

Recovery Grants for Primary Producers – Program guidelines

1. About the Program

The objective of this assistance measure, jointly funded by the Commonwealth and [State/Territory Government] under the Disaster Recovery Funding Arrangements, is to assist with the costs of clean-up and reinstatement of *primary producers* that have suffered direct damage as a direct result of [an eligible disaster: insert relevant details].

Primary producers play an integral part in local economies and communities, and this assistance must contribute towards minimising disruption in the affected area and assisting the community to recover.

2. Available Funding

The level of assistance provided under these recovery grants should be commensurate with the severity of disaster and community recovery needs. In some circumstances it may be appropriate to offer more than the standard Category C \$25,000 recovery grants, via Category D.

For the Primary Producer Recovery Grants, the following tiered amounts are suggested:

Primary Producer Recovery Grants			
<i>DRFA Category</i>	<i>C</i>	<i>D</i>	<i>D</i>
Grant Amount	\$XX,XXX (e.g. \$25,000)	\$XX,XXX (e.g. \$50,000)	\$XX,XXX (e.g. \$75,000)
<i>Tier 1 – Initial payment on the basis of evidence of direct damage</i>	\$XX,XXX	\$XX,XXX	\$XX,XXX
<i>Tier 2 – Subsequent payment on the basis of evidence of payment</i>	\$XX,XXX	\$XX,XXX	\$XX,XXX

The maximum grant amount available is \$XX,XXX.

- 2.1. An initial amount of up to \$XX,XXX (Tier 1) is available. To support an initial claim *evidence of direct damage* is required. For example, photographs, quotations, tax invoices or *official receipts*.
- 2.2. A subsequent amount of up to \$XX,XXX (Tier 2) is available. To support subsequent claims *full evidence of payment* is required for the funding to be provided under Tier 2. This *evidence of payment* must also include any amounts claimed under the initial (Tier 1) claim if not already provided.
- 2.3. Multiple applications can be made up to the maximum grant amount available under the Program.
- 2.4. Where an applicant is approved for funding under \$XX,XXX (Tier 1) on the supply of a quote and does not seek further payment under Tier 2, States may request the applicant provide *evidence of payment* within 12 months¹ of receiving the Tier 1 grant for reconciliation, acquittal and transparency purposes.

¹ States can apply a shorter timeframe if required. If applied, States must notify the NRRRA

3. How funding may be used

3.1. Grants are provided to help pay for the costs of the clean-up and *reinstatement* of the *primary production enterprise*. This includes:

- a. engaging a tradesperson to conduct a safety inspection of damage to a property, premises or equipment;
- b. hiring and leasing equipment², or purchasing materials to clean a property, premises or equipment;
- c. paying additional wages to an existing employee, or employing a person to clean a property, premises or equipment if –
 - i. the cost would not ordinarily have been incurred in the absence of the *eligible disaster*; or
 - ii. the cost exceeds the cost of employing a person to clean the property, premises or equipment that would ordinarily have been incurred in the absence of the *eligible disaster*;
- d. removing and disposing of debris, damaged goods and material, and injured or dead livestock;
- e. repairing a building or repairing or replacing fittings in a building if the repair or replacement is essential for resuming operation of the *primary production enterprise*. Funding is not available for repairs to a building that is used as a dwelling, unless it is used for carrying on the *primary production enterprise*, for example staff accommodation;
- f. purchasing, hiring or leasing equipment or materials that are essential for immediately resuming operation of the *primary production enterprise*; and
- g. any of the following –
 - i. repairing, reconditioning or replacing essential plant or equipment damaged by the eligible disaster;
 - ii. repairing or replacing fencing on a property, other than to the extent the cost may be recovered under other assistance from the Commonwealth or State/Territory;
 - iii. purchasing fodder, other than to the extent the cost may be recovered under other assistance from the Commonwealth or State/Territory;
 - iv. maintaining the health of livestock and poultry;
 - v. replacing the dead livestock;
 - vi. repairing or restoring fields;
 - vii. salvaging damaged crops, grain or feed;
 - viii. replacing lost or damaged plants if the replacement is essential for immediately resuming operation of the primary production enterprise;
 - ix. replacing essential water that has been used for firefighting; and

² Purchasing equipment may be considered eligible on a case by case basis if demonstrated to be more cost effective.

