factors of population, geographical location, industries, varying political climate and time affected by drought were incorporated into the study. As at 7 July 2003 all three communities remained eligible for some form of drought assistance.

Map 5: Geographic locations of the three communities under study

7.1 Bourke

The Local Government Area of Bourke is situated in Far North NSW and spans an area of 41,678.77 sq. km. It is situated approximately 365km from Dubbo with the township of Bourke located on the Darling River and at the junction of three highways, the Kidman Way, Mitchell Highway and Kamilaroi Highway.
Bourke has a stable population which totalled 3,947 in 2002 (ABS, 2003) with an even distribution except in the 15-19 year age group. This is due to the outmigration of young people for education and work. Twenty-five percent of the Bourke population is of indigenous origin.

The Bourke Rural Lands Protection Board was classified as being affected by drought on 1st August, 2001, and eligible for drought assistance from 1st February, 2002. Parts of the community have been affected by drought for three years.

The Bourke community is highly dependent on agriculture and irrigation with the main industries including cotton, soft fruit, citrus, cattle and wool production and irrigated wheat. Water comes from the Darling River which flows through Bourke providing a vital source of income to the agricultural sector and the community through irrigation. The community of Bourke is well known for its innovative approach to living in such a remote area. This resilience and innovative approach to problem solving has continued throughout the drought.

7.2 Condobolin

Condobolin, situated in the Local Government Area of Lachlan in the Central West of New South Wales, is located 100km west of Parkes and 463km west of Sydney.

The community of Condobolin is made up of two Rural Lands Protection Boards. These two areas were classified as being affected by drought and thus eligible for drought assistance at different times. Condobolin’s Divisions C and D and that part of Division A west of the Condobolin - Nymagee Road and North of the Eremaron Road - was classified as affected by drought from 1st February, 2002, and became eligible for drought assistance on 1st August, 2002. Condobolin’s Divisions C and D and that part of Division A west of the Condobolin - Nymagee Road and North of the Eremaron Road was classified as affected by drought on 1st April, 2002 and became eligible for drought assistance on 1st October, 2002.

Condobolin’s population is approximately 3500 people with the LGA population totalling 7,188 (ABS, 2001). The town of Condobolin acts as the main centre for many smaller communities. Twelve percent of the Condobolin population is made up of people of Indigenous origin.

The main industries in Condobolin are agriculturally based and include wool, wheat, sheep and cattle. Irrigation is sourced from the Lachlan River and Goobang Creek, however most agricultural enterprises are dryland.
7.3 Deniliquin

Deniliquin is located in South Western NSW on the Edward River, a branch of the Murray River, approximately 8 hours south west of Sydney via the Hume and Riverina Highways and 3.5 hours drive north of Melbourne.

Deniliquin is part of the Riverina Rural Land Protection Board Districts. The EC declaration covers four local government areas: Wakool, Murray, and part of Conargo and Deniliquin. Within these districts, enterprises were classified as being eligible for drought assistance at different times. For example, the Riverina RLPB districts were EC-declared on 19th January, 2003. Riverina dryland livestock (cattle and sheep) producers were eligible for full EC assistance on 19th January, with Riverina and Murray irrigated dairy farmers becoming eligible for assistance on 6th February, 2003. Eastern Riverina dryland livestock producers in Division G of the Riverina Rural Lands Protection Board (RLPB), the Murray RLPB and Division A of the Hume RLPB became eligible for full EC assistance on 28th March, 2003. The situation of the Eastern Riverina’s dryland cereal growers and mixed irrigated enterprises was still being reviewed at the time of writing (AFFA Website 2003).

Deniliquin serves a large number of isolated rural communities.

It is a progressive town with a population of 7786 (ABS 2001). Two and a half percent of the population is made up of people of Indigenous origin. The main industries in Deniliquin are also agriculturally based but Deniliquin’s agricultural enterprises including wheat and dairy are highly reliant on irrigation. Deniliquin is particularly sensitive to ongoing government policy issues around water.

Deniliquin lies at the centre of four irrigation districts which cover 725 000 hectares, the largest area under irrigation in Australia (Website Walkabout Deniliquin). It produces rice, wool, dairy products, wheat, barley, fat lambs, vegetables and fruit, timber and cattle. Local industry includes rice and timber mills, dairy, cordial and seed-processing factories, an abattoir and a fibrous plaster works.

7.4 Statistical Profiles

The following table provides demographic details for the three areas under study. Population statistics reveal static populations rather than decline. Note that the figures for Lachlan are for the whole census area and not for the smaller area around Condobolin.
Table 3: Community statistical profiles

<table>
<thead>
<tr>
<th>Area</th>
<th>Bourke</th>
<th>Lachlan</th>
<th>Deniliquin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>41,678.77 sq. km.</td>
<td>14,973.26 sq.km</td>
<td>129.9 sq.km</td>
</tr>
<tr>
<td><strong>Resident Population at 30 June</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>3,934</td>
<td>7,576</td>
<td>8,260</td>
</tr>
<tr>
<td>1998</td>
<td>3,931</td>
<td>7,561</td>
<td>8,245</td>
</tr>
<tr>
<td>1999</td>
<td>3,930</td>
<td>7,569</td>
<td>8,238</td>
</tr>
<tr>
<td>2000</td>
<td>3,887</td>
<td>7,528</td>
<td>8,170</td>
</tr>
<tr>
<td>2001</td>
<td>3,951</td>
<td>7,560</td>
<td>8,333</td>
</tr>
<tr>
<td>2002 (preliminary)</td>
<td>3,947</td>
<td>7,542</td>
<td>8,322</td>
</tr>
</tbody>
</table>

Source: ABS Regional Statistics New South Wales 2003

The following tables 4 and 5 reveal the reliance of the three towns on agriculture for employment. Notable is the rise in the numbers employed in agriculture in the Deniliquin area. These tables reveal that loss of agricultural jobs during the drought will have serious impacts on these communities.

Table 4: Employment in Agriculture, Forestry and Fishing (AFF)

<table>
<thead>
<tr>
<th></th>
<th>Bourke</th>
<th>Lachlan</th>
<th>Deniliquin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males in AFF</td>
<td>347</td>
<td>1,087</td>
<td>228</td>
</tr>
<tr>
<td>Females in AFF</td>
<td>124</td>
<td>418</td>
<td>48</td>
</tr>
<tr>
<td>Total in AFF</td>
<td>471</td>
<td>1,505</td>
<td>228</td>
</tr>
<tr>
<td>Total employed</td>
<td>1,691</td>
<td>3,314</td>
<td>2,971</td>
</tr>
<tr>
<td>% in AFF</td>
<td>27.9%</td>
<td>45.4%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Source: ABS Census Data (SPAN)
# Table 5: Employment in Agriculture, Forestry and Fishing (AFF)
## (as proportion of total employment by age and sex)
### 1996 – 2001

<table>
<thead>
<tr>
<th>AGE</th>
<th>BOURKE</th>
<th>LACHLAN</th>
<th>DENILIQUIN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>M</td>
</tr>
<tr>
<td>15-19 in AFF</td>
<td>8</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Total 15-19 employed</td>
<td>58</td>
<td>41</td>
<td>93</td>
</tr>
<tr>
<td>% employed in AFF</td>
<td>27.6</td>
<td>17.1</td>
<td>46.2</td>
</tr>
<tr>
<td>20-24 in AFF</td>
<td>32</td>
<td>7</td>
<td>24</td>
</tr>
<tr>
<td>Total 20-24 employed</td>
<td>72</td>
<td>64</td>
<td>135</td>
</tr>
<tr>
<td>% employed in AFF</td>
<td>33.3</td>
<td>9.4</td>
<td>43.7</td>
</tr>
<tr>
<td>25-34 in AFF</td>
<td>91</td>
<td>27</td>
<td>84</td>
</tr>
<tr>
<td>Total 25-34 employed</td>
<td>256</td>
<td>189</td>
<td>351</td>
</tr>
<tr>
<td>% employed in AFF</td>
<td>32.8</td>
<td>10.1</td>
<td>46.4</td>
</tr>
<tr>
<td>35-54 in AFF</td>
<td>122</td>
<td>36</td>
<td>150</td>
</tr>
<tr>
<td>Total 35-44 employed</td>
<td>428</td>
<td>313</td>
<td>834</td>
</tr>
<tr>
<td>% employed in AFF</td>
<td>35</td>
<td>15</td>
<td>47.9</td>
</tr>
<tr>
<td>55-64 in AFF</td>
<td>74</td>
<td>34</td>
<td>74</td>
</tr>
<tr>
<td>Total 55-64 employed</td>
<td>171</td>
<td>103</td>
<td>385</td>
</tr>
<tr>
<td>% employed in AFF</td>
<td>43</td>
<td>34</td>
<td>57</td>
</tr>
<tr>
<td>Total employed in AFF</td>
<td>327</td>
<td>108</td>
<td>348</td>
</tr>
<tr>
<td>Total employed</td>
<td>1,009</td>
<td>655</td>
<td>985</td>
</tr>
<tr>
<td>% employed in AFF</td>
<td>32.4</td>
<td>16.5</td>
<td>35.3</td>
</tr>
</tbody>
</table>
The following tables 6, 7 and 8 show population trends in the three communities and indicate static population growth in Deniliquin and some decline in the other two areas. These figures indicate that population loss is already a feature of some small communities regardless of the drought.

Table 6: Deniliquin Population trends

<table>
<thead>
<tr>
<th>Age</th>
<th>1991</th>
<th>1996</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>0-14</td>
<td>913</td>
<td>927</td>
<td>930</td>
</tr>
<tr>
<td>15-24</td>
<td>526</td>
<td>537</td>
<td>462</td>
</tr>
<tr>
<td>25-34</td>
<td>601</td>
<td>627</td>
<td>495</td>
</tr>
<tr>
<td>35-44</td>
<td>623</td>
<td>548</td>
<td>623</td>
</tr>
<tr>
<td>45-54</td>
<td>392</td>
<td>384</td>
<td>481</td>
</tr>
<tr>
<td>55+</td>
<td>817</td>
<td>986</td>
<td>877</td>
</tr>
<tr>
<td></td>
<td>3872</td>
<td>4009</td>
<td>3868</td>
</tr>
</tbody>
</table>

Table 7: Bourke Population Trends

<table>
<thead>
<tr>
<th>Age</th>
<th>1991</th>
<th>1996</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>0-14</td>
<td>654</td>
<td>576</td>
<td>571</td>
</tr>
<tr>
<td>15-24</td>
<td>351</td>
<td>316</td>
<td>256</td>
</tr>
<tr>
<td>25-34</td>
<td>447</td>
<td>365</td>
<td>374</td>
</tr>
<tr>
<td>35-44</td>
<td>348</td>
<td>257</td>
<td>307</td>
</tr>
<tr>
<td>45-54</td>
<td>283</td>
<td>183</td>
<td>284</td>
</tr>
<tr>
<td>55+</td>
<td>286</td>
<td>309</td>
<td>389</td>
</tr>
<tr>
<td></td>
<td>2369</td>
<td>2006</td>
<td>2181</td>
</tr>
</tbody>
</table>

Table 8: Lachlan Population Trends

<table>
<thead>
<tr>
<th>Age</th>
<th>1991</th>
<th>1996</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>0-14</td>
<td>8364</td>
<td>8047</td>
<td>8012</td>
</tr>
<tr>
<td>15-24</td>
<td>4053</td>
<td>3670</td>
<td>3910</td>
</tr>
<tr>
<td>25-34</td>
<td>4474</td>
<td>4481</td>
<td>4094</td>
</tr>
<tr>
<td>35-44</td>
<td>4520</td>
<td>4276</td>
<td>4669</td>
</tr>
<tr>
<td>45-54</td>
<td>3581</td>
<td>3528</td>
<td>4113</td>
</tr>
<tr>
<td>55+</td>
<td>7136</td>
<td>8034</td>
<td>7601</td>
</tr>
<tr>
<td></td>
<td>32128</td>
<td>32036</td>
<td>32399</td>
</tr>
</tbody>
</table>
Tables 9, 10 and 11 indicate the numbers employed in each community. They indicate a rise in female employment and a loss of male employment in the years leading up to the drought.

Table 9: Deniliquin - numbers in employment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1897</td>
<td>Male</td>
<td>1809</td>
<td>Female</td>
<td>1345</td>
</tr>
<tr>
<td>Female</td>
<td>1324</td>
<td>Female</td>
<td>1345</td>
<td>Male</td>
<td>1857</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>Employed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 10: Bourke - numbers in employment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1152</td>
<td>Male</td>
<td>1003</td>
<td>Male</td>
<td>970</td>
</tr>
<tr>
<td>Female</td>
<td>664</td>
<td>Female</td>
<td>649</td>
<td>Female</td>
<td>706</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>Employed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Table 11: Lachlan - numbers in employment

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Male</td>
<td>14957</td>
<td>Male</td>
<td>15053</td>
<td>Male</td>
<td>14969</td>
</tr>
<tr>
<td>Female</td>
<td>9579</td>
<td>Female</td>
<td>10140</td>
<td>Female</td>
<td>10704</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>Employed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Various other data sources were searched in an attempt to determine whether they reveal health and welfare impacts from the drought. The following table from Workcover NSW indicates a steady rise in claims for the period 1991-2001. While fluctuations are revealed in the Deniliquin, Bourke and Condobolin data, there is no evidence of drought impact.


<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Claims</td>
<td>1303</td>
<td>1299</td>
<td>1394</td>
<td>1331</td>
<td>1447</td>
<td>1500</td>
<td>1977</td>
<td>1923</td>
<td>1805</td>
<td>1721</td>
</tr>
</tbody>
</table>

By postcode - Deniliquin

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims</td>
<td>21</td>
<td>10</td>
<td>10</td>
<td>17</td>
<td>17</td>
<td>12</td>
<td>17</td>
<td>24</td>
<td>17</td>
<td>18</td>
</tr>
</tbody>
</table>

By postcode - Bourke

<table>
<thead>
<tr>
<th></th>
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By postcode - Condobolin

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Source: Workcover statistics report Ref No. 03231
7.5 Drought Impacts in Areas of NSW Under Study

The following table\textsuperscript{42} provides details of the key drought relief eligibility dates for the areas under study. Note that they are drawn from different sources and so show some differences in representation of data.

<table>
<thead>
<tr>
<th>Board</th>
<th>Area</th>
<th>Date Affected</th>
<th>Date of Eligibility</th>
<th>EC declared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bourke</td>
<td></td>
<td>1 Aug 01</td>
<td>1 Feb 02</td>
<td>13 Nov 02</td>
</tr>
<tr>
<td>Condobolin</td>
<td>Divisions C &amp; D and that part of Division A west of the Condobolin-Mymagu Road and North of the Eremaron Road</td>
<td>1 Feb 02</td>
<td>1 Aug 02</td>
<td>6 Feb 03</td>
</tr>
<tr>
<td>Condobolin</td>
<td>Balance of Division A and all of Division B</td>
<td>1 Apr 02</td>
<td>10 Oct 02</td>
<td></td>
</tr>
<tr>
<td>Narrandera</td>
<td>Division A</td>
<td>1 Apr 02</td>
<td>1 Oct 02</td>
<td>6 Feb 03</td>
</tr>
<tr>
<td>Narrandera</td>
<td>Divisions B, C and D (balance)</td>
<td>1 Jun 02</td>
<td>1 Dec 02</td>
<td></td>
</tr>
<tr>
<td>Riverina</td>
<td>Divisions A, B, C, D &amp; H</td>
<td>1 May 02</td>
<td>1 Nov 02</td>
<td>19 Jan 03</td>
</tr>
<tr>
<td>Riverina</td>
<td>Balance</td>
<td>1 May 02</td>
<td>1 Nov -2</td>
<td></td>
</tr>
<tr>
<td>Murray</td>
<td></td>
<td>1 Jun 01</td>
<td>1 Dec 02</td>
<td>19 Jan 03</td>
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</tbody>
</table>

EC and \textit{prima facie} interim assistance granted to the areas under study since the last Federal budget up until 31 March 2003 are summarised in the following table\textsuperscript{43}:

\textsuperscript{42} NSW Ag Website, July 03/Rural Policy & Innovation, NSW website.

\textsuperscript{43} Ministerial Budget Statement 2003-2004 DOTARS website

### Table 17: EC and *prima facie* assistance

<table>
<thead>
<tr>
<th>EC drought assistance to</th>
<th>$ (m) over 3 years 2002-03 - 2004-05</th>
<th>Interim income support provided from</th>
<th>EC declaration</th>
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<tr>
<td>Bourke and Brewarrina Rural Lands Protection Boards (RLPBs) (NSW)</td>
<td>6.3</td>
<td>19 Sep 2002</td>
<td>13 Nov 2002</td>
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<tr>
<td>Condobolin and Division A of Narrandera RLPBs (NSW)</td>
<td>32.1</td>
<td>9 Dec 2002</td>
<td>6 Feb 2003</td>
</tr>
<tr>
<td>Riverina RLPB (NSW)</td>
<td>11.2</td>
<td>9 Dec 2002</td>
<td>19 Jan 2003 (dryland livestock) 6 Feb 2003 (dairy areas)</td>
</tr>
<tr>
<td>Eastern Riverina RLPB (NSW)</td>
<td>30.4</td>
<td>9 Dec 2002</td>
<td>21 Feb 2003 (dryland livestock) 28 Mar 2003 (irrigated dairy areas)</td>
</tr>
</tbody>
</table>
Map 6: Exceptional Circumstances – Bourke-Brewarrina EC Declared Area

Map 7: Exceptional Circumstances – Central West Slopes and Plains EC Prima Facie Areas

Social Impacts of Drought

Map 8: Exceptional Circumstances – Condobolin – Narrandera Application Area

Map 9: Exceptional Circumstances – Riverina EC Declared Areas

There is no doubt that the areas chosen for study have been severely impacted by the drought. We turn now to our research findings. Because of the qualitative methods used much of the story is told in the words of community members in Bourke, Condobolin and Deniliquin.
8. Findings - Bourke

Twenty-one farm family members (fifteen women and six men) from the Bourke and Western Division area were interviewed as well as nine health and welfare support workers (including the financial counsellors and drought support worker) and twelve additional key informants. Focus groups were held with a CWA group, a business group and a service provider group. The staging of the Isolated Children’s Parent’s Association (ICPA) annual conference at Bourke during April facilitated access to many of those interviewed for this study with the result that most of the interviews took place in the Bourke township. Western Division farm families live in very isolated areas remote from the township of Bourke with interviewees living up to 3 hours drive from Bourke.

The following points relate to the sample group.

