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**Federal Budget 2017-18 – mixed outcomes for dairy**

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**For Immediate Release**

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The 2017-18 Federal Budget has both delivered some important priorities to the dairy industry and raised concerns, Australian Dairy Farmers (ADF) said today.

Interim ADF CEO, John McQueen said the Coalition Government has had to find a difficult balance between the need to find savings and the desire to grow the agricultural industry, dairy included.

“While we were prepared for a no-frills budget offering limited spending initiatives, we are pleased the government has delivered on some priorities”, said Mr McQueen.

Relevant budget information for dairy:

- **Instant asset write off extended for 12 months** – Businesses with a turnover of less than \$10 million will be eligible for accelerated depreciation arrangements for assets valued at less than \$20,000 until 30 June 2018.
- **Regional Growth Fund** - \$272 million over four years for major regional projects to support structural adjustment and \$200 million for the Building Better Regions Fund.
- **Extended eligibility for Farm Business Concessional Loans Scheme** – farmers and their partners who have received their full entitlement for Farm Household Allowance will be eligible for loans up to 50 per cent of their debt position for refinancing purposes.
- **Gas supply affordability** – \$86.3 million over four years to improve gas regulation and supply.

Concerns for dairy:

- **Visa Fee Changes** – Businesses with turnover of less than \$10 million will be required to make upfront payments of \$1,200 for temporary skill shortage visas (to replace the 457 visa), and \$3,000 for employees on permanent work visas. The money will be used towards the Skilling Australians Fund.

ADF is concerned the increase in fees for foreign workers will be detrimental to the dairy industry.

“We believe the fee increase will place an even greater burden on farmers who have had to rely on skilled migration to bolster their workforce due to critical labour shortages in many dairy regions”, said Mr McQueen.

ADF also acknowledges funding for two election commitments with the development of the commodity milk price index and Regional Investment Corporation to streamline the delivery of concessional loans.

ADF will continue lobbying Government to implement policies and programs that will increase confidence and enable the dairy industry to grow through difficult market conditions.

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**For further information, contact:**

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*Australian Dairy Farmers Limited (ADF) is a not-for-profit organisation representing the interests of Australian dairy farmers. We are a strong collective voice to Government and the community on national issues affecting dairy farmers and their profitability. The ADF has long history of successfully lobbying for the rights of dairy farmers on many fronts – including trade, value chain, water, carbon and animal health and welfare issues.*