- x. carting water.

3.2. Grants cannot be provided to help pay for costs associated with the following:

- a. for loss of income as a result of the *eligible disaster*;
- b. or payment of employee salaries that would have ordinarily been incurred by the *primary production enterprise* had the *eligible disaster* not occurred;
- c. for expansion projects, or for areas that were not in active production, however this should not prevent sensible preparation for future events;
- d. if the applicant is entitled to, has received, or has been approved to receive, an amount under a policy of insurance for the relevant costs claimed. The applicant may be eligible for a grant for the portion of costs that are not covered by their insurance, or for amounts in excess of the value insured; and
- e. if the applicant has received, or has been approved to receive financial assistance from another government assistance scheme for an item described in section 3.1, the applicant cannot receive reimbursement under [name of grant] for the same item(s).”.

4. Eligible applicants

4.1. To be eligible for [name of grant], the applicant must:

- a. Be a primary producer,
- b. Devote part of their labour to the *primary production enterprise*;
- c. Derive at least 50 per cent of their gross income from primary production;
 - i. An applicant may also be eligible for a grant if the applicant derives at least 50 per cent of their total gross income from primary production and value-added products (e.g. wine) made directly from raw produce grown by the applicant
- d. Hold an Australian Business Number (ABN) and have held that ABN at the time of the disaster;
- e. Have a *primary production enterprise* that is located in the defined area for the *eligible disaster* and have suffered direct damage as a result of the *eligible disaster*;
- f. Have been engaged in carrying on the *primary production enterprise* when affected by the *eligible disaster*;
- g. Intend to re-establish the *primary production enterprise* in the same community, region or sector as the *defined disaster area* for the *eligible disaster*;
- h. Be primarily responsible for meeting the costs claimed in the applications; and
- i. For costs relating to activities listed in section 3, provide satisfactory *evidence* of loss or damage.

4.2. An applicant may also be eligible for an [name of grant] if both of the following apply:

- a. The applicant's *primary production enterprise* is located outside the *defined disaster area* for the *eligible disaster* but is carried on at least sometime on a regular basis in the area; and
- b. Property, plant or equipment of the *primary production enterprise* situated in the *defined disaster area* has been damaged as a result of the *eligible disaster*.

- 4.3. Where two or more independent and separately owned and registered primary producers operate from the same property, each primary producer may receive the maximum available grant amount providing applicants can demonstrate that:
- a. They are independent and separately owned and registered with their own ABN from the other primary producer(s) on that property;
 - b. They are eligible for the grant in their own right (including the requirement that they derive at least 50 per cent of their gross income from the *primary production enterprise* stated in clause 4.1;
 - c. They are claiming for different expenses to the other primary producer(s) who are operating on the same property; and
 - d. The expenses that they are claiming are essential to the operation of their primary production enterprise.

5. Eligible separate businesses

- 5.1. Applicants who operate more than one *primary production enterprise*, for example under a single ABN at separate locations, may apply for assistance for each *eligible separate business* up to the maximum amount of assistance available for the relevant defined disaster area.
- 5.2. When determining an application on this basis [administering agency] may consider (but is not limited to):
- a. the staffing arrangements of the separate business;
 - b. whether the business has its own plant equipment or stock;
 - c. the accounting arrangements of the separate business;
 - d. whether the separate business operates under its own trading name; and
 - e. the commercial viability and autonomy of each business.

6. Assessment and approval process

- 6.1. Applications will be assessed against the eligibility criteria.
- 6.2. [The administering agency] reserves the right to request further information from you or from any business or individual you have engaged, to assist in assessing your application and to verify any information provided in your application. Failure to provide such information may result in [the administering agency] refusing your application.
- 6.3. [The administering agency] reserves the right to refuse an application where eligibility criteria are not met, or where the applicant does not or cannot provide sufficient information for [the administering agency] to determine if eligibility criteria have been met.
- 6.4. Applications submitted may be subject to audit by [the administering agency] or its agents in order to determine compliance with scheme guidelines.
- 6.5. Complete applications will be assessed in order of receipt. Incomplete applications will not enter the assessment queue until all required information is provided.

