



Stock Support and Drought Recovery Assistance—Interest Rate Relief

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 includes major new measures to assist drought-affected farmers through Interest Rate Relief, and allows access to Commonwealth Interim Income Support in advance of a State government lodging an application for Exceptional Circumstances (EC) assistance.

For information about Interim Income Support please ask for the 'New Income Support Arrangements for Drought Affected Farmers' factsheet from your local Centrelink office or call the Centrelink Drought Assistance line on **13 2316***.

What is the Interest Rate Relief?

Interest Rate Relief for new and additional borrowings is now available if you live in a defined area (see below) to help with stock support and other drought recovery essentials, such as purchasing fodder.

Interest Rate Relief equivalent to five percentage points or 50 per cent of the prevailing interest rate, whichever is lower, is available 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 assistance is particularly designed to directly assist farmers in difficulty due to the high cost of fodder and stockfeed.

Who can get the Interest Rate Relief?

To be eligible for the Interest Rate Relief, farmers must be located 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 of NSW and similarly affected areas in other States. Farmers in existing EC-declared areas and areas where a *prima facie* case for EC has been established are also eligible to apply for this assistance.

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

If an EC declaration is made by the Commonwealth Government for your area, you will be able to apply for the normal business support measures available under EC as well as this assistance. However, you will only be able to claim one set of Interest Rate Relief for any loan.

How do you apply?

- Complete the Interest Rate Relief application form and lodge it at your local Centrelink office.
- Obtain a certificate or certified statement from your bank or commercial financial institution that new and additional borrowings have been made since the announcement of this measure.
- Show original documents to prove your (and your partner's) identity, or the details of incorporation of your farming company.
- You will be asked to provide details of the location of your farm enterprise. This information will be used to confirm that your farming enterprise is located within an area that is eligible for the Interest Rate Relief.

How do you 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/Interest Rate Relief.

Assets Test:

- No income test applies, but an off-farm assets test applies.
- As a farmer you may be required to verify information by supplying details of non-farm assets.

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.