



MEDIA RELEASE

Second round of drought measures to support farmers

20 Aug 2018

Farmers across the New England North West facing drought will have access to a second round of direct assistance and concessional loans taking the total Coalition Government assistance to \$1.8 billion.

The assistance includes new tax breaks, low-interest loans, water security in the Great Artesian Basin and simplifying the application form for Farm Household Allowance.

Member for New England, Barnaby Joyce, said farmers will be able to immediately deduct the cost of fodder storage assets, rather than depreciate over three years.

“I’ve been fighting for more support for local farmers in my electorate who I know have been doing it tough and now we have more assistance on the way,” Mr Joyce said.

“Changes will make it easier for farmers to invest in and stockpile fodder including storage tanks, silos, bins and hay sheds totalling \$75 million over four years.

“The government is increasing the amount of money a farmer can borrow in a concessional loan from the Regional Investment Corporation from \$1 million to \$2 million. These low interest loans refinanced from a commercial rate loan could save a farmer tens of thousands of dollars.

“We are also increasing the amount available for farmers to borrow in low interest loans from \$250 million to \$500 million.

“A special drought round under the National Water Infrastructure Development Fund will deliver \$72 million for water infrastructure in drought-affected areas.

“\$2.7 million has been delivered to ensure farmers can make better weather predictions in their local area to help farmers prepare their business for variations of weather conditions.”

Minister for Agriculture David Littleproud said the government was delivering \$23.7 million to improve drought resilience in the Great Artesian Basin.

“We continue to listen to our farmers and adjust policy as this drought goes on,” Minister Littleproud

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said.

Last month, the Coalition announced \$190 million in measures including an FHA boost payment of \$12,000 per couple, bringing this year's assistance to \$37,000, and a \$7200 boost for singles, bringing this year's assistance to \$22,000.

Federal drought assistance delivered so far:

- **FHA:** launched July 2014; more than \$230 million invested by the Federal Government to help more than 7,900 farmers. The FHA has been extended from three years to four years, with the assets threshold increasing from \$2.6 million to \$5 million from 1 November. FHA recipients between 1 September and 1 December will qualify for supplementary payments of up to \$12,000 (partnered amount).
- **RFCS:** Some 130 counsellors helping 4500 people a year with business and commercial counselling and insights. Some \$70 million invested by the Federal Coalition Government from April 2016 to June 2020 including a recent \$20.4 million extension
- **Pests and weeds:** Some \$25.8 million over four years from 2015–16 to help manage pest animals and weeds in drought-affected areas. This is in addition to the \$50 million announced as part of the Agriculture Competitiveness White Paper to support established pests and weeds nationally.
- An additional \$15 million has been committed to make sure wild dogs and pests don't decimate lambing in drought-affected parts of NSW and Queensland, where lambing rates have increased from 30 percent to 80 percent after dog fences were installed.
- **Farm Liaison Officer:** Minister Littleproud recently announced this position to aid farmers in Queensland and NSW.
- **Regional Investment Corporation:** will deliver nationally-consistent loans including for farmers in drought. From July up to \$2 billion is available for the delivery of farm business concessional loans a \$2 billion for water infrastructure loans.
- **Banking:** The Coalition doubled the amount farmers could set aside from their taxable income and hold in Farm Management Deposits to \$800,000 and changed the law to allow them to be used as offsets against a farmer's mortgage. After relentless pressure from Minister Littleproud and his drought roundtable last month, NAB, CBA, Rabobank, Westpac and ANZ have agreed to offer farmers a product which allows them to use their FMD as an offset against their loan, potentially saving farmers millions.
- **Tax:** Accelerated depreciation for new water infrastructure, fodder infrastructure and fencing to help farmers prepare for drought, assist with cash flow and encourage on-farm investment. Drought-affected taxpayers who need support with tax debts can ring the ATO on 131 142.
- **Concessional Loans:** More than \$834 million in concessional loans have been approved to 1,527 farm businesses since the Coalition came to office in 2013.
- **Mental health:** Aussie Helpers received another \$1 million recently during the PM's drought tour for an innovative counselling service accessed via SMS. The service offers private, professional mental health advice accessible from anywhere at any time. The Government recently announced an additional \$11.4 million for rural mental health as part of a recent drought announcement.
- **Note:** Freight and fodder subsidies are the responsibility of state governments

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Hon **Barnaby Joyce** MP

FEDERAL MEMBER FOR NEW ENGLAND

***** For further information on the application process call the Rural Assistance Authority **1800 678 593** or visit raa.nsw.gov.au

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