

1. Objectives

The Drought Assistance Fund is to facilitate sustainable primary production in New South Wales during drought.

2. Purpose

The purpose of assistance under this program is to provide interest free loans to primary producers to implement systems and management practices that enhance the sustainability of their primary production enterprise by funding;

- (a) Transport of livestock, fodder and/or water
- (b) Water and fodder infrastructure
- (c) Banking of genetic material of livestock.

3. Eligibility

To be eligible for assistance you must demonstrate that:

- (a) You are the owner and operator of a farm business in NSW and
- (b) The business operates as a sole trader, partnership, trust or private company and trades agricultural products and
- (c) The business is registered with the Australian Taxation Office as a primary producer, and has an Australian Business Number (ABN) and
- (d) The owners and operators of the business earn more than 50% of gross income from the primary production enterprise under normal seasonal circumstances; or
- (e) The owners and operators of the business have been operating their farm business for between 12 months to three years and 50% of their gross income will be derived from the farm business within three years of the date of the application.
- (f) The business is being negatively impacted by drought conditions as assessed by the NSW Rural Assistance Authority (RAA), taking into account financial information and the Combined Drought Indicator map
- (g) The business can support the loan repayments
- (h) The owners and operators of the business do not have gross off-farm assets exceeding \$5,000,000
- (i) Lodge an application before commencement of the activity.

- (j) Payments will be made on receipt of eligible tax invoices.
- (k) Invoices submitted with the application have not been used to secure funding under any other Government Scheme.
- (l) Loans must fully drawn within 12 months of approval.
- (m) Applicants can receive a maximum of \$50,000 under the Drought Assistance Fund.

3. Loan amounts

A loan of up to 100% of the net, GST exclusive, cost of the works to a maximum of \$50,000. The net cost is determined by deducting the amount of any other Government grants relating to the proposed works.

4. Terms of repayment

The loan term is two years repayment free from the date the loan is fully drawn down and then up to five years of principal only repayments.

5. Interest

Interest is 0%. Principal must be repaid within seven years.

6. Security

Successful Applicants must provide NSW RAA with satisfactory security in accordance with NSW RAA's security requirements.

NSW RAA will consider other chattels as possible loan securities on a case-by-case basis.

7. Eligible activities

Eligible activities must be able to demonstrate an enterprise or natural resource sustainability benefit, for example:

- (a) New/upgrade of stock and domestic water supply
- (b) Desilting dams
- (c) Fodder and/or grain storage facilities
- (d) Transport of livestock to sale, slaughter or agistment
- (e) Transport of fodder
- (f) Transport of water for stock purposes
- (g) Genetic collection and storage expenses

8. Key outcomes

- (a) Best practice systems to minimise the impacts of drought on production in plant and animal industries
- (b) Construct and improve and maintain water supplies
- (c) Improved water use efficiency
- (d) Construct and improve fodder storage facilities
- (e) Support positive animal welfare
- (f) Maintain livestock breeding capability through genetic material storage
- (g) Other activities not listed which are intended to mitigate the effects of climate and market risks.

9. Applications

Applications for assistance under the program must be made on RAA's application form and be accompanied by the documentation stated in the application form.

Complete applications will be assessed in order of receipt. Incomplete applications will not enter the assessment queue until all required information is provided.

Applicants should note that past financial assistance under this program or any other program is not a reliable indicator of eligibility for future financial assistance under this program.

Before applying for financial assistance under this program or making any decision, applicants should seek advice from their legal, business and financial advisers to determine their eligibility for and the terms of the financial assistance.