OUR PLAN FOR

SUPPORTING
FARMERS
IN DROUGHT
KEY POINTS

No Australian Government can make it rain. No Australian Government can make it stop raining.

But only the Liberal and Nationals Government is making it a priority to build resilience against the inevitable droughts and floods that will visit our land.

The Liberal and Nationals Government has made it a national priority to build support for drought-stricken communities and resilience against future droughts.

The Liberal and Nationals Government approach has been built on three pillars.

First, we ensured a coordinated approach by appointing a Coordinator-General for Drought, Major General Stephen Day and the Drought Special Envoy Barnaby Joyce.

We convened a Drought Summit and developed a new National Drought Agreement ensuring a united front from Commonwealth and state and territory governments in support of farming businesses, families and communities.

Second, we ensured affected farming families and communities have the support they need. And we will continue to do so.

Third, we acted to build our nation’s resilience against drought with a landmark Future Drought Fund.

A re-elected Liberal and Nationals Government will:

- **Invest $3.9 billion in the Future Drought Fund** to prepare for future droughts. The Fund will grow to $5 billion over the next decade and enable investment of $100 million per year in water infrastructure and drought resilience.
- **Continue to ensure the Farm Household Allowance is fit for purpose**, making the $5m farm assets test for Farm Household Allowance permanent.
- **Create a new restocking and replanting concessional loan** through the Regional Investment Corporation
- **Establish a $7 million Drought Communities Small Business Support Program**
- **Provide extra support by providing $1 million each to an additional 14 local council areas experiencing severe drought through the Drought Communities Program**

Labor has no empathy for regional Australia. Labor does not appreciate the contribution that Australian farmers make to the national economy.

Labor even voted against the landmark Future Drought Fund.

Labor has no plan to support farmers and farm communities affected by drought.

Labor has no plan to strengthen the Australian farm sector’s resilience to drought.
OUR RECORD

The Liberal and Nationals Government has a plan for drought.

By keeping our economy strong, we are ensuring support for our agricultural industries to combat, recover and prepare for drought.

The Liberal and Nationals Government understands that agriculture depends on good seasonal conditions and advantageous trade terms.

When our farmers are doing well, our regional economies are doing well. When our farmers are doing it tough, the Liberal and Nationals Government has demonstrated its willingness to act to make sure they get the hand up they need.

The effects of the drought in south-eastern Australia are starting to flow through. Nationally, farm profitability is expected to be lower in 2018-19 than the previous two years, largely due to drought conditions.

The effects of the drought in south-eastern Australia are starting to flow through. Nationally, farm profitability is expected to be lower in 2018-19 than the previous two years, largely due to drought conditions.

The Liberal and Nationals Government has made support available for drought-stricken communities. At the same time, we are prioritising the work required to be resilient against future droughts. The Liberal and Nationals Government is investing $6.3 billion in ongoing, immediate and long-term drought support to help farming families and communities in drought.

Our response to the drought has been shaped by the ongoing intelligence gathered on the ground by the Coordinator-General for Drought and the Drought Special Envoy.

Australia’s farmers are in the hands of the weather, and climate change forms part of this. The Liberal and Nationals Government has announced a $3.5 billion Climate Solutions Plan, which is among the largest investments by Australia in emissions reduction. The Climate Solutions Plan will ensure Australia meets our 2030 target.

Support for farmers and their families

Farm Household Allowance (FHA) has helped more than 11,200 farmers and delivered $266.9 million in fortnightly support payments.
FHA is not just a drought measure, it helps all farmers facing financial hardship. However, many of the farmers that access FHA do so because of drought.

FHA is relatively new, becoming available only four years ago. During this time, the Liberal Nationals Government has made a number of changes to ensure the Allowance meets the needs of Australian farming families, whether that be putting food on the table, paying household bills or buying school supplies.

In recognition of the ongoing drought conditions, the Liberal and Nationals Government also provided FHA recipients with a Special Drought Supplement payment. The supplement was paid in two instalments of $3,600 for singles and $3,000 for each partner for couples.

