

FAQs: Victoria Primary Producer Flood Recovery Grants

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## Questions about the application process:

### When do applications close?

Applications close at 4pm on 13 July 2023.

### How long do I have to submit claims?

You must submit your initial application by the closing date: 4pm on 13 July 2023. You then have up to six months after the closing date to submit further claims for additional funds under this grant, up to the maximum of \$75,000, or to provide proof of payment for recovery activities.

You can make up to three claims for additional funds under this grant, up to \$75,000. Any additional claims, beyond three, will be considered by Rural Finance on a case-by-case basis in exceptional circumstances.

### What documents do I need to provide with my application?

You are required to provide documentation that demonstrates you are an eligible primary producer. Section 9 of the application form includes a checklist of all the documents you are required to provide with your application. This includes:

- Proof of being directly impacted by the 2022 Victorian Floods, such as photographs (jpeg format) and/or a description of direct flood impacts
- Proof of property location such as a copy of your latest council rates, lease documents, share farming details or other contract that confirms the place where the primary production enterprise is operating
- Proof of income, such as your latest available tax returns for your farm business and financial statements for your farm business
- Proof of ID, such as a Drivers Licence.

If you are applying for grant amounts above \$25,000 (Tier 2), you are also required to attach proof of payment and copies of relevant tax invoices.

Please see the [program guidelines](#) and section 9 of the [application form](#) for further details.

### What do I need to provide to claim up to \$25,000 under Tier 1 of this grant?

To apply for and claim up to \$25,000 under Tier 1 of this grant, you will need to provide evidence of your eligibility and costs associated with clean-up and recovery.

- To demonstrate you are an eligible primary producer, you will be expected to provide documentation to show how you meet the criteria. Please see the question *What documents do I need to provide with my application?*
- To demonstrate the costs associated with the clean-up and recovery, you need to provide a list of the costs of the clean-up and recovery activities required to reinstate the primary production enterprise. Please read section three of the [program guidelines](#) for a list of eligible clean-up and recovery activities.

For Tier 1 applications, tax invoices and/or receipts to demonstrate expenditure are not required to be supplied as part of the application. However, applicants must keep evidence of payment for recovery activities for audit purposes or if they intend to apply for Tier 2 funds.

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If producers have already applied for and/or received an amount up to \$10,000 under the Victorian Primary Producer Flood Clean-up and Relief Grant, this will be part of the Tier 1 amount and you will need to complete the new application form for the Primary Producer Flood Recovery Grant, but you will not need to submit all the supporting documentation again. Just include your ABN and reference number if known, and complete section 7 of the application form to outline how you intend to use the grant funds.

### What do I need to provide to claim up to \$75,000 under Tier 2?

A subsequent amount of up to \$50,000 (Tier 2) is available for those who have already received the \$25,000 grant (Tier 1) and have further costs associated with the clean-up and recovery of their primary production enterprise. To claim the additional \$50,000, you will need to provide evidence of payment such as a tax invoice and official receipts for both Tier 1 and Tier 2 activities.

This means, evidence of payment:

- demonstrating acquittal of the \$25,000 grant (Tier 1)
- demonstrating acquittal of costs exceeding the \$25,000, up to an additional \$50,000 (Tier 2).

You can claim grant funding via up to three separate payments. Further payments will be considered on a case-by-case basis in exceptional circumstances.

### If I have already applied for the \$10,000 Primary Producer Flood Clean-Up Relief Grant, can I also apply for the \$75,000 Recovery Grant?

Yes, you can apply for the Recovery Grant but any previously received grant money will be subtracted from the \$75,000 available to you. This is because the previously announced \$10,000 Primary Producer Flood Clean-Up Relief Grants has been replaced by the \$75,000 Primary Producer Flood Recovery Grant.

If you already applied for or received a Primary Producer Flood Clean-Up Relief Grant, you can apply now to receive up to a further \$65,000 under the Recovery Grant, bringing the total to \$75,000. You will need to submit a new application for the Recovery grant, but you will not need to supply all the evidence of impact again.

### What evidence do I need to retain in case I am audited under this program?

You must retain evidence of payment for clean-up and recovery activities for audit purposes.

### What is a valid tax invoice?

Invoices must be from a registered business with an active ABN that is independent to the owner or partners of the business applying for assistance. Invoices must include all of the following:

- a reference to a tax invoice
- the seller's identity and ABN
- the date the invoice was issued
- a brief description of activities or items purchased
- GST amount (if any).

### How long will my application take to be approved?

Rural Finance is currently working through very large volumes of applications but will assess your application efficiently and effectively. To avoid any delay in processing your application, please ensure you have completed the application form and provided all the information listed in section 9 of the application form. This includes:

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- Proof of being directly impacted by the 2022 Victorian Floods, such as photographs (jpeg format) and/or a description of direct flood impacts
- Proof of property location such as a copy of your latest council rates, lease documents, share farming details or other contract that confirms the place where the primary production enterprise is operating
- Proof to income, such as your latest available tax returns for your farm business and financial statements for your farm business
- Proof of ID, such as a Drivers Licence.

If your application is incomplete, Rural Financial will need to request future additional information from you, which will delay the processing times.

### Questions about the funding available:

Will the funding for this grant run out? Do I need to get my application in quickly to avoid missing out?

No, the total funding for this grant is not capped but you must submit your application before 4pm on 13 July 2023. Take your time to ensure you have all the required evidence to support your application.

If you need assistance with understanding or applying for financial assistance the Rural Financial Counselling Service is able to help. To find your local Rural Financial Counsellor call 1300 771 741.