- All but one of the farm family members interviewed are from livestock farms, the remainder being in cotton.
- Sixty-seven percent are on farms with joint ownership arrangements between husband and wife and twenty-nine percent in intergenerational partnerships.
- Sixty-seven percent of farm family respondents have no dependent children.
- In seventy-nine percent of the 19 farm family cases where the respondent is married, the female partner is heavily involved in on-farm work.
- In thirty-eight percent of cases the female farm partner is working off the farm.
- In fifteen percent of cases the male partner works off-farm.
- Fifty-two percent of respondents are receiving EC payments (one was still being assessed at time of interview) and forty-three percent are not receiving assistance. Most often (in 19% of cases) this is because of the female partner’s off-farm income.
- Eighty-six percent claimed they had no adequate political representation.
- Ninety percent had taken no holidays in the previous two years.

The problems of drought, including low or negative incomes, accessing alternative income, huge workloads, educational access and access to support, are all exacerbated by distance. Most families live a considerable distance from neighbours and the town leading to significant isolation when times are tough. It was not unusual for interviewees, both male and female, to break down when recounting the stresses of their lives to the researchers.

The following issues arose from the interviews.
8.1 Severity of the Drought

The severity of the drought in the Western Division is indicated by the fact that many people had been in drought for three years and some noted they were going into a fourth year. As a result families in this area have been without income for a longer period than those in other areas.

8.2 Serious Loss of Income, High Costs

Loss of income has occurred through reduced stock carrying capacity, sale and / or death of stock during the drought period. Most families noted that they were carrying a third of their normal carrying capacity. The loss of income through low stock numbers, reduced wool clip, low or no lambing percentages and loss of stock meant that the income coming into the properties was seriously eroded. This was coupled with an increase in costs caused by the need to purchase feed and water to keep existing stock alive. Many families estimated that the cost of drought measures had been in the order of $100 000.

Many families had increased their debt levels through loan borrowings or extension of the overdraft. All were practicing belt-tightening including reducing the number of trips to town, reducing to a bare minimum off-farm purchases, limiting time away from the farm, taking no holidays, laying off any hired labour and increasing the farm workloads of all family members.

Many were aware that the end of the drought is not going to restore income quickly.

*The financial drought follows later on. This financial year will be very bad. Next year will be just as bad or worse.* (Farm man)

8.3 Environmental Impacts

Drought has had significant impacts on the environment exhibited most graphically in the regular dust storms across the country and the Darling River ceasing to flow. For the people on the ground this constant evidence of environmental consequences is one of the ongoing realities of the drought. Men and women in the Western Division note the need to deal with these issues on a daily basis. For women the drought has also had an impact through the loss of gardens and the impact on the spirit of that loss.

*I don’t have any lawn because its totally covered by sand. There’s one to two feet of sand drift in our yard. The visual aspect of the drought has been very, very devastating.* (Farm woman)

In addition to the drought, environmental issues have placed additional pressures on families and led to an erosion of trust in the state amongst farm families. It is important to note that families do not necessarily oppose environmental measures, rather they speak of the need for further consultation and note the additional cost burden consequent on environmental initiatives.
A few described the way they struggled with their commitment to environmental issues. However they fear that the alternative may create significant additional stresses on the environment.

[if you lose farm families to corporate players] *everything is more dollar driven and the land will be pushed a lot harder.* (Farm man)

### 8.4 Impacts on Workloads

The increase in workloads as a result of the drought included the need for daily feed regimes, carting water (in one case this was a daily round trip of 120 km), cutting scrub with chainsaws, tending to drought affected livestock and dealing with major environmental issues caused by dust storms, low water levels and lack of ground cover. At the same time the normal workloads associated with running a large property, such as checking troughs and fences, continued. The hours of work on-farm had increased significantly and all family members including children at home and those returning for holidays were required to contribute.

It is also important to note that increasing bureaucratic expectations such as the GST compliance requirements have significantly increased the paperwork expected of farm families. This together with the expressed need to attend consultations regarding legislation that may financially disadvantage the family has impacted on time pressures.

*The workload for managing the farm has increased ... increasing paperwork including GST... I can’t afford to work in town because I just can’t keep up with the rest of it.* (Farm woman)

### 8.5 Involuntary Separation

The significant impact of loss of income has led a large number of families to seek off-farm income through paid work. Men have sought contract work with machinery and in shearing sheds. In many cases this work had dried up as the drought continued.

*I go away contract mustering – that’s my income. Before you might get a month block. Now it might be a couple of days. That’s dried up a lot.* (Young farm man)

Where partners are working away the pressures on the on-farm partner are intense.

*It’s exceptionally difficult. It’s okay when [husband] is at home but when he is away I’m doing School [of the Air] plus running the station plus business accounts. It’s exceptionally difficult. ... With the drought it’s mainly chainsaw work so mostly the kids stay home and often do their schoolwork on their own.* (Young farm woman with two young school aged children)
In 38 percent of cases women have sought work off the farm and in almost all cases this has resulted in involuntary separation as, because of the significant distances involved, women moved to the town where work has been obtained.

I prefer to be at home than to have to move [into town]. ... It was very hard. It was very hard on everyone. We are a very close-knit family and I certainly didn’t want to move into town. It was very hard on [son]. He used to get quite upset Sunday night when I was ready to go which was really hard. (Farm woman moved 60 kms to town)

I’m working [in an office]. I am actually a registered nurse but to be able to be with the children which is the whole aim of going to town, shiftwork wasn’t an option. (Farm woman moved nearly 400 kms to a town for work and children's education)

For many of these women the workload does not stop at the extra work involved with travel and off-farm income generation.

It’s nice to go home. ... You’ve got to clean the house. You’ve got two houses to clean but it’s just nice to be home. (Farm woman)

8.6 Emotional Impacts

The emotional impacts of the drought were evident in each interview. All noted the devastating impacts on themselves or their families resulting from drought and its consequences. Of significance is the gendered differences emerging in the interviews. Men noted the link to land and stock and the emotional trauma of watching the land and stock suffer. Women were more inclined to note the emotional impacts of having no income, the struggle to support their families and to keep their children in school, and the sheer energy sapping efforts associated with their multiple roles.

I’m more connected to the land. ... It’s not just the land, it’s the stock, it’s all in there. I think (wife) sees it slightly differently. She looks more to the financial side of it and it hurts her badly. Like how are we going to educate them, what are we going to do ... (Farm man)

One drought too many. One extension too many. One more bit of hopelessness. (Farm woman)

You’ve lost a bit of your heart ... you’ve lost a bit of yourself. ... It will never be quite the same. It will never be quite as good again. ... There won’t be as much drive there. (Farm man)

You don’t live a life. (Farm woman)

It just sends you mad. (Farm woman)
I just cry at the drop of a hat. (Farm woman)

They are just tired. They are mentally and physically tired of battling this drought. (Service provider)

Of significance is the impact on children. These impacts include the need to work on the property, the impacts on School of the Air education, the effect on access to higher education and the stress of watching their parents suffer. Service providers noted that children are operating in an adult world, usually as full-time workers, surrounded by stress, and, because they do School of the Air, they often have no outlet from the farm.

The pressure on the kids to perform as little adults and take their part in running the place because there are just not enough hands. ... They’ve all been mustering on motor bikes since they were eight. They are really skilled little workers because they have to be. (Service provider)

It’s dreadful. It’s really truly dreadful. When [son] came home [from uni] he had to shoot sheep, pull sheep out of bogs. [Daughter] at uni is working very hard and she’s got long hours [in a casual position to support herself]. They are so tired and her health suffers. (Farm woman)

The children feel guilty because they are taking money. They know that every time we give them money that’s difficult. (Farm woman)

I worry about the kids’ mental health being left on their own a lot [while we do the work on the property]. (Farm woman)

8.7 Educational Access

It is important to note that most farm families have no choice but to send their children away for high school because of distance from town. By contrast those workers and community members based in town are more likely to send their children to the local high school. The Bourke High School has had a perceptible drop in enrolments during 2003 from 208 at the beginning of the year to 172 at the time of interviews in April. Largely this is due to the relocation of workers and their families who have lost their jobs. Approximately 55 percent of students at the high school are from an Indigenous background. Service providers report that there is increasing demand in the schools for welfare support and a rise in the number of single mothers as a result of involuntary separations. This seems to be because partners are moving out of town looking for work.

A further issue facing young people at the high school is the lack of available apprenticeships and casual positions in the community as businesses wind back their employment support strategies.

For farm families out of town with school aged children and those whose children are at university, the cost of education is cited as a significant financial pressure. Most
farm children in the Western Division go away to boarding school for high school allowing them not only an education but also much needed social interaction. The impact of the drought on access to education is significant. For many mothers this has led to them seeking off-farm work to pay for school fees and to ensure their children can remain in quality education. For most this has led to involuntary separation.

*I don’t think that’s an option to pull the kids [out of boarding school]. I just couldn’t give them the education and social skills they need.* (Farm woman)

*This will be the last thing to go.* (Farm woman)

Because most women working off-farm report that their income goes to pay for educational access for their children, it is ironic that one of the impacts of the current legislation is that those families where these efforts are being made have found themselves ineligible for Exceptional Circumstances payments. This has led in a few cases to women giving up work. For the most part however it has led to bitterness and compounded hardship.

*It was a real kick in the teeth. ... No-one’s out there trying to make money at the moment. They’re just trying to get some money.* (Farm woman)

*[My income] has gone on education. Now it’s going on other things as well – property expenses, general living because we don’t get any of the allowances because of my income.* (Farm woman)

*I would be financially better off if I gave up work as far as getting drought assistance. ... I didn’t feel they had a real understanding. They didn’t appreciate our circumstances. It’s just so cut and dried. It’s not like that.* (Farm woman)

*There’s a lot of younger woman who are working and that money they used to school their kids and some of them are working for that reason. ... They were knocked back by Centrelink.* (Service provider)

### 8.8 Health Impacts

Stress is evident among men, women and children in the Western Division. Men’s stress levels are registered by their wives and service providers. Women are more likely to monitor their husband’s health closely.

*My wife and I are fortunate in being as tough as old leather boots ... we’ve got each other to cry on each other’s shoulder. But I have noticed the single men are ... physically sick.* (Farm man)

*Oh he’s tired and we’ve got two children under five and he feels quite guilty about not having any time with them.* (Farm woman)

*My husband’s just had [a heart operation]. He has been out there on his own [while I work in town]. He has had a bit of a wakeup call.* (Farm woman)
I’ve had two women that have come in and said ‘help me with my husband. I don’t know what to do. He’s going to ... he’s crying all the time’. (Service provider)

Women tend to see themselves as the emotional sheet anchor and are more likely to hide their levels of stress from their partners and family.

I don’t like [husband] seeing me upset because I know that upsets him. ... I’ve gone in [to neighbour] and I’ll stay there a couple of hours (crying in interview). So you get in the car and you go home as if nothing’s happened. (Farm woman)

These women have been pushing themselves so hard for so long. (Service provider)

Children and young adults are likely to try to deal with their own levels of stress in isolation so as not to upset their parents.

They’ve been through everything with us and it does affect them. They’re very supportive. They try and help out as much as they can and talk about it to us. They ring up regularly at least once or twice a week and ask about everything because it does concern them how their Mum and Dad are going. (Farm woman)

You go up and down all the time. You just feel so exhausted. You feel like everything is going wrong and it just makes you want to just cry. ... I went to work the other day and [colleague] said to me ‘you’re really down. I’ve never seen you this down’. (Young farm woman)

The end results of feeling stressed and having little or no income is an increase in social isolation particularly among men.

You cut down on stuff like that. It’s the easiest thing to cut down. It’s the first thing to go. (Farm man)

You can’t go anywhere because they’ve [livestock] got to be fed. (Farm man)

I haven’t had the time to get in [for football training] I’m so tired during the day. ... Like it’s 110 kms to come in from home and it’s finding the time. ... I don’t come to town a terrible lot anyway. ... I don’t come to town quite as much. (Young farm man)

I have stopped doing anything social. To do anything social is exhausting. (Farm woman)

You just don’t want to talk to anyone. (Farm woman)

I forget how to talk sometimes. I was trying to talk to someone last night and I just thought it’s coming out all gobbledegook because I hadn’t been talking
Almost all spoke of their overwhelming tiredness as a result of the significant workloads and their need to battle the drought on a daily basis for an extended period.

[Husband] and I are very close, but there’s just breaking … I think it’s a panic really. … You tend to sleep less. … Neither of us sleep very well because your mind is going. When you go to bed you try not to talk. You try to talk of other things but eventually it comes back to [farm issues]. I reckon it does affect your health. (Farm woman)

You are still so tired the next day. You are so worn out you can just sleep and sleep and sleep forever. But I know you can’t. (Farm woman)

[Husband] is terribly tired and he is terribly, terribly sick of going out and doing the same thing every day. He is really sick of the mundane, constant thing. (Farm woman)

8.9 Health Services

The main health providers are the local doctors and the health workers at the Community Health Service. Health providers note that they are not yet seeing a rise in service access. However, they put this down to the fact that people are not attending to their health while the drought continues. They note their expectation that the numbers of stress-related presentations will increase when the drought breaks as people face the fact of their reduced options.

I would suggest that a lot of people don’t even go to the doctor … the majority of people live more than an hour at least away from town. (Support worker)

8.10 Support Services

The impact of the drought is compounded by reduced access to services. The loss of services in small rural communities over the past decade has meant that the support services needed to deal with a prolonged drought are minimal. Bourke has lost services including banks, businesses and health workers. Additional problems associated with attracting health professionals compound the issue of service access. However it is important to note that the Rural Financial Counsellors and Drought Support workers are seen as significant supports by all those interviewed.

They come to us because there’s nobody else and it’s cost-effective because we don’t charge. We’re not fee for service. (Rural financial counsellor)

Despite their accessibility Rural Counsellors note that they are not necessarily trained to deal with the emotional stress many people present with.
I’m not a social counsellor. After three and a half years I can handle it. It would have been good to have that knowledge or experience before taking on the role. [Rural Financial Counsellor]

Additionally the service providers in the Bourke area are working together to provide services to residents. The mental health team, for example, is working with the doctors and Rural Counsellors and Drought Support worker to provide outreach services in the small communities, often in the local pub. These efforts have been very successful, particularly in attracting men, and deserve additional support.

However access is also compounded by the reluctance of people to access the services often through pride and a misplaced need to appear stoic.

He won’t go [to health services] (Farm woman)

I see very very strong women cracking and I have advised them to go to the doctors. ... They are crying on the phone. Most of them are broken by the time they get to where they are talking. (Service provider)

I see a lot of wives frightened of telling their husbands they have received food [from a charity]. One woman hides it in the paddock and sneaks down and gets it from time to time because she doesn’t want him to know that she told someone they had problems. (Service provider)

8.11 Government Support

The Bourke and Brewarrina areas have been drought declared since 2002. Access to drought support payments and interest subsidies is readily available to those eligible. Those who find themselves ineligible because of their off-farm work efforts are particularly unhappy with the access policy. However it is worth noting that all noted that the application process is very complicated and no one felt able to do this without the support of the Rural Financial Counsellors.

Of significant concern is the access for young people to Youth Allowance (Austudy) for tertiary education access. There is no doubt that a lack of access to this payment is disadvantaging young people from drought affected areas.

Both have to work really hard during their [uni] courses because we haven't been able to help them. ... (Farm woman whose children can’t get Austudy)

8.12 Impacts on Community

Interviewees were asked about the impacts of the drought on their local community. Most noted the loss of people from the Western Division and particularly the loss of young people.

People leaving in droves because of the drought – it doesn’t quite happen like that. It’s much slower and more painful than that. (Farm man)
We could well be the last generation. (Farm woman)

Others noted that they felt many were holding on until the end of the drought before they left the area.

Critical to the loss of population is the loss of jobs from the community. Properties had laid off their hired labour and, because of the low numbers of stock, shearing work was heavily reduced. Many felt that getting workers back to their areas would be a critical issue once the drought is over.

The drought has also made it more difficult to attract volunteers to work in community organisations and some schools are now finding it necessary to pay people to do jobs that once were done by volunteers.

8.13 The Next Generation – Attracting Young People to Farming

While most family members noted that their young people were not going to return and that they were being actively encouraged to live elsewhere, there were a small number of young people who felt that there was minimal support for them to achieve their dream of taking over a family property or of owning their own property.

I definitely want to own my own place one day. ... I suppose [the drought] will slow me down a lot. (Young farm man)

Our young people are going and there is just nothing there for them and if they do come home they are so lonely because all the other ones are away. (Farm woman)

There is a well-defined need for support to be provided to young people with the skills and resilience to work in the Western Division and to continue to farm in the area.

8.14 Political alienation and mistrust

Strongly evident in the interviews with farm family members and support workers is a significant distrust of government and the state and a feeling of being disenfranchised, forgotten, unrepresented and ignored.

Because we are so run off our feet we have not been able to lobby anyone. We have lost faith in the system through that alienation. (Young farm woman)

We feel left out of the picture and isolated. (Farm woman)
They are not going to do anything for us. There are not enough of us out here for them to be worried. (Farm woman)

They must think we’re silly. [They have] a reluctance to comprehend the situation … people are suffering extremely … walk in their shoes just for five minutes! (Support worker)

8.15 Indigenous Community Members

The research project was discussed with four Indigenous community members to determine significant impacts on Indigenous residents. Indigenous people make up 24.6 percent of the Bourke population. It is important to note that the Indigenous people approached felt uncomfortable being part of the research and asked that interviews not be taped. They also felt unable to comment without permission of the community. One of the limitations of this research is inadequate analysis of the significant impacts of the drought on Indigenous community members. However it is important to note the following points made by Indigenous people to the research team.

The drying up of the Darling River in Bourke has had a major impact on Indigenous residents of Bourke. The spiritual significance of the river has meant that the symbolism of the loss of the river has major cultural significance. The return of flow in the weeks before our visit was greeted with great joy.

Another major impact on Indigenous residents of Bourke resulted from the failure of the cotton crop. The several hundred casual jobs in cotton chipping that are usually available around the Christmas period have not been available during the drought. This has had a serious impact on income for many Indigenous families and has, in some cases, resulted in families moving to other areas in search of work.

Noted by many community members, small business owners and Indigenous community members is the importance of the welfare benefits received by Indigenous community members to the viability of the town. Without this secure income flow into local small businesses many would be in a much more precarious position. Additionally Indigenous community members note that they shop locally, a loyalty that is not necessarily always adhered to by other community members.

8.16 Small Business Perspectives

In addition to the farming community, 16 small business owners and advisers were interviewed as individuals and in groups. The issues that arose are discussed below.

8.16.1 Reliance on the farming community

The region’s cotton crop was estimated by the Mayor of Bourke to be normally worth in excess of $50 million to local industry and the local community. The lack of a crop,
in addition to losses in income from wool, sheep, meat and cattle, therefore has a significant impact on the community.

There has been horrific economic loss to the district and one that is going to take quite a few years for recovery (Mayor).

