



# The Hon Katrina Hodgkinson MP

## Minister for Primary Industries

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# MEDIA RELEASE

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### **A NEW ERA FOR NSW GOVERNMENT DROUGHT POLICY**

NSW Minister for Primary Industries Katrina Hodgkinson has released *The Review of the NSW response to Drought Policy Reforms* report, which formed the basis of the Baird Government's drought strategy announced last week.

The Keogh report was commissioned by the NSW Government last year to examine past drought assistance measures from around the world and how they have been provided, to make recommendations to inform future policies.

Minister Hodgkinson said the review provided recommendations to the Government to inform the \$300 million drought strategy, and highlighted the measures of most benefit to farmers.

"The Australian Farm Institute report made a number of recommendations for the Government to consider when developing the drought strategy, and a key recommendation was that the most effective drought assistance measure is to help farmers prepare for dry times," said Minister Hodgkinson.

"This was the basis for the decision to extend \$250 million Farm Innovation Fund program – low interest loans for up to twenty years, for farmers to improve infrastructure and reduce risks without having to be in drought to be eligible.

"We have been listening to our regional communities and are determined to support NSW to become more resilient and better prepared for future drought conditions," said Ms Hodgkinson.

The review echoed the 2009 productivity commission in being highly critical of "transport subsidies or similar transaction-based grants programs" which it recommended "should not form part of future NSW Government responses to drought".

"Despite Labor calls that these antiquated grants be reintroduced, we know from previous experiences they are unfair and ineffective over the long term," said Ms Hodgkinson.

"In the Millennium drought for instance, the Labor Government handed out about \$170 million using this format, and only one in four farmers affected received this assistance.

"The 2015 NSW Drought Strategy ensures that our new drought measures are effective and in line with the Intergovernmental Agreement on National Drought Program".

"The NSW Government will carry out ongoing, routine communication with the NSW primary industries sector and farm businesses on the drought strategy and its supporting tools and measures, including those made available by the Australian Government," said Ms Hodgkinson.

For a copy of the report and for further information visit

<http://www.dpi.nsw.gov.au/agriculture/emergency/drought/support/nsw-drought-strategy>