



Australian Government
Department of Agriculture
and Water Resources



Managing Farm Risk Program

Guidelines

March 2018



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Contents

1	Program overview	1
2	Program objectives	1
3	How the program will operate	1
4	Program dates	3
5	Who is eligible for a rebate	3
6	What qualifies for a rebate.....	3
7	How to apply for a rebate	4
8	Program monitoring and evaluation	4
9	Conflict of interest	5
10	False and misleading information	5
11	Confidential information	5
12	Freedom of information	5
13	Privacy statement.....	6
14	Correcting inaccuracies in applications.....	6
15	How applications are assessed.....	6
16	Notifying applicants of funding decisions	6
17	Publishing information about successful applicants	7
18	Handling applicant complaints	7
19	Contacts	7
	Glossary.....	8

1 Program overview

The Managing Farm Risk Program allows eligible farm businesses to access a one-off rebate for costs incurred obtaining independent and professional advice to apply for a new insurance policy that assists with the management of drought and other production and market risks.

Rebates will be 50 per cent of the costs incurred by the farm business (GST exclusive), up to a maximum of \$2 500.

Insurance can significantly reduce the financial risk that a farmer faces from production loss as a result of factors beyond their control. It also provides increased financial certainty for a farmer and can provide the confidence to make better on-farm decisions to maximise profitability.

Single-peril insurance (such as for fire or hail) is widely available to farm businesses and as the insurance market in Australia continues to mature, a greater range of commercial products is becoming available. These include multi-peril and parametric insurance products, which can be used to manage drought and climate risk.

As the range and complexity of commercial products increases, identifying and selecting suitable insurance products can be challenging. To assist farmers with their decision making, and to help them prepare and apply for a suitable product, the Australian Government is providing \$20.2 million over four years for farm insurance advice and assessments.

The Managing Farm Risk Program is delivered by the Department of Agriculture and Water Resources (the department) as part of the Australian Government's Agricultural Competitiveness White Paper, the government's plan for stronger farmers and a stronger economy.

2 Program objectives

Through the Managing Farm Risk Program, the government aims to support farmers by encouraging a more diverse and mature insurance market in Australia to meet the varied needs of all farm businesses.

The objectives of the program are to:

1. improve the capability of farmers to manage drought and other production and market risks through use of agricultural insurance
2. provide a short-term boost to the multi-peril insurance market in Australia.

3 How the program will operate

The Managing Farm Risk Program is a demand-driven program with funding capped at \$20.2 million. Eligibility is based on the farm business meeting the requirements of the program as specified in these guidelines. Any farm business applicant that meets the requirements of the program will receive a rebate until the funding is exhausted.

There are annual limits to the funding allocation. If an annual funding allocation is exhausted, no further payments will be made in that financial year. Applications will continue to be assessed and, if successful, will be paid in the following financial year. If funding is exhausted in the 2018–19 financial year, applications will close and assessment of applications will cease.

