



New Commonwealth package for Drought Affected Farmers—Overview

Background

On 9 December 2002 the Commonwealth announced a one-off additional drought assistance package for farmers and small businesses in severely drought-affected areas.

These measures recognise the unique circumstances of the present drought, including the rapid onset of severe drought conditions, the widespread impact and consequent reduction in farm management options, such as stock agistment.

The package includes major new measures to assist drought-affected farmers maintain their core breeding stock, and allows access to Commonwealth Interim Income Support in advance of a State government lodging an application for Exceptional Circumstances (EC).

Centrelink is delivering these new drought assistance measures on behalf of the Commonwealth.

What does the package contain?

Support for farmers

- **Interim Income Support**

In areas where farmers are suffering from a one in 20 year rainfall deficiency over the nine months from March 2002 to November 2002, the Commonwealth will provide you with immediate access to Interim Income Support for six months. This applies to all of NSW and similarly affected areas in other States.

Interim Income Support is a grant of approximately \$600 per fortnight for you and your family. It will be available for a period of six months, and will allow State governments time to prepare a full application for EC assistance.

Specific eligibility conditions apply.

- **Interest Rate Relief**

Interest Rate Relief for new and additional borrowings is now available if you live in these defined areas to help with stock support and drought recovery essentials, such as purchasing fodder.

Interest Rate Relief is equivalent to five percentage points or 50 per cent of the prevailing interest rate, whichever is lower, on new and additional commercial loans of up to \$100 000 from a bank or other commercial institution for up to two years.

Applications for this assistance must be lodged during the six-month period that Interim Income Support is available.

This measure is also available to farmers in existing EC-declared areas and areas where a *prima facie* case for EC has been established. This assistance is particularly designed to assist farmers in difficulty due to the high cost of fodder and stockfeed.

Specific eligibility conditions apply.

Support for small business

- **Interest Rate Relief for small businesses affected by the drought**

Eligible small businesses in EC-declared areas will be entitled to assistance on new and existing borrowings of up to \$100 000 from a bank or commercial institution. The Interest Rate Relief is equivalent to five percentage points or 50 per cent of the prevailing interest rate, whichever is lower, for up to two years. This measure will also be available to other small businesses not in EC-declared areas, where the firm can demonstrate an overwhelming reliance on such areas for their business.

Specific eligibility conditions apply.

Exceptional Circumstances declarations

Current EC criteria and assessment arrangements will continue to apply. EC applications already lodged with the Commonwealth will be processed as a matter of urgency. Where the Commonwealth subsequently declares EC in a region, normal EC support measures will apply for farmers.

If EC is not declared, these additional assistance measures will expire at the end of the relevant period.

How to find out more

For further details **contact your local Centrelink office or phone the Centrelink Drought Assistance line on 13 2316***.

For information in languages other than English ring **13 1202***.

Information on other Commonwealth programs and services can be obtained from the Commonwealth Regional Information Service on **Freecall™1800 026 222***.

* Calls to 13 numbers cost 25 cents from anywhere within Australia. Calls to 1800 numbers are free of charge. Calls from public pay phones or mobile phones will be charged at a higher rate.