- 6.6. Before applying for financial assistance under this program, applicants should seek advice from their legal, business or financial advisers about the tax implications of this financial assistance.³
- 6.7. Applicants will be expected to provide supporting documentation, such as the latest local council rate notice; latest available Tax Return and Financial Statement for your primary production enterprise and complete copies of personal Tax Returns for each member of the primary production enterprise.
- 6.8. In exceptional circumstances, consideration may be given to applicants who do not meet the eligibility criteria outlined in section 4, upon agreement between [the administering agency] and the National Recovery and Resilience Agency (NRRA).

7. False and misleading information

- 7.1. By signing the claim form, you are declaring that the information provided in the application form and supporting documentation is true and accurate.
- 7.2. Providing inaccurate, untrue or misleading information may be a breach of criminal law for which serious penalties may apply.
- 7.3. If any information provided in an application or supporting documentation is found to be inaccurate, untrue or misleading, legal action may be taken against you, including action to recover the funds.

Additional information to be inserted by the State/Territory as tailored to administering Agency requirements

8. Application and claiming process

- 8.1. Period for claiming
- 8.2. Notification process
- 8.3. Appeals process

9. Further information

- 9.1. Key Contacts

Commonwealth-State/Territory administration arrangements

10. Timeframe

- 10.1. Grants are made available for up to twelve months following activation. This timeframe can be extended upon request and subject to agreement by NRRA.
- 10.2. Key dates:

Applications Open	XX XX
Applications Close	XX XX

³ Regarding income tax treatment, Category C and D grants are assessable and need to be declared. In certain circumstances, the Commonwealth may pass legislative amendments to make recovery grants tax free for a specific disaster event.

Project(s) and expenditure completion	XX XX
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11. Reporting

11.1. The State/Territory will provide the following reporting to the NRRRA according to the reporting schedule at 11.2:

Recovery grants for <i>primary producers</i>			
LGA	No. claims	No. payments	\$ total
<i>E.g. Burnie</i>	<i>10</i>	<i>5</i>	<i>\$75,000</i>
<i>E.g. Southern Midlands</i>	<i>5</i>	<i>4</i>	<i>\$50,000</i>
Total	15	9	\$125,000

11.2. The State/Territory will report on Primary Producer Recovery Grants according to the following schedule:

- a. Weekly for duration of the grant program.
- b. Final Program Completion Report.

11.3. If available, State/Territories are encouraged to report to the NRRRA on a more regular basis than the schedule at 11.2. As the State/Territory is able, NRRRA also encourages disaggregated reporting on:

- a. Applications received, approved (paid and pending), in progress, rejected and withdrawn.
- b. Amount approved (\$) (paid and pending).
- c. Reasons for decline.
- d. ANZSIC Industry code subdivision level.
- e. LGA primary producer operating in.
- f. LGA primary producer registered in.

11.4. Note that additional reporting may be requested by exception at any time.

11.5. A final Program Completion Report, summarising the total recovery grants provided will be submitted within two months of the completion of the Grant Program.

12. Extraordinary Program Delivery Costs

12.1. The State/Territory may claim extraordinary costs associated with the delivery of these grants. Extraordinary costs are those that would not have been incurred by the delivery agency had the disaster not occurred. Claimable costs are capped at up to 5 per cent of total program expenditure and are to be equally shared by the State/Territory and Commonwealth. In accordance with DRFA audit and assurance processes, States will need to keep appropriate evidence/documentation to support claims.

13. Assurance and acquittal

- 13.1. The State/Territory must keep appropriate evidence/documentation to support Commonwealth audit and assurance activities to ensure amounts being claimed are eligible for reimbursement under the DRFA.
- 13.2. For the Primary Producer Recovery Grants, evidence requirements could include, but are not limited to:
 - a. Funding request (including Category C/D request form) and approval letters;
 - b. Local news/media articles regarding the delivery of initiatives;
 - c. Grant/loan applications and grant/loan guidelines;
 - d. Governance arrangements; and/or
 - e. Transaction listings used to reconcile invoices.
- 13.3. For assurance purposes, State/Territory agencies and Australian Government agencies may, at any time, request documentation from funding recipients and State/Territory Government agencies to evidence compliance with any aspect of the Disaster Recovery Funding Arrangements and other applicable laws, policies, guidelines, and regulations.