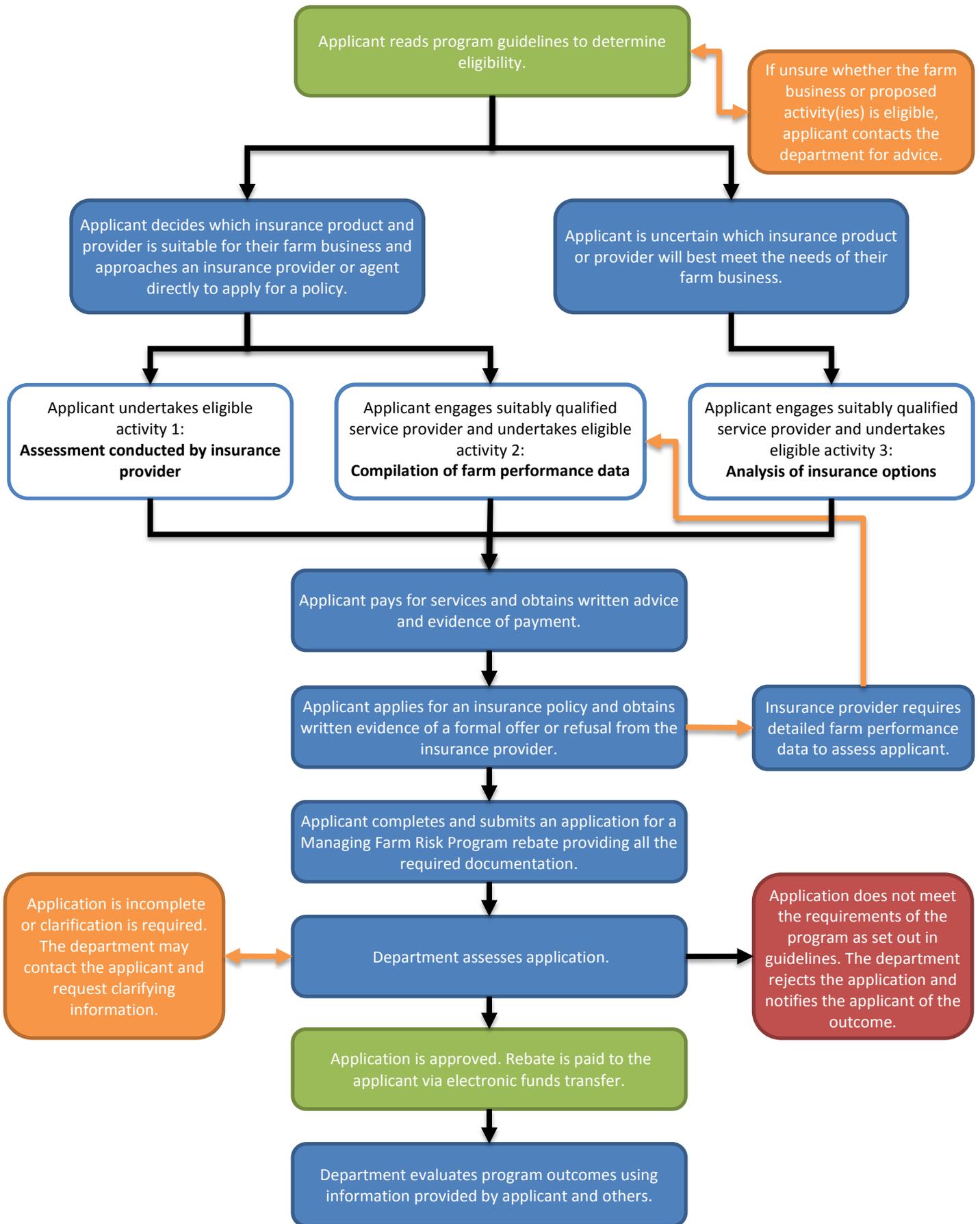
The program funding is paid as a rebate, which means that applicants are required to incur costs before knowing the outcome of an application. The department can be contacted to answer general questions, but applicants are ultimately responsible for considering program suitability and their potential eligibility prior to incurring costs.

Figure 1 shows the process for applicants applying for a rebate for costs incurred carrying out one of the three eligible activities: assessment conducted by an insurance provider; compilation of farm performance data; analysis of insurance options (see Section 6 for further details).

As with any farm business decision, applicants should do their own due diligence—take into account their own circumstances, seek advice and weigh up options—before deciding on any financial product, including insurance.

Managing Farm Risk Program

Figure 1 Program application process



Note: Applicants can apply for a rebate for costs incurred undertaking multiple eligible activities, which may occur in a different sequence.

4 Program dates

The Managing Farm Risk Program will operate from the date these guidelines are released until 30 June 2019.

Applications will be received up until 15 May 2019 (unless otherwise published on the department's website), or when funding is exhausted (whichever occurs sooner).

The status and availability of funding will be updated on the program website at agriculture.gov.au/mfrp.

5 Who is eligible for a rebate

One rebate per eligible farm business is available under the Managing Farm Risk Program.

An eligible farm business is one that meets all of the following criteria:

1. operates as a sole trader, trust, partnership or private company
2. under normal circumstances, has at least one member who derives at least 50 per cent of his or her income from the farm business
3. is involved within the agricultural, horticultural, pastoral, apicultural or aquacultural industries
4. is wholly located in Australia
5. is registered for tax purposes in Australia with an Australian Business Number (ABN) and is registered for GST
6. is not a public company under the meaning of the *Corporations Act 2001* (Cth)
7. for the previous financial year, had **total cash receipts** (see glossary) of less than \$2 million
8. has a written offer or refusal from an insurance provider for a **new insurance product** that assists with the management of production risks;
9. has not previously applied for and been paid a rebate under the program.

Note: Receipt of funding from this program may result in an applicant's business being ineligible for support from other government program. Funding may also have taxation implications. Applicants should seek independent taxation and financial advice from a suitably qualified professional before submitting their application.

6 What qualifies for a rebate

This program provides one-off rebates to eligible farm businesses for costs incurred obtaining independent and professional advice to apply for a **new insurance policy** that assists with the management of drought and other production and market risks.

Applicants must apply for a **new insurance policy** and receive a written offer or refusal from an insurance company to be eligible for a rebate.

Rebates will be 50 per cent of the costs incurred by the farm business (GST exclusive), up to a maximum total rebate of \$2 500.

Eligible activities

Eligible farm businesses can apply for a rebate for costs of engaging a **suitably qualified service provider** (see glossary) to carry out one (or more) of the following activities:

1. undertaking an assessment required by an insurance provider prior to, or within 12 months of, the provider offering an insurance product
2. compiling historical farm financial performance and production data
3. preparing an analysis of insurance options in the context of a whole-of-farm risk assessment specific to the farm business applicant over successive seasons.

