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## **VICTORIAN GOVERNMENT STANDS BY FARMERS WITH \$47 MILLION DROUGHT PACKAGE**

A \$47 million drought assistance package will position Victorian farmers to capitalise on recent spring rains, boost recovery from more than a decade of drought and drive the future sustainability of the agricultural sector, the Premier John Brumby announced today.

In the Wimmera, Mr Brumby said the centrepiece of the \$47 million package was a new farm improvement grants scheme to support farmers in drought-affected areas to make significant on-farm infrastructure improvements to boost productivity.

The Victorian Government's continuing drought support totals over \$400 million since 2006 and today's package is in addition to arrangements with the Commonwealth for Exceptional Circumstances (EC) payments for drought-affected farmers.

"We have stood by Victorian farming families and their communities through 13 years of drought which, combined with the impacts of climate change and bushfires have created unprecedented challenges for our farmers," Mr Brumby said.

"It is great news that for many farmers the recent spring rain means the prospect of a long and overdue good cropping season, with Victoria's grain harvest shaping up to be one of the best in more than a decade and projections showing it could tip the scales at four million tonnes.

"However, many farmers are still doing it tough. Victoria's dairy farmers, who account for 85 per cent of Australia's dairy exports have been hit with record low milk prices because of unfair European Union and United States dairy export subsidies and the Global Financial Crisis. The rising Australian dollar will also generate export pricing challenges for our grain growers.

"That's why this year we are once again delivering a significant drought assistance package which provides immediate relief for farmers, drives on-farm productivity improvements and supports farming communities which rely on a prosperous farming sector."

The key elements of the Victorian Government's 2009 drought package include:

- \$13.5 million for Farm Improvement Grants of \$2000 for infrastructure improvements for farmers in the Northern Irrigation Region and \$1000 for any eligible farmer in an EC-declared area to drive improvements in on-farm productivity;
- \$9 million for municipal rates subsidies of up to 30 per cent for eligible farmers in EC-declared areas for 2009/2010 which recognises that farmers have experienced over a decade of drought and associated financial hardship;
- \$9 million for Water Rate Rebates for farmers who receive less than a 30 per cent allocation from December 1;
- \$2.3 million for Drought Extension Support; providing advice and information for farm businesses in the Northern Irrigation Region with essential decision-making including targeted advice for the dairy industry;
- \$1.9 million for the Drought Apprentice Retention Bonus. The initiative provides one-off \$1500 cash grants per apprentice to businesses in EC-declared areas which directly provide services to the farming industry;

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- \$1.6 million to VicRelief and Foodbank to provide items such as food and other household necessities to families in drought-affected communities; and
- \$450,000 to provide a personalised case management service to farmers accessing Rural Financial Counselling in Northern Victoria.

The package includes \$38 million in new drought support measures with \$9 million in continuing programs which include:

- \$2.2 million for Drought Relief for Community Sport and Recreation for long term, sustainable reductions in potable water use by community sporting facilities;
- \$1.9 million for the Synthetic Surfaces Program to further support “drought proofing” of playing and training surfaces to allow sporting competition continue;
- \$1.55 million for the highly-successful Sustainable Farm Families to support the physical, mental health and well-being of drought affected families;
- \$975,000 to provide case management services to assist farmers, fishers and agriculture-dependent small businesses in their decision making; and
- \$2.4 million in a range of other drought support initiatives.

Agriculture Minister Joe Helper said the Farm Improvement Grants would provide funding for farmers across the state to improve infrastructure on their farms.

“Farmers in the Northern Irrigation Region, whose drought impact has been more severe, will be eligible for 2:1 co-investment grants of \$2000 for infrastructure improvements such as replacement pipes or other capital improvements to items such as silos,” Mr Helper said.

“Eligible farmers across other parts of Victoria will be eligible for 1:1 grants of \$1000 for the same purpose; to help secure their business for the future.

“Together with programs such as the farm improvement grants and water rate and municipal rate subsidies, the Victorian Government is providing immediate support to help farmers through the drought and long-term support to ensure they are better placed to meet the challenges of future climatic conditions.”

Mr Helper said that under the \$9 million water rate rebate scheme, which had retained the same eligibility criteria as last year, the Government would pay up to the first \$1000 of water bills for all irrigators and stock and domestic farmers who are receiving less than 30 per cent of their water entitlements as of 1 December.

“Irrigators whose water bill is more than \$1000 will receive an additional 50 per cent rebate on the balance of bills above \$1000,” Mr Helper said.

“This package puts in place support measures which recognise that farmers are a long-way off recovery, the difficulty of global market conditions and the flow-on effect drought conditions have on farming families and rural communities.

“It builds on our \$205 million Future Farming Strategy to invest in cutting-edge science research that improves sustainable farm practices for Victoria’s agricultural sector and a \$40 million investment towards a \$128 million Dairy Futures Cooperative Research Centre (CRC) in Bundoora, which will form part of the new \$230 million Biosciences Research Centre.”