



IMMEDIATE RELIEF FOR FARMING FAMILIES

December 2018



THE NATIONALS
for Regional Australia

Michael McCormack MP

DEPUTY PRIME MINISTER OF AUSTRALIA
MINISTER FOR INFRASTRUCTURE, TRANSPORT AND REGIONAL DEVELOPMENT
LEADER OF THE NATIONALS
FEDERAL MEMBER FOR RIVERINA



SUPPORT IS THERE IN TOUGH TIMES

You don't have certainty in small business in regional Australia unless there's certainty on farms. You don't have certainty in schools, in sporting clubs, in community organisations – and in every facet which makes country life so special – unless there's certainty on farms.

That's why we see the best of the Australian spirit when mother nature delivers her worst, such as during this terrible drought.

This booklet **contains critical information and important contacts** farmers and others in the Riverina and Central West need to know to help access the various drought support services available.

The Government – and my party, The Nationals – joins the community and businesses Australia in wanting to help our farmers, farming families and country communities get through this drought.

**We want farmers to know this:
*we have your back.***

As Deputy Prime Minister and Leader of The Nationals I have helped **deliver more than \$5.7 billion in drought assistance for farming families since we came to Government.** And I take my hat off to the New South Wales Government, the business community and everyday Australians who have likewise stood shoulder-to-shoulder with farmers to help where they can as well.

Together, our support is two-fold.

The **NSW Government looks after animals and landscape** – so there are freight subsidies and fodder assistance available. And the **Federal Government looks after people** – so there is an increase to allowances for farming households and support for critical advice on mental health and financial security.

As the drought has worsened in recent times, we have **increased cash payments to farming families** and put pressure on the banks to help our farmers use Farm Management Deposits – with a higher threshold for assets – to get through. There is now more assistance for farming families to help with the necessities such as groceries and school fees and we've almost doubled the asset test so more farmers can apply.

We have also put money into support for **financial counsellors who can come to the farm, sit around the kitchen table and give free advice to farmers and their partners about their business.**

There's also more assistance for **farmers' mental health** – and there is always someone who will listen when you need it and help you get through.

So please use this help. **Please don't self-assess.** And please get in touch if you need help.



IN DROUGHT: With Fay Houghton of Koorawatha.

Our farmers are the **best and most resilient in the world.** So much of our region's prosperity and our country's economy relies on **our farmers doing what they do best.**

But it's important to **remember the small businesses and local economies in country communities too** – so even if you're not on a farm, **please keep shopping local, buying Australian produce and supporting local small businesses.** That keeps more money in country communities at the time they need it the most.

Coming from a generational farming family, **I understand the vagaries of living on the land.**



USEFUL CONTACT INFORMATION

Organisation	Role	Number
Rural Financial Counselling Service	Provide farmers and small rural businesses which are experiencing hardship with free and impartial financial information	1800 686 175
Lifeline Australia	Provides 24/7 crisis support and suicide prevention services	13 11 14
Kids Help Line	Provides 24/7 counselling service for young people aged 5 to 25	1800 55 18 00
Farmer Assistance Hotline	A phone service for farmers and their partners to talk about Farm Household Allowance	13 23 16
Department of Agriculture and Water Resources	Provides advice on a broad range of assistance measures available	1800 900 090
Australian Small Business and Family Ombudsman	Supporting small and family businesses to grow and thrive	1300 650 460
Rural Assistance Authority	Provide a wide range of assistance measures to rural sector	1800 678 593

The financial strain from this drought for farmers and indeed regional communities as a whole will continue well after the drought breaks.

So many farms have de-stocked and other hardship will endure and this is why **the Commonwealth has provided support measures to help** everyone through these trying times.

Please look after yourself and know this: **we have your back.**

Kind regards

Michael McCormack

Michael McCormack MP
Deputy Prime Minister of Australia
Minister for Infrastructure, Transport
and Regional Development
Leader of the Nationals
Federal Member for Riverina



LISTENING: With Cowra farmer David Fagan.



IT'S TIME TO HELP OUR FARMERS

We know our farmers are resilient but there are times when they need a helping hand which is why The Nationals have announced new funding and much-needed support for farmers right across Australia.

Since 2013, **the Liberals and Nationals' Government has committed more than \$5.7 billion for drought relief** and recovery and to improve preparedness and resilience.

