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MEDIA RELEASE

Farm Finance (27 April 2013)

From The Hon. Joe Ludwig.
Minister of Agriculture, Fisheries and Forestry.
Date: Sat, Apr 27, 2013.
Subject: Farm Finance

The Gillard Government will boost support and assistance to farmers struggling with acute levels of debt with a new package of measures to support the rural sector.

The high dollar and depreciation of land values are putting significant pressure on many farmers, leaving otherwise viable farms facing serious difficulty to stay operational.

Today the Deputy Prime Minister and I announced the Gillard Government's **Farm Finance** initiative. Farm Finance will help strengthen Australia's farming and agricultural sector, making sure all farmers can take advantage of the opportunities that will flow from the Asian Century and growing global demand for food.

The package consists of four parts:

- first, offering each state and the Northern Territory up to \$60m in funding to provide low-interest loans to farmers to help them consolidate their current debt or pursue efficiencies within their business. The states are best placed to deliver these loans through their rural adjustment authorities or similar bodies.

- we will also be providing additional funding to the Rural Financial Counselling Service to help address the spike in demand for their services. An additional 16 counsellors will be deployed across the country to focus on regions and industries experiencing acute debt issues.

- in order to provide assistance to farmers when negotiating debt with their banks, the Gillard Government will seek to harmonise the debt mediation schemes across the states. We will work with the NFF, the state and territory governments and the banking sector to ensure farmers get a fair go when facing challenging decisions.

- finally, we will amend the Farm Managed Deposits (FMD) scheme to allow more farmers to take advantage of it and cut red tape. By increasing the off-farm income threshold to \$100,000, we can allow farmers who gain income from non-primary production sources to plan for their future more effectively. For farmers who already hold FMDs, this will allow farms to gain more non-primary production income and we will allow them to consolidate their accounts more effectively.

For more information on Farm Finance, visit www.daff.gov.au/farmfinance. Today's media release is attached for your information. I have today written to the States and the Northern Territory to make this offer to them and I hope they will agree to these proposals. If you wish to contact your state government and encourage them to take up this offer, you can do so with the below contact details.

Victoria - The Hon Peter Walsh - peterwalsh@parliament.vic.gov.au

New South Wales - The Hon Katrina Hodgkinson - office@hodgkinson.minister.nsw.gov.au

Tasmania - The Hon Bryan Green - bryan.green@parliament.tas.gov.au

South Australia The Hon Gail Gago - minister.gago@sa.gov.au

Western Australia - The Hon Ken Baston - Minister.Baston@dpc.wa.gov.au

Northern Territory - Hon Willem Rudolf Westra van Holthe - Minister.Westra@nt.gov.au