

I believe there should be more consideration of the needs of families undergoing succession during drought years.

In our instance we were rejected from obtaining Interest Rate Relief as it was deemed we were not in sufficient hardship. It was determined we had sufficient off farm assets and had recovered well in the years post drought. We do have off farm assets which we believe to be essential for our whole business structure, however we did not have more than the asset limit. If a limit is set then this should be the level assessed rather than value judgements by an individual assessor. On appeal we had disposed of one of the off farm assets, but as we had not put all funds into the farming business, this was deemed to also not fit the criteria. Surely it would be good business sense to look at diversifying assets in a business and the requirement for all the funds to be placed in the farming enterprise should be reviewed. In future if an asset limit is set, this should be the limit assessed and any disposal of assets should allow for some varied measures for reinvesting, as long as these funds do not then exceed the off farm asset limit.

It is unclear how determinations of recovery post drought are made. We recovered from the poor years through intense budgeting, reduction in expenditure and not drawing living expenses while we had access to my off farm income. As we currently have three children under three, off farm income is harder to attain. The current model provides no incentives or recognition of good business management and actually rewards those who continue spending potentially beyond their means. Planning for Recovery funding would be very beneficial to our enterprise as we plan to move forward but once again we are excluded as we are not eligible for interest rate relief.

I hope future drought support consider the needs of families undergoing succession. It would be beneficial for farmers retiring off the farm, in exceptional circumstances areas, and handing over the farm to the next generation, have an exemption from the current Centrelink and DVA ruling that farming assets passed to the next generation are considered as part of their assets for 5 years after their disposal. My mother, in a very poorly written will, was left a life interest in a farm. This was in a drought affected area of the Wimmera. She renounced her life interest but Centrelink and DVA still consider it her asset for 5 years. Centrelink actually consider her life interest as the whole value of the property to be hers. In good years the farm would be sufficiently able to provide for both herself and her son's family, but in times of drought where income is negative, it is difficult for a farming business to support two household's. This issue affects all farms who look to effectively pass the farm from one generation to another. It would be beneficial during times of extreme hardship and drought if there could be some revision of the value put on a farming asset, so that retiring farmers can access aged care benefits prior to the 5 year asset deprivation. This would alleviate pressure on the farming family to be supporting two families during income poor years. Drought support should consider succession issues and make provisions for this through their funding.

Stamp Duty exemptions for refinancing, a state government initiative, was not available to us as we were refinancing a new entity when we implemented a succession plan. Despite the fact we would have had to refinance the existing business, because it was a new legal entity we were not able to get this relief. If the finance is to cover the same farming enterprise with parties who are related, there should be access available to this initiative.

Congratulations should be given to the CWA for the way they administer their funds to support families. They have a simple but effective application form and provide funds in a staggered manner to assist with some household expenses.

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