



Country Women's Association of NSW

*Incorporated in 1931 by an Act of NSW Parliament
Constituent Society of the Associated Country Women of the World*

ABN 82 318 909 926

06 August 2019

The Hon. Damien Tudehope, MLC
Minister for Finance and Small Business
GPO Box 5341
SYDNEY NSW 2001

CC The Hon. John Barilaro MP, Deputy Premier
CC Mr Jock Laurie, NSW Drought Coordinator

Dear Minister,

Drought support for rural businesses (non-primary producers)

Small rural businesses are struggling due to continuing drought conditions. The CWA of NSW believes that we must support these businesses to ensure they survive the drought. Farming businesses rely on small rural businesses, and vice versa.

In early July we wrote to the Deputy Premier (CC) outlining a new policy motion passed at the CWA of NSW state conference in May, calling for drought support for (non-primary producer) small rural business. We now have a more detailed proposal which we present to you. We welcome further discussion on the development of such a program, noting that we need to be quick as rural communities are seriously struggling.

Proposal for a tailor-made drought support program for rural businesses

1- Eligibility

To be eligible for drought support the rural business must be a business or contractor/sole trader that is:

- a) A small business (for example- using the ABS definition of a business with fewer than 20 employees)
- b) Undertaking business in a rural regional remote area , and that area must be
- c) Affected by drought according to the NSW Government's combined drought indicator.

2- Assistance

A range of measures are available depending on the circumstances of the applicant. The applicant may claim for any and all of the types of relief that apply to their business:

- a) Retail lease assistance (equivalent percentage of rent paid of that of the Commonwealth's rent assistance for housing) - payable at the rate of 75 cents for every dollar of rent payable above the rent threshold until the maximum rate of payment is reached;
- b) Interest rate subsidies (based on Millennium Drought 'exceptional circumstances' EC declarations): provided as a grant calculated against 50%

of the interest payable on new and existing loans for the first year, and at 80% in the second and subsequent years, and up to a maximum of \$100K in any 12 month period;

- c) Business vehicle registration relief;
- d) Business permit waivers e.g. EPA permit, preparing/selling food permit;
- e) Electricity/gas, heating/cooling rate relief;
- f) Local council rate relief.

Businesses can apply as long as the "Exceptional circumstances" declaration is in place, and this would need to be made immediately. Applications would be made for the length of the financial year, and if still applicable, would be open for re-application upon the commencement of the next financial year.

3- Small business management deposit scheme

The CWA of NSW also calls for a more longer term policy approach whereby the Australian Government and the ATO provide a policy and tax framework for deposits schemes, similar to that for primary producers (Farm Management Deposit scheme – FMD's), giving concessional tax treatments to deposits made during non-drought periods , which can be drawn on in drought periods of low cash flow (up to a maximum total of \$800,000 deposited).

Healthy, resilient and financially robust town businesses are vital to every rural town and community. If these businesses decline during a drought, it makes it harder for the whole community , including farmers, to recover and prepare for the next drought. We seek your support to commence support for non-primary producer businesses in drought.

Yours sincerely



Danica Leys
Chief Executive Officer