The lack of normal seasonal work associated with the cotton and fruit crops was noted by one employment agency as costing between 400 and 500 seasonal jobs. This resulted in less people requiring short term accommodation, less spending in the community generally and also less people using other services including medical services. One business noted a 60 percent downturn in visitors to the community as a result of there being no seasonal work available:

It’s impacting more on the local economy than it is on any one business. It’s the cotton growers and horticulturalists that are really suffering and the massive numbers of people that they employ. Whether they are full-time, part-time or seasonal, numbers have been slashed. So they are not earning the money and spending the money, so the local economy, the town’s quiet, and the local economy is suffering. (Business Person)

Contracting businesses with a high dependence on-farm activity have been particularly hard hit.

I know of some people that are shearing contracting. They have basically been feeding their family on built up supplies of non-perishable food that they’ve had which would normally be going out and being used by the teams, but there’s no work so they’ve just battened down the hatches so much that they are living off that. (Small Business Adviser)

8.16.2 Business downturn

All businesses reported a downturn in trade as a consequence of the drought. The extent of impact depended to some extent on the nature of the business and the extent of diversification of product. One business with a focus on farm irrigation supplies reported now doing only 5 – 10 percent of the business of previous years. A number of other businesses reported a 30 – 40 percent drop in business:

Our business is only doing about 35 to 40 percent of what it would normally do so far as the bottom line is concerned, but, activity by activity, sales and turnover are back by much less than that, but we’ve had a reasonable spread of activities. For instance, ... hay and lick supplements that we don’t normally sell, or don’t sell much of, we’ve handled huge volumes. (Business Person)

Some business owners suggested that the drought had resulted in some people ‘shopping local’ to a greater extent than normal. This was attributed to both consideration of fuel costs to travel to major shopping centres and a conscious decision to support local businesses.
A lot of people realise if we don’t support our locals, they’re going to go down the gurgler and we’ll have nothing. (Business Person)

8.16.3 Inventory levels

A number of people interviewed spoke about decreases in both stock lines and quantities of goods available in local businesses.

The impact of various food appeals was keenly felt by supermarkets in all of the communities receiving assistance:

I was talking to a store owner (supermarket) [in a smaller community outside Bourke] and it just about killed him. He was down to about 60 percent and people all around him were getting food. (Business Person)

Before Christmas when the final batch of city donations to Bourke arrived, one of the grocery store owners who was carrying very substantial unpaid debt was asked to help distribute some of the free food, and he did, he gave it away to his customers. And he had stock on his shelves which was perishable that wasn’t sold but he helped staff coordinate the distribution. (Small Business Adviser)

8.16.4 Staffing levels

The downturn in business activity has resulted in changes to staffing levels in a number of businesses. These changes have included staff redundancies, moving staff from full-time to casual, eliminating casual work and modifying staff hours.

Businesses are having to put people off and some of them are sort of sailing very close to the wind as to their viability. (Mayor)

Some businesses with branches in other locations have been able to arrange staff transfers until the situation improves. Another business was able to arrange temporary employment of staff with another organisation. Both of these options were extremely valuable to the employers. There was concern not only about the welfare of staff but also about the availability of trained staff to do the work when the drought breaks. A major issue for many employers was the skills deficit following the exodus of employees from the area. It was acknowledged that some skilled employees will be hard to replace.

The stresses associated with attempts to maintain staffing levels were noted by a number of employers:

Staff cut-backs often mean the employer is taking on more and more at a time when they could do with less pressure. (Business Person)
There are a lot of people who because of their downturn in turnover should have put more people off but being a small town it is more difficult to put your friends off and families. (Business Person)

The precariousness of employment is reflected in the behaviour of staff:

Employees – some of them try to stay on even when they are sick because they are scared of losing their jobs.

There has been anxiety. Some of my guys either throw their hands in the air to do a course for a ticket for this or a ticket for that. They think they need them to get a job somewhere else if it comes to that.

The loss to the community when people are forced to seek employment elsewhere was noted by a Small Business Adviser:

There’s a grief that goes with that ... because they’re leaving because circumstances have forced them to and there’s a great grief in people that are farewelling them because they’re best friends.

8.16.5 Extending credit

Many businesses which were normally able to run accounts were confronted by decisions regarding the continued extension of credit. A number felt they were being forced to use cash only terms, although one business was considering a system linked to credit cards whereby at the end of 30 days the credit card number pays off the account.

I’m under huge financial pressure as a result of the drought. I’ve got a one hundred and twenty thousand dollar debt that has developed over the last twelve months or so ...and one of the factors that has led to this is the inability of people to pay their bills. (Business Person)

There was certainly a reported increase in aged debt:

We’ve got lots of ninety, one hundred and twenty and one hundred and fifty day debt. (Business Person)

8.16.6 Financial Implications

Concern was expressed about the recovery of small business from the drought:

If your business has taken an enormous financial setback, it takes years, if ever, to get it back. I’ve seen it in young people just starting out, where they have so much optimism and they borrow to start a business and now they are wondering what on earth they have done and how can they get out, could they get out? (Small Business Adviser)
For older people, where it’s probably their superannuation by and large they’re dwindling, their resources are dwindling every day and they’ll never recover. (Small Business Adviser)

Financial assistance was complicated by the distance from bank advisers:

The shrinking of banks in the region has caused an extra layer of communication problems. We’ve got clients who perhaps have a business at Nyngan or Bourke or Brewarrina and the nearest bank for them is Dubbo and we might be negotiating with a Sydney staff member of that bank. (Small Business Adviser).

Assistance was perceived to be inaccessible by some businesses:

Interest subsidies are there but you can’t get them. A business is toppling over before you can get it.

8.16.7 Impacts on community

Some business people noted the impacts of drought on the broader community:

The severe downturn – downturn to the point of zero production in some cases – and the laying off of people, or not employing these seasonal workers ...that’s what’s hurting the town more than anything..(Business Person)

Of particular concern was the prospect of people leaving the community:

When you lose your residents, all the numbers start deteriorating and the government agencies then look at their support as far as their staffing levels go too and there’s a bit of a snowballing effect ... the police, the hospital, school and other agencies , there’s a huge support staff here and we need to keep our people here so they can continue providing those services. (Mayor)

It [the drought] has an effect on other businesses too – Schools don’t need as many teachers because there’s not as many kids there, so more people leave town. Because they are not shopping in the stores one of the stores will close down. Once that starts it’s very hard to arrest and to get going back up again and the only way to get it back up again is with industry and employment – getting people back to work, their families come back, their kids go to school etc. (Business Person)
8.16.8 Government support

A major concern was the retention of people in the community through the availability of employment opportunities. Business people spoke of possible schemes which could assist employers to keep people in their jobs in preference to welfare payments for the unemployed:

*Give people jobs (not just short term money).*

*Let’s get work for them, let’s get them some work, give them some pride, some direction.*

*Help us to keep people employed in the town.*
9. Findings - Condobolin

Twenty-two farm family members (thirteen women including one eighteen year old, nine men) were interviewed in Condobolin as were six service providers and five additional key informants. The following statistics apply to the farming families represented.

- Just over half of the farm people were in joint (husband/wife) partnerships. The remainder were in intergenerational partnerships or sole male ownership arrangements.
- In 70 percent of cases women are heavily involved in farm work, and, of the remaining 30 percent, half are working full-time off-farm and are largely unavailable.
- In 72 percent of the families represented women had off-farm work of some type (in two of these cases the women had just given up their positions to assist on the farm).
- In 50 percent of cases the male partner had had some form of casual work such as contract machinery work or shearing. In half of these cases the work usually taken up by men had dried up because of the drought.
- Sixty-four percent of this group were receiving some form of income assistance, either interim or Exceptional Circumstances household support. The remainder were not eligible because of the level of off-farm income received or because they didn’t meet other criteria.

9.1 Statistical Divisions

One of the most significant features of the Condobolin area is that the statistical divisions, or ‘lines on the map’ mean that some families are in EC declared areas, others are reliant on Interim Support while some have no benefits. This is causing considerable anguish in the community as some people are eligible for the more generous EC provisions while their neighbours may have Interim Support or no benefits. Parts of the area have been in significant drought since 2001. Proving eligibility for EC has been hardest for croppers in the area as they have to prove two years of lost crops. Because they were able to harvest in 2001 they have not yet met the requirements for 2003 despite major hardship. There are other parts of this area where drought conditions have impacted for much longer with some families claiming lost income for over three years. The patchiness of the conditions has made the ‘lines on the map’ theory particularly onerous for families in this area. The following issues emerged from the interviews.
Anger will increase ...because the assistance measures will be seen to be ineffective. ... Those who didn’t get the rain and can’t get this crop in are going to feel pretty frustrated and angry. (Service provider)

A drought is very hard for people to live in but sometimes it can seem very unfair ... some areas around Condobolin have been EC declared and some haven’t. People get a little bit upset about that. (Farm woman)

Those who have been through the process of seeking assistance under EC or Interim guidelines find the process stressful, complicated and time consuming.

It’s terribly degrading. I hated doing it – it’s horrible. But I had to do something because I couldn’t afford to pay my bills (Farm woman)

My husband found it very, very stressful. Very stressful indeed. And when he got knocked back [because of wife’s off-farm work] he was unbelievable. He was ranting and raving and very depressed. Completely depressed. He was quite convinced because he had lost his (off-farm) job that he would be able to get some amount. (Farm woman working off-farm full-time herself)

Mum [aged woman on-farm] can get ... a little embarrassed [about applying for support]... she was saying, ‘Nobody’s going to know about this are they?’ (Farm woman)

It just seems lengthy and complicated, unnecessarily complicated. (Farm man)

9.2 Loss of Income, High Costs

The vast majority of people interviewed noted that their production from livestock was down by about 50 percent and that they had been without crop income for 2-3 years. (Many were affected by weather conditions that led to shot and sprung wheat in the year before the drought officially hit). Most estimated that the drought had cost them in the vicinity of $60 – 100 000 quite apart from lost income. Most reported escalating debt. For some this occurred through extension of their overdraft and / or overuse of credit cards and for others, the major debt restructuring occurred through the drawing down of loan facilities.

It is, however, important to stress that the fallout from this drought has not created the issues such as bank foreclosures that typified previous droughts. Financial counsellors are convinced this is because farm families have been better prepared and more ‘drought ready’. Nonetheless it is acknowledged by all players that the lack of finance for restocking and replanting will be a major concern in this community.
9.3 Environmental Consequences

The impact of the drought on the landscape is evident in the area. Paddocks are bare and feed in paddocks was virtually non-existent. Interviewees note that the struggle to deal with the drought is made much worse by the environment in which they work.

"Our place looks a little bit like what I imagine the moon looks like. It’s very bare and ripply ... because the dirt has been blowing for so long and its half-way up the fences." (Farm woman)

"We’ve been here for 41 years and it took us 40 years to get the lawn right around the house and looking beautiful and had no water for 12 months now and have lost the lawn." (Farm man)

For women the loss of gardens again has a spiritual impact.

"My garden was dying. The grass was just brown dirt and that was terrible. So every bit of water from the bath, the washing machine, every skerrick was saved and it would go on a plant or a pot plant." (Farm woman)

Others noted the impact of regulations.

"I feel we are starting to be dictated to - what we can plant, what we can clear, what we can’t, where we can put dams, how many dams we can put. I really think it’s the issue now - whether we will be able to plough where we want to plough because we are wrecking native grasses and things like that." (Farm woman)

"I find the bookwork is increasing monthly. Tax department, Workers’ Comp, Workcover, NSW Farmers’ ... and this new Farm Safety Management to meet Workcover requirements coming in on 1st September. You need a university degree and I defy anybody to work it out." (Farm woman)

These additional regulations at a time of significant workload increase are seen to be adding pressure.

9.4 Impact on Workloads

9.4.1 Off-farm work

The majority (72%) of women interviewed or partners of men interviewed are working (or have been working) off-farm to secure income for the family. While their ability to access work is greater than that of the women in the Bourke region and has not at this stage led to involuntary separation, in most cases these women work in insecure, part-time jobs. However there are at least two women anticipating that with work drying up in the area they may have to move with the children to a regional centre for work and education. It is more likely to be younger women with children
who are working off the farm most often to access income to keep children at boarding school.

I’ve seen parents doing extraordinary things to keep their kids at boarding school … Any money they’ve got tends to go into school fees as opposed to spending money on their own dental work or buying clothes. (Service provider)

The loss of eligibility for benefits on the basis of off-farm work is again a cause for real concern among this group of farm families and impacts on educational access for isolated children.

It’s become stressful … can’t get assistance. I’m working, can’t get any assistance. Husband’s been put off work - he had a job off-farm as well. Can’t get [household support] because I am working. (Farm woman)

Some younger women in intergenerational partnerships have found that their off-farm income has led to the loss of payment from the partnership meaning that their husband’s work no longer draws an income. Given the severity of the drought, this is not a situation that they challenge but it does expose the crucial nature of women’s off-farm work and the increasing poverty of (usually) younger generation farm families.

One support worker noted that those most likely to be earning an income off the farm were the younger families with less secure farm incomes and higher child care and education costs. Therefore the current eligibility criteria discriminate against those in great need.

It’s the small farms that need the assistance and they are the ones that are not eligible because they have off-farm income. (Support worker)

Additionally it was noted by several people that those younger generation family members working on-farm who are not in the partnerships are not eligible for any assistance despite their lack of options elsewhere.

Some women have found it easier to give up their off-farm work positions in order to secure benefits. This is often a rational choice given the higher income that can be sourced from the EC payments, the reduction in wear and tear on the car, the precariousness of off-farm positions, the reduction of available hours of work and the increased capacity to draw the female partner into the farm work regime of feeding stock and carting water. However it does remove a valuable resource from the community and takes women away from their own professional development.

9.4.2 Farm work

As in Bourke the drought had increased the intensity of the farm work undertaken with feeding, carting water and general husbandry tasks and has added significantly to the hours worked on-farm. To deal with this all family members are being drawn into the farm work including members of older generations, middle generation couples and
I didn’t get a lot of homework done [in Year 11 last year]. My father and brother had to go away and shear to bring in money. [Mother was sick]. I would go home and have a quick eat and get on the bike and go and check the dams and it takes about an hour and pull sheep out and take them home ... every day. Weekends I couldn’t go anywhere, so sporting or social life I had none ... And it just made me too tired to come to school and I just didn’t want to listen to the teacher say where is your homework over and over ... I did a couple of tendons in my arm and my back and my neck got a bit sore. But there is not much - if you don’t do it [the livestock] are going to die.

At one stage I had an assessment I was up at twelve o’clock at night trying to get it done for the next day which made me very tired and not a happy person at school. ... [She received several detentions for late assignments and was asked why she didn’t let teachers know what was happening]. I don’t go to school and tell people that I have worked so hard on the farm. ...

I got really cranky because half-way through I decided that I shouldn’t be doing this I should be concentrating on study ...

One evening I was down the back, right down the back getting sheep out of the hill because there was no feed down there ... and I fell off the motorbike and down a ditch and hit my head and knocked myself out for a while. Dad and [brother] were off shearing and Mum didn’t know where to look for me .. So I woke up, got back on the motorbike and then drove home with blood gushing out of my head ... My mother’s a nurse and I didn’t have to go to hospital ... I still had to go back down the paddock and get the sheep out. (Young woman)

9.5 Emotional Impacts

9.5.1 Older people

The drought has had a major impact on many sections of the community. Noted by many younger respondents and service providers is the effect on the older people in the community. Several interviewees reported increasing anxiety in this group and an inability on the part of many aged people to pay hired labour resulting in them working full days on the farm with consequent exhaustion. At the same time there is an increasing need for this group to provide child care for their working daughters and daughters-in-law.

It made them [parents] old and it’s made them awful (Farm woman)

The older ones they are desperate to keep it together and to keep it going where the younger ones seem to think ‘well if the bank wants it the bank can have it’. And we are still young enough that we can go and get jobs and survive.
the older ones they don’t know any different and that’s all they’ve done. (Farm woman)

The oldies are hospitalised more often because of the drought, stress-related, they become anxious so they go into hospital. (Service provider)

The old man was always pretty easy going, but it was getting him down. ... Like they had been feeding 130 days straight and it was costing them $1000 a day. Every morning he got up was another $1000 gone of fodder and at the end it was getting him down. (Farm man about his father who was later hospitalised)

I do find welfare issues a problem and it’s one of those areas where our role is not clear. I’m not really trained for that. It’s really difficult ... The hardest ones I deal with are the really elderly people who are still on a farm who just do not have the energy to be feeding constantly, who are really desperate, who have run out of money ... They don’t have any reserves. It’s a major issue. (Service provider)

At the same time this group is least likely to ask for assistance because of pride and stoicism.

A lot of older people wouldn’t think of asking for help and that’s sad. (Service provider)

9.5.2 Men

It is noteworthy that women monitor their husband’s / partners emotional health and are far more likely to report this in interviews. Additionally younger men appear more open about the impacts of the drought on their own emotional well-being.

My husband doesn’t come to town very often because you can’t afford the petrol to come to town. He won’t go and see a doctor. He does need health services. He has a complaint but he won’t go and have it fixed because he says ‘no who can run the farm? I mean I can’t afford to pay anybody to run this farm so I have to stay and do it and put up with this.’ (Farm woman)

I think he keeps things to himself more when he’s worried about things. But you can see the stress, you can see that he’s worried. But I think that he prefers not to talk about it. (Farm woman)

He’s depressed, he’s cranky with the kids all the time. He’s cranky with me all the time. He drinks more. He smokes more. ... he feels that if he doesn’t get out he’ll go mad. (Farm woman)

Stress is a hard thing to accept. And you’ve got to get used to it. If you can’t handle it it’ll get you down. You’ve got to switch off. But it’s hard to handle. (Farm man)

It’s knocked the wind out of my sails. (Farm man)
I didn’t think I was stressed. But I always had this sick feeling, for twelve months now. I was worried about the stresses of the drought but I didn’t think it was visible and people noticed. Mum could tell and [wife] could tell. ‘you look drawn and stressed.’ But I didn’t think I was showing it. (Farm man)

It has a dampening effect on spirits and attitude. ... you feel less motivated. (Farm man)

I’m desperate and hanging on by the skin of my teeth. (Farm man)

You’re never away from work on the farm. You are living on the thing so all your time is spent here. ... You get very down and tend to sit and look at things. (Farm man)

It’s pretty hard at the moment when you walk around to be optimistic but occasionally you get a couple of hours in bursts when you can be optimistic. Then you go back to depression for the rest of the day. (Farm man)

The hours and the hard work that the guys put in. It really just breaks your heart. All they want to do is eat and go to bed. (Farm woman)

Older farm men working long hours are subject to particular hardship. The 70-year-old man reporting the following health issues works a full day on the farm seven days a week. His wife works alongside him and they have no hired labour.

