

Managing Farm Risk Program Questions and Answers

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When can I claim a rebate under the Managing Farm Risk Program?

The program will run for four years with applications open throughout this time. Applications will be received by the department up to 15 May 2019 or until funding is exhausted (whichever occurs sooner).

Any changes to application dates or funding allocations will be published on the [department's website](#). You should check the program status before applying.

What if I'm unsure whether my farm business or proposed activity(ies) are eligible for a rebate?

You need to be confident that your farm business meets the eligibility requirements before incurring any costs.

If, after reading the program [guidelines](#), you are still unsure, you can contact the department to answer general questions about applicant and activity eligibility.

Can my farm business receive more than one rebate?

No, only one rebate per eligible farm business is available over the life of the program. You must make the claim in a single application. This is regardless of how many individuals are a part of the farm business.

Can I claim the cost of undertaking multiple eligible activities in one application?

Yes, you can claim for up to 50 per cent of the cost of undertaking one or more eligible activities in one rebate application, up to a combined maximum of \$2 500.

If you make an application and are paid a rebate of less than \$2 500, you cannot submit another application at a later date for the remaining amount.

Is there a time limit to apply after incurring costs?

You must submit your application no longer than 12 months after the first expense was incurred if you wish to include that expense in your application.

For example, on 1 July 2016, in the process of applying for a new insurance product, you hire a service provider to compile production data of your farm business. On 1 December 2016, you undertake an assessment required by an insurance provider. In this instance, you can apply for a rebate for the cost of undertaking both activities as long as your application is submitted before 30 June 2017.

If you choose only to claim a rebate for the cost of undertaking an insurance assessment, you would have to 30 November 2017 to submit an application.

In instances where multiple eligible activities occur, or are expected to occur, outside of a 12-month period of one another, you are responsible for determining when to lodge an application and which activities to include to maximise your claim.

Can I claim the cost of eligible activities undertaken prior to the program opening for applications?

Yes, you can apply for a rebate for costs incurred undertaking eligible activities prior to the scheme opening, but not before 1 July 2015.

What information do I need to provide with my application?

When you submit your completed application form, you must attach evidence that you have received and paid for services identified as eligible activities. This should be a clearly itemised invoice and/or remittance advice (proof of payment issued by the service provider).

You will also need to provide evidence that you have applied for a new agricultural insurance product such as a letter of offer or refusal from the insurance provider (or their authorised agent/representative).

To ensure your application has addressed all the requirements, you should read and understand the program [guidelines](#) before applying.

If required, the department may request additional information from you to substantiate your eligibility against the criteria you certify in your application.

What types of service providers are recommended?

The types of service providers that could assist with insurance advice and assessments may include, but are not limited to, farm advisors, insurance providers, insurance brokers and accountants.

The breadth and availability of service providers that farmers might engage to undertake eligible activities will vary across regions, so the department does not recommend the type of service provider you should choose, nor do we endorse individual service providers.

When engaging a service provider, you need to be satisfied that they are suitably qualified, as defined in the program [guidelines](#) glossary.

What should I expect as written advice from my service provider?

When engaging a service provider, you need to be satisfied that the quality of the service, as well as the final written advice you receive, will be fit for purpose and provide your farm business with value for money.

The following scenarios give examples of the types of written advice you might receive if you undertake one or more of the eligible activities.

Individual circumstances, including the type of provider you choose to engage to carry out the service, may vary.

- After weighing up your options and doing your own due diligence, you select an insurance product that best meets your needs. This particular insurance provider requires you to undergo an **assessment** before you're offered a policy. Regardless of whether or not a policy is offered, you should receive written advice that includes the data and analysis used to inform the assessment.
- In the situation where your chosen insurance provider requires you to provide your farm's financial or production history over a number of successive seasons (typically 5-10), you engage an accountant and/or farm advisor to review your books and **compile data on your farm performance**. The expected output would be comprehensive data tables—made available in various formats—that you could supply to your insurance provider.
- Where you're uncertain about your insurance needs, you engage a licensed insurance broker to **prepare an analysis of insurance options** specific to your farm business. The final written advice should include a whole-of-farm risk assessment that provides advice on insurance options to manage or reduce the identified risks.

