

# Professional Advice and Planning Grant



## Background

There are exceptional circumstances, such as severe drought, which are beyond the control of farmers. The Professional Advice and Planning Grant is available to farmers in Exceptional Circumstances (EC) declared areas.

The grant enables eligible farmers, on behalf of an eligible farm enterprise, to access professional assistance for a financial viability assessment and/or the development of a written drought management plan or business plan that incorporates drought and risk management strategies.

## What is it?

The Professional Advice and Planning Grant assists in maintaining Australia's agricultural and environmental resource base during periods of extreme climate stress. The grant provides farmers with up to \$5500 (including GST) worth of professional advice and planning assistance from a suitably qualified professional of their choice. Up to \$500 (GST inclusive) of the grant can be used for travel and incidentals incurred in obtaining professional advice.

Any similar funding received by the farm enterprise previously through the Climate Change Adjustment Program or the Sugar Industry Reform Programs will be deducted from the initial entitlement of \$5500.

There is also scope for recipients of the Professional Advice and Planning Grant to access an additional \$2200. This extra funding is available, a minimum of six months after the initial grant is received, to recipients who wish to re-evaluate their drought management plan.

The grant will:

- assist farmers to prepare for and manage the risks associated with drought and climatic variability, **and**
- assist the farm enterprise in early recovery from drought or climatic variability.

There are two stages of the Professional Advice and Planning Grant. The first is to confirm the financial viability of the farm enterprise.

The second stage of the grant is to obtain professional advice and planning assistance to develop a drought management plan or a business plan incorporating drought and risk management strategies.

**Note:** the same provider can provide both the financial viability assessment and a drought management plan or a business plan in one step. This option is possible only if the provider is suitably qualified to provide both forms of advice.

## Financial viability assessment

A financial viability assessment is required to ensure the farm enterprise has been deemed financially viable in normal climatic conditions, that is, viable in non-drought conditions within the last 12 months.

If the farm enterprise is in receipt of Interest Rate Subsidy (IRS), paid by state based Rural Adjustment Authorities, the farm enterprise is deemed to be financially viable. If the farm enterprise has not undergone any financial viability assessment within the last 12 months, part of the funding provided under the Professional Advice and Planning Grant must go to completing this assessment.

The farm enterprise must be found financially viable before further funding under the grant can be committed. If the farm is deemed non-viable, additional services under the Professional Advice and Planning Grant cannot be accessed and the farmer will be referred to a Centrelink Rural Services Officer to discuss other drought assistance measures.

## Using the grant to pay for an Interest Rate Subsidy Financial Viability Assessment

A farm enterprise may wish to use the Professional Advice and Planning Grant to pay for an independent financial viability assessment required by the various state based Rural Adjustment Authorities to determine eligibility for increased assistance under the IRS. This is an approved use of the grant.

It is the responsibility of the farm enterprise to ensure that the viability assessment undertaken to satisfy the assessment for IRS additional assistance, meets the criteria for the relevant state requirements. If the subsequent financial viability assessment does not meet the relevant state IRS application criteria, access to additional Professional Advice and Planning Grant funds for further viability assessment assistance will not be available.

## Drought management plan

The purpose of the drought management plan is to develop drought and risk management strategies to assist the farm enterprise to better manage during periods of prolonged drought and climatic change. Examples of drought and risk management strategies could include:

- financial planning
- business management planning
- farm technical advice (production advice e.g. agronomy)
- natural resource management, **or**
- risk management.

A plan should also look at the potential financial and environmental impacts of the proposed strategies, as well as possible timeframes for the proposed activities.

If a farm enterprise has a current plan that has clear drought management and risk management strategies and there are still grant funds available, these can be used to undertake more planning activities or seek further drought and risk management advice based on the strategies outlined in the plan.

## Who is eligible?

To be eligible, a farmer must represent a farm enterprise in an EC declared area at time of claim, and:

- be a member of a farming enterprise
- have been a farmer for more than two years
- contribute a significant part of their labour and capital to the farm enterprise
- derive a significant part of their income from the farm enterprise
- be in Australia, **and**
- meet the asset test for a farm enterprise. The asset test limit for the Professional Advice and Planning Grant mirrors the asset test limit for Exceptional Circumstances Interest Rate Subsidy. Currently the total of the off-farm net assets of all the members of the farm enterprise must not exceed \$750 000.

Only one grant per enterprise will be issued.

**Note:** if a farmer has received the Murray-Darling Basin Irrigation Management Grant they have already met most of the above eligibility criteria and are encouraged to apply for Professional Advice and Planning Grant.

## How is the grant paid?

When the farmer and the farming enterprise have been determined eligible, the farmer will be issued with vouchers to be given to the professional adviser for the provision of the financial viability assessment and/or drought management plan or business plan.

## What does the professional adviser need to do?

The professional adviser has several responsibilities in administering the grant for the farmer. The adviser needs to:

- fully understand the purpose of the grant and the details of the services they are to provide
- ensure that their professional qualifications are appropriate to the services being performed
- be a member of an appropriate professional organisation
- complete the financial viability assessment and/or, drought management plan or business plan
- complete the vouchers, **and**
- return the assessment and/or the drought management plan along with the appropriate information requested on the voucher to Centrelink. If an assessment and/or appropriate plan are not returned with the voucher, the adviser will not be paid.

**Note:** it is in the adviser's interests to ensure the farm viability assessment has been completed before undertaking further planning.

## What will Centrelink do?

Centrelink will:

- issue the claim form for the grant
- assess eligibility for the grant
- issue the associated vouchers, **and**
- arrange payments to the professional adviser upon return of the required documents.

## How do I apply?

- contact Centrelink for a *Professional Advice and Planning Grant* claim form by calling the Drought Assistance Hotline on **13 2316** or visiting your nearest Customer Service Centre, or online at **www.centrelink.gov.au**
- lodge the completed claim form at your nearest Customer Service Centre, **and**
- prove your identity to Centrelink. You will need to show documents that prove your (and your partner's identity)—see the *Proving your Identity to Centrelink* factsheet for more information. The check list on the claim form will help you to find out what other documents you will need to supply with the claim.

## How to find out more

**Drought Assistance Hotline** **13 2316**

**In languages other than English** **13 1202**

**Customer Relations** **Freecall™ 1800 050 004**  
(for complaints, compliments and suggestions)

**Australian Government Services**  
**Fraud Tip-off Line** **13 1524**

**TTY\* enquiries** **Freecall™ 1800 810 586**

\*TTY is only for people who are deaf or have a hearing or speech impairment. A TTY phone is required to use this service.

Go to our website at **www.centrelink.gov.au**

**Note:** calls from your home phone to Centrelink "13" numbers from anywhere in Australia are charged at a fixed rate. That rate may vary from the price of a local call and may also vary between telephone service providers. Calls to "1800" numbers from your home phone are free. Calls from public and mobile phones may be timed and charged at a higher rate.

## Disclaimer

The information contained in this publication is intended only as a guide to payments available.

The information contained in this factsheet is accurate as at January 2010, but may change. If you use this publication after that date, please check with Centrelink that the details are up to date.

### What is the position if you deal with a third party?

You may deal with a third party who is not a member of Centrelink's staff. If you do so, please remember that Centrelink has not authorised any third parties to provide information or advice to you about payments.