

1. Drought Concessional Loans: - Snapshot of features & eligibility requirements
2. Farm Household Assistance: - Centrelink income support
3. Rural Financial Counsellors: - Farmer assistance with applications and options

1. Drought Concessional Loans Scheme in Victoria.

This scheme is designed to assist Victorian farming operations that have been operating for at least three years and have experienced significant financial impact as a result of the effects of drought, but have good long-term prospects of returning to profitable trading and sustainable debt levels.

Rural Finance is the delivery agent for the Scheme in Victoria on behalf of the state government.

Drought Concessional Loans Scheme at a glance:

(Ref: Rural Finance website http://www.ruralfinance.com.au/uploads/grant_files/VIC_DCLS_guidelines_FINAL.pdf)

Key features of the Drought Concessional Loans Scheme:

- Loans are for eligible Farm Businesses for the purposes of restructuring existing Eligible Debt (including a Farm Finance Concessional Loan), providing new debt for Operating Expenses or Drought Recovery and Preparedness Activities, or a combination of these
- a maximum loan term of five years
- loan amounts will be up to 50 per cent of total Eligible Debt to a maximum of \$1 million
- a variable 3.05 % concessional interest rate as at 1 August 2015, reviewed on a six-monthly basis
- a concessional interest period of five years
- interest only payments available for the loan term
- at the end of the loan term, the Farm Business must repay or refinance the remaining loan balance
- availability of loans is subject to funds being available. Applications for the scheme will close on 30 June 2016.

Should you read on?

To help decide whether you and your Farm Business are eligible to be considered for a Drought Concessional Loan you need to answer 'yes' to these questions:

1. Does my Farm Business have existing Eligible Debt?
2. Is my Farm Business experiencing a Significant Financial Impact, causing a financial need for assistance?
3. Is the Significant Financial Impact my Farm Business is experiencing the result of the effects of drought?
4. Is my Farm Business located within an area identified as having experienced a rainfall deficiency as indicated in the Bureau of Meteorology's 'Rainfall Deficiency Report'?
5. Can I demonstrate that my Farm Business has taken reasonable steps to prepare for drought?
6. Is my Farm Business able to provide an acceptable Drought Management Plan?
7. Does my Farm Business have the support of its commercial lender(s)?
8. Can my Farm Business fully repay the Drought Concessional Loan within five years, for example, through successfully obtaining commercial refinance at the end of the five year period?
9. Can my Farm Business provide adequate security for the Drought Concessional Loan?

Loan applications will be assessed in order of receipt. Applications will only be accepted if they are fully completed and submitted with all mandatory supporting information required (see Application form).

Applications close on 30 June 2016 or earlier should loan funds be exhausted.

More information can be found on Rural Finance website -

<http://www.ruralfinance.com.au/grants/drought-concessional-loans-scheme-2015-16>

Bureau of Meteorology Rainfall Deficiency Report

A valid Bureau of Meteorology Rainfall Deficiency Report must be submitted as part of an application. This report identifies those areas that have experienced either a rainfall deficiency which is equivalent to, or worse than, 1 in 20 years or 1 in 10 years.

If your farm business is not located in either of the above rainfall deficient areas as determined by the Bureau of Meteorology, you are not eligible for assistance under the Drought Concessional Loans Scheme.

To obtain a Rainfall Deficiency Report, locate your farm business on the map and download a report using the Bureau of Meteorology – <http://www.bom.gov.au/climate/ada/>

The Rainfall Deficiency Report **will be valid for a period of 60 days** and forms part of the loan application. If the application cannot be lodged within the 60 day period a new report must be obtained.

Note: The Australian Rainfall Deficiency Analyser is updated the 23rd of each month (or next business day).

Need more help?

For further information about the Australian Government's Drought Concessional Loans Scheme, please call **Rural Finance Industry Programs** on 1800 260 425.

Assistance is also available from the **Rural Financial Counselling Service (RFCS)** which offers a free and confidential service and may be able to assist you in the preparation of Concessional Loan Applications and Drought Management Plans. RFCS Vic – Gippsland ph: 03 5662 2566

2. Farm Household Allowance (FHA)

The Farm Household Allowance (FHA) provides eligible farmers and their partners who are experiencing financial hardship with income assistance and support to improve their long-term financial situation.

The allowance is delivered by the Department of Human Services (Centrelink) and is paid fortnightly at a rate equivalent to Newstart Allowance (or Youth Allowance for those under 22 years). A Health Care Card will be provided to recipients. Support will also be provided through a dedicated FHA case manager to help recipients assess their situation and develop a plan for the future.

Eligible farmers and their partners will be able to access up to three years of payment. This is designed to give farm families time to get back on their feet and the opportunity to take steps to improve their circumstances.

For eligibility criteria, including income and assets tests, along with application forms visit the [Department of Human Services website](#), [Questions and Answers](#) section or [Farm Household Allowance Guidelines](#).

3. Rural Financial Counselling Service: *Funded by the Australian, State and Northern Territory governments.*

The RFCS provides free rural financial counselling to primary producers, fishers and small rural businesses who are suffering financial hardship.

Rural Financial Counsellors support the delivery of the Drought Concessional Loans and Farm Household Allowance by assisting with -

- Farmers' understanding of Govt support eligibility, requirements and responsibilities
- Completing application forms and collecting supporting documents
- Preparing a drought management plan
- Identifying options available to individual farm businesses
- Referrals through to professional advisors

Gippsland RFCS contacts:

RFCS Main Office (Leongatha):	5662 2566	Ellinbank:	Jenny Mason	0400 182 840
	Marshall Scott		Ross Neilson	0427 618 520
	Anne Gilligan			

Rainfall Deficiency Report – BOM (23 November 2015) <http://www.bom.gov.au/climate/ada/>

Assessment period: 01/11/2013 to 31/10/2015