Managing Farm Risk Program

A rebate may be refused or reduced proportionately if the department considers that one or more activities undertaken by the applicant is not eligible or has been provided by someone other than a suitably qualified service provider, or if a service provider's fees or charges are excessively or unreasonably high in the circumstances.

Exclusions

The funding cannot be used to reimburse costs (all or in part) associated with:

- insurance premiums or insurance premium subsidies
- purchasing materials or equipment (including software or technology)
- training or professional development
- general accountancy, taxation or agronomy services
- general financial or business planning advice
- ancillary costs incurred engaging a service provider, such as travel, meals or accommodation
- activities funded (all or in part) by another state, territory or Australian Government program or scheme
- eligible activities undertaken prior to 1 July 2015.

Timing

Applications are open for costs incurred undertaking eligible activities from 1 July 2015. Applications will be received up until 15 May 2019 (unless otherwise published on the department's website), or when funding is exhausted (whichever occurs sooner).

Applications must be submitted within 12 months of the first costs being incurred.

Multiple costs

Costs incurred undertaking one or more eligible activities can be included in the one application, for a maximum rebate of \$2 500.

7 How to apply for a rebate

To ensure your application has addressed all the requirements:

1. read the program guidelines
2. complete the online application form via the department's website at agriculture.gov.au/mfrp
3. submit the form along with all **required supporting documents** (see glossary).

Alternatively, hard copy application forms can be downloaded and submitted, along with all **required supporting documents** via email or standard post (see contact details in Section 19).

8 Program monitoring and evaluation

The department will monitor and evaluate the effectiveness of the program in meeting the objectives by using information collected from all applicants, as well as information that may be collected from other sources.

The department may also conduct follow-up surveys with applicants to obtain feedback and information about the program's effect on practice change when considered together with insurance uptake.

Applicants should note that they may be contacted during the life of the program, or at its conclusion, for monitoring and evaluation purposes.

Managing Farm Risk Program

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

The department may undertake periodic reviews of the program to determine whether existing administration processes, practices and requirements remain applicable. Any material changes to the operation and administration of the program will be detailed on program website at agriculture.gov.au/mfrp.

9 Conflict of interest

A conflict of interest is where a person makes a decision or exercises a power in a way that may be, or may be perceived to be, influenced by personal interest (financial or non-financial) or personal associations.

If you are aware of actual, potential or perceived conflicts of interest in relation to your application, you must make full disclosure in your application.

If the conflict arises after you have submitted your application, email the Managing Farm Risk Program coordinator immediately and outline the steps you will take to resolve or deal with the conflict.

The department reserves the right to reject an application if it is not satisfied that arrangements are in place to address or manage a perceived or actual conflict of interest.

The department will maintain a register of notified conflicts of interest throughout the application and assessment process. The register will list applicants' conflicts of interest and those of the relevant departmental officers.

Departmental officers involved in the assessment process must:

- sign and keep up-to-date conflict of interest declarations to ensure identification and management of any conflicts of interest
- comply with the *Public Service Act 1999* and the Australian Public Service Code of Conduct.

10 False and misleading information

All information submitted must be complete, current and accurate at the time of application.

It is a criminal offence under the *Criminal Code Act 1995* to knowingly give false or misleading information to a Commonwealth officer exercising powers under Commonwealth law. This offence carries a maximum penalty of 12 months imprisonment.

11 Confidential information

Applicants must identify information in their applications or in any supporting documents that they want treated as confidential and provide reasons for the request. The department reserves the right to accept or refuse requests to treat information as confidential.

The department may publish or share information that applicants have not marked or had accepted as confidential by the department.

Confidential information may be released as required by law or parliamentary privilege.

12 Freedom of information

All documents held by the department, including those relating to the Managing Farm Risk Program applications and project, are subject to the *Freedom of Information Act 1982* (FOI Act).

The FOI Act creates a general right of access to documents held by the department. Unless a document falls under an exemption provision, it will be made available to the public if requested

Managing Farm Risk Program

under the FOI Act. However no personal information will be released without the written permission of the applicant.

For more information about the FOI process or to make an FOI request, see the FOI section on the department's website (agriculture.gov.au/about/reporting/foi).

13 Privacy statement

'Personal information' means any information or opinion about an identified individual or an individual who is reasonably identifiable.

The department collects your personal information to assess your application and for related purposes. If you fail to provide some or all of the personal information requested in the application, the department will not be able to process your application.

The department may disclose your personal information to other Australian Government agencies, persons or organisations where necessary, provided the disclosure is consistent with the *Privacy Act 1988* and other relevant laws. Your personal information will be used and stored in accordance with the Australian Privacy Principles.