Through the Agricultural Competitiveness White Paper, we've made a range of social and business support measures available to help build resilience, capacity and to encourage better farmer preparedness to manage known risks.

This includes the **Farm Business Concessional Loans Scheme** and the establishment of the **Regional Investment Corporation (RIC)**, the **Farm Household Allowance**, the **Managing Farm Risk Program**, the **Rural Financial Counselling Service** and support to manage the effects of pest animals and weeds in drought-affected areas. This is in addition to changes to the Farm Management Deposit (FMD) Scheme and the Liberals and Nationals' Government's tax measures for our primary producers.

Supporting Our Community Infrastructure

Regional communities in drought-affected areas will receive immediate help with the **Drought Communities Programme (DCP)** extended from 60 to 81 local governments, including Bland, Forbes and Parkes Shires in my electorate, giving each of these communities \$1 million to stimulate their local economies. The Government is constantly monitoring conditions across the country and working to ensure that drought-affected farmers and farming communities receive appropriate support.

- This boosts our total commitment to this program to **\$81.1 million**, helping communities stimulate their local economies through new or upgraded community infrastructure, road upgrades and water infrastructure projects.
- The Drought Communities Programme recognises support is also needed for the communities and businesses which back our farmers.
- Applications for a special drought round of the **National Water Infrastructure Development Fund** are open until 11 December 2018 which will provide up to \$72 million for water infrastructure in drought-affected areas.
- A \$500 million increase to the National Water Infrastructure Development Fund will be used to work with State and Territory Governments to identify and co-fund the creation of new water infrastructure projects across regional Australia. The Nationals are not afraid to back dams and we want to build more of them.
- We provided \$15 million toward the **Regional Drought Communities Small Grants Program**. Through the *Tackling Tough Times Together* program, the Foundation for Rural and Regional Renewal will operate a rolling small grants program to support drought-affected regional communities. This funding will support community-based activities to relieve current stress and symptoms while also building capacity and resilience for the future.





Farm Household Allowance

The Farm Household Allowance (FHA) has been extended by the Liberal and Nationals' Government and now provides up to four cumulative years of support for eligible farmers and their partners experiencing financial hardship for any reason, not only drought.

- The allowance is designed to help recipients meet basic household needs while they take time to assess their future.
 - The claim form has been simplified – reducing the number of questions from 110 to 73 and from 15 pages to 10.
 - FHA provides recipients with the opportunity to take steps to improve their circumstances and self-reliance through a Farm Financial Assessment, Financial Improvement Agreement and additional activity supplements of up to \$4,000.
 - The programme is uncapped and demand driven, so those who are eligible will not miss out.
- The net farm asset limit has been raised from \$2.6 million to \$5 million. This will extend the payment to more farmers in need who may have substantial assets but have no income to meet daily expenses. Many farmers are asset rich but cash poor so help has been provided to assist them in these tough times. Please note the net asset limit is the total of your assets, less any debt.

Please do not self-assess your eligibility – seek advice from an expert responsible for receiving and assessing FHA applications through the Department of Human Services (DHS) on 13 23 16 or reach out to your local Rural Financial Counselling Service for guidance and support through the FHA process by calling 1800 686 175.



OUR FARMERS ARE THE BACKBONE OF THE NATION, PROVIDING THE PRODUCE AUSTRALIANS RELY ON



WE'VE GOT YOUR BACK: With Prime Minister Scott Morrison during a drought visit.

Rural Financial Counselling Service

The Rural Financial Counselling Service (RFCS) provides free financial counselling to farmers and related small businesses who are suffering financial hardship. This confidential and premium case management service has no cost to clients.

- The **RFCS assists around 4,500 clients each year** and can help you in applying for other support measures (including the FHA). Rural financial counsellors are highly mobile and can visit on-farm, have the meeting in their office or at another mutually convenient location.
- There are around **150 rural financial counsellors across the country** servicing approximately 3,000 clients at any time, with

the vast majority of clients gaining new business skills and valuable commercial insights.

For more information on the RFCS programme, call 1800 686 175

- The recently announced **Farm Liaison Officer** within the RFCS will work across New South Wales and Queensland as part of a pilot programme to help better connect farmers to existing support measures and report back to Government on the effectiveness of those measures.
- We also recently announced **an additional \$5 million for the RFCS** to meet increased demand.

