



Assisting young farmers and on-farm conservation

\$120 million low interest loans scheme for agriculture

The sustainability of farming systems and communities is essential for future food security, and for the integrity of the natural environment. But farming communities are currently facing a number of challenges including reduced profit margins, an ageing workforce, the impact of climate change, and the degradation of some of our food producing land.

The Greens believe that there is an important role for government to play in supporting young people to stay in, or take up, farming and in assisting farmers to undertake conservation works to improve ecological outcomes on farm. The NSW Government should use its borrowing power at a time of historically unprecedented low bond rates to make low interest loans available to meet these goals. Low interest loans are a well-recognised mechanism for alleviating upfront financial costs and encouraging participation.

The Greens policy is for the establishment of a scheme which would make \$120 million worth of low interest loans available for young farmers and conservation works. This comprises of:

- **\$60 million in low interest loans for young farmers (under 40)**, each loan would be between \$5000 and \$50,000
- **\$60 million in low interest loans for conservation works**, each loan would be between \$5000 and \$50,000

Attracting young people to farming

It is well known that farmers in Australia are ageing and there are fewer young people who are following their parents onto the land or taking up a career in agriculture. The high cost of purchasing and setting up a farm combined with the lure of higher salaried jobs in the city is driving many young people away. This has led to a median age of farmers of approximately 53, compared to 39 for all employed persons. In fact, only 2% of farmers are under 24, in comparison to 17% of all employed persons, and over 70% of farmers are over 45. This presents a significant challenge for the agricultural sector.

In order to assist with the upfront costs of setting up a farm and encourage more young people to take up agriculture, the Greens would make available low interest loans available to eligible young people under our Young Farmers Finance Scheme. The low interest loan, of between \$5000 and \$50,000, could then be used to pay for the operating expenses of the enterprise. The loan funds could not be used to pay labour costs or pay for rent or mortgage repayments.

Young Farmers Finance Scheme

- \$15 million available per year for 4 years (\$60 million total)

- Loans are available for between \$5000 and \$50,000
- Eligible young farmers must:
 - o Be under 40 years of age
 - o Have suitable experience and training in the type of farming operation to be pursued
 - o Have the ability to manage financial affairs and accumulate savings
 - o Be personally involved in the day-to-day operation of the enterprise
- Loan funds may be used to:
 - o Buy livestock, seed, equipment and supplies
 - o Buy, rent or repair needed tools and equipment
 - o Pay operating expenses for the project
 - o Fund essential capital works
- Loan funds cannot be used to:
 - o Pay labour costs
 - o Pay for rent or mortgage repayments

Conservation work on private land should be supported

Private landholders, under either freehold or Crown leasehold, manage over 85% of the land in NSW making conservation on private land one of the most important elements of biodiversity protection. Farmers also recognise the significant benefits that conservation works, such as planting vegetation corridors and fencing off waterways, can have for the sustainability of their farm including preventing erosion and salinity and providing shelter for stock.

The upfront financial cost of conservation works, such as fencing or planting material and labour costs, can be a barrier to undertaking works, especially as the benefits can take many years to realise and many farmers are already under financial stress. For this reason the Greens would make available low interest loans of between \$5000 and \$50,000 which farmers can use to fund their conservation works such as through the purchase of planting stock, seed, or equipment including fencing materials.

Conservation works low-interest loan scheme

- \$15 million available per year for 4 years (\$60 million total)
- Loans are available for between \$5000 and \$50,000
- For projects directly related to conservation, loan funds may be used to:
 - o Buy planting stock, seed, or equipment including fencing materials
 - o Buy, rent or repair needed tools and equipment
 - o Fund earth works
- Loan funds cannot be used to:
 - o Fund work unrelated to conservation
 - o Pay labour costs for the project
 - o Pay for rent or mortgage repayments