

Drought and Beekeepers

Exceptional Circumstances (EC)

EC are rare and severe events outside those a farmer could normally be expected to manage using responsible farm management strategies.

The event:

- must be rare, that is it must not have occurred more than once on average in every 20 to 25 years
- must result in a rare and severe downturn in farm income over a prolonged period of time (eg. greater than 12 months)
- cannot be planned for or managed as part of farmers' normal risk management strategies,
- must be a discrete event that is not part of long-term structural adjustment processes or of normal fluctuations in commodity prices.

If a State Government believes there is a case for EC within their jurisdiction, it can submit an application to the Australian Government Minister for Agriculture, Fisheries and Forestry for consideration. If the Minister decides to declare an application area as undergoing exceptional circumstances, the farmers within that area may be entitled to:

- business support by way of Exceptional Circumstances Interest Rate Subsidies
- income support in the form of the Exceptional Circumstances Relief Payment.

Regions or areas can also submit a written application for EC to the Australian Government. If the application is sufficient, the area will initially be given interim (*Prima facie*) assistance for 6 months. The National Rural Advisory Council (NRAC) will visit the area to advise the Federal Government on eligibility for ongoing full EC assistance for 2 years.

It is important to note that the form and duration of support may vary for different EC events according to the amount of expenditure approved by the Australian Government for an individual event.

Apiarists are encouraged to apply early for assistance as there are expiry dates for the measures described below.

The Australian Department of Agriculture, Fisheries and Forestry website <http://www.daff.gov.au/agriculture-food/drought/ec/victoria> provides details of current EC declared areas in Victoria. Visit this website to confirm that you are in an EC declared area.

Rural Finance Corporation

Exceptional Circumstances Interest Rate Subsidy (ECIRS)

The subsidy is available to a farmer (or apiarist) who owns, leases or sharefarms (owns assets) a farm business and who is in need of support due to Exceptional Circumstances. The apiarist must under normal circumstances:

- contribute at least 75 per cent of his or her labour to the beekeeping enterprise
- derive at least 50 per cent of income from beekeeping
- have been a beekeeper for at least 2 years
- manage a beekeeping enterprise that is of a commercial scale and has been profitable in the past. The enterprise must be considered to be viable in the long term.



**For drought information contact DPI
on 136 186 or visit www.dpi.vic.gov.au/drought**

An apiarist who does not reside in an EC area may apply for a subsidy as long the beekeeping business (harvesting honey) is conducted in an EC declared area.

Generally, a subsidy of up to 50% of the interest payable on new and existing loans (including chattel mortgages) in the first year of EC declaration and up to 80% in the second or subsequent year is available. The maximum subsidy payable under the guidelines is \$100,000 in any 12 month period. This support is available for the duration of an EC declaration which is usually for two years. Applicants are subject to an off-farm assets test.

At the present time, EC interest subsidies apply to nearly all areas of Victoria including South and West Gippsland which became an EC declared area on 10 August 2007. The EC declarations will cease to apply in March 2008 except for South and West Gippsland, and South-western Victoria where EC status will continue until March 2009. Apiarists may still apply for a subsidy now, but a pro-rata rate of five/twelfths will apply from October 2007 in all areas apart from for South and West Gippsland, and South-western Victoria.

For more information, see <http://www.ruralfinance.com.au/> or contact Rural Finance on telephone 03 5448 2600.

Centrelink

Exceptional Circumstances Relief Payment (ECRP)

An applicant for this payment must:

- be a farmer as detailed above under the heading *Exceptional circumstances interest rate subsidy (ECIRS)*.
- hold a current EC certificate issued by Centrelink.

EC certificate

Apiarists who can demonstrate that they meet the definition of a farmer may qualify for an EC Certificate if the land on which they have their hives is in an EC declared region, even though they do not live in an EC declared area. Apiarists may demonstrate a right or interest in the land where they keep their hives if they have an arrangement to keep their hives in a particular area. This arrangement may be a verbal agreement. However, the claimant must provide evidence to support this agreement. This may be in the form of a Statutory Declaration or letter signed by the owner of the land.

An ECRP is paid at a rate equivalent rate to Newstart. It is subject to an assets and income test similar to that of Newstart. Certain essential farm assets are excluded from the test and a review is conducted every six months. This support is available for the duration of an EC declaration which is usually for up to 2 years. Applicants should contact Centrelink on telephone number 13 23 16.

Health Care Cards and Youth Allowance

Farmers or their families who receive the Exceptional Circumstances Relief Payment are entitled to a Health Care Card which can help with concessions for prescriptions, household, educational, recreational and transport services. Students of these families may be entitled to support. These measures apply for the duration of an EC declaration (usually for up to 2 years). Contact the Centrelink Drought Assistance Line on telephone 13 23 16.



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Municipal Rate Subsidy

The Victorian Government provides a subsidy on farm property rates to farmers currently receiving Emergency Payments or EC Relief Payments from Centrelink at the time they pay their municipal rates, or have received such payments in the previous 90 days. Farmers who have applied to Centrelink for Emergency Payments or EC Relief Payments but do not have their application processed before rates are due may still access the subsidy. The subsidy is pro rata in the first rateable year that a ratepayer receives these payments, and 50% in subsequent years.

The subsidy is available in 2006-07 and 2007-08. Contact your local government council about the Municipal Rate Subsidy.

Concessions on utility bills

Eligible low-income households experiencing hardship may be able to access concessions on utility bills. For eligibility information contact the Department of Human Services (DHS) on 1800 658 521 or visit the Department's website: www.dhs.vic.gov.au/concessions. A booklet "A Guide to Concessions in Victoria - Assistance for People on Low Incomes" is available.

Rural Financial Counselling Service (RFCS)

Victoria's Rural Financial Counselling Service can provide financial counselling to primary producers that are in financial difficulty. Farmers may obtain financial advice and assistance with applications for financial support. This counselling initiative is currently funded to 30 June 2008. The Rural Financial Counsellor contact list is available at www.rfcs.gov.au.

Additional measures

The Australian Taxation Office (ATO) has measures to assist taxpayers affected by drought. Enquiries should be directed to the ATO on 13 11 42.

Information prepared August 2007.



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