Through the $30 million Drought Community Support Initiative, charities are providing around 10,000 of our farming families with cash and vouchers to help with daily household expenses. $5 million has also been provided to the CWA to support their drought charity efforts.

The financial stress of drought brings mental stress. The Liberal Nationals Government has also invested $29.4 million to expand the Empowering our Community and Connecting Youth Awareness raising Initiative and Telehealth Services. We are providing $15 million in extra funding to the Foundation for Rural and Regional Renewal to deliver small-scale grants for not-for-profit community groups.

Support for farm businesses

Farm businesses told us that it is difficult and time consuming to sift through the web of information to find the right support for their particular needs because each program is found on different websites. To ensure that farmers and communities can find out what support is available and where to get help, the government has funded the National Farmers' Federation FarmHub.

FarmHub is a single trusted point of access to information and services. It's a one-stop-shop covering support and programs from all levels of government, industry groups and not-for-profit organisations. The Liberal and Nationals Government has provided an additional $339,000 to the NFF to expand the content of FarmHub. The additional content will focus on farm risk management approaches, including the development of a Drought Preparedness E-checklist.

Farm businesses are able to access concessional loans through the Regional Investment Corporation. The Liberal and Nationals Government provided the RIC with an additional $1 billion to help drought affected farmers. This funding supports the RIC’s special drought loan, helping farmers prepare for, manage through or recover from drought. Since 2013, more than 1,600 farm businesses have had loans approved - only eight were approved the last time Labor was in Government.
The Liberal and Nationals Government has established a $50 million Emergency Water Infrastructure Rebate Scheme. Farmers can use this funding for on-farm emergency watering points, de-silting of dams and drilling new stock water bores to improve drought resilience.

The Rural Financial Counselling Service has been around for about 30 years. It provides confidential rural financial counselling to primary producers and fishers experiencing financial difficulties. The Liberal Nationals Government has provided an additional $5 million to the RFCS bringing our total investment to $77 million. Over 4,000 farming businesses are being assisted by Rural Financial Counsellors.

Building long term resilience to drought means tackling pests and weeds. Weeds alone cost the agriculture sector $4.8 billion a year.

To help farmers and communities manage the impact of wild dogs, pest animals and weeds during drought, the Liberal Nationals Government is providing $15 million in funding for 48 projects across drought ravaged communities. Our total investment in fighting pests and weeds has reached over $200 million.

Farmers told us they need better weather forecasting to help them plan. We have responded with $77.2 million in funding for radars to address gaps and $2.7 million to the Bureau of Meteorology for regional climate guides provided. These initiatives will provide farmers with more information to farmers and giving them the resources to better manage the weather and climate.

The Liberal and Nationals Government cut red tape to get fodder to farms more quickly. Heavy vehicle height and width allowances were increased for trucks carrying hay and fodder to drought areas, resulting in up to 54,000 days per year avoided in waiting for permits. Additionally, the $75 million accelerated fodder storage asset depreciation will provide farmers the option to instantly depreciate their asset, instead of depreciating it over 3 years.

Support for farming communities

When Australian farmers are doing it tough, so do the communities that support and rely on them. Through the Drought Communities Fund, 96 local governments have access to $1 million each to deliver local infrastructure and drought relief products.

An additional $23.7 million has been provided to fast track capping and tapping free-flowing bores across the Great Artesian Basin to ensure there is water available for generations to come.

$72 million in funding has been made available for projects in drought-affected areas through a special National Water Infrastructure Development Fund Drought Round.
OUR PLAN

Delivering the Future Drought Fund

No Australian Government can make it rain. No Australian Government can protect Australia’s farmers from drought.

But the Liberal and Nationals Government will make an unprecedented investment in drought resilience, preparedness and recovery. The Government’s $3.9 billion Future Drought Fund - which will grow to $5 billion over time - will deliver $100 million per annum to a range of projects mitigating the impact of drought.

Labor doesn’t support the Future Drought Fund. Labor doesn’t want to put in place guaranteed funding to help Australian farmers who need to prepare for and respond to drought conditions that are out of their control.

