



Since 2013, the Coalition Government has provided more than \$1.3 billion in assistance measures to help farmers and communities in drought.

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 Coalition Government's tax measures for our primary producers.

The Regional Investment Corporation

- From July 1, 2018, up to \$2 billion is available for the delivery of farm business concessional loans and \$2 billion available for national water infrastructure loans to build stronger regional and rural communities.
- First-time delivery of nationally consistent concessional loans to farmers.
- The RIC currently offers Farm Investment Loans and Drought Loans to farmers.
- Loans of up to \$1 million are available across a 10 year loan term, with interest only repayments for the first five years. The current variable interest rate for the RIC's concessional loans is 3.58%.
- For further information, please visit www.ric.gov.au

Farm Household Allowance

- The Farm Household Allowance (FHA) has been extended by the Coalition 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.
- FHA provides recipients 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 \$4000.
- The programme is uncapped and demand-driven, so those who are eligible will not miss out.
- There is a **net** farm asset limit of \$2.6 million, so payments reach those most in need. 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.
- Since the Farm Household Allowance was launched on July 1, 2014, it has helped more than 7900 recipients across the country with almost 90% of former FHA recipients feeling more positive about their financial position.



THE COALITION GOVERNMENT

DROUGHT SUPPORT

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 4500 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 130 rural financial counsellors across the country servicing approximately 3000 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.

Managing weeds and pest animals

- Pests and weeds cost every agricultural industry and that's why the Coalition Government has \$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 the cost. 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.

Taxation measures

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

- 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 concessionary 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, and 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.
- Recognising that business circumstances change over time, farmers will be able to resume income tax averaging 10 years after they opted out.