

EXCEPTIONAL CIRCUMSTANCES ASSISTANCE

Fact Sheet and Contacts Guide (September 2007)

This fact sheet updates the various assistance measures available to primary producers and small businesses operating in a region that has been Exceptional Circumstances (EC) declared. Australian Government announcements in late 2006 granted most of southern and central Queensland EC extensions to 15 June 2008. Announcements by the Prime Minister in September 2007 have relaxed two important eligibility limits and added some extra grants for special situations. Because this drought has extended well beyond the normal scope for recovery the government wants the extra \$1,144 million spent and urges all farm families and small business to make contact with Centrelink and get the dollars moving in your community. Remember, the Prime Minister said “we are erring on the side of generosity and liberality”. The message is clear. Don't self assess. Apply. Benefits can be substantial.

**** Main Changes for 2007 ****

- **The Centrelink allowance for off-farm income is doubled to \$20k/year for calculating EC Relief Payments (ECRP). Also, the off-farm assets limit for business support (EC Interest Rate Subsidy) is now \$750k (\$458k in 2006). These changes mean that more farm families in EC areas are now eligible for either or both ECRP (Centrelink) and ECIRS (QRAA). These are the major sources of drought aide, but there are other important relief measures. See below.**
- **EC assistance now covers “all producers” – there are no longer any industry exclusions. Check www.daff.gov.au/agriculture-food/drought/ec for details.**
- **There are also new special purpose grants, including \$20k for MDB irrigators.**
- **Planning Grants. A Centrelink \$5k professional advice and planning grant is available for any farmer in an EC area seeking third party professional assistance.**

EC assistance is not automatic for individuals (or small businesses) in an EC area. Individual producers must establish that they are commercial farmers, demonstrate that their farm is in financial difficulty because of the EC 'event', and that it is otherwise long-term profitable and sustainable (viable). Once eligibility is established, a wide range of EC assistance measures are available to help offset drought impacts:

- **Exceptional Circumstances Relief Payments** (administered by Centrelink – **13 23 16**)
 - Available for the duration of the 'event', fortnightly \$ entitlement reviewed every 6 months
 - Must have an “EC Certificate” available directly from Centrelink from 1 October 2005
 - Can earn \$20k/year off-farm before impacting fortnightly payments
 - Special note – an ECRP receipt is needed to qualify for Queensland's 50% Rate Rebate.
- **Interest Rate Subsidies - Business Support** (administered by QRAA – **1800 623 946**)
 - Two 12 month payment periods, plus any EC 'extension'. First year subsidy is up to 50% of interest payments that year, but increases to up to 80% of interest paid on new and existing loans for the second and any subsequent years, up to a maximum of \$100,000 in any 12 month period. You can also now re-apply within the year for assistance on new debt incurred in between applications.
 - Subject to revised family off-farm assets test of \$750,000. Business viability test still applies*.

- **Business Planning** – The Professional Advice & Planning grant of \$5,500 may be available from Centrelink for any farmer in an EC area. This applies for all EC areas now - the previous “3 year rule” has been removed. This is a highly recommended business practice and may be needed for the viability test* above.
- **Healthcare Card**
 - Discounts on a range of public health services
 - Emotional and relationship counselling services are also available – Centrelink’s Drought Assist Hotline **13 23 16** is the best place to start for these and other social services
 - Lifeline (**1300 13 11 14**), the CWA (**3026 1219**), OzCare (**3246 2777**) also provide help and emergency aid, as do some other community service organizations and charities.
- **Youth and Newstart Allowances**
 - Available if you lose work or income as a result of drought. The ‘student exemption’ may also apply.
- **Job Network and Training**
 - The ‘Drought Force’ initiative provides work in drought areas, and a training credit may also be payable. Call **13 62 68** and ask about this initiative if you’ve lost your job in an EC area
 - Specific assistance to employ rural trainees, call **13 38 73** and ask for the Declared Drought Area incentive for apprentices. See also www.australia.gov.au/skillsforthefuture
 - Job search assistance is also available, see DEWR programs at www.workplace.gov.au
- **Farm Management Deposits** – Early Access without losing tax benefits
 - Deposit ceiling lifted to \$400,000, and non-primary income test now \$65k. Must hold an “EC Certificate” from Centrelink to access FMD (three month wait period)
 - Contact your financial institution or advisor. Locate a financial counselor through **1800 686 175** or www.rfcs.gov.au Local DPI&F staff can also help, so call **13 25 23** and ask.
 - Contact the Australian Tax Office(ATO) for additional tax assistance advice - **13 11 42** (option 3).
- **AAA Programs** FarmBis and Farm Help may also be able to assist, depending on personal circumstances. If net assets are between about \$350k and \$550k the enhanced Exit Package may be the most suitable option.
 - Call **13 23 16** or **1800 050 585** or visit www.daff.gov/droughtassist for details.

FIRST THINGS FIRST - To obtain Income Support (EC Relief Payments)

1. Contact Centrelink on the Drought Hotline on **13 23 16**. Centrelink will issue the “Exceptional Circumstance Certificate” and forward the relevant application form to be completed.
2. Contact QRAA – **1800 623 946** and ask for an application for the EC Interest Rate Subsidies.

To obtain EC Interest Subsidy Assistance

1. Initial advice should be sought from your local Farm Financial Counsellor, accountant or financial advisor
2. Applicants should apply on the standard QRAA Application for Assistance Form (see link below) and lodge the completed application, together with associated documentation, directly with QRAA in Brisbane or through the Farm Financial Counselling Service in their region or their financier or accountant.

To obtain Queensland Drought Assistances - DPI&F handle the Drought Relief Assistance Scheme (DRAS) Freight Subsidies, etc, - call **13 25 23**. QRAA manages the Rates & Water rebates. - call **1800 623 946**.

PRIME CONTACTS:

Centrelink: <http://www.centrelink.gov.au>

13 23 16

QRAA: <http://www.qraa.qld.gov.au>

Freecall **1800 623 946**

Queensland Department of Primary Industries and Fisheries (DPI&F):

<http://www.dpi.qld.gov.au/drought/> or **1800 025 656** or **13 25 23**

Australian Department of Agriculture, Fisheries and Forestry: <http://www.daff.gov.au>

QFF: Contact Peter **3837 4747** or **0428 631 135**

peter@qff.org.au

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