



May  
2013

# National Drought Program Reform:

## helping farmers prepare for challenges and manage risks



### The government's commitment to farmers

The Australian Government is introducing measures that help farmers and their families prepare for the future, recognising drought is one of a range of challenges that farmers face. Support will be focused on preparedness and risk management so farmers and their families are ready for the difficult times that are often encountered in Australian farming.

National Drought Program Reform will be implemented from 1 July 2014 and will include:

- the Farm Household Allowance
- Farm Management Deposits and taxation measures
- a national approach to farm business training
- a coordinated approach to social support services
- tools and technologies to inform farmer decision-making.

As a national package, these measures will also be complemented by a range of state and territory government initiatives.

### Farm Household Allowance

The 2013–14 Budget package provides \$99.4 million over four years for the Farm Household Allowance. This allowance will be available from 1 July 2014 and provide eligible farmers and their partners up to three years of income support, paid fortnightly. Recipients will be supported by case managers as they undertake activities to improve their situation and prepare for the future. The new allowance will replace the Exceptional Circumstances Relief Payment and the Transitional Farm Family Payment.

### Key points

1. The Australian Government is committed to helping farmers when they experience hardship and as they prepare for future challenges.
2. The 2013–14 Budget allocates \$99.4 million for the Farm Household Allowance to assist farm families in financial hardship.
3. The allowance is part of the national drought reform package that focuses on preparedness and risk management so farmers and their families are ready for difficult times.
4. The new package will be implemented from 1 July 2014.
5. Support is available now to assist farmers through the:
  - Transitional Farm Family Payment
  - Farm Management Deposits Scheme
  - Rural Financial Counselling Service.



## What assistance is available to farmers now?

There are measures in place now that farmers can access to help them prepare for and manage future challenges, including drought. These include:

### Transitional Farm Family Payment

Farm families experiencing hardship can apply for the **Australian Government's Transitional Farm Family Payment**. This provides fortnightly income support for up to 12 months and dedicated case management to help farm families assess and improve their long-term security. The payment is available until 30 June 2014.

### Farm Management Deposits Scheme

The **Farm Management Deposits Scheme** is a tax-linked risk management tool that helps primary producers to be more self-reliant and better manage fluctuations in their income due to climate variability and market changes.

The government's recent decision to enhance the scheme, by increasing the non-primary production threshold and allowing accounts to be consolidated, will make it even more accessible and useful.

### Rural Financial Counselling Service

Free, impartial and confidential financial counselling is available to farmers and their families in all states and territories through the **Rural Financial Counselling Service**. This service is tailored to help farmers, fishers and agriculture-dependent small businesses in their decision making. From 1 July 2013, further funding for the service will provide around 16 additional full-time counsellors. These counsellors will focus on regions and industries experiencing acute debt stress and where recent natural disasters have had a heavy impact on farm businesses.



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