



LIVESTOCK SA...

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Sarah Redden
Acting Committee Secretary
Senate Rural and Regional Affairs and Transport Legislation Committee
PO Box 6100, Parliament House
CANBERRA ACT 2600
(Email: rrat.sen@aph.gov.au)

Dear Sarah,

Farm Household Support Amendment (Relief Measures) Bill (No. 1) 2019 [Provisions]

Livestock SA was formed in 2013 to represent the interests of beef cattle, sheep and goat producers across South Australia. Currently Livestock SA has in excess of 3,500 members from across the State. As South Australia's pastoral region and many parts of the rest of the State are in drought, Livestock SA welcomes the proposed changes to the Farm Household Allowance.

In support of the proposed changes, the following comments are made:

Increasing the offset amount.

The ability to be able to offset off-farm income against debt servicing has been extremely useful. The current level is too low and raising it to \$100,000 brings the offset more in line with the real debt situations. It is important that farming families are not penalised for showing initiative in seeking alternative sources of income, whether income generating or alternative non-farming enterprises. In many cases this non-farm income has an important impact on the wellbeing of all members of the farming family, generating hope and a meaning for being. It has the effect of being the difference between long-term success or sadly, failure.

Extending the scope of the FHA program.

In the past the criticism of farmer support programs has been the short-term nature of their operation and availability. The proposed plan changes all this. The proposed plan means that the availability of support is more likely to be able to be linked to actual seasonal conditions at any time rather than being a once off event. Over the last 25 years there have been a plethora of support programs for farmers, with programs such as Farm Help, Farm Family Restart, etc. All were useful but all suffered from their short-term nature.

Lump sum payments.

As farmers come out of a drought the biggest problem, they will face is the availability of capital. In many cases they are unable to extend overdraft facilities or term loans. Consequently, they then must attempt to replace stock, repair plant, re-fence areas where drift has covered existing fences, purchase rams or bulls or even purchase plant. Though the sum is not great the impact on the farming family in these situations can be very significant. Again, there is a difference between feeling the reason for being on one hand and sheer despondency on the other.

Livestock SA is also keen for the previous farm exit program to be re-introduced. In the early years of programs supporting farming families there was the offer of funds to assist with exiting from farming. The sum was protected and could not be accessed by lenders to repay debt. The recipients could not re-enter farming again for five years (in their own right) but could work on farms as employees. The grant meant that there were enough funds to purchase a modest dwelling, giving them and their family an opportunity to get on their feet again. The program was not about getting farmers off the land but about giving them a second chance and a sense of hope and security.

Yours sincerely,

Joe Keynes
PRESIDENT