Some mornings when I get up and find I can hardly walk outside for arthritis ... I suffer from a lot of problems with my bones, my back, osteoporosis, arthritis, and a few other problems. It takes me a long time to get up and a long time to get down and I’m in pain all day long. ... We have just grown old while this drought has been on. (Farm man)

9.5.3 Women

The emotional impact on women was very evident in interviews conducted for this research. Women report a weariness of spirit and yet at the same time report needing to monitor the health of those around them and a need to hide their own feelings from their partners. They perceive an important part of their role is to be an emotional sheet anchor for the family. Of some concern is that many place their own health and well-being as a very low priority within the context of the family, farm and drought. The following is a selection of quotes from women in the Condobolin area indicating their emotional stress.

I’ve put on weight. I eat when I’m stressed and I’ve got a lot of weight on at the moment. (Farm woman)

You don’t buy new clothes. Everything shuts down. You’re just in a mode to survive the best way you can. (Farm woman)
I’ve always found it really difficult to go anywhere and have a proper check-up. You have to follow through with a specialist and it’s so difficult and very costly. (Farm woman diagnosed with a life-threatening illness)

It’s so depressing. It is really depressing. (Farm woman)

I’m probably doing more physical things. I’m around chemicals more. And at this time of life when you are thinking about children ... the money is not there to employ [someone to replace me] (Young farm woman delaying the starting of a family)

You seem to say ‘Oh it can't get any worse, it can't get any worse’, and it is still continuing. ... and you lose a little bit of hope and that’s really dangerous. (Farm woman)

I had chest pains all the time ... and I just started taking time for myself and just getting away. So I found myself a private little place up in the hills at home and pitched a tent there. Everyone thought I was a lunatic. (Farm woman)

I used to get sick of the drought and sit inside and have a drink ... So turn to drink. I used to have one drink a night, now I turn to drink. (Farm woman)

I need to go to the dentist and I haven’t been. I needed new glasses and I put them off for 12 months until I would get headaches. I need chiropractic treatment. I haven’t been [for a massage] I have to send my husband in because I think he needs it more. (Farm woman)

It seems to be the women who are trying to find the money to pay the bills. ... Their husbands just go out the door, don’t want to know. They are left with a pile of paperwork and they are the ones who are worrying about it. ... ‘It’s alright for him, he doesn’t want to know. He’s not getting the people ringing up and he’s not having to deal with the overdue account and about to be disconnected.’ I see women worrying about their husbands more than the husbands worrying about the women. ... It’s the women who are actually just trying to stay on top of things. (Service provider)

9.5.4 Children

The impact on children is also of major concern to families and service providers and is a constant theme running through the interviews. The following quotes typify the responses of many.

My daughter’s definitely affected by the drought. You go to town she refuses to spend money because she knows there’s none to spend. She’s wearing jeans that are too tight and too short ... she won’t complain, she knows the money’s not there. ... She won’t have a lunch order. (Farm woman)

[son] won’t ask me for anything because he doesn’t want to put any more pressure on the situation. (Farm woman)
[Son aged 11] is a good little worker because he’s the only one there [2 brothers away at boarding school] so he hasn’t really got much choice. (Farm woman)

9.6 Educational Access

The drought is impacting on the ability of young people to access education. Middle generation families report that this occurs both at high school level where some parents are finding it difficult to pay boarding school fees and at university level where young people are struggling to meet their own costs through accessing part-time jobs. Parents also report reducing the number of times they can visit their young people at school or university. Additional pressures are placed on educational access through a reduction in numbers at TAFE. Courses that do not attract fifteen students are not offered leaving many unable to study. The costs associated with study are cited as the major reasons for lower numbers. At the other end of the scale parents report reducing their children’s days at preschool to reduce education costs.

9.7 Health Services

Doctors’ services are readily available in Condobolin and surrounding towns. However it is necessary for people to travel to access specialists. Further, the attraction of allied health professionals is an ongoing issue.

_{There is a rise in mental health issues and we’ve had to deal with a number of cases and part of the problem has been that the personnel on the ground aren’t here. Like it’s really not easy to get help sometimes for someone in an isolated situation._ (Service provider)

As in Bourke, health service providers report that they are not yet seeing a rise in drought related conditions. They put this down to people’s lack of time, resources and energy to come to town and they anticipate a rise in demand once the drought breaks.

9.8 Support Services

There is no doubt that the Rural Financial Counselling Service and the drought support workers are viewed as integral to service support for people experiencing drought.

_{She’s a godsend._ (Farm woman of the Rural Counsellor)

_I’ve known [RC] for a long time. But you can come down here if you are a bit depressed, come down and have a couple of beers with [RC] and a yack. You always go home sort of sparked up again. And she’s good as a counsellor and a neighbour and everything else._ (Farm man)
Two drought support workers job share a position in the community and have been working since January 2003. They are providing help with form filling and applications for assistance, do home visits and help run the Farm Family Gatherings. It is feared in the community that the breaking of the drought will see the loss of these positions despite the felt need in the community to continue them through the immediate recovery period.

A great deal of support is offered through charitable organisations in the Condobolin Community. These organisations report difficulties attracting volunteers, burnout of existing volunteers and some volunteers wanting to be paid for their services.

*We need replacement [volunteers] because a lot of them should be clients themselves.* (Service provider)

Service providers report a rise in welfare dependency as the drought continues and an increase in poverty. St Vincent de Paul has provided food parcels to people affected by the drought. Providers also report some frustration with the aid provided from city communities. In one case this consisted of a truck load of potatoes and in another a load of bottled water. The logistics of distributing these types of commodities is difficult. There is a need for some communication to city donors to provide assistance that is readily managed. Country people are reluctant to provide this advice as they feel grateful for the acknowledgement that any assistance represents.

### 9.9 Isolation

While in most cases distances to town are not as great as in the Bourke community, most families report a reduction in community participation and a withdrawal from community and social activities.

*We don’t go out at all.* (Farm woman)

*[Husband] has pulled out of [rugby club] and you feel that you are going to lose contact with a lot of people.* (Farm woman)

*And there is that sort of withdrawal [by men] into themselves and away from their communities and families.* (Farm woman)

*I haven’t been to town for two months … because you spend money when you go.* (Farm woman)

Further, only one of the family members interviewed reported having had a holiday in the last couple of years.

### 9.10 Political Alienation and Mistrust

The prolonged drought, the problems associated with determining eligibility for benefits and increasing regulations have created significant levels of alienation and
mistrust within the community. This is particularly directed at politicians of all persuasions and farmers’ organisations. The following are a selection of quotes from respondents indicating their antagonism.

"My husband was president (of local farmers group) for three years and he just feels that with ... drought, [and other issues] they are just not doing enough so we’ve refused to [re]join. (Farm woman)

None of them really know. I mean if politicians were made to live out in the country for ten years maybe they might understand it. (Farm woman)

Most neighbours and people I associate with pulled out of [farmers organisation] long ago. It was another expense that they didn’t need to pay and it wasn’t giving them any return. (Farm man)

I’ve given [farmers' organisation] up - I reckon they haven’t done enough for us. (Farm man)

The view that many hold concerning the lack of action on the part of politicians and representative bodies increases the sense of alienation in the community and the concern about the rural / urban divide.

"You just feel like you are alienated and that no one really gives a damn. (Farm man)

"We’re forgotten. You can never see the benefits of the farming bodies back at the farm gate. (Farm woman)

"It doesn’t take much for a community to lose hope. In an EC area there’s a lot of pessimism and worry - a real fear for the future. (Farm woman)

9.11 Community

The impact of the drought on Condobolin and surrounding small towns is evident in the downturn in businesses, the loss of jobs and the impacts on the community’s ability to come together in voluntary activities. Several farm families have left the community over the past ten years and the loss of services and professional positions has had a significant impact on the community. For example, we were informed that the Department of Land and Water had shrunk from 23 full-time positions to 6. This has a flow-on effect on all aspects of community life.

"Committees in town are definitely suffering ... crying out for people to take positions on committees. (Farm woman)

"We just can’t get people together and we haven’t had a Landcare meeting for nearly two years. (Farm man)
Every family that you lose also means a less viable school, a less viable doctor, a less viable hospital and a spiralling loss of social capital. You shrink your social capital. (Service provider)

9.12 The Next Generation – Attracting Young People to Farming

Most families report that their children must educate themselves into other careers. The loss of the next generation of potential farmers is one significant consequence of this drought.

We can’t afford to have him[son] at home. (Farm woman)

I see a lot of young boys now that all they want to do is come back and go on the farm but their fathers are so disheartened and they are just saying ‘no I’m going to sell the whole farm’. (Service provider)

We have encouraged them not to come back on the farm but then we are sort of kicking ourselves now because we are really sick of it at the moment and want some of them to come back [and help with the work] (Farm woman)

I wouldn’t put it on the kids, no. They’ve seen the stress we’re going through. I don’t think they want to go through that. (Farm man)

9.13 Indigenous Community Members

Indigenous people make up 12.5 percent of the Condobolin community. Again a limitation of this research has been the limited access to Indigenous respondents. Service providers note the following issues impacting on the Indigenous community. Like Bourke residents Indigenous residents have been impacted by the drought in various ways. The loss of employment including casual farm work, and the loss of positions in the town have been critical issues for many families. Nonetheless Indigenous residents are a significant part of the local workforce, and like all residents of Condobolin, suffer from job insecurity and a loss of income generation in the agricultural industries.

9.14 Small Business Perspectives

In addition to the farming community 15 business people were interviewed from the Condobolin community as individuals and in groups. The issues that arose are discussed below.
9.14.1 Reliance on the farming community

The reliance of many small businesses on the farming community and the consequences of that reliance were noted by a number of businesses who are direct suppliers to the farming community:

Drought to a farmer is a creeping thing and you retain the optimism that the next change might bring rain but to a small business, particularly to the contractors who are the ones most directly involved with agriculture but not directly themselves their business can become non viable in three or four months of drought. Certainly for a long dry spell like we have had there is no chance that people with high machinery commitments can make enough money to meet those commitments. So the personal stress of a failing business shouldn’t be underestimated. (Business Person)

9.14.2 Downturn in Activity

Many businesses reported a downturn in their business activity although some suggested a recent “shop local” campaign had negated possible drought effects to some extent.

One person I spoke to quantified his turnover. He expects to be down two hundred thousand dollars on a turnover of about one or one point two million the previous year, so its approaching 20 percent. (Business person)

A marked downturn in activity of 60 – 75 percent was, however, reported for farm related businesses in the community:

We have a 75 percent downturn. Yeah we seem to be hanging on. A lot of that is chemical and there is not a great market for chemicals, so possibly we made that up with irrigation stuff and we might have just made enough to keep going. But our overdraft is right up to the limit and we were trying to get that down and we were succeeding, but now it’s back up to the top again.
(Business Person)

Farm contractors in the area are also severely affected:

They [farmers] are just not spending. I’m a small business the same as shop keepers. People aren’t spending money on things that they normally might have, previously you might have someone ask me to work a paddock, for no other reason other than they wanted to do something particular to it. Well the money is not there to do it, they don’t do it, simple, so the effect is noticeable.
(Farm contractor)

Our income was at 14 percent of what it normally was in that six month period. (Farm contractor)
9.14.3 Inventory holdings

Businesses, particularly farm related industries, reported carrying less volume of stock, and ordering only as required.

We are certainly not carrying as much as what we were carrying. We have a little bit of everything or you wouldn’t survive and that’s the way that we have tried to keep it. (Business Person)

One business also reported difficulties in accessing some stock lines due to widespread increase in demand:

Stuff has been hard, especially when you couldn’t buy poly-piping for two months. When it rained in February, you couldn’t buy Roundup for 6 to 8 weeks. That has been hard. When you could sell it, you haven’t been able to get hold of them, water tanks and troughs and things like that, because the whole of Australia was looking for it. (Business Person)

9.14.4 Diversification

Some businesses view diversification as the means of remaining viable:

We have been reasonably lucky, we are reasonably diverse, when the drought hit we sold a lot of poly-pipe fittings and things like tanks and that helped us get through it but our sales have been down. (Business Person)

We are diversifying because we cannot totally rely on the farming industry at the moment just to help pay the wages and keep the doors open… Diversification is what we are doing and it is basically helping us to become drought-proof. (Business person)

9.14.5 Debt levels

A number of businesses, particularly in farm related industries, reported significant trading on credit terms and increases in aged debt as a consequence of the drought.

Ninety percent of our business would be done on credit. The payback period? Thirty days is what we try to run by, but certainly with the drought we have been carrying quite a few. The longest outstanding debt? Of significance, probably up to 120 days, or something like that, but we have been pretty lucky like that too, we have a good clientele. We seem to be pretty fortunate. We seem to get paid on time, most of the time. (Business Person)

Almost all businesses are carrying more significant debt than they usually do including this one. (Business Person)

Debtors would be 20 percent higher than what they would normally be and essentially it is because people simply don’t have the funds to pay. The income
relief that they get puts groceries on their tables and not much more. (Business Person)

Some businesses are attempting to reduce the amount of debt carried by insisting on cash terms:

*I do know of one business with low profit sales and low item cost of sales that is trying to insist on cash. And they will probably get away with it because of the nature of what they sell, but most of the businesses that are long established who rely on the trade and custom of the farmers are prepared to carry the debt a bit longer than normal because they know as much as what we do about the farmers.* (Business Person)

Businesses are also confronting similar issues in their ability to pay accounts:

*Most people like to try and pay 30 days and we find that a lot of times we can’t pay within the 30 days. We quite often go on 30 – 60 days, and sometimes we won’t do anything until they actually ring. It’s the same thing with our debtors, it’s exactly the same thing.* (Business Person)

9.14.6 Retaining employment options in the community

Businesses reported concern at their ability to retain current staffing levels if the drought continued. The lack of employment opportunities and support for farm contractors was widely reported.

*Well I’m sitting in here on Centrelink payments, doing voluntary work for starters. Some of it’s from choice, because there is not much else to do, but then there are no jobs here either. Over the period that I have been suffering, I have applied for eight jobs in specific areas related to jobs in my abilities. All of them have said sorry because there was someone obviously ready to step in. Another one of the criteria has always been that piece of paper, that degree. At the agricultural end of the scale I would consider that a bloke with twenty years, thirty years of experience would have more knowledge and more in his head than someone who might have been to ag college for ten years.* (Farm contractor)

The potential loss of skills should people leave the community to seek employment was noted as a cause of concern.

*You have people leaving town … One guy that works here, he’s disturbed at the exodus of, what’s he call it, the ‘human resource’ from the town. If it continues at the rate at which it is happening the place will be left with nothing. I mean not that I am anything special, but I am 49 and there is 35 years of experience with a district and I have done lots of things. There is stuff that I know that no one else knows, and things that I can probably help out with even in such an entity as this, but I will be gone and there is probably a lot of people with that exclusive knowledge that are leaving.* (Farm contractor)
9.14.7 Financial Support

Of particular concern is the impact of current regulations on small businesses. The lack of options for financial support and the requirement that contractors must apply for Newstart has caused particular hardship.

Small businesses fall through the cracks. Various levels of government have determined that small business can receive assistance if they have lost more than 50% of their income. I had one in last week who said, ‘we have lost 42 percent so we don’t qualify for that sort of help.’ ... Small business have to go on to Newstart. So I’ve got 50-year-old contractors having to sit in classes with 18-year-olds learning how to fill out a resume and go for a job interview because they have to meet the obligations of Centrelink. And it’s just bizarre. And it makes them really angry and it makes them feel demeaned. They are not unemployed. They are just underemployed and don’t have enough money to live on. ... It’s really, really stupid and they are really hurting. (Service provider)

9.14.8 Government support

Low interest loans was one suggestion for immediate and ongoing assistance for particularly the farm contractors in drought affected communities:

I think a major call by a lot of the farmers and a lot of people like myself, was for strategies [to be] implemented in a disaster situation. A natural disaster I think it’s called, where they have low interest loans. Now they are big on grants when there is a flood or a train crash or whatever else happens, but if you turn around and give someone say like myself, in the situation like I am in, a low interest loan for $60,000 for instance, I wouldn’t be sitting here. You would turn around and you would be doing something about bettering the situation that you are in, because mainly you can make things happen with money. When I say low interest loans, something like 2 percent for the first two years and repayable over 10 years or something. You know its not going to kill you, but it’s giving you the opportunity to do something. There would be criteria, you would have to be viable, relative to your past performance, but obviously not relative to a drought performance. (Farm contractor)
10. Findings - Deniliquin

10.1 Background

In the Deniliquin area twenty members of farm families, ten women and ten men, were interviewed about the impacts of the drought as were nine service providers and seven additional key informants. In relation to the farm families represented the following statistics apply.

- Thirty-eight percent are from dairy farms, 50 percent from irrigated crops and livestock and the remainder from dryland farms.
- Nearly 90 percent of these farms are held in joint ownership by a married couple, the remainder are in intergenerational partnership arrangements.
- Two-thirds of the farms represented in this sample have no hired labour, and of the remaining third all but two are dairy farms with significant labour demands.
- In over 80 percent of cases the female partner puts in a significant amount of work on-farm.
- Additionally, in one-third of cases the female partner is also working off the farm to gain income. Rarely are these positions full-time. They are more likely to be casual, insecure positions. In an additional two cases women have withdrawn from their off-farm work commitments to assist with the significantly increased workload on-farm.
- Men who may work off-farm in good times note that their contract work or shearing work has dried up.
- Half of the farms represented in this sample have dependent children.
- Over forty-five percent have access to Exceptional Circumstances payments, a third to Interim Drought Support and the remainder to no payment, often because of the female partner’s off-farm work.
- Only one respondent felt that their political representation was effective, with many of the remainder extremely angry at how poorly their issues had been represented. It was not uncommon for respondents to state they felt ‘forgotten’.
- Only three respondents had taken a holiday in the last two years, one taken away by relatives and the other two going away for three days.

There is no doubt that, as a group, these representatives were the most stressed of the three farm family sample groups. It was not unusual for both men and women to break down in interview. The reasons for this are evident in the extra stress of water politics on top of a one in one hundred year drought. The result of these extra pressures has created a community in crisis.
Additionally, thirteen service providers and key informants in the community were also interviewed. Noteworthy in this community by comparison with the other two is the small number of Indigenous community members.

10.2 Community Divisions

10.2.1 Type of farm

It is important to understand the divisions within the community to fully appreciate the tensions created. This is a diverse community with several different types of farming and land variations. The significantly different groups include the dairy farmers, already recovering from a major deregulation of their industry, the irrigators most notably growing rice and irrigated crops and pastures, and the livestock and dryland farms, some of whom carry irrigated pastures.

10.2.2 Eligibility for EC

Of particular note is that in this area EC declarations were done by industry. Thus the dairy farmers were declared fully EC while the irrigators were given an Interim Drought declaration in December 2002. The differences had created some tensions in the community.

