

**Submission
No 64**

**SUPPORT FOR DROUGHT AFFECTED COMMUNITIES IN NEW SOUTH
WALES**

Organisation: Country Women's Association of New South Wales

Date Received: 3 December 2019



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

02 December 2019

Mr Justin Clancy
Committee Chair
Legislative Assembly Committee on Investment
Industry and Regional Development
Parliament of NSW
6 Macquarie Street
SYDNEY NSW 2000

Dear Mr Clancy,

Inquiry into Support for Drought Affected Communities in NSW

The CWA of NSW appreciates the opportunity to provide a submission for the much needed Inquiry into Support for Drought Affected Communities in NSW, announced on the 25th September. Members of the CWA of NSW at its state conference in May confirmed Association policy calling for all rural businesses who are not primary producers in drought affected communities to be eligible for drought relief funding.

The policy motion was brought to the conference by the Walgett Branch of the CWA of NSW. The representatives of the Walgett Branch in presenting the motion stated that "Rural businesses need to be consulted by Government policy makers and a 'tailor made' drought support program developed." First and foremost we encourage and call for the NSW Government to consult with rural business owners on what type of support is required.

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 and rural communities rely on rural businesses, and vice versa.

In July we wrote to the Deputy Premier calling for support for rural businesses, and then in August we wrote to the Minister for Finance and Small Business with a detailed proposal for what this support could entail, and what sort of 'tailor-made' package might be suitable. In mid-November we put a further call out to our members seeking additional and specific input from regional areas and rural business operators on what type of support would be useful and helpful. This submission combines all of this feedback.

Whilst we appreciate the Committee taking the time to consult with the community on what support is required or needed, we do note the need to move quickly, as rural businesses have already started to close, which will only further the decline of many rural communities. One of our members in the Central West has stated: "We have had 7 businesses close in 7 months in Coonabarabran and there is little prospect of them

being started up again later.” We urge the NSW Government to act quickly and effectively to ensure that if and where businesses can be saved, they are kept afloat until the drought is over.

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

As outlined above, the CWA of NSW advocates for a ‘tailor-made’ drought support package for rural businesses which are located in areas affected by drought. The NSW Government would need to create eligibility criteria and we suggest that be a combination of the size of the business, the location that the businesses primarily operates in, and that the area must be affected by drought according to the NSW Government’s combined drought indicator.

Given that every business is unique, the assistance available could range, depending on the circumstances of the applicant. The CWA of NSW suggests that the NSW Government make available a range of possibilities and the applicant could apply for any and all of the types of relief that apply to their business:

- a) Local council rate relief;
- b) 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;
- c) Interest rate subsidies;
- d) Business vehicle registration relief;
- e) Fuel rebates;
- f) Business permit waivers e.g. Environment Protection Agency (EPA) waiver of POEO licence fee;
- g) Electricity/gas heating/cooling bill relief;
- h) Subsidisation of telecommunications expenses;
- i) Payroll tax relief to encourage businesses to keep their workers.

A small business “management deposit” scheme

The CWA of NSW also supports the possibility whereby the Australian Government and the ATO provide a policy and tax framework for deposits schemes, similar to that available 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).

Other regulatory options

There are also other regulatory mechanisms which need to be examined to ensure further harm is not caused- for example, ensuring there are sufficient police resources in rural areas, as theft is having a significant impact on small businesses. Particularly in times of drought, rural theft and shop lifting is increasing, as there is a lack of money and loss of jobs. The NSW Government can also support small rural business by offering Government Contract work to the regions before city based businesses.

Online capability and training

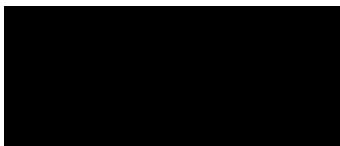
The CWA of NSW has also heard from its members that many "mum and dad" style small businesses in rural towns are suffering due to the global trend of online shopping. Many of these retail bricks-and-mortar businesses (for example, a local toy shop, or a local disposals store) cannot compete with what is available online, especially the cheap price and very quick delivery times now offered by retail giants. The lack of online presence may be due to lack of staff or lack of internal expertise or even a lack of an adequate internet connection. One example that has been sent in was someone wanting to buy an item from a small gift store in regional NSW, the postage estimated to be \$90.00 (more than the item itself) compared to the \$10 flat rate offered by MYER for the same item. Of course this is impossible to compete with.

The CWA of NSW suggests that one avenue worth exploring is the NSW Government making available funding for training and software for rural small businesses to get their business established online. This training would ideally be conducted by local experts or an IT firm if possible. Most people want to support local businesses, they simply need to be able to do so. If rural businesses can offer customers online shopping, it could be the difference between closing and remaining open. Postage costs will also need to be addressed.

The "Buy from the Bush" campaign has been a great success and its instigators and supporters are to be congratulated. Likewise, the NSW Government's "Buy Regional This Christmas" is a fantastic initiative. The CWA of NSW continues to advocate for and support these and other campaigns. There are, however, countless more businesses who are severely impacted by drought, and which do not fit into the category of the type of products that are available for purchase through these campaigns. For example, a local tyre shop, or a timber mill or a metal coating business. More needs to be done to ensure all rural businesses are supported.

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 commend the committee for inquiring into what support is available and possible, and we urge the NSW Government to move quickly into commencing the rollout of support.

Yours sincerely



Stephanie Stanhope
State President