



New Income Support Arrangements for Drought Affected Farmers

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.

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

What assistance is available?

The package gives farmers the opportunity to access Interim Income Support in advance of a State government lodging an application for Exceptional Circumstances (EC) assistance. It also includes new measures to assist drought-affected farmers through Interest Rate Relief on new and additional commercial loans of up to \$100 000.

For information about Interest Rate Relief please ask for the 'Stock Support and Drought Recovery Assistance—Interest Rate Relief' factsheet from your local Centrelink office or call the Centrelink Drought Assistance line on **13 2316***.

What are the new Interim Income Support arrangements?

Interim Income Support is now available to all eligible farmers in those parts of Australia suffering from a one in 20 year rainfall deficiency over the nine months from March 2002 to November 2002. This applies to all areas of NSW and similarly affected areas in other States. It will be available for a period of six months.

What if I live outside the defined areas?

If your farm enterprise is located up to 7 km outside one of these defined areas and you can demonstrate that you are affected by the same climatic circumstances, then you will be able to apply for Interim Income Support under the same terms and conditions as those within the defined areas.

If an EC declaration is made by the Commonwealth Government within your region, this income support will be replaced by EC support measures. Please note, you will need to apply for EC assistance separately.

Key features of the Interim Income Support Payment are:

- Income support will be paid fortnightly at the same rate as Exceptional Circumstances Relief Payment.
- There is no requirement to satisfy an Activity Test.
- The payment is a grant, not a loan.
- There is no requirement to put your farm on the market.

- You may qualify for a Health Care Card or Family Tax Benefit for children in your care. If your children are 16 years or older they may qualify for Youth Allowance. Ask Centrelink about these additional support measures when you claim Interim Income Support.

How do I apply?

- Complete the Interim Income Support Payment application form and lodge it at your local Centrelink office.
- Show original documents to prove your (and your partner's) identity—see the 'Proving your identity to Centrelink' factsheet.
- As a farmer you will be asked to confirm details of the location of your farm enterprise. The information will be used to confirm that your enterprise is located within an area that is eligible for Interim Income Support.

How do I qualify?

You must:

- be a farmer—a person who has a right or interest in the land used for the purposes of a farm enterprise, contributes a significant part of his/her labour and capital to the farm enterprise and derives a significant part of his/her income from the farm, **and**
- be at least 18 years old, **and**
- be an Australian resident and living in Australia for the period, **and**
- be a farmer whose enterprise is located within an area that is eligible to receive Interim Income Support, **and**
- not in receipt of Newstart, Farm Help Income Support, a social security benefit or pension, or a service pension from the Department of Veterans' Affairs (DVA).

Income and Assets Test:

- Similar to the Newstart income test but income from the forced sale of livestock during the period may be excluded, subject to certain conditions.
- Non-farm assets tested only—assets essential to the long term profitability of your farm are disregarded in calculating the value of your farm assets. Your life insurance and superannuation are also excluded.
- An income and assets assessment will be conducted on application.
- As a farmer you may be required to verify details by supplying copies of your latest income tax returns and financial statements.

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.