It’s pitted farmer against farmer around here because the dairy farmers have been given the EC and the rest of us haven’t. There’s a lot of blokes rubbing the dairy farmers’ noses in it. (Farm man)

There’s a lot of resentment around here because the dairy farmers have got it, the non-irrigators have got it, the irrigators can’t have it ... there’s quite a bit of ill-feeling. (Farm woman)

The graziers hate the dairy farmers because we’ve got EC and they haven’t. We’re finding that uncomfortable in our community because decent friendships have been broken up over it. ... Some of them won’t even wave at you. (Farm woman)

I’ve spoken to farmers who are really desperate ... now the problem is the ones who are really desperate can’t really access as much as the ones in the EC area. (Service provider)

One of the stresses apparent between groups when the interviews were conducted in May 2003 was the fast approaching date when Interim payments were to finish (June 8). Subsequently the date has been extended until December.

10.2.3 Drought impact by industry

Another division within the community relates to the variable impact of the drought by industry. There is no doubt that the dairy farmers had been immediately and
harshly impacted. Because of the nature of the industry they needed to continue to buy water for pasture to keep cows in production. Many were also buying feed at inflated prices. In many cases dairy farmers had very quickly got into serious debt. Rice farmers were struggling under reduced water allocations that had left them with little crop to harvest in the 2002-3 season. Rice payments were slowly cutting out and farmers were awaiting news of water allocations to determine their forward planning. It was evident that these irrigators were going into their worst period and that conditions were likely to deteriorate. Many felt that ‘the worst is yet to come’.

(Service provider)

Farmers who produce livestock and alternative crops and rely on small water allocations for pasture growth were adopting various strategies such as selling all stock or cutting down to bare minimums.

10.2.4 Water allocations

A further division is created in the community through the process of water management. Some irrigators belong to Murray Irrigation, a recently privatised body, while others belong to the Murray group. MI irrigators had been allocated eight percent of water in the 2002-3 season and Murray irrigators ten percent. The privatisation of Murray Irrigation has created debate in the community.

*It was better a government concern than privatising.* (Farm man)

*I don’t think they’re representing us at all … They’re supposed to represent irrigators. … we’ve still got to pay our water account and it’s really wrong.* (Farm woman)

However not all are antagonistic.

*I think overall it has offered us a better service … they’ve really tightened their belts. They’re much more efficient in the way they manage their labour.* (Farm man)

The way farmers manage their water also differs between units with some irrigators having high security licences which give them greater access to available water. Individual farm units can also opt to carry water forward using their allocations like a bank. Thus the management of water creates significant differences in management processes.

What is not readily understood in the wider community, however, is that irrigators must pay fifty percent of their water bill regardless of the ultimate allocation of water they receive. Thus those receiving only eight percent allocation nevertheless paid fifty percent costs before drawing their water. This money goes to pay the management body and is seen within the community as a significant impost. Further, this is compounded by the fact that water allocations were recently capped at 1996 levels. Thus despite their licence irrigators received an immediate seventeen percent cut in their allocations without any compensation.
All our farms are bought and purchased on the idea that our water is our main asset on our farms. That’s what the banks took into account when we borrowed money. So now they have taken eighteen percent off us and ... no compensation at all. And now they are talking about taking more. I don’t think they realise what they are doing! Like our farms are going to be worth nothing! They are taking our asset, our equity and we are not getting anything! (Farm woman)

Just the impact of no water ... it was out of our control – that’s the biggest impact and the implication of no rice income on our business is just astounding. (Farm woman)

There is concern that ‘we hold a licence to water but at the end of the day the licence is just a piece of paper because they can chop bits off the allocation, allocate it to the environment and we get no recompense’. (Service provider)

10.2.5 Politics of water

Another division worthy of attention is the politics inherent in water management and environmental concerns in the wider community. The Living Murray project is currently in its consultation stage. This project is designed to return more water to the Murray River and is being conducted during a period of drought perceived by many as insensitive timing.

We’ve got the Living Murray process, so that requires a day off work to go and make a representation to the community meetings. I’ve been involved in the groundwater issue and had a day off to go and address those meetings ... my husband sits on a Flood Plains committee, that’s a huge amount of work ... legal costs and consultant costs ... the social costs of policy are totally underestimated and I can see a day not too far down the track where there are farmers that are going to snap and they cannot be held responsible for their actions ... there’s resentment, there’s anger, there’s frustration and there’s an absolute commitment not to do anything now because of the way that it’s been handled. (Farm woman)

For those with water licences required to pay for water they are not receiving, the injustice is keenly felt. There is acute uncertainty amongst irrigators about allocations for 2003-4. These allocations are announced in August giving little time for making decisions about rice plantations in October.

It’s like a person on a wage and the car breaks down today and the debt collectors take the furniture tomorrow and the kids all get the flu the next day and you’ve still got to turn up to work each day and then the boss tells you that he’s not going to pay you for twelve months but you’ve got to keep working anyway. It’s sort of a bit like that scenario. It’s just chaotic out of control stuff going on all the time. (Farm man)

Eight percent water [allocation] it’s the equivalent of somebody cutting their veins and just watching themselves bleed to death. (Farm man)
What is clear however is that the politics of water has made water a much more valuable commodity than land in this area.

You take the irrigation water off this place and it goes back to one sheep to two acres. (Farm man)

Finally it is worth noting, as many irrigators do, that Victoria and NSW have dealt with their irrigators differently during the current drought. Deniliquin is located near the border and is much closer to Melbourne than Sydney. The perception among some NSW irrigators is that Victorian drought strategies were more quickly implemented.

The one thing Steve Bracks did was he got up really really quickly and offered everyone something. That was really really good because it helped people make those decisions early in the piece. ... If you’d had those facilities available to you earlier it would have helped. ... If they’d responded just a little bit quicker it probably would have saved a whole lot of heartache and people would have made better decisions. ... the government handling of the whole water thing was reasonably poor. (Service provider)

The following issues arose during interviews with this group.

10.3 Getting EC

There is no doubt amongst this group of farm families and service providers that the process of getting an EC declaration is complex and time consuming, requiring a great deal of paperwork. The impact of this process on the families involved and the service providers, most notably the Rural Counsellors, is evident.

I’m fed up and sick to the eyeballs of [sic] bloody documentation. (Farm man)

There need to be better systems in place for these applications for the EC to get under way quicker. Farmers got involved in the process and it took weeks and weeks of their time ... it seems to be the better your EC proposal the more likely you’re going to get the money ... why hasn’t X been drought declared when they are just as dry as everybody else? Is it because the people who put in the EC application didn’t do a good enough job? Part of the problem is they actually rely on the farmers to put in their time ... so the areas where you don’t have that political type farmer it just doesn’t happen and that’s unfair. ... It’s all about politics and not what’s actually going on. (Service provider)

Some had chosen to ignore the process because of it’s complexity.

Now for EC the forms come out but I haven’t filled them in simply because it’s beyond me to do it and I haven’t got the time anyway. (Farm man)

Additionally at the time interviews took place the looming June 2003 cut off of Interim Drought Support payments was of major concern to service providers. This was subsequently extended to December 2003.
10.4 Loss of Income, High Costs

The levels of debt for farm families are escalating. The highest debt carrying group appears to be the dairy farmers who continued to buy water and feed. The escalating cost of water has seen many farmers push their debts significantly. It was not unusual for dairy farmers to admit to debts of up to $200,000 for the past twelve months despite increasing production. Costs have been incurred in all farm groups through water uncertainty, feed and transport costs and a serious downturn in production. The almost total loss of the last rice crop had seriously affected the ability of irrigators to be able to plan their futures.

*I can still see a future if we’re allowed to have a go.* (Farm man)

*The drought has put us into a little cubicle where we just can’t move away from it. I think the biggest thing is [husband] lost all hope all desire for the future.*

(Farm woman)

Various strategies have been adopted by families in order to refinance their operations. These include extension of overdrafts, pushing credit cards to their limits and taking out additional loans and eroding their equity.

10.5 Retirement Plans on Hold

The sharp increase in debt for many farmers in their fifties and sixties has meant that their future retirement plans have been put on hold indefinitely and has had a significant consequence on succession planning.

*Last May I said to my wife we’ll be debt free in three years. We can work another two years and then put money away and in two years retire to either a bed and breakfast or a motel or something and we’re not going to be tied down like milking cows seven days a week .... We were doing well. ... Like one minute you’re in front and the next minute you’re gone.* (Farm man)

*Bash your head against a brick wall and lose money and see all my superannuation go dry – my superannuation is my farm. We did hope we could retire ... but it’s looking less and less likely.* (Farm man)

*People getting closer to retirement age – it’s been a real downer for them because they had their plans in place to retire at a point and they simply cannot do that now. They’ve got to postpone retirement.* (Service provider)
10.6 Environmental Consequences

The consequences of such a severe drought on the environment are evident even in the irrigation areas. Loss of allocations has had serious impacts on the landscape and the major dust storms coming through the area have added to the stress on families.

*Farms look like brown concrete, cows just wandering around.* (Farm man)

*I get asthma and I started to get very tight in the chest and I looked up at the lights and it was just like smoke haze. And as we walked down to the back of the house, you couldn’t even walk in the kitchen. The dust was so bad. And the floors - you couldn’t see the tiles on the floor for dirt. I’ve never experienced anything like it. I got a bucket full of dirt out of the kitchen. It was just unbelievable.* (Farm woman)

In addition a few respondents noted that the environmental legislation emanating from a world away in Sydney or Canberra has caused additional stresses.

*Like the environmental stuff I wouldn’t have a clue. Like I’m probably breaking the law every day because you are not aware of what’s going on. You get reports and things and you don’t have time to read them. You haven’t got a clue ... If you try to keep up with it all you’d go mental.* (Farm man)

10.7 Workload Issues

10.7.1 On-farm work

The consequences of the drought had impacted in various ways on workloads. Those in dairies reported increased workloads often as a result of the laying off of staff and the necessity of drawing in various members of the family.

*Anyone that wasn’t related to the landowner, well they were got rid of a long time ago.* (Farm man)

Workloads in other industries varied depending on whether livestock were being retained and hand fed. In almost all cases farm family members reported a reduction in maintenance tasks. It was evident that the expectations on women had significantly increased.

*It’s changed the work on the farm in a huge way. My wife’s had to come into play in a big way. She’s always been a lot of help, don’t get me wrong.* (Farm man)

For women the additional responsibility of farm financial management is also a significant part of their workload. With the additional requirements of BAS and other compliance requirements, together with the paperwork expected for drought relief, this has added to (usually) women’s workloads.
Two very clear roles have emerged, a financial control role that in a lot of cases the woman’s taken on and a production role. And the husband has happily relinquished all that responsibility … and he’s offloaded all that pressure. … In the financial management role there is a responsibility to be compliant in a legal sense. That in itself is a huge responsibility. (Service provider)

Some women reported that they had had to give up their off-farm work to deal with the increased expectations.

I can’t afford to work in town because I can’t keep up with the rest of it. (Farm woman)

10.7.2 Off-farm work

Women are more likely to be the sole source of off-farm work during the drought. Often contract work with machinery and livestock has dried up as farms reduce their spending on labour. As a result it is often the income sourced by women that keeps the family going. Finding and keeping work in a small community where jobs are being shed is not easy.

I probably get eight shifts in a fortnight. But then I’ve also got another part-time casual job for five hours a fortnight and I’m on call. I’m sort of juggling two jobs and the farm. … I’m wearing the car out … It’s probably costing us money but we need the cash flow that’s the problem. (Farm woman)

Even after the drought’s finished I am now looking at working probably forever. (Farm woman)

She’s 58, her back’s not that flash. She’s been wanting to knock off work for a few years but financially I don’t see how it’s possible. (Farm man)

10.8 Impacts on Health

It is not surprising that this group reported the most serious health consequences. Significant health issues include the lack of obstetrics services in surrounding communities putting pressure on Deniliquin services. Hospital service providers report an increase in people coming forward with depressive and stress-related illnesses and farm injuries as well as a shortage of nurses and allied health professionals. The ability to refer on to specialists is also constrained by people's lack of access to funds to make visits to cities for services. Additionally the consequences of the drought for mental health are evident. Yet mental health workers and social workers in the community are stretched to the limit, sometimes with the task of helping people fill out the complex drought forms. Additionally service provision is made more complex by the fact that several service workers are also farm partners. For them to keep working they must forgo access to EC payments. Managers report the need to counsel staff around this issue. As well the lack of child care for shift workers makes the provision of health care in a small community a difficult task.
Scarce community money is also being spent attracting doctors causing some resentment among doctors already working in the community. Doctors are reporting the need to spend more time counselling because of a lack of allied health professionals including social workers and mental health workers.

As in other communities it is evident that women monitor their husbands’ health and act as the sheet anchor for the family. In such stressful circumstances, however, and with multiple pressures on their own health, the impacts on people's mental health and wellbeing appear significant. Men on the other hand are more inclined to try and hide their feelings - to be stoic.

10.8.1 Men

_I was diagnosed with cancer in December … Wife has a mitral valve [condition] so we don’t need the stress._ (Farm man)

_[Husband] had a nervous breakdown last year. ... Unless I give him a big push every morning he just seems to stay inside and wait for me to come home._ (Farm woman)

_He’s busier, there’s more to do and ... sleep is a bit of an issue. ... He tends to keep things to himself so I’ve got to do a bit more digging to actually get him to talk about it._ (Farm woman)

_I was suicidal in January and February. Emotionally the worst period of my life. ... I feel very isolated. ... I’m running out of resilience to keep taking the blows and keep moving on. ... I carry the hurt inside._ (Farm man)

_I find I’ve got to keep going because [husband] falls into holes._ (Farm woman)

_I'm taking about seven [tablets] - and that is a stress ... to help us sleep and keep us thinking properly._ (Farm man)

_I'm under stress but I try not to show it._ (Farm man)

_He's aged dramatically in the last 12 months. He's drinking more. He's quite depressed at times. I tend to find that I have to arrive home and see what sort of day he's had or how things are going before I react._ (Farm woman)

_My husband has gone on to blood pressure tablets because of the strain and very depressed. I'll see him standing there looking out._ (Farm woman)

_Its just enormous stress. ... they've got to spend a lot of time trying to sort problems out ... the workload has increased immensely because a lot have put off workers ... they just need a good holiday. They're working too hard and not getting a break. Stressed, disappointed and ready to throw in the towel ... Pretty desperate in some cases. ... the 55 or 60-year-old mother is back in the dairy working ... she's unhappy, dad's unhappy._ (Service provider)
10.8.2 Women

My wife’s stressed out to the fairies ... and I asked [Rural Counsellor] could she send somebody out to see her. (Farm man)

When things are really bad they [women] don’t want to come into town. Someone might ask them how they are and they might cry. (Service provider)

For as long as women cope the men will get by. (Service provider)

I [have cancer]. I was bald as a badger and not even standing up. ... I’m worried about the impact on my health ... You’ve got to do your best and get up and do it every single day. ... I’d go to Melbourne most of the time by myself. He didn’t ever talk about it. He didn’t want to know about it. ... I came home twice in the six weeks [radiation treatment] to do the BAS statements. ... I tried to get some home help but I lived too far out of town. ... the only thing it does restrict me with is shearing when I throw the fleece ... But I had to go back to [off-farm] work. (Farm woman)

I’d like to bloody well just walk out of here, get in my car and just go North and leave the whole lot of it behind. It’s all so hard but I can’t do that. I’m very responsible. I’m responsible to my husband. I’m responsible to a farm. I’m responsible to myself and I’m responsible to my family. Personally I would have liked to just pack up this year and go work on a big cattle station and do something absolutely totally different. But now I’m locked into this. (Farm woman)

Oh apart from being a little bit concerned and a little bit more worried than usual, my concern has been for my better half. She’s been becoming a bit of a nervous wreck. Well she knows the books. ... She doesn’t sleep. ... A fair bit of crying. ... when she’s crying I try to bite my tongue. Yeah, swallow the lump or two in my throat, just to really try and support her. But yeah I still get teary about it. ... She’s been fantastic – like I think other women probably would have broken more. (Farm man)

I wake up early and lie there and drive myself crazy thinking about all the things that could go wrong. (Farm woman)

I’m fifty and I feel like I’m being dragged into being old. ... I have nobody to talk to and I don’t want anyone around here knowing my business so I keep it to myself. (Farm woman)

She’s gone and hurt her back real bad ... dug out a drain ... she gets very bad palpitations ... she gets very emotionally upset. (Farm man)

I have an anxiety disorder I’m on [medication] to try and keep the panic attacks down. ... The other night I woke in the middle of the night. I was concerned about [husband] and like our next $10 000 water bill had come in and how were we going to afford to pay that? And I went outside and sat on the verandah and started crying and rang Mum and said, ‘I need you here’. (Farm woman)
10.9 Children

The impacts on children are significant. Service providers report children wanting to go to school because school is 'heaps better' than being at home with stressed parents. Additionally providers report that children are acting out at school and that anger management courses have had to be developed in primary schools. The loss of jobs in the community has led to a drop in numbers at the high school over the 12 month period.

*She [daughter] has panic attacks. ... she can't, doesn't leave the property. She stays at home.* (Farm man)

*The kids are very happy to go to school because it gets them out of the unpleasant environment at home.* (Service provider)

*In the last 12 months my role has changed from seventy-five percent administration to probably seventy-five percent welfare. ... parents can't afford to pay school fees ... we've got children that have stayed at home because parents haven't got money to give them food.* (Primary school principal)

*The children will say, 'Oh no, I won't go on the excursion,' without actually discussing it with their parents. They take on that responsibility of deciding whether money will be spent on them or not.* (Primary school principal)

*My older child (10) he's a very sensitive kid and we actually sat down and had a chat with him and said there was just no money and that he couldn't have things like toys or spending money for the week and that there was no more lunch orders and no more takeaway on Friday night. ... he hasn't asked for one thing in the last three months - not even a dollar for the canteen.* (Farm woman)

10.10 Educational Access

There are no reports of children actually missing out on education up to high school levels. Deniliquin has a high school with an enrolment of approximately 620 in 2003 although this has dropped to around 600 as workers have left the town taking their families with them. Further, over the last few years the decline in the number of apprenticeships, has had a major impact on young people who would normally leave at Year 10. These young people are now attempting Years 11 and 12 or have left school and are unemployed.

The consequences on young people away accessing tertiary education mirrors those in the other areas surveyed. Parents are having major difficulties supporting the additional expense.

*We are not letting on to her. We keep it from her because she only worries. But it is very difficult. But we'll keep her there whatever we have to do. We'll do*
something. She'll stay and she'll finish what's she's doing. But it is very hard.
(Farm woman)

10.11 Access to Services

Service access is of concern in the community. By far the most popular counselling service for farm families is the Rural Financial Counsellor. The service in Deniliquin has had a massive increase in demand. A normal 3 month period for the full-time worker would include 35 clients. The 3 month period prior to our visit she had seen 135 people. The demand was high and the pressure had been intense. Her farewell occurred during our visit. There is no doubt that the Rural Counselling Service is valuable. However, it needs further resourcing to cope with the demands and there is a need for additional supports for the workers.

