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Drought Assistance – August 2018

1. The recently announced Drought Relief package, consisting of three main elements:

i. Increased funds available through the Farm Innovation Fund:

- These are low interest loans available for infrastructure investment and have been in place for quite some time. They are loans not subsidies, but the government has recently made more funds available.
- As per the next element of the drought package, they are waiving interest charges on existing Farm innovation Funds, for 2018-19 and will refund interest charges from 2017-18.

ii. Waiving of some fees and charges:

- Local land service rates and fixed water license charges (applicable to irrigators) will be automatically waived. There is no need to apply.
- Registration costs of Class 1 agricultural vehicles will be waived from the next annual registration charge. Class 1 are heavy vehicles such as tractors and headers for which registration is required to drive on roads. Applications need to be submitted through Service NSW at the time of registration renewal.
- As mentioned above, interest for existing Farm Innovation Fund customers, and those who had applications submitted prior to 30 July 2018, will have interest waived/refunded. This will be automatic with no need to apply.

iii. Drought Transport Subsidies

- Claim up to 50% of the GST exclusive cost of freight up to \$5 per kilometer and 1,500 km per trip (the maximum claim per trip is therefore \$3,750).
- This subsidy is applicable for the transport of fodder, water for stock, and stock to and from agistment or sale.
- Claims can also be made by owner carriers, based on rates per size of vehicle, as determined in RAA Transport Subsidy guidelines.

**Business Advisory > Business Plans > Business Valuations > Cashflow Projections
Performance Monitoring > Growth Strategies > Succession Planning**

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- Multiple trips and purposes can be claimed, to a threshold of \$30,000 per business, backdated to 1 January 2018 and extending until 30 June 2019.
- Some eligibility criteria apply:
 - More than 50% of gross income must come from primary production under normal seasonal circumstances;
 - The business must be negatively impacted by drought, which now includes all of NSW;
 - Owners must not have gross off-farm assets exceeding \$1,000,000, excluding funds in a registered superannuation fund.
- Applications can be made online or by manual form, both of which are available at the following link. YBM advise all participants to be mindful of new data protection regulations, whereby personal information including bank details and tax file numbers should not be sent to anyone by email.
<https://www.raa.nsw.gov.au/assistance/emergency-drought-relief>
- Information required at the time of application:
 - General farm and business information, including ABN, bank account details etc.
 - Your 6-digit BP number if RAA assistance has previously been sought.
 - Proof of property location, in the form of latest LLS rates and council rates notices (scanned and saved to PDF for online applications).
 - Proof of expenditure – tax invoices from carriers (scanned and saved to PDF for online applications).
 - Owner carriers will also need copies of truck registration papers, log book entries and travelling stock statements.

2. Interest free loans in the form of Drought Assistance Fund:

- Loans available for infrastructure and management to enhance business sustainability.
- Approved activities relate to:
 - Transport of fodder, livestock and water
 - Infrastructure for fodder and water
 - Banking of genetic material of livestock.
- 100% of net, GST exclusive costs will be covered, to a business threshold of \$50,000.

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- Prior approval must be sought before commencing works.
- Terms are interest free and include two years with no repayments followed by five years of principle only repayments.
- Some eligibility criteria apply:
 - More than 50% of gross income must come from primary production under normal seasonal circumstances;
 - The business must be negatively impacted by drought, as assessed by RAA;
 - Owners must not have gross off-farm assets exceeding \$1,000,000.
- Applications can be made online or by manual form, both of which are available at the following link. YBM advise all participants to be mindful of new data protection regulations, whereby personal information including bank details and tax file numbers should not be sent to anyone by email.
<https://www.raa.nsw.gov.au/assistance/drought-assistance-fund>
- Information required at the time of application:
 - General farm and business information, including ABN etc.
 - Your 6-digit BP number if RAA assistance has previously been sought.
 - Details of proposed activities, including estimates of costs.
 - Details of security offered, including current market values and amounts owing.
 - Month-by-month cash flow budget for the next 12 months.
 - Statement of financial position, including assets and liabilities.
 - Tax returns for the entity and all individuals (scanned and saved as PDF for online applications).
 - Proof of property location, in the form of latest LLS rates and council rates notices (scanned and saved as PDF for online applications).