See the department's Privacy Policy (agriculture.gov.au/about/privacy) to learn more about accessing or correcting personal information or making a complaint. Alternatively, telephone the department on +61 2 6272 3933.

14 Correcting inaccuracies in applications

The department will not accept responsibility for any misunderstanding arising from an applicant's failure to comply with the guidelines or arising from material inaccuracies in an application. Material inaccuracies are those that may affect the outcome of the assessment process.

If you discover material inaccuracies in your application, email the program coordinator immediately. The department may request clarification and ask you to submit clarifying information. The department's decision will be final.

If the department determines a rebate has been claimed or paid in contravention of the Managing Farm Risk Program Grant Guidelines or any other Commonwealth, State or Territory policy or legislation, action may be taken by the department to recover those monies.

15 How applications are assessed

Applications will be assessed based on eligibility and availability of funding, rather than a merit-based competitive process.

Departmental officers will be responsible for assessing eligibility and processing applications.

Applications will be assessed and processed in order of receipt. Where an application is incomplete and the department requests clarifying information, the assessment process will be put on hold until the information is received. If the information is not provided within 30 business days from the date requested by the department, the department will consider the application to have been withdrawn by the applicant.

Departmental officers will protect the confidentiality of the assessment process, and will take steps to ensure actual or perceived conflicts of interest are declared and addressed.

16 Notifying applicants of funding decisions

Successful applicants will automatically receive payment of the rebate via electronic funds transfer, and remittance advice via email, unless payment by cheque is requested.

Managing Farm Risk Program

Unsuccessful applicants will be notified by the department via email or post. Applications will not be reviewed. See section 18 for information about lodging a complaint. For feedback on unsuccessful applications, contact the program coordinator.

Unsuccessful applicants, if they incur additional expenses for eligible activities, may submit a new application. A new application must not include any expenses for activities that, as part of a previous unsuccessful application, have been deemed ineligible by the department.

17 Publishing information about successful applicants

The department will publish information about awarded rebates on the department's [Grants reporting requirements web page](#) in accordance with *Commonwealth grants rules and guidelines*. Information includes:

- name of the person or entity receiving the rebate
- purpose of the rebate
- amount of funding received
- term of rebate
- funding location.

By submitting an application for funding under this program, the applicant consents to the department publishing this information.

18 Handling applicant complaints

The department does not have an appeal mechanism for unsuccessful applicants. The department's decision is final and applications will not be reviewed.

If an applicant is dissatisfied with the way an application has been handled by the department, they can email the program coordinator and lodge a complaint. The complaint will be reviewed by one or more independent areas of the department.

If no resolution is achieved, the applicant can contact the Commonwealth Ombudsman. The Ombudsman will usually not investigate a complaint unless the matter has first been raised with the department and the department has been provided with a reasonable opportunity to respond.

19 Contacts

Managing Farm Risk Program
Department of Agriculture and Water Resources
Telephone 1800 837 857
Email mfrp@agriculture.gov.au
Web agriculture.gov.au/mfrp
GPO Box 858
Canberra ACT 2601

Glossary

New insurance products

A new insurance product is a new or additional policy covering a peril or climatic event that the farm business has not insured against within the last five years and is limited to: multi-peril insurance products; parametric products based on rainfall or other climate factors; or other single-peril products, such as fire, hail and frost insurance.

Required documentation

When applying for a rebate the applicant must provide:

1. a completed application form; and
2. **evidence of expenditure** for costs incurred engaging a service provider—this must include:
 - a. tax invoice(s) showing full details, including the date, of services provided—clearly identifiable as eligible activities; and
 - b. official receipt(s), confirming payment has been made, including the name, address and ABN of the entity that issued the receipt and a description of each item to which the receipt relates; and
3. **a written offer or refusal** from an insurance provider or its authorised agent/representative clearly indicating the type of policy or product the applicant applied for.

Suitably qualified service providers

Suitably qualified service providers are those that:

1. are independent from the farm business applicant; and
2. hold relevant licences and qualifications and sufficient industry experience relating to the type of advice and/or service they are providing; and
3. have an Australian Business Number (ABN); and
4. hold current professional indemnity insurance.

Applicants are responsible for ensuring that they select suitably qualified service providers to undertake eligible activities. Service providers are expected to provide, in addition to official receipts and remittance advice, final written advice to the applicant. Applicants are responsible for ensuring that the quality of advice or service is commensurate to the fee or charge applied by the service provider.

Total cash receipts

Total cash receipts are the total of revenues received by the farm business during the financial year, including revenues from the sale of livestock, livestock products and crops, plus the value of livestock transfers off the property, as well as revenue received from agistment, royalties, rebates, refunds, plant hire, contracts, sharefarming, insurance claims and compensation, and government assistance payments to the farm business.