



# Financial assistance for farmers

DROUGHT is causing problems for farmers in our area, however they are not alone. Many businesses are putting their hand up to try and do their bit to help farmers.

Drought affected farmers may be able to access support for a range of needs from live-stock feed, everyday living expenses and access to financial and health services.

We will highlight some of the assistance available to farmers from the Government and other authorities.

**The Farm Household Allowance (FHA)** provides eligible farmers and their families support through planning and training for long-term financial improvements as well as income support for up to four years.

The program provides;

- Fortnightly payment and supplementary allowances of up to \$590 (such as rent assistance, phone and pharmaceutical allowances and Health Care card).
- Individual case support with a Farm Household Case Office and Rural Financial Counsellor
- A financial assessment of the farm enterprise by a qualified advisor up to the value of \$1,500.
- A \$4,000 activity supplement that gives farmers an opportunity to develop skills, access training and pay for advice to better manage their business.

On August 5, Prime Minister Malcolm Turnbull announced changes to the FHA. Eligible farmers will soon be able to receive two lump sum payments worth up to \$12,000 for family households and single households will get \$7,200.

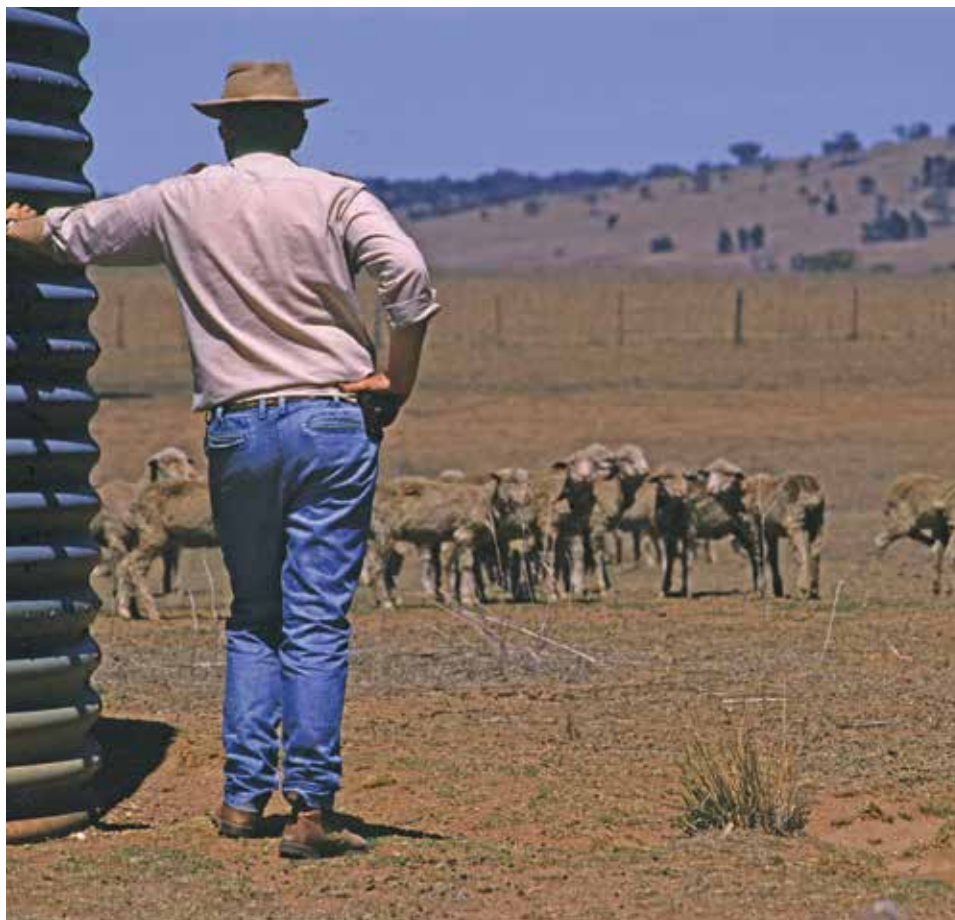
The Government has opened the **Farm Business Drought Assistance loans in Victoria**.

Under this scheme farmers who are currently experiencing a significant financial impact as a result of the effect of drought are able to apply for a Drought Assistance Loan.

Rural Finance will be the delivery agent for the Scheme in Victoria on behalf of the state government.

The scheme will offer;

- Concessional loans for a term of ten years
- A variable interest rate commencing at 3.09 per cent.
- A maximum loan amount of \$1,000,000 (capped at 50 per cent of the Farm Business's Final Debt Position).



- Loans for the purposes of re-structuring existing eligible farm debt including existing Farm Finance and Drought Concessional Loans, providing new debt for operating expenses necessary to continue normal operations, drought recovery activities and drought preparedness activities.

**Concessional Interest Loans are also available through the Regional Investment Corporation.**

The scheme is designed to assist farming operations that have experience significant financial impact as a result of the drought.

To be eligible businesses must have been operating for at least three years and have good long-term prospects of returning to profitable trading with sustainable debt levels.

Farmers can apply for a farm investment loan or drought loan with a variable interest rate of 3.58 per cent for up to \$1 million.

Agriculture Victoria has rolled out the first and second actions in the Victorian Government's \$30 million **Agriculture Energy Investment Plan (AEIP)**: free on-farm energy assessments and on-farm energy grants.

The AEIP supports on-farm businesses to improve energy efficiency, manage energy costs, improve energy reliability and support own-generation capacity.

The on-farm energy tier 1 grants are available to eligible primary producers until March 2020.

You will need an on-farm energy assessment to access one of the grants in the Agriculture Investment Energy Plan.

In New South Wales an **Emergency Drought Relief Package** is available as well as the **Farm Innovation Fund**.

The Government's drought assistance has tipped over \$1 billion. The Farm Innovation Fund is a package to assist primary produc-

ers identify and address risks to their farming enterprise, improve permanent farm infrastructure and ensure long-term productivity and sustainable land use to aid in meeting changes to seasonal conditions.

The Emergency Drought Relief Package aims to help farmers manage the effects of the current drought and includes the following;

- Drought transport subsidies; A subsidy of up to 50 per cent of the total freight cost is available to eligible primary producers to a maximum of \$5 per kilometre to a maximum eligible distance of 1,500 kilometres.
- Drought assistance fund; interest free loans of up to \$50,000 are available to eligible primary producers to assist in implementing systems and management practices that enhance the sustainability of their enterprise by funding;
  - Transport of livestock, fodder or water
  - Water and Feed infrastructure
- Waivers on government fees and charges
- Local Land Services Rates and Fixed Water Charges concessions

Farmers are urged not to self-assess and to contact the relevant agencies or a rural financial counsellor for help.

For more information or assistance, contact Matthew at [matthew@scba.com.au](mailto:matthew@scba.com.au) or 5018 6444.

*Note this article is generic in nature, please consult with your accountant or financial adviser to consider your personal circumstances.*



Matthew Belbin, CPA Accountant

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