



Media Release

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No replacement on drought leaves farmers high and dry

The National Farmers' Federation (NFF) has criticised the Government's snap decision to cut interest rate subsidies for farmers facing exceptional drought situations without an alternative policy in place.

NFF President Jock Laurie says that the farming sector had been given no advance warning by Government that interest rate subsidies would be facing the chopping block in the lead up to this year's Federal Budget.

"There's no doubt that the decision to move to an improved drought policy is the right one – after all, the NFF has been driving this for many years. However, today's decision to ditch interest rate subsidies before a suitable alternative is in place is certainly the wrong one.

"For as long as the debate on drought reform has been raging, our position on interest rate subsidies has been clear. Interest rate subsidies for farmers can only be phased out once a suitable alternative, and an appropriate transition period, is in place.

"We have been lobbying for an improved program for many years. The NFF has been the driving force behind developing a fairer, more equitable drought policy to support farmers in drought conditions, and we have been working with the Government on this.

"Today's decision is baffling. With no areas likely to be drought declared in the near future and with a program to develop alternatives already underway, we ask the question of Government: why the rush?

"Whilst we acknowledge that an improvement to the current scheme is required, axing the existing scheme before we have a suitable replacement is completely unacceptable.

"It is absolutely imperative that drought policy finds a balance between allowing farmers to build their own risk management and preparedness, while also ensuring that appropriate assistance remains available in the event that an exceptional drought disrupts their preparations.

"Yet today, the Government has put the cart before the horse on drought policy," Mr Laurie said.

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