Taxation measures

Any drought-affected taxpayers who need support with tax debts can ring the Australian Taxation Office on 131 142 to talk about options to help manage their tax obligations. For more information visit www.ato.gov.au/drought.

- Primary producers can immediately deduct (rather than depreciate over three years) the cost of fodder storage assets, such as silos and hay sheds used to store grain and other animal feed storage, making it easier for farmers to invest in and stockpile fodder.
- The Government has **doubled the amount a farmer can borrow in low-interest loans** to \$2 million and increasing the total amount available for these loans to \$500 million in any one year. These loans will assist with financing immediate needs such as purchasing feed and fodder. The first five years of these loans will remain interest only. Farmers with existing government loans will also be able to refinance to take advantage of the interest-only concessional period.
- **The Farm Management Deposits (FMD) Scheme** allows eligible primary producers to set aside pre-tax income from primary production in years of high income, which can be drawn on in future years.

Primary producers can:

- **Deposit up to \$800,000 in FMDs.**
- **Access their FMD early** without losing concessional tax treatment if affected by drought.
- **Offset interest costs** on primary production business debt (subject to banks offering FMD loan offset accounts).
- **Accelerated depreciation** arrangements for new water and fodder infrastructure as well as fencing are available to help farmers prepare for drought, assist with their cash flow and encourage on-farm investment.
- **Instant Asset Write-off** for small businesses with a turnover of less than \$10 million for multiple assets that cost less than \$20,000.

- **Income tax averaging** enables farmers to even out their high and low income years and the tax payable over a maximum of five years, ensuring that they do not pay more tax over a number of years than taxpayers on comparable, but steady incomes.

Managing weeds and pest animals

Pests and weeds cost every agricultural industry and that's why **the Liberal and Nationals' Government has invested \$25.8 million over four years** to 2019-20 to help manage the effects of pest animals and weeds in drought-affected areas to help offset costs. This is in addition to the \$50 million commitment in the Agriculture Competitiveness White Paper to support established pest and weed controls nationally.

The funding supports projects to:

- **Lessen the impact of pest species**, such as foxes and wild dogs.
- **Help manage** existing weed incursions.
- **Reduce the risk** of future invasions.
- **Improve** groundcover, water quality and critical stock forage.

An additional \$15 million has been committed for wild dog fencing and other pest and weed management activities in drought-affected areas.





WHEN OUR FARMERS ARE STRONG SO TOO ARE OUR REGIONS

We will have more droughts and we must do what we can to build resilience in the communities most affected – rural and regional Australia.

Future Drought Fund

The Liberal and Nationals' Government is establishing a **\$5 billion Future Drought Fund** which guarantees support against future droughts faced by farmers and communities in rural and regional Australia.

The Fund starts with an **initial \$3.9 billion investment**. Each year \$100 million in earnings will be available to be used to fund important water infrastructure and drought resilience projects, while the balance is ploughed back into the Fund, so it grows to \$5 billion over the next decade.

The challenges of drought vary from farm to farm, district to district, town to town and we continually need to adapt and build capacity – **the Future Drought Fund gives us this opportunity.**

The impact of the drought is not just felt on the farm. Spending dries up in regional towns as the drought worsens, which threatens the prosperity of local businesses.

We are also establishing a **\$50 million On-Farm Emergency Water Infrastructure Rebate Scheme** to provide financial assistance to primary producers in drought-affected regions, assisting them with up to 25 per cent of costs associated with the purchase and installation of new on-farm water infrastructure to provide water for livestock.



DISCUSSING DROUGHT: *With HE Silos Senior Director Steven Morrison and his father Managing Director Ivan at Forbes.*

The Scheme will provide **support for on-farm infrastructure including piping, tanks, bores, troughs, pumps and fittings and desilting and for drought management activities** to lessen the impact of drought on animal welfare and reduce grazing pressures on pastures.

We are increasing funding for mental health services by \$15.5 million in drought-affected areas across Australia, delivering early intervention and community well-being services.

\$11.9 million will expand mental health services at the six existing Primary Health Networks subject to drought.

And **we are investing a further \$3.6 million to expand Medicare Benefit Services** to enable local doctors to offer mental well-being support services via telehealth to rural and remote patients. This is the first time local doctors will be able to offer this service in drought-affected areas to their local patients.

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