

Media Release



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Federal Budget 2016-17 - mixed outcomes for dairy

For Immediate Release

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Amid a time of hardship, the 2016-2017 Federal Budget has delivered on some important priorities for the dairy industry amid other cutbacks, Australian Dairy Farmers (ADF) said today.

ADF President, Simone Jolliffe said the Coalition Government has struck a difficult balance between the need to find savings and the need to invest in the long term future of agriculture.

Mrs Jolliffe said "the dairy industry understands this was always going to be a tough, no-frills budget with little in the way of major new spending initiatives in agriculture. Having said this, there are a few positive incentives for the dairy industry."

ADF noted moderate progress in the budget including:

- **\$7 million over 4 years to continue additional positions within the Rural Financial Counsellors Service;**
- **\$15.9 million over 4 years to build an advanced analytics capability** within the Department of Agriculture and Water Resources for identification of biosecurity risks to the farm sector;
- A tax cut for small business – **2.5% off the company tax rate** from 1 July 2016 which becomes available to all small companies with an annual turnover of less than \$10 million;
- Unincorporated **small business tax discount increased from 5 to 8 per cent** from 1 July 2016 for small businesses with a turnover of less than \$5 million;
- **Increasing access to a range of small business tax concessions** for businesses with an annual turnover of less than \$10 million, including the ability to immediately deduct asset purchase costing less than \$20,000 until 30 June 2017; and
- **\$15 million to control carp** in the Murray Darling Basin.

ADF remains concerned about the lack of movement with regards to the backpacker tax.

"The Government must restore certainty and confidence to farm businesses and rural communities by urgently removing the backpacker tax."

"The mixed bag of outcomes for dairy is disappointing. We will take these concerns into consideration in delivering our priorities for the election" Mrs Jolliffe said.

ADF will continue lobbying Government to implement policies and programs that will support farmers through current difficult market conditions.

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