What type of insurance product do I need to apply for to be eligible for a rebate?

To be eligible for a rebate you must apply for a new insurance policy that assists with the management of drought and other production and market risks. Policy types are limited to:

- single-peril insurance, also known as named peril insurance, which typically provides coverage for a specific type of event, for example, frost, hail and fire damage to crops, resulting in loss of production
- parametric insurance, also known as index-based insurance, which typically provides coverage against the occurrence of specific climatic events—such as the amount of rainfall in a particular location over a given time period being greater or less than an agreed amount.
- multi-peril insurance, which typically provides coverage against a reduction in revenue or production, triggered by the occurrence of one of a number of named perils, such as excessive heat or pest infestation.

The purchase of regular farm business insurance, for example, property and contents, vehicle cover or liability insurance, will not be accepted as part of applications for a rebate under this program.

What if I've had insurance before—can I still apply?

To be eligible for a rebate you need to have applied for a 'new' insurance policy. This means a new or additional policy covering a peril or climatic event that you have not insured against in the last five years.

For example, if you have an existing policy covering your crops against frost and you decide to add a policy (through the same or a different provider) to cover you against fire, and you have not had a fire policy within the last five years, you would be eligible for a rebate.

If you have held a single-peril insurance policy, such as frost insurance, within the last five years, and you take out a new multi-peril policy, which also happens to cover frost as a named peril, you would be eligible for a rebate.

However, if you have an existing policy (or one you've held within the last five years) covering your crops against frost and you re-apply for frost insurance through the same provider, or if you take out frost insurance with a different provider, you would **not** be eligible for a rebate.

What if I'm refused or choose not to purchase an insurance product?

You do not have to take up an insurance product to be eligible for a rebate. This includes when an insurance provider refuses you a policy or you choose

not to take out a policy even though one has been offered, for example, because of its cost.

You need to provide evidence that you at least attempted to take out an insurance policy. The application form requests that you provide details about why you were either refused a policy or you chose not to take it up when offered.

If my application for a rebate is rejected, can I apply again?

Yes, provided you meet all of the requirements of the program, you can apply again.

Eligible activities that were included in the initial application can be included again, provided they were undertaken within the allowed time period.

What is a conflict of interest and how does it affect me?

Conflicts of interest are not always obvious. A conflict of interest occurs when an individual or organisation is involved in multiple interests, one of which could influence the motivation for an action or decision in the other. Conflicts of interest, real or apparent, cannot always be avoided.

During the application process, applicants are asked to declare any actual, potential or perceived conflicts of interest in relation to their application for the rebate.

Having a conflict of interest does not mean you will be ineligible for a rebate. A number of approaches are available to manage actual or perceived conflicts of interest. The first step is to notify the department. This can be done when filling in your application form or by contacting the department by email or phone.

An example of a potential conflict of interest could be a financial interest, of you or a family member, in a business that you have engaged to undertake an eligible activity. A perceived conflict of interest may arise, for example, if you were in a relationship with an employee of the department.

After it is brought to our attention, the department will decide whether:

- there is, or could be, a conflict of interest and whether it has been managed appropriately
- to ask you to provide further information about the interest
- to allow the application to proceed where there is no conflict.

Will the department contact me after I submit my application?

The department may request additional information for audit and compliance purposes. We may ask for evidence to substantiate your eligibility, as well as a copy of the final written advice obtained from the service provider(s) for which your rebate was made.

The department may also conduct follow-up surveys with applicants during the life of the program, or at its conclusion, for monitoring and evaluation purposes.

What other assistance measures are available?

Information on other assistance for farmers provided by the Australian Government is available on the Drought and Rural [assistance measures](#) page.

Where can I get more information?

Telephone: 1800 837 857 (toll free)

Email the [Managing Farm Risk Program team](#).

Visit the [Managing Farm Risk Program](#) webpage.

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