



Summary of measures

13 February 2014

## Immediate drought relief measures proposed by the National Farmers' Federation (NFF)

Recognising the current drought gripping much of Queensland, New South Wales, South Australia and the Northern Territory, the NFF is seeking appropriate assistance measures from the Federal Government.

The delivery of the measures canvassed below would be consistent with the processes agreed for in drought support in the Intergovernmental Agreement on National Drought Program Reform, which allows governments to tailor the type or level of support provided to farmers and/or rural communities as seasonal conditions change.

Given the severity of the current drought, a comprehensive package of targeted measures is needed immediately. The package includes changes to existing measures to address growing demand, as well as new measures to address identified needs.

### CHANGES TO EXISTING FEDERAL MEASURES

There are a limited number of assistance measures available for farmers managing through the current drought. However, assistance is often bogged down in extensive administrative requirements and not easily accessible. Current assistance is not meeting the needs of farmers. The following amendments are required to existing measures:

**Improving access to farm household income support** – access could be better targeted to meet the needs of farm families by lifting farm asset tests, removing impractical arbitrary time limits and ensuring provision of complementary assistance measures (including Healthcare cards and isolated children's education assistance).

**Improving farm finance low interest loans for greater interest cost relief** – what farmers require is a greater level of funding to meet growing demand, tweaks to ensure loans are meeting the needs of drought-affected farmers (including amending eligibility criteria to focus on drought in affected states), a reduction in the interest rate available (currently 4.5%) and an extension of the loan period (currently 5 years) to allow for drought recovery. It will also be important that the government works closely with commercial agricultural banks on updating this program.

**Expanding water infrastructure grants** – recent provision of water infrastructure grants has been welcomed by the farming community. As this program is rolled out, it should be monitored and reviewed in consultation with agriculture peak bodies, looking to improve outcomes for farmers and the land they manage. Expansion, including for infrastructure maintenance and improvement (e.g. dam de-silting), should be considered for drought recovery.

**Updating Farm Management Deposits (FMDs)** – currently, farmers affected by other natural disasters and receiving assistance can withdraw their FMDs within 12 months of deposit without losing their taxation benefits – a similar provision needs to be available for those impacted by drought.

**Improving coordination of social services** – demand for services are high as the drought conditions continue to expand and with a multitude of providers on the ground it is important that they are coordinated and duplication is limited. Different solutions will be required for different regions and local buy-in will be critical.

**Better communication of available assistance** – feedback indicates the level of awareness of available drought assistance is poor. To ensure assistance is being accessed where most needed, communication to the farming community, including through the farm-service sector and peak bodies, needs to be ramped up through multiple communication channels and provision of industry liaison officers (located in peak bodies).

### **ADDITIONAL MEASURES REQUIRED**

Recognising the severity of the current drought, a suite of new measures is also required to target specific needs of farm families, their businesses and rural communities. These include:

**Providing farm-labour wage assistance** – during droughts, there is often an increased workload for farmers. However, during droughts it becomes increasingly difficult for farm businesses to keep employees on, having flow-on impacts to the social fabric and economic resource for rural communities. Access to Newstart-type allowances, with working credits to allow workers to remain working on-farm part-time, would help ensure the farm workforce is maintained and ready for returns to positive seasons. To further support this measure, Drought Force should be reinstated, proving the dual benefit of employment for those looking for work and labour assistance for farmers. Such measures should also be considered for agriculture-dependant rural businesses.

**Improving social and community outcomes** – underpinning drought management is the health and wellbeing of farmers and local communities. This could be improved by delivering funding to the National Centre for Farmer Health and its Sustainable Farm Families program. At a local level, funding available to community groups for specific events would assist maintaining the social fabric of rural communities and ensure outreach services can be delivered for mental and other health-related matters.

**Implementing a farm advisory grant to help farmers obtain professional advice** – it is important that during a drought, farmers are able to make rational business decisions, based on sound advice. To assist with this, it would be appropriate to provide farmers with a small grant (\$5,000) to cover specific professional services, such as financial or business advice focussing immediate decision-making for ongoing operation of the business. This will also ensure farmers are well placed to remain prepared for future droughts.

**Improving measures for pest animal and weed management** – while farmers work to reduce livestock numbers on their properties during drought conditions, pest animals often come to take their place leading to additional and excessive grazing pressure on drought-affected regions. Financial assistance for pest animal and weed control would help maintain ground cover and protect sensitive areas.

Specifically for macropods, markets need to be built across a variety of weight ranges and greater incentive provided for humane harvesting of over-abundant species. Market access and development of the domestic industry requires focus. Recognising food safety requirements of international markets, there may be a role for Government's in facilitating the development of industry standards.

To help control weed infestations, particularly during drought recovery, the Australian Government's Green Army could undertake a concerted weed control program in affected regions.

**Developing a forward work program for the National Rural Advisory Council (NRAC)** – it would be appropriate for NRAC to look at what updates need to be made to the current Intergovernmental Agreement on National Drought Program Reform, to provide policy clarity and certainty for farmers managing droughts.