Oh that place down there [rural counselling service] is just wonderful. They don't get paid enough. I don't know what they get paid but they don't get paid enough. (Farm woman)

The staff themselves are feeling a lot of pressure. There's no counselling for the counsellors which is a problem because they are at the coalface dealing with people that have got huge issues. (Service provider)

We’ve been under her wing since the drought hit. We’ve been relying on [Rural Counsellor]. She’s got us on her books and she’s been very good. (Farm man)

10.12 Seeking Help

One of the big issues facing some service providers is the stigma attached to their service by some potential service users. This may explain some of the overload on the Rural Counselling service. However the escalating poverty associated with the multiple pressures on farm families and their increasing debt has led to a significant drain on the charities such as St Vincent de Paul and the Salvation Army.

We’ve gone to Salvation Army and had the phone bill and the power bill paid and our Rural Counsellor got a couple of thousand dollars from DOCS … Red Cross sent us a thousand … St Vinnies paid the rates … my wife won’t go back to them no more because she feels humiliated. (Farm man)

We have exhausted every cent that we had. We are relying entirely on St Vincent de Paul to get us through. (Farm man)

Vinnies and the Salvos are really getting under siege from people requiring stuff. (Service provider)
10.13 Alienation and Mistrust

As with other communities surveyed, the feelings of alienation are marked in this community. However, it is clear that the additional pressure of the water dispute has led to intense anger and despair with the State and Federal governments.

There’s a fair bit of anger but there’s panic as well. ... Panic sort of struck a bit probably about August / September and November / December [2002] was just total absolute mayhem. ... and now people are just stressed to the max. (Service provider)

There’s nobody banging a drum [for us]. (Farm woman)

Water is a big issue at the present time. But I still don’t think that politicians have the right to take things that aren’t theirs, particularly when it [results in] financial hardship for people .... It’s totally wrong, there should be some form of compensation. (Farm woman)

We’re a forgotten area because Deniliquin is the furthest point away from Sydney. (Farm man)

Likewise anger is directed at farmer organisations for their perceived lack of impact on the water debate.

I actually didn’t pay my [farmer organisation] membership because they dealt more for up north ... If [farmer organisation] were fair dinkum then they should have done something about getting us water here and changing policies or whatever. (Farm man)

10.14 Social Isolation

As in other communities farm family members report that they have cut back on social interactions largely because of overwork, tiredness, lack of money and not wanting to see people.

After a while you lose conversation. (Farm man)

A lot of people probably quieten down because they haven’t got the energy. They’ve got these big things that they’re worrying about. ... the future just can’t go on like this. (Farm man)

We have no social life. We can’t walk into a shop ... we don't have fun like we used to ... we can’t afford to go anywhere, we can't afford to go to the movies, we just can’t afford to do anything. Everything is too dear. (Farm woman)
10.15 Impact on the Community

The community has been significantly impacted not only by the drought but also the politics of water. The divisions in the community between farmers masks greater divisions between farm and town and between workers and employers. The consequences of the lost rice production resulted in the loss of 40-50 jobs in the Rice Mill. The consequences for these families included the need to find income with the potential need to relocate and flow on impacts on schools and other services. Small businesses had reportedly cut back on staff, reduced or done away with casual positions and, as in the case of Murray Irrigation, cut back on staff hours. In recent times the community has also lost a number of government jobs in Telstra services, the Water Board and power. Banks had scaled back services and some businesses had closed down altogether. Nonetheless the Deniliquin shopping area contains a variety of small businesses and shops.

10.16 Rural/Urban Divide

It is worth noting that people in this area feel let down, and feel outside the environmental debate. Some also express a view of a rural / urban divide based on ideological, political, economic and social divisions.

*It’s time Australia started to value its rural communities a bit more. ... They wouldn’t like it if we all went and parked around the coast. The consequence would be appalling. [Yet] They cheerfully advocate deserting the farmland further west.* (Farm woman)

*Rural Australia is working in poverty to provide cheap feed for the rest of the world.* (Farm man)

There are major issues within this community and the concerns of the residents are genuinely felt. Attention to these issues is urgent.

10.17 Small Business Impacts

In addition to the farming community, 20 business people were interviewed as individuals or in groups. The issues that arose are discussed below:

10.17.1 Reliance on farming community

The reliance of small business on the farming community has increased over time with the downsizing and removal of Government services.

*We need for our regional communities, particularly in towns the size of this one, to be able to sustain a reasonable level of unrelated activity so that when you do get an inevitable downturn, there’s still enough core wage earners to be able to keep going.* (Business Person)
The reliance on local agricultural industry in the Deniliquin community was marked. The rice industry and the rice mill have just grown to be such an important and central, pivotal part of the town, you know, like at one stage I had five people working for me, five girls and even, you know, all of them, either their partner, their husband or their father was out at the rice mill. And, you know, we’re now starting to get to the stage unfortunately where we bloody live or die by the fortunes of the rice industry.  (Business Person)

Farmers in the Deniliquin area, after a bumper season, have previously invested in the property market in the town through purchase of a unit, a house or even a small shop. According to local businessmen, a number of farmers have sold these properties in the last 12 – 18 months. This has impacted on the availability of accommodation and has increased rental prices in the community.

10.17.2 Activity downturn

Although most businesses reported a downturn in business, the extent of the downturn varied from 10 – 80 percent depending on the nature of the business. The recent final rice payment was thought to have contributed to lesser impacts in some businesses in the community. The most significant reduction was in the area of farm machinery sales and the agricultural activities of farm contractors. Some reported that their businesses were still performing at a reasonable level.

*Turnover down 9 percent for the financial year which is not bad. It wasn’t quite as bad as it could have been. But our customer numbers are down a bit more. Up to Christmas they were down about ten percent. Since Christmas our customer numbers are probably down about 12½ to 15 percent. So I just get the feeling it’s sort of getting a bit worse, but it means that the average spent is actually increasing.* (Business Person)

At Christmas time we noticed that there were more lay-bys on the shelves than there have been, because the trend has been put it on the plastic at the last minute. You know, come in the day before Christmas and just buy it, put it on the plastic. Traditionally, twenty years ago, lay-bys were a good indication of what sort of a Christmas you were going to have. This year there were quite a few lay-bys’. We thought “Oh yeah, could be OK” because things were starting to look pretty bad mid-November. But after Christmas there were a lot of those lay-bys still there. So people just didn’t pick it up for Christmas. Theoretically you can just take their money or, you know, deduct the deposit and put it out in stock, but I mean we basically carry it, leave it there because they might come and, you know, keep paying it off. *(Business Person)*

*In the drought, we’ve noticed the calls dropped off. You would get, you know, thirty calls on a Monday morning and that’s dropped off. And it relates too to the farmers. In a bad time, the farmer wants to do everything himself. He’ll even try to do everything. So I’m doing a lot of diagnosing over the phone, trying to help them out. I spend a bit of time lately doing that.* *(Service technician)*
There are contractors, particularly in areas like lasering and grading, who have downsized dramatically because there’s little or no work. (Business Person)

10.17.3 Inventory levels

Some businesses reported running down stocks by up to twenty percent and not replacing items unless they were basically guaranteed sales items. Other businesses supplying agricultural requirements reported carrying just as much if not more stock to facilitate whatever activity might be possible for the farming community.

10.17.4 Debt levels

A number of businesses were reported as changing from credit terms to requiring up-front payment.

I had a talk to a business the other day who has always carried a fair amount of credit and he’s now saying ‘I won’t touch anything, I won’t do anything unless I have the money for the product or at least the labour content, up front’. (Business Person)

Increases in the number of aged debtors, particularly ninety day accounts, were noted.

There’s a few on a hundred and twenty days. I got caught with, which is probably a sign of the times I suppose, I got caught with about four big jobs in the last six months that are in the hands of the debt collectors and I’ve got no hope of getting them. The debt collector takes a percentage off the top, so there goes your cream so you’re better off; there’s some ways of getting it back which are not real legal but we do tend to get most of it back. (Service technician)

10.17.5 Employment

A range of employment issues were raised in the community. Employment agencies reported significant decreases in the positions available, both permanent and casual. Vacancy activity was reported as the slowest for five years.

Of particular concern was the loss of skills from the community. It was suggested that rain would result in an immediate need for casual workers. The exodus of potential employees may result in staff shortages in some areas particularly trade-based positions.

One business at the beginning of the year had thirteen people on the staff, now they are down to two. A lot of those people have gone or will go from the area because they won’t be able to get employment. (Business Person)

One businessman noted a direct impact of Rice Mill redundancies on his business.
Redundancies from the Rice Mill included half a dozen electricians and they’ve all decided to go out in opposition, in competition. Eventually they might get a job back with the Rice Mill because most of them will be/some will be re-employed I suppose. (Service technician)

Some employers are varying their normal work practices to ensure work distribution and the retention of skilled staff:

This shearing contractor, he’s got thirty blokes and I said ‘How’s it going, are the boys quiet?’ He said ‘Yeah’. He said ‘It’s the right thing to do for the families’ but he said ‘It’s the wrong thing to do for my business’. He said ‘But everyone out of the thirty blokes, the different crews,’ he said he gives them a week, he said he’s got enough work to keep one or two crews going. And he gives them a week, ‘This week it’s your crew’s turn to go, next week it’s your turn to go’ and week after it’s your rotate. He said ‘Provided someone, one other person in the family, in the household has got a job for a week’ he said he can keep his teams.

When the job turns around you want those people still there, you don’t want them to have left town or left the industry or whatever. (Business Person)

10.17.6 Community impact

Concern was expressed at the potential losses to the community which could flow when people left the community to seek employment elsewhere.

A lot of people will leave and they’ll go somewhere else and those skills won’t be here. You see it in other people that have downsized – welders that have moved on. Those people are going and will not come back. So when things improve, and you want to get a welder or an electrician you’re going to have to bring them from outside. (Business Person)

I suppose it’s the worry of the impact is, if something goes, it’s probably not going to be replaced when it comes good. And another point is that the drought and what’s happened is really, really bad advertising for the country way of life. (Business Person)
11. Discussion

This research alerts to the significant social issues affecting farm families, small businesses and rural communities. However it is important to assess whether these social impacts are related to ongoing structural adjustment or are drought induced.

While low or static growth has been a feature of the three areas, and the populations are aging, the ability to separate out drought impacts is difficult. However it is clear that in all areas the drought has had major social impacts on the health and well being of community members and their towns and in some cases exacerbated already established trends. The loss of population for example has accelerated during the drought most evident in the drop in the numbers of children at the schools and the out-migration of workers who have lost their jobs as a result of drought. Population drift is also influenced by involuntary separations within families as one or more members move, seeking work elsewhere.

The loss of young people is a well-established pre-drought trend in rural communities. However the data presented here suggests that families are encouraging their young people interested in farming to stay away and train for careers elsewhere. The loss of income as a result of drought and subsequent loss of equity in many farm businesses has made many families determine that passing on the farm is not an option. In fact the retirement of the older generation may also be stalled as increased debt burdens make it difficult to pass on the farm or to retire. Young people are also staying away because of the loss of employment in town.

The economic strain on farm and town businesses is evident in all areas and is particularly pronounced in the irrigation areas as a result of the added complication of low water allocations. A very few farms have managed to avoid debt by selling off stock, reducing feed and water costs and letting go any hired staff. However most of the farm families represented in this study had spent large sums on feed and water for livestock. This debt together with low returns has resulted in very low or negative incomes for most farmers and reduced equity. The breaking of the drought will not see this escalating debt crisis solved in the short-term. Small businesses in all areas reported similar issues with outstanding client debt loads and reduced turnover.

One result is the reduction in hired staff, a reluctance to employ casuals and a greater work burden being taken on by family members on farms and in small businesses. This loss of employment flows on to the community where those laid off are forced to seek work elsewhere often having to leave the community. Employers note that they have tried very hard to keep on their skilled labour fearing that if they leave the community it may be very difficult to attract skilled staff after the drought. Additionally many Indigenous residents and young people (school students or university attendees returning home for summer) seeking casual labour as a much
needed income supplement are remaining unemployed or finding casual work elsewhere. This impacts on the community in quite fundamental ways as these people may never return.

The ‘busyness’ and tiredness of many community members was evident to the research team. There is no doubt that farm family members, small business operators and service providers are juggling heavier workloads and multiple expectations as a direct result of the drought. The need to source income, to keep stock alive, to maintain the business, and, for service providers, to meet the demands on the service, are evident.

One result of this in all communities surveyed is a reduction in community participation and voluntary activities. Respondents spoke of giving up their sport, not doing their normal voluntary day at the school, neglecting their hobbies and crafts, reducing their trips to town and not taking holidays. This is directly related to drought and has resulted in a higher degree of social isolation particularly for farm family members.

Social capital is described as networks of trust, reciprocity, social norms and proactivity that create the glue that holds a community together (Bullen and Onyx 1998; Falk and Kilpatrick, 1999). What is evident in this study is that social capital in rural communities, the horizontal capital at community level, is in danger of being seriously eroded. This is evident in the declining number of volunteers able to participate in community organisations and in reduced access to services and community. It has also noticeably impacted on the level of social capital within communities as community networks become more fragile. Several committees such as Landcare groups have not met for some time. Others are struggling to maintain numbers and activities. Charitable organisations strained as a result of increased demand consequent on drought also note the difficulty attracting volunteers. People report being too busy to give voluntary time and the cost associated in relation to fuel and wear and tear on the car is also cited.

Stehlik (forthcoming) notes that resiliency at the individual, partnership, family and community levels are keys to managing the drought crisis and planning the future. Stehlik notes also that resiliency in personal lives, partnerships and in the social solidarity of communities can maintain cohesion during times of extreme stress. She argues that resiliency is more than social capital as it ‘acknowledges that there is ambivalence about this cohesion, that it may not be successful in every situation, but that in its very ambivalence it accepts all members of the community, even those who perhaps do not have an overt productive contribution.’ Therefore, she argues that enabling rather than diminishing resiliency should be one of the key platforms of policies relating to self-reliance and sustainability.

Most people are coping. We are no strangers to drought, most of the people have been through more than one or two droughts before, and most of them manage the situations and themselves quite well. Having said that, they get moody and they snap at each other, and they sometimes might sort of be a bit harder to get on with. (Business Person, Bourke)
Social Impacts of Drought

Rural communities are noted for their resilience. This research suggests that individual and community resilience has been sorely tested by the drought and also by the policy parameters that shape drought response. Small businesses for example note the difficulties accessing assistance, and farm family members report their difficulties meeting criteria and completing complex paperwork. At the same time service providers note that their workloads are testing their resilience.

**Service providers** report increased caseloads and high levels of stress in their own work as a direct result of drought. Some services, such as the mental health teams and health support services, are finding it difficult to recruit staff making the tasks more onerous for staff on the ground. Of significance is the number of service providers who are also members themselves of farm families. Their income is critical for their farm family and yet for some it is also the reason they are not receiving EC support. These stresses are impacting on service delivery. At the same time a lack of child care in the communities makes shift work (for nurses for example) difficult.

**Alienation and mistrust** of institutions and government were found to be widespread. It is arguable that this is not a direct result of the drought. Speaking to the National Press Club in March 1999, Deputy Prime Minister John Anderson noted

> The sense of alienation, of being left behind, of no longer being recognised and respected for the contribution to the nation being made, is deep and palpable in much of rural and regional Australia today. (Department of Transport and Regional Services website)

Thus it is not accurate to suggest that alienation results directly from the drought. It is more correct to note that alienation and distrust have been exacerbated as a direct result of the drought.

**Policy implications** emerging from the drought reveal that drought support provided by government is welcomed. However it is important to assess the process of policy implementation, such as the timeliness of EC declarations, and, thus, flow-on accessible support needs careful attention. Additional policy implications arise in relation to poverty alleviation, employment and health and welfare. The following themes arise from this research.

### 11.1 Poverty

There is an evident rise in rural poverty both on farms and in the communities that support agriculture. Almost all farm family members interviewed for this study report a significant erosion of quality of life as a direct result of drought. Even those reporting little or no debt note that the landscape, the increased workloads and the stress of those around them are eroding their quality of life. For most this is manifest in reduced social interaction, reduced involvement in community and a reduction in time-out and holidays. It is also evident in the decline in numbers available to pick up volunteer activity because of a lack of time and costs involved and in a reduced ability to access education and services. Further it is also clear that many farm families represented in this study have not had a holiday away from the farm for at least two years.
Farm families and small businesses report increased debt which is largely being handled through overdraft facilities and credit cards as well as through increased longer-term borrowings. Most farm families in this study are reliant on household drought support measures and several are reliant on charities to survive in the short term. Those who reported having off-farm investments that cushioned them from the stress of debt noted that their farm/business incomes were seriously eroded, their neighbours and community are under stress and therefore they were also experiencing stress. Few interviewed were immune from the stress created by drought.

For workers based in towns or on-farms there is an increased risk of losing their jobs or of having their work hours significantly reduced, resulting in a decline in quality of life, greater need for income and welfare support and a need to consider relocation.

This research reveals that there are families on farms and in small rural towns in serious poverty as a direct result of drought. Charities, Financial Counsellors and service providers corroborate this finding and work to address the issue. School personnel note the need to provide food, a point also noted by other service providers who identify a need for food hampers. Nonetheless it should be noted that while schools have always had to provide some form of welfare assistance to students, the drought has increased the numbers of children needing support.

Small businesses report they are carrying increased debt loads and are having to reduce staffing in order to keep their businesses going. Small business owners report similar stresses as farm families with fewer available income and service supports.

The rural communities supporting agriculture are seeing a withdrawal of services, a loss of businesses and population, a lack of volunteers and a decline in the networks of trust that build community social capital. All sectors represented in this study show evidence of increasing rural poverty.

11.2 Policy – Welfare or Structural Adjustment?

One of the critical issues for policy makers dealing with the drought is the failure to satisfactorily unpack farm welfare support from farm production support resulting in a complex and largely unsatisfactory policy environment. Despite endless debate and changes through the 1990s, detailed elsewhere in this report, the process has still not allowed the introduction of ‘a welfare system that works for rural Australians’ (Special Rural Task Force, 1997:45). There are still people falling through the cracks. One of the key factors associated with this is the complicated EC process. The requirements for determining EC have become politicised and the process leaves many people in extreme poverty while the lengthy process plays itself out. This process places extraordinary pressure on Rural Counsellors trying to assist families and communities to gather paperwork, and also on charities within the communities, dealing with the resulting poverty. The uneven spread of EC drought declarations despite the comprehensive nature of the drought, is evidence that the process has still not allowed effective targeting of welfare support. Because of overwork, inability to complete the paperwork or simple misinformation, the process does not protect some
in extreme poverty through access to family income support. The result has been increased hardship and serious health, including mental health, implications.

