



A scheme

To

**assist contract workers and graziers
affected by severe drought conditions**

in

western Queensland

"Working with the Western Queensland Drought Appeal"



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Issues:

1. Age of graziers in the CW. Average age of graziers in the central west is over 60. Very few properties employ permanent labour and most properties use contractors for mustering, fencing, earthmoving, shearing, crutching etc.
2. Financial pressure. The average business in CW will lose between \$300000 and \$500000 during the course of this drought (assuming it breaks in 2016) which will see most businesses “go back” 3 years (at least) in their financial position. The pressure on finances is considerable with most graziers looking for ways to cut back expenses to survive.
3. Impact on contractors: While the financial impact on graziers is huge, the “forgotten people” in events like the current drought are the contractors. For many their income dries up completely as graziers destock to manage the drought. The lack of stock means less work available and the pressure on finances means that graziers will often try and manage the workload themselves without employing the contractors that they normally would. The pressures of work along with the age of many graziers means that this is not the most healthy or sustainable outcome.
4. Future impact on the grazing industry: The lack of work means that contractors who are a vital part of the grazing industry in western Queensland have to find alternate work, alternate areas to work in or do it very tough until it rains. The grazing industry needs the contractors and needs them to still be around when the drought breaks. We value their input into our industry and want to see them supported as much as we can.

Considerations:

1. We have limited funds and want to see these funds go as far as we can.
2. We see that contractors want to “earn” their money to maintain a sense of pride and to maintain work contracts etc.
3. We want to offer an incentive for graziers to employ contractors in spite of tough economic circumstances.

Our proposal:

1. We use the funds that have been donated to offset the cost of contractors to grazing businesses in western Queensland.
2. We offer to pay 40% of the cost of the contractor i.e. grazier pays 60% and the balance is sourced from our funds.
3. Our financial support is capped at \$1000 per contractor initially with this cap to be reviewed if additional funding is forthcoming.
4. Pastoral support and/or referral to other agencies is also offered to contractors and their families if required.
5. Link contractors and families with local drought coordination committee if required.

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Process:

1. Scheme will be publicised via media, direct contacts, email lists, Western Queensland Drought Appeal Facebook page (if appropriate).
2. Contractors register with the scheme via simple form (download from LBC website or possibly link on Western Queensland Drought Appeal Facebook page)
3. Contractors advise clients of financial assistance available to reduce costs.
4. Contractor undertakes work, invoices client for 60% of the cost and sends a copy of the invoice (including clients contact details) to LBC for payment of the remaining 40%.
5. To maintain accountability for donors, LBC carry out random checks with contractors' clients to ensure invoices are valid.

Review:

1. The scheme will be subject to ongoing review at 3 monthly intervals with a full review at 6 monthly intervals.
2. Adjustments/refinements to the scheme will be made as required.
3. Records of funds received and distributed will be audited in line with annual audit requirements of LBC.