14. Public acknowledgement

- 14.1. Under DRFA, the announcement of assistance must be done jointly by the Commonwealth and the State/Territory, unless otherwise agreed.
- 14.2. Prior agreement must be reached with the Commonwealth on the nature and content of any subsequent events, announcements, promotional material or publicity relating to DRFA assistance measures. This includes but is not limited to: media releases, events, social media, signage and advertising.

15. Definitions

Defined disaster area means the local government areas activated for assistance under the *eligible disaster*. These are published on [the administering agency's] website.

Eligible disaster means the disaster event activated by the State/Territory in accordance with the Disaster Recovery Funding Arrangements under which these grants have been made available. For the purpose of these guidelines, the event is: [insert Disaster reference here: e.g. NSW Storms and Floods from 10 March 2021 (AGRN 960)].

Eligible separate business means a separate *primary production enterprise* owned by the same *primary production enterprise* owner that would be a commercially viable and autonomous business if the other separate enterprise operated by the eligible entity ceased to operate.

Evidence of direct damage (as required for Tier 1 payments) is the information applicants must provide at the point of application demonstrating the direct damage associated with the *eligible disaster*. This may include:

- a. Photographs clearly showing damage to the property with a brief explanation of what they are showing contained in the title or name; or
- b. Information that demonstrates the financial impact of the damage, such as quotations, damage assessments, invoices or receipts. This information must include the name, address, date and ABN (if applicable) of the entity that has issued the quote, assessment, invoice or receipt with information clearly identifying the work required.

In circumstances where direct disaster related damage is unable to be photographed or other information (such as receipts) are not available, the [administering agency] may request other evidence to assess and determine claims. The appropriateness of this information will be considered and [the administering agency] may request the applicant provide further information to inform itself of an applicant's eligibility.

Evidence of payment (as required for Tier 2 payments) means:

- a. tax invoice(s) showing full details of the goods or services provided. The goods and services described on each invoice must be clearly identifiable having been paid by the applicant and being related to damage from the eligible disaster; and
- b. evidence of payment for these tax invoices. A copy must be provided of an applicant's bank transfer(s) and/or bank statement(s) with any relevant official receipt(s) from suppliers or contractors.

Official receipt means a receipt including the name and address and ABN (if applicable) of the entity that issued the receipt and a description of each item to which the receipt relates

Primary producer means:

- a. a sole trader who -
 1. spends part of their labour on a *primary production enterprise*; and
 2. either –
 - i. derives at least 50 per cent of their income from the *primary production enterprise*; or
 - ii. in the opinion of [Administering Agency], based on the demonstrated production potential of the *primary production enterprise*, will eventually derive⁴ at least 50 per cent of their incomes from the *primary production enterprise*.
- b. in relation to a partnership, private company or trust that carries on a primary production enterprise, the partners in the partnership, shareholders in the company or beneficiaries of the trust who –
 1. spends part of their labour on a primary production enterprise; and
 2. either –
 - iii. derive at least 50 per cent of their income from the *primary production enterprise*; or
 - iv. in the opinion of [Administering Agency], based on the demonstrated production potential of the *primary production enterprise*, will eventually derive at least 50 per cent of their incomes from the *primary production enterprise*.

Primary production enterprise means

- a. a business that is carried on by a primary producer and involves primary production, as listed under the Australian New Zealand Standard Industrial Classification 2006 (ANSIC) 1292.0 Codes 01-05, including the agricultural, apicultural, aqua-cultural, commercial wild-catch fishing, forestry, grazing and horticultural industries; and
- b. for which an entity holds an Australian Business Number (ABN).

⁴ For example, this could be because of seasonal conditions, or long lead times for production.

Reinstatement means the carrying out of activities that are necessary to help the primary production enterprise to continue/resume normal trading or production as soon as possible following an eligible disaster..