We suggest that a more comprehensive scheme to address poverty that also separates welfare from farm production might include the provision of household support to any farm family in drought who can demonstrate an income below the poverty line and, at the same time, a scheme similar to that being advocated by Botterill (2000) which might include a HECS style loan scheme for farmers. This would allow farm families to pay back loans once their income reaches a certain level. Additionally quick access to FMDs in times of hardship is critical.

An area causing real concern in the communities surveyed is the issue of families losing entitlement because of off-farm income. Where women are working to support education costs and there are no alternative educational options, this is particularly problematic.

Areas that need additional attention include:

- a rural poverty scheme that covers employees, small businesses and farm families, including the aged;
- a fairer means of determining eligibility for poverty relief measures that relieves community members of the need to gather the necessary data to prove EC;
- rapid distribution of poverty relief measures through Centrelink for those families experiencing poverty;
- attention to the issue of women losing entitlement because of off-farm work;
- access to Austudy (Common Youth Allowance) for young people from rural communities experiencing drought;
- acknowledgment of the extra costs associated with accessing higher education for young people with no options to live at home.

### 11.3 Farm Production

Families in all areas reported a number of strategies to address low or no farm income. These included:

- belt-tightening – reducing all costs to a minimum;
- reducing maintenance costs by putting off attention to farm infrastructure and machinery;
- sourcing off-farm income (usually undertaken by women and also younger men);
- reducing or doing away with hired staff and pulling in all family members including children to undertake farm work;
- extending debt through credit cards, increased overdraft and loan restructuring. Note that the extension of credit card debt is a whole community problem and not necessarily drought driven. Nonetheless it is one drought strategy being adopted by some farm families.
11.4 Health Impacts

In all areas surveyed there is a significant amount of stress among farm family members, small business owners, workers and service providers. In some cases the levels of stress have resulted in an increase in mental illness and other stress related conditions. The evidence for this is in the stories from farm family members, service providers and community members rather than through the GP services. It appears that some people are not accessing GP services because of workload issues, cost, lack of bulk billing and a need to delay treatment until the drought breaks. There is some suggestion emerging from this research that there will be a greater attention to health needs once the drought breaks and services should prepare for this.

While GP numbers are at reasonable levels in the communities visited, other health services in all the communities surveyed are experiencing problems associated with an inability to attract staff and a lack of resources to meet demand. Mental health services have critical shortages and access to specialists is problematic for those affected by drought.

The following table details calls to the NSW Drought Stress and Counselling line. Of significance is the number of men seeking assistance.

| Table 18: NSW Drought Stress and Counselling Line (December 2002 to end of May 2003) |
|---------------------------------|------|
| No of cases logged              | 177  |
| Non-target group callers        | 33 (included media & other services) |
| Target groups:                  |      |
| Males                          | 144  |
| Females                        | 70   |
| Gender not recorded            | 60   |
| Referrals:                     |      |
| Drought line                   | 71   |
| Mental Health team             | 13   |

As previously noted this research reveals that some health providers and other support workers are themselves stressed because of significant work overload and that the issue of who is supporting the support workers is a very real one.

It is clear that both men and women are suffering health impacts but that men more often try and hide their emotional stress from the community, preferring to be stoic in the face of adversity. Women on the other hand try to hide their stress from their families and tend to ignore their own health but attend to the health of those around them. Making services accessible is one way of ensuring that people receive help. The outreach health service trialled in the Bourke area, taking health services to small country hotels for a day, is an excellent model of interagency cooperation and appropriate health service delivery. This type of outreach deserves more resourcing and replication in other areas.
Issues raised in this study include the need to:

- provide adequate and rurally appropriate health services in rural communities;
- enhance mental health services in rural communities;
- disseminate widely information on health services;
- address critical health staff shortages;
- provide additional incentives to attract health staff such as child care and salary bonuses;
- assess whether health staff in rural communities should be paid at a higher rate in order to attract and retain staff;
- address the problems of attracting and retaining health staff;
- provide support for the support workers;
- provide innovative health services that are accessible and comprehensive and that cater to both men and women in isolated circumstances;
- continue the drought support worker program for at least six months after the breaking of the drought;
- continue and extend the Rural Financial Counselling Services;
- provide social work services in conjunction with Rural Counselling services.
11.5 Social Capital - A Loss of Trust

The loss of social capital and the fragility of networks as a direct result of drought need careful attention. Many people are withdrawing from community activities because of the lack of time and resources to contribute and for some because of levels of stress and overwork. Issues that need attention include:

- awareness that drought has led to declining levels of social capital in rural communities;
- provision of adequate and accessible service levels;
- facilitation of community groups through paid administrative help, adequate resourcing and support.

What is also clear is that declining levels of vertical social capital is being quite seriously eroded as community members view governments and state instrumentalities with suspicion and mistrust. Many spoke of feeling alienated - alienated from society, from politicians and political parties, from neighbours and from urban Australians.

Vertical social capital is also being eroded through the extra pressure on farm families and small businesses. EC legislation is an example of an over-bureaucratic and complicated process. Uncertainty surrounding water allocations, loss of equity as a result of reduced allocations and a perceived lack of consultation are critical issues for some. Other significant environmental and husbandry issues are also causing community mistrust. Workers are also experiencing reduced levels of trust as a result of loss of employment and erosion of conditions in rural areas. It may therefore be necessary to address the following issues:

- significant loss of trust in institutions and a loss of faith in representative government;
- levels of consultation surrounding legislative changes;
- policy around determining EC being reliant on community members actively collecting data demonstrating their community's need;
- the EC application process;
- whether the EC process is the most appropriate way to deal with farm poverty.

11.6 Educational Access

The researchers who undertook this study are all educators. It is therefore difficult to note that young people's and other community members' access to higher education has been interrupted by the drought and the rise in rural poverty. This occurs at high school level, particularly in the Western Division where there are no alternatives to boarding school, and at tertiary levels in all areas surveyed. It is clear that young people are either missing out on education or are living in poverty in an attempt to progress through their courses. It is clear from this study that major changes in access to Austudy (Common Youth Allowance) are necessary to allow equitable access to higher education. There are also critical issues in relation to access to TAFE studies in terms of cost and numbers necessary for courses to run. Additional areas of concern
are the almost total loss of apprenticeship positions in rural towns and the decline in casual work for young people needing summer work to support them through their studies. The issues that emerge from this study include:

- a need to assess eligibility for Austudy (Common Youth Allowance) for rural young people in drought areas, particularly those who must leave home to study;
- a need to address TAFE course profiles so that less rigid guidelines determine whether courses will run;
- a need for consultation with small businesses in rural communities to ensure that apprenticeship and traineeship positions are more readily available to young people not going on to tertiary study.

11.7 Employment

One of the most encouraging findings from this study is the understanding of the efforts made by small businesses and communities to try and keep jobs, and employees, in the towns. In one instance two companies combined to keep valuable skilled workers in the town. Businesses know that if they lose their skilled workers they may not get them back. However the loss of jobs is not only the result of drought. Declining services in recent years has meant the loss of many professional and skilled positions. Drought has exacerbated the loss of positions and eroded community confidence.

Additionally while businesses have made major efforts to keep their skilled staff, the loss of casual and part-time positions as a direct result of the drought is a feature of all communities studied. As a consequence young people are leaving town or not returning for university holidays, itinerant workers are not able to find positions, and residents such as shearsers, rouseabout, fencers, cotton chippers and casual farm hands have had little or no employment for some time. At the same time women on-farms have difficulty finding work to keep income flowing into farm households. The loss of people and jobs, and the possibility that they will not return, is of concern to rural communities.

The difficulties small businesses and contractors experience seeking assistance through the drought has exacerbated divisions in small communities. Contractors are being forced to comply with Centrelink job search requirements in order to access benefits. This is very humiliating for workers who have run small business ventures and who are waiting for conditions to change. It may be more fruitful for them to continue seeking contract work rather than applying for non-existent jobs.

It is also clear that the ‘farm work for the dole’ scheme, instituted to allow farms to keep their valuable workers, may not have achieved its potential. Reports from respondents in this research suggest that this is because of the requirement that the workers must continue to apply for other positions. This has created friction with employers and resulted in few taking up the scheme.

The issues that emerge from this study include:
• a need to provide further assistance measures to small businesses in rural towns. These assistance measures could include:
  ➢ low interest loans
  ➢ support to retain staff
  ➢ assistance with casual staffing
  ➢ access to drought household support funding for contractors
  ➢ access to drought household support for adult children of farm families working full-time on-farms

• a need to address the access to benefits for small businesses and contractors and to ease the compliance requirements

• a need to enhance economic development in small rural communities

• a need to reassess the policy of centralisation and reduction of public and private service positions in rural communities.

11.8 Self-reliance and Resiliency

Government policy relating to farms through the 1990s has focused on fostering self-reliance at the individual farm level and on structural adjustment out of the industry for those unable to survive. It is clear from this research that farm families have incorporated this rhetoric and often blame themselves for the circumstances in which they find themselves. It is also clear that farm families have been less impacted by the drought than they might otherwise have been because they have been 'drought ready'. The length of the drought and its widespread nature has been the reason why so many people are in serious difficulties.

Issues raised by this research include:

• the need for resiliency to be fostered;
• the need to ensure that farm families and small business owners do not see calls for self-reliance as a reason to blame themselves for drought impacts;
• the need for understanding that farm families have been instrumental in enacting 'drought ready' strategies.

However it is clear that while policy rhetoric fosters self-reliance, there have been policies introduced that have destabilised communities and undermined resilience. These include the restrictions on access to EC funds, the loss of services and jobs, the introduction of policies that have a financial impact and urbocentric policies reproduced in rural areas.

Urbocentric policies that potentially disadvantage rural people include:

• the requirement for a certain number of students to be enrolled in a TAFE program before the course is run;
• the policy dictating that the loss of a certain number of high school students means the loss of a teacher even if those students are likely to return.
11.9 Gender

There is no doubt that drought is a gendered experience. From the data presented here it is clear that the experience of men and women in farm families in relation to drought differs. While we are not advocating biological essentialism we are arguing that the division of labour and the different ways that men and women come to agriculture (inheritance vs marriage) results in gendered differences. Of note are the following issues in relation to women’s and men’s experiences of drought. They are not meant to be definitive or prescriptive.

During this drought farm women are more likely to:

- experience significant role changes both off-farm and on;
- have an increased workload on-farm;
- work off-farm for income;
- undertake farm financial management tasks;
- monitor budgets;
- monitor family members’ health;
- disregard their own health issues;
- monitor and coordinate children’s educational access through School of the Air, or daily facilitation of other educational access;
- source food and other consumables;
- seek support from health and welfare providers, financial counsellors and drought support workers;
- seek information on drought measures;
- be significantly affected by the loss of their garden.

Men on the other hand are more likely to be:

- absorbed in the day to day farm work grind of feeding and watering stock often ignoring the exacerbated risks and OH&S issues;
- sourcing feed and water;
- maintaining equipment;
- monitoring livestock health;
- purchasing or selling livestock;
- undertaking other physical activities associated with keeping the farm running
- reticent about their own health issues;
- stoic.

This gendered role difference creates significant stresses for both partners. Men note the impact of the loss of livestock, the emotional impact of having to shoot stock, the sheer grind of doing the same tasks every day often for a year or more and the inability to get away from the farm. They are very focused on the farm itself, the landscape and the farm production issues. Women on the other hand are more likely to have major changes in their work roles. This may take the form of off-farm work and/or increased work on the farm. Alternatively it may also involve having to give up their off-farm position to work longer hours on the farm. They are usually more
aware of the financial situation on the farm and are therefore more likely to be the one seeking help. The issues raised by this research include:

- the need to ensure that women and men receive information about drought support measures;
- the need to ensure that the stresses facing both women and men on-farms are monitored and acknowledged and that appropriate support services are provided;
- the need to provide supports to families with School of the Air responsibilities;
- the need to recognise the stresses facing farm women employed off-farm and to provide necessary supports.

### 11.10 The Aged

Of particular concern to the research team are the circumstances of many of the aged farming couples in isolated areas struggling to deal with the drought and the workload it generates. There are many examples brought to our attention of aged couples working long hours and eroding their equity, despite sometimes poor health. Many aged farming people have of necessity become quite isolated from their communities and families because of lack of funds and the costs of accessing services etc. Several aged farming family members reported that they have no possibility of retiring because of the debt load built up through the drought and because there is no market for their farm. In some cases aged farm couples have been unable to source assistance from EC because of the assessment process. Many also report a reduced ability to pass on the farm because of debt burden and the need for younger family members to find alternative work. The problems of aged farming couples require urgent attention. In particular the following issues are raised by this research:

- the workload of aged farm couples or aged farmers and their inability to hire labour;
- the problems associated with selling or transferring farms, processes complicated by drought;
- the need to ensure that EC is available to aged farm members;
- the need to ensure that the intergenerational transfer of farms is not restricted by drought;
- the health impacts on aged farm members;
- the social isolation of aged farm members.

### 11.11 Who’s Going to Take on the Farm?

It is evident that farmers are aging and that there are major issues associated with young people entering farming. These issues include:

- young people not wanting to return to farming;
- parents being unable to provide the necessary supports to facilitate entry of their children into agriculture;
- a reduced ability to pass on farming skills because young people eager to farm are having to seek employment elsewhere;
• a lack of access to finance for young people eager to take up farming.

The issue of intergenerational transfer is a real concern as there are now significant barriers to young people entering farming that have been exacerbated by the drought.

11.12 Children

This research reveals the significantly under-reported impacts on children and the need for policy and services for children. The issues include:

• the nature of children’s work on farms and their increased responsibility for work;
• the impact on children’s education either through School of the Air or in relation to high school and tertiary access;
• the stress levels of children;
• the social isolation of children in remote areas often enhanced by drought;
• the lack of services for children suffering as a result of drought;
• eligibility for Austudy (Common Youth Allowance);
• lack of off-farm experience / social interaction.

11.13 Small Business

The reliance of small business in rural communities on farm related expenditure was evident from this research. The relevant issues include:

• the increased reliance of small business on the local farming community with the downsizing and withdrawal of Government and other services;
• the importance of retaining a skilled workforce in the community;
• significant business downturns in periods of drought impact not only on staffing levels but also on the range of goods and services potentially available in the community;
• the precariousness of employment in periods of drought has health and welfare implications for employers and employees;
• significant extensions of credit and increases in aged debt;
• eligibility criteria for financial assistance for small business;
• diversification strategies to minimise future drought impacts;
• employment schemes to assist in the retention of trained and skilled employees.

11.14 Rural Communities

The drought exacerbates structural adjustment issues for small rural communities including the loss of population, loss of jobs, decline in business profitability, high levels of debt, decline in number of volunteers, loss of services, loss of significant professionals such as teachers, stress on community members, strain on local charities and general sense of malaise. While the breaking of the drought will bring some
relief to small communities, there are ongoing issues that need to be addressed. These include:

- the loss of services and professionals;
- the provision of service support to communities re-establishing themselves after the drought;
- the creation of innovative employment schemes to attract young people to rural communities and to provide off-farm work opportunities for farm family members;
- the provision of enhanced transport and communication infrastructure.

11.15 Welfare Implications

This study set out to determine the social impacts of drought and the welfare implications. These implications are important for government departments such as NSW Agriculture and the NSW Department of Health both of whom have provided drought welfare initiatives. They are also important for non-government organisations such as St Vincent de Paul, Smith Family, Salvation Army and Sisters of Charity among others all of whom have had a high profile during the drought providing ongoing support for those rural people most affected.

Like Stayner and Barclay (2002) we note that those involved in ongoing service delivery should understand farm family members' and small business owners' attitudes to and experiences of drought. Without this critical understanding, services will be rurally inappropriate and under-subscribed despite the wide spread need identified in this study. The findings of this study will provide useful information for service providers wishing to understand the effects of drought on farm families, small businesses and rural communities dependent on agriculture.

There is no doubt that the need for income is the most fundamental need resulting from this drought and the driver for people seeking assistance. However as this study reveals, this need masks an underlying need for social and emotional support during a time of significant individual and family stress. This study reveals that this need is not being met effectively in rural communities. The intertwining of business and family on farms and in rural small businesses means that business stress will impact significantly on the family (noted also by Stayner and Barclay, 2002). It is also important for service providers to note that it is difficult to separate the drought impacts from ongoing structural adjustment issues meaning that financial and family stresses may be ongoing and not necessarily relieved by rain. This drought may in fact have provided a catalyst that accelerates this process of structural adjustment and so needs for welfare service support may be ongoing in small rural communities.

This study reveals that Rural Financial Counsellors and Drought Support workers are very appropriate service models and are widely used, accessible and equitable. The fact that they are not user-pays means that they are easily accessible by all farm families. Their willingness to travel to farms is one of the main reasons for their success. Another, perhaps more significant reason is that their mandate to address financial issues removes the stigma attached to seeking help. The researchers noted that once people present to these services then referrals to other agencies can be implemented and further assistance accessed. It is therefore important for these
services to be supported by additional social work providers co-located in the service who can take some of the burden of emotional counselling from the Rural Financial Counsellors. Additionally it is important for these, or similar, services to be available to rural small businesses suffering similar financial and emotional pressures as a result of drought and ongoing structural adjustment.

The services that seem to be more successfully reaching farm family members and small businesses include the CWA, Lifeline, the Sisters of Charity phone service, the drought hotline provided by NSW Agriculture, the Bourke Mental Health outreach initiative, St Vincent de Paul and Salvation Army. Those less likely to be used, perhaps because of their 'health' tag are the NSW Department of Health services (already stretched with full case loads), mental health services and Centrelink (associated stigma). Also successful are the Farm Family Gatherings developed by NSW Agriculture providing information and advice.

Of note is that this study reveals that farm families have been more willing to seek help, particularly through the Rural Financial Counsellors, and that the stigma associated with help-seeking has broken down in relation to this service. However seeking further social and emotional help is still stigmatised. Younger people are more likely to seek help than older people.

A critical issue revealed by this study is the need for support for the support workers. In all communities the Rural Financial Counsellors had high case loads and had the additional burden of addressing the presenting social and emotional needs in families. Support for the support workers is necessary to prevent burnout and loss of workers.

Service providers should note:

- financial need is the initial reason that people will seek help but this need masks social and emotional needs related to stress and relationships;
- seeking counselling is perceived to have significant stigma attached in rural communities;
- women usually begin the process of seeking help;
- women are under pressure to work off-farm for income and on-farm as workloads are high during drought;
- children are under pressure to work on-farm and may have their own needs for counselling and support;
- older people are more likely to resist seeking help and may be more socially isolated;
- new services take time to establish and be accepted in rural areas;
- services need to be rurally appropriate;
- outreach is an important factor in being accessible and acceptable;
- services should not be over-bureaucratised;
- people may avoid seeking help from doctors if bulk billing is not available;
- women will put their own health needs last;
- men are extremely reluctant to seek help as this is identified as a weakness;
- co-location of services should be developed to remove perceived stigma associated with seeking help;
support for the support workers is necessary (note that some of these issues are also identified by Stayner and Barclay, 2002).