Restocking and Replanting Concessional Loans

In recognition of the impact of prolonged drought on farm capital resources, the Liberal and Nationals Government will make available a new loan product to drought affected farmers for restocking and replanting purposes.

Drawing on the Regional Investment Corporation (RIC), eligible farmers will be able to borrow up to $200,000 for restocking and replanting. Loan terms include a two year interest free period, with no interest accrual. This will assist farm businesses immediately rebuild and restore their future viability following successive years of financial hardship brought about by harsh drought conditions. The concessional rate of interest and flexible repayment terms over the remainder of the term will help farming families get back on their feet.

Eligible farmers must demonstrate their property is in a 10 per cent rainfall deficient area through Bureau of Meteorology rainfall deficiency mapping over at least a 24 month period and have experience of consistently failed crops or have consistently destocked for two or more years.

Fit for purpose Farm Household Allowance

A re-elected Liberal and Nationals Government will continue to improve FHA to ensure it is fit for purpose.
Farmers are unlike other recipients of government support. They have a full-time business to run, livestock to care for, crops to market and properties to maintain. That’s why FHA has more generous assets tests and other special dispensations.

In 2018 the Liberal National Government temporarily extended the farm assets threshold to $5 million. A re-elected Liberal and Nationals Government will make this permanent.

This move recognises that farmers have substantial assets but no income to meet daily expenses.

As part of the recent Budget, the Liberal and Nationals Government made changes to discount or exempt the forced sale of livestock from the FHA income test when the income is invested in a Farm Management Deposit. Farmers on FHA who are destocking will be able to retain access to income support and make long-term financial plans for their future. Farmers on FHA who are destocking will be able to retain access to income support and make long-term financial plans for their future.

**Financial Counselling for Small Businesses in Drought Affected Communities**

When our farmers are doing it tough in a drought, so are the small businesses that support them.

One of the long-standing and most successful services for farmers in hardship is the Rural Financial Counselling Service (RFCS). The RFCS supports our farmers to make business decisions, identifying financial and business options, developing action plans and negotiating with lenders.

A re-elected Liberal and Nationals Government will commit $7 million to establish the RFCS Drought Communities Small Business Support Program. The Program will be provided free of charge to business owners.

**Supporting communities tackling drought**

As part of the recent Budget, an additional $15 million has been allocated to 15 more local government areas under the Drought Communities Program. This brings the total investment to $96 million for 96 local governments suffering drought.

Funding has been used for a wide variety of projects that help farmers and residents. The Bollon Town Common Fencing Upgrade will renew fences for better management of stock near main roads in the Balonne Shire. The Unsealed Road Infrastructure Upgrade will install water-filling stations closer to farmers and upgrade cattle grids in the Tamworth Shire.
A re-elected Liberal and Nationals Government will continue to evaluate drought conditions and provide assistance to those Council areas in most need. We will provide $1 million to an additional 14 Councils experiencing severer drought conditions. Councils include:

- Balranald
- Berrigan
- Hay
- Renmark Paringa
- Unincorporated SA
- Latrobe
- Mildura
- Yarriambiack
- Federation
- Coolamon
- Adelaide Plains
- Alexandria
- Copper Coast
- Port Pirie City and District

This brings our total investment under the Drought Communities Program to $110 million.

**THE CHOICE**

There is a lot at stake at this election. And there is a clear choice.

A choice between a Government that is delivering a stronger economy and a Labor Party that would weaken our economy.

A choice between a Government that is fixing the Budget and a Labor Party that can’t manage money.

A choice between a Government whose sound economic management enables it to properly fund drought support and resilience measures and a Labor Party who can’t manage money and therefore can’t deliver essential services.

A choice between a Government that values Australia’s farm sector and a Labor Party that opposed the Future Drought Fund in the Australian Parliament.

A choice between a Government that has increased Farm Household Assistance and a Labor Party that would let the program wither.
A choice between a Government that stands behind farmers in need and a Labor Party that would abandon our farmers and their communities.

THE COST

The Liberals and Nationals will invest an additional $36.4 million to help farmers tackle drought.