This study provides support for Stayner and Barclay's (2002) contention that the barriers to seeking help for farm family members and small business owners are:

- pride - a reluctance to ask for help;
- a need for trust to be a strong part of the helping relationship;
- a fear that confidentiality will be breached if help is sought;
- a lack of information about services available;
- stigma associated with admitting that a person needs help;
- the distance from and cost of service access.

and that service providers should note that what they must ensure is:

- an understanding of the rural ethos;
- that information is up-to-date;
- that confidentiality is ensured;
- the staff have professional qualifications;
- that staff have good communication skills;
- that staff are mature;
- that staff are part of the community;
- that co-location of services overcomes stigma associated with seeking help;
- that interagency cooperation is an important way of making the best use of local services.

Service gaps identified include:

- quicker response times in providing support services during drought are necessary;
- the need for more support for men's health issues;
- accessible support for women with extremely busy work roles during drought;
- support for those experiencing domestic violence;
- attention to staff turnover in service agencies;
- the need for social workers co-located with Rural Financial Counsellors;
- drought payments and drought support workers to be available for small businesses as well as farmers;
- assistance being made available for rural contractors and rural employees;
- lack of information on services;
- child care for families where both partners are working long hours on farms and in small businesses and as health providers (similar issues are identified by Stayner and Barclay, 2002).

**11.16 Conclusion**

The widespread drought of the early part of the twenty-first century has had significant social impacts in all the communities studied. Increased poverty and loss
of income are evident as is an impact on education and service access, a loss of employment and an increase in social isolation. Perhaps the most serious impact is that on the health and well-being of community members. Consequently the welfare implications of drought are significant. These include the need for health and welfare support, attention to services and access, and an identified need for support for the support workers. Most critically is the need for the community to recognise that drought has significant social consequences so that the people most affected do not feel isolated and alienated during a time of great social upheaval.
El Nino

One of the triggers for the drought is the El Nino effect. Rainfall in Australia is affected by variations in the surface temperature of the Pacific Ocean. El Nino (warming of the central and eastern Pacific) results in droughts in Australia and La Nina (cooling of central and eastern Pacific) in floods (Bureau of Meteorology, www.bom.gov.au). The Southern Oscillation Index (SOI) is an indicator of the strength of El Nino or La Nina events. If it is strongly negative it suggests El Nino and, if strongly positive, La Nina. The Bureau of Meteorology (www.bom.gov.au) reports that the El Nino has shown signs of weakening with sea temperatures reducing.

Graph on Bureau of Meteorology website (www.bom.gov.au/climate/enso/#current)

El Nino events occur about every four to seven years and last from 12-18 months (www.bom.gov.au). However while widespread rainfall occurred during mid to late February 2003 and again in June 2003 it will take significant rain over several months to overcome the effects of the drought.
Climate change

One of the issues to be considered when assessing drought policy responses is climate change and hence whether droughts will be escalating features of Australia’s future. The CSIRO has noted global climate change since about 1970 linked to greenhouse gas emissions. Surface ocean temperatures have been up to 0.8°C higher in the Pacific Ocean since the mid 1970s [www.csiro.gov.au]. Dr Wenju Cai from CSIRO Atmospheric Research suggests that this doesn’t necessarily mean there will be more El Nino events but that those that do occur will be stronger [http://www.csiro.au/index.asp?type=mediaRelease&id=WarmingUp&stylesheet=mediaRelease]. As a result CSIRO is predicting that changes due to the greenhouse effect in the next 100 years will produce warmer, drier conditions. Annual mean temperatures have increased since 1910 and particularly through the 1980s and 1990s.

![Annual Mean Temperature Anomalies For Australia](image)

Projections suggest Australia will warm by between 1° and 6° by the year 2070 (Ash and Holtum, 2003). The Climate Action Network Australia (CANA), an alliance of regional, state and national environmental groups suggests that Australia’s warming will be faster than international global warming (1.8° compared with 1°) in inland areas. They predict that by 2050 the number of days over 35°C will increase by up to 20-25 percent in the west and central north and by up to 35-45 percent in the west and central south regions [http://swiftek.modwest.com/cana/index.php?site_var=203] and that there will be greater risk of bushfires and fewer frosty days. They further predict a decrease in Spring rainfall in western parts of NSW by 2050. Extreme wet seasons are also predicted to double in the same period leading to a frequency of flooding in regions near inland river systems. Meanwhile Australia’s annual rainfall has increased...
over the last century particularly over the northwest and southeast (www.csiro.gov.au).

The link between the intensity of the present drought and climate change has been established in a report entitled *Global Warming Contributes to Australia’s Worst Drought* (Karoly et al., 2002). The writers argue that the current drought is associated with an El Nino effect but that, unlike the previous five droughts, average maximum temperatures are more than 1° higher than others. Not only is reduced rainfall widespread, but average temperatures are higher leading to higher evaporation.
Appendix B – Government Programs and Assistance
### COMMONWEALTH DROUGHT ASSISTANCE MEASURES 2002 – 2003

(Drought Assistance Measures 2002-03 Summary of measures provided by Commonwealth, State and Territory Governments to assist response to, and recovery from, the current drought, 31 January 2003)

<table>
<thead>
<tr>
<th>Name of Measure</th>
<th>Purpose</th>
<th>Target Region</th>
<th>Eligibility Requirements</th>
<th>Date Measure Commenced</th>
<th>Duration of Measure</th>
<th>Access/ Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptional Circumstances Relief Payments (ECRP)</td>
<td>To assist farm families in EC declared areas who are experiencing difficulties meeting basic living expenses.</td>
<td>Farmers in EC declared areas</td>
<td>Applicants must meet the definition of a ‘farmer’. Farmer must hold a current EC certificate ECRP is subject to assets and income test.</td>
<td>1997 [previously 1994 – 97 known as Drought Relief Payment (DRP)]</td>
<td>Up to two years in EC declared areas.</td>
<td>Centrelink</td>
</tr>
<tr>
<td>Exceptional Circumstances Interest rate Subsidies (EC IRS)</td>
<td>To provide business support to farm enterprises that are viable in the long term but are in difficulties due to an EC event.</td>
<td>Farmers in EC declared areas.</td>
<td>A subsidy of up to 50% of interest paid on new and existing loans up to a max of $100,000 in any 1 year period and $300,000 over 5 years. Applicants are subject to off-farm assets test.</td>
<td>1993</td>
<td>Max 2 years</td>
<td>State Rural Adjustment Authority</td>
</tr>
<tr>
<td>Interim Income Support</td>
<td>Six months interim income support to farmers in <em>prima facie</em> EC areas or areas eligible under the terms of the Comm. 9 Dec 2002 drought relief package.</td>
<td>Farming families</td>
<td>Must be in a <em>prima facie</em> EC declared area or area eligible under 9 Dec 2002 drought relief package. Subject to an assets and income test.</td>
<td><em>Prima facie</em> EC began on 19 September 2002. Comm’s one-off drought relief package was announced on 9 December 2002</td>
<td>6 months</td>
<td>Centrelink</td>
</tr>
<tr>
<td>Interim Rate Relief for Farmers</td>
<td>Provision of interest rate relief to eligible farmers under the Comm. drought relief package 9 Dec 2002</td>
<td>Farm families in areas eligible for assistance on 9 Dec 2002 &amp; EC declared and <em>prima facie</em> EC areas</td>
<td>Only for new and additional commercial borrowings (up to $100,000) with a max of 50% of the prevailing interest rate or five percentage points, whichever is the lower. An off-farm assets test applies</td>
<td>9 Dec 2002</td>
<td>Max 2 years</td>
<td>Centrelink</td>
</tr>
<tr>
<td><strong>Interest Rate Relief for Small Business in EC Declared Areas</strong></td>
<td><strong>Provision of business support (interest rate relief) to eligible small businesses</strong></td>
<td><strong>Small businesses servicing EC declared areas</strong></td>
<td><strong>Must be in an EC declared area (or can demonstrate an overwhelming reliance on such areas) and have a turnover of greater than $50,000 pa; and suffered a 50% loss of income over the previous 6 months as direct result of drought. Only available for new and existing commercial borrowings (up to $100,000) with a max of 50% of the prevailing interest rate or five percentage points whichever is the lower.</strong></td>
<td><strong>9 Dec 2002</strong></td>
<td><strong>Max 2 years</strong></td>
<td><strong>Centrelink</strong></td>
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<tr>
<td><strong>Farm Management Deposits (FMDs). Earlier access to funds for FMD holders in EC declared areas</strong></td>
<td><strong>To allow primary producers in EC declared areas earlier access to their FMDs, without losing the tax benefits</strong></td>
<td><strong>FMD holders in EC declared areas and buffer zones</strong></td>
<td><strong>FMD holder in EC declared areas and recognised buffer zone at the time of withdrawal. EC declaration was not in force when the deposit was made.</strong></td>
<td><strong>1 July 2002</strong></td>
<td><strong>Ongoing</strong></td>
<td><strong>Obtain an EC certificate from State Rural Adjustment Authority</strong></td>
</tr>
<tr>
<td><strong>Australian Government Envirofound (AGE)</strong></td>
<td><strong>To undertake small projects up to $30,000.</strong></td>
<td><strong>Works and measures to protect the land, water, vegetation and biodiversity resource base from the effects of the drought; assist preparations for recovery from the drought; and prevent environmental damage when the drought ends.</strong></td>
<td><strong>Be an incorporated community group; an incorporated Indigenous community organisation, or an individual proposing activities having a public benefit</strong></td>
<td><strong>Close 5 June 2003</strong></td>
<td><strong><a href="http://www.nht.gov.au">www.nht.gov.au</a></strong> or calling 1800 065 823</td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>Description</td>
<td>Eligibility</td>
<td>Duration</td>
<td>Provider</td>
<td></td>
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<tr>
<td>Personal counselling for people in drought affected areas</td>
<td>Improve access to personal counselling services when under stress and local finances diminished</td>
<td>Drought affected people.</td>
<td>Progressively after 27 November 2002 – 6 months – up to 30 June 2003</td>
<td>Centrelink Drought Assistance Hotline</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Just Ask” – a national mental health telephone information service for rural areas and “Toolkit for getting through the Drought” publication.</td>
<td>Providing information about mental health, mental illness and available related services including community and peer support</td>
<td>People living in rural locations</td>
<td>Established in 2000 – ongoing. The “Toolkit for getting through the Drought” has been available from 6 Dec 2002</td>
<td>Health and Ageing Country Womens Association (CWA) Emergency Drought Aid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country Womens Association (CWA) Emergency Drought Aid</td>
<td>To provide farming families and businesses servicing farming with emergency aid for family-related expenses</td>
<td>Families in drought affected areas</td>
<td>16 December 2002 to June 2004</td>
<td>Families apply to CWA. Money will be distributed in the form of vouchers or direct payment of bills.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pest animal management grants program</td>
<td>Deal with animal pests through humane culling</td>
<td>Farmers and communities in EC declared areas</td>
<td>Unconfirmed date: Jan – June 2003 to be advised</td>
<td>AFFA’s Bureau of Rural Sciences (BRS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexible arrangements for people unemployed due to the drought</td>
<td>Help unemployed people in drought affected areas onto payment faster</td>
<td>Flexible arrangements apply to EC declared areas or where there has been an interim declaration for ECRP and where there is no alternative labour market</td>
<td>To claim Newstart, a person must be unemployed and actively seeking and capable of undertaking suitable paid work, be over 21 but under Age Pension age, and satisfy income and asset test criteria</td>
<td>19 November 2002 and implemented by the Centrelink Network from 20 November 2002</td>
<td>Regular reviews taking into account weather conditions and labour market</td>
<td>Centrelink.</td>
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<tr>
<td>AAA Farm Help</td>
<td>To provide assistance to farmers experiencing severe financial difficulties</td>
<td>Low income farmers in financial difficulties who can no longer borrow against their assets.</td>
<td>Farmer of at least 2 continuous years at time of application. Unable to borrow against your assets and will need a certificate of inability to obtain finance. Must still be in control of your farm and not receiving any other form of support income.</td>
<td>1 Dec 1997 (Formerly the Farm Family Restart Scheme).</td>
<td>Applications can be made until 30 Nov 2003 with income support available until Nov 2004. Applications for the Re-establishment grant can be made until 30 Nov 2003</td>
<td>1800 050 585. Farmhelp enquiries only.</td>
</tr>
<tr>
<td>Drought Force</td>
<td>An extension to Work for the Dole in communities severely affected by drought. Provides suitably skilled unemployed people from the local area the opportunity to lend a hand on drought affected properties</td>
<td>EC declared and prima facie EC areas as well as areas eligible under Comm’s 9 Dec 2002 drought relief package.</td>
<td>Anyone in affected areas in receipt of Newstart or Youth Allowance. Others may be assessed on a case-by-case basis. Those who lose their job as a result of the drought can volunteer to participate immediately if they live in an affected area.</td>
<td>January 2003</td>
<td>Initially 12 months</td>
<td>Community Work Coordinators</td>
</tr>
<tr>
<td>Program</td>
<td>Description</td>
<td>Eligibility Criteria</td>
<td>Start Date</td>
<td>End Date</td>
<td>Referral Process</td>
<td></td>
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</tr>
<tr>
<td>Access to job matching for redundant rural workers in drought affected areas</td>
<td>To give employees who have been made redundant or facing redundancy access to Job Matching services.</td>
<td>Individuals who have been made redundant or facing redundancy as a result of the drought.</td>
<td>9 December 2002</td>
<td>Ongoing</td>
<td>Centrelink referral to Job Network Member</td>
<td></td>
</tr>
<tr>
<td>Early access to job search training for rural workers in drought affected areas</td>
<td>To provide early access to Job Search Training (JST) to individuals in drought affected areas who have been laid off as a result of the drought.</td>
<td>Individuals retrenched as a result of the drought.</td>
<td>9 December 2002</td>
<td>Ongoing</td>
<td>Centrelink referred to a Job Network Member</td>
<td></td>
</tr>
<tr>
<td>New Apprenticeship Incentives Program – Special Assistance Program</td>
<td>Assists New Apprentices who may become out of trade due to drought or other circumstances. Provides financial assistance to pay for compulsory training costs and the purchase of compulsory books or equipment to enable the completion of the theoretical component of a New Apprenticeship.</td>
<td>New Apprentices who have become out of trade. New Apprentices must be out of trade, be registered as an unemployed jobseeker by Centrelink and had the training program approved by Centrelink as an approved activity.</td>
<td>Current form of assistance dates from 1998.</td>
<td>Until 30 June 2003</td>
<td>New Apprentices Centres</td>
<td></td>
</tr>
</tbody>
</table>
| Declared Drought Area incentive | A special additional incentive to encourage rural employers to continue to offer employment to those who remain in drought-affected areas. | Employers of New Apprentices (NA) in EC declared and *prima facie* EC areas as well as areas eligible for assistance under the 9 Dec package. | An employer who holds a current Drought Area Certificate:  
- may attract the additional incentive for a person employed in a relevant NA, provided that the NA is eligible to attract a Commencement incentive under this program, and the relevant NA commences during the valid period specified.  
- may attract the completion portion of the incentive if they recommence a NA during period specified on that certificate; the NA successfully completes the NA | 1994 | Ongoing | New Apprentice - ships Centre |
# NSW Drought Assistance Measures 2002 – 2003

(Source: Drought Assistance Measures 2002-03 Summary of measures provided by Commonwealth, State and Territory Governments to assist response to, and recovery from, the current drought, 31 January 2003)

<table>
<thead>
<tr>
<th>Name of Measure</th>
<th>Purpose</th>
<th>Target Region</th>
<th>Eligibility Requirements</th>
<th>Date Measure Commenced</th>
<th>Duration of Measure</th>
<th>Access/Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livestock Management Subsidies</td>
<td>Drought management subsidies inc. free transport for fodder that has been donated through drought appeals. A 50% subsidy on the cost of transporting fodder and water to core production stock, domestic water, drought affected stock to and from agistment; stock from drought affected properties to slaughter and sale and bee food to apiaries.</td>
<td>Primary producers in drought declared areas</td>
<td>The holding must be in a drought-affected area as approved by Government for at least 6 months. For a Rural Lands Protection Board to be eligible for assistance as a whole, at least 50% of the Board area must be drought affected according to the NSW Ag status criteria. Claimants must own the stock, must have a PIC, be in full-time occupancy of the farm, and earn a significant proportion of the income from primary production.</td>
<td>Various. First announced 18 July 2002</td>
<td>Duration of drought.</td>
<td>Rural Lands Protection Board with invoices where necessary.</td>
</tr>
<tr>
<td>Control of pests</td>
<td>Additional $500,000 for an emergency feral pig and fox eradication program in Western Div. and fast tracking NPWS license reqts. for drought affected farmers wanting to reduce kangaroos and emus from their properties</td>
<td>Primary producers in NSW</td>
<td>Drought affected areas</td>
<td>29 July 2002</td>
<td>Duration of the drought</td>
<td>Rural Lands Protection Boards National parks and Wildlife Service</td>
</tr>
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</tr>
<tr>
<td>Assistance for farm families and rural businesses</td>
<td>Additional funding of RFCs; $1M in State Govt assistance for the Farm Employees DRSS (TAFE based training for 200 farm employees); a Business Drought Assistance package (payroll tax relief)</td>
<td>Drought affected areas</td>
<td>Drought affected for six months</td>
<td>29 July 2002</td>
<td>2002-2003</td>
<td>NSW Agriculture, TAFE NSW Dept of State and Regional Development</td>
</tr>
<tr>
<td>Issue</td>
<td>Description</td>
<td>Beneficiary</td>
<td>Impact</td>
<td>Date</td>
<td>Funding Source</td>
<td></td>
</tr>
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</tr>
<tr>
<td>Farm business cost reduction</td>
<td>Waivers/deferrals of NSW Govt charges to reduce farm business costs.</td>
<td>Primary producers in drought affected areas</td>
<td>Majority of income from, and spend 75% of time on, farm business and six months drought affected.</td>
<td>26 August 2002</td>
<td>Various funding or licensing organisations</td>
<td></td>
</tr>
<tr>
<td>Drought proofing</td>
<td>Extension of criteria for Special Conservation Loans to include dam desilting, major repairs to stock water systems, planting of perennial species, and construction of hay and grain storage facilities</td>
<td>Landholders across NSW</td>
<td>Majority of income from the farm enterprise. Application submitted prior to work commencing.</td>
<td>14 September 2002 (drought proofing extension announced)</td>
<td>NSW Rural Assistance Authority</td>
<td></td>
</tr>
</tbody>
</table>
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