Does the grant count as taxable income?

The Primary Producer grant is a Category D grant provided under the Disaster Recovery Funding Arrangements (DRFA) with the Commonwealth. Grants provided under the DRFA are normally taxed as assessable income. The Commonwealth Government must pass legislative amendments to make DRFA grants tax free for a specific disaster event. No such declaration has been made.

It is strongly recommended applicants seek independent financial advice regarding these possible impacts. Applicants may also seek advice from the Australian Taxation Office on 1800 806 218 if they have further questions about their individual situation.

### Questions about whether I am an eligible recipient

How do I prove that I suffered direct damage because of the flood event?

You must provide reasonable evidence that your primary production enterprise suffered direct loss or damage as a direct result of the 2022 Victorian floods. This may be because of water inundation from heavy rainfall or water flow or from direct flooding from rivers, streams or water catchments.

The Victorian floods commenced in October 2022 in the local government areas listed on Rural Finance's website: [www.ruralfinance.com.au/industry-programs/victorian-primary-producer-flood-recovery-package](http://www.ruralfinance.com.au/industry-programs/victorian-primary-producer-flood-recovery-package)

Do I need an Australian Business Number (ABN) to apply?

Yes, to be eligible for this grant you must hold an ABN and have held that ABN at the time of the disaster.

### What is the definition of a primary producer under this program?

The program guidelines define a primary producer as a sole trader, partnership, private company or trust that -

- a) spends part of their labour on a Primary Production Enterprise; and
- b) either –
  - i. derives at least 50 per cent of their gross income from the Primary Production Enterprise; or
  - ii. in the opinion of Rural Finance, based on the demonstrated production potential of the Primary Production Enterprise, will eventually derive at least 50 per cent of their gross incomes from the Primary Production Enterprise or is a commercial enterprise generating more than \$75,000 gross income from the Primary Production Enterprise.

A 'primary production enterprise', for the purposes of this program, is:

- 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 (ANZSIC) Codes 01-05, including the agricultural, apicultural, aqua-cultural, commercial wild-catch fishing, forestry, grazing and horticultural industries; as well as horse agistment, horse breeding, stud farm operation and horse training, and
- for which an entity holds an Australian Business Number (ABN).

### I receive government support payments, is this counted as off-farm income?

Yes, government payments such as pensions, Farm Household Allowance and Job Seeker are included in off-farm income.

### I have more than one property impacted by the floods, can I apply for a separate grant for each property?

The Primary Producer Flood Recovery Grant is provided per business, not per property. Primary producers who operate more than one primary production enterprise, for example under a single ABN at separate locations, may apply for a grant for each eligible separate business. To assess whether a business is an eligible separate business Rural Finance will take into account:

- The staffing arrangements of the separate business
- Whether the business has its own plant equipment or stock
- The accounting arrangements of the separate business
- Whether the separate business operates under its own trading name
- The commercial viability and autonomy of each business.

### What if I haven't been in business long enough for my primary production business to account for 50 per cent of my gross income yet?

Rural Finance will look at your situation and determine whether you will achieve this status within a three-to-eight-year period, considering the nature of your industry.

You need to clearly demonstrate that the primary production enterprise will eventually derive this income requirement. For example, you might not achieve this requirement yet because of poor seasonal conditions that are disrupting your ability to establish the business. You might also not achieve this requirement yet due to long lead times to full production, such as this case when establishing vineyards or orchards.

Rural Finance will review your financial statements and look for a trend toward the timeline to full production that fits for your industry. Rural Finance may request additional information to support your application, such as a business plan, cash flow forecast, proof of property purchase, current income tax return and evidence of costs associated with establishing the primary production enterprise.

[I haven't completed this year's tax return; can I submit earlier tax returns as proof of income?](#)

Yes, Rural Finance will accept the latest available tax return for your farm business so long as you can demonstrate that you:

- were engaged in carrying on the business when affected by the Victorian floods; and
- intend to continue/re-establish the primary production enterprise.

[I lease out my property to a primary producer, is this considered primary production?](#)

No, leasing out property to a primary producer is not considered primary production.

The definition of primary production is taken from the Australian New Zealand Standard Industrial Classification 2006 (ANZSIC) Codes 01-05. Under the ANZSIC codes owning and leasing land, whether for agricultural or any other non-residential purpose, is classified as Non-Residential Property Operators, as part of Rental, Hiring and Real Estate Services.

Agistment of land however, where livestock are taken in for a fee for feed and basic care, usually on a fee per head or contract basis, is classified as primary production. You may be eligible for this grant if you agist livestock and meet all other eligibility requirements.

[I am not eligible for this grant as I do not earn enough from my primary production enterprise; is there any other support I can access?](#)

If you operate a smaller-scale primary production enterprise and are not eligible for the Primary Producer Flood Recovery Grant, you may be eligible for the \$25,000 [Rural Landholder Grant](#). This grant is available to smaller-scale primary production enterprises that earn more than \$20,000 income from primary production, earn less than \$180,000 off farm income and own land of at least 10 hectares.

There are also grants available for small businesses that are not primary producers and have been directly affected by the floods. Visit [business.vic.gov.au/grants-and-programs](http://business.vic.gov.au/grants-and-programs) for further information.

## Questions about eligible expenditure

[Can I claim costs for salvaging my crops and/or restoring my fields?](#)

You can claim for salvaging crops and restoring fields that were damaged by the flood event. To assess these claims you need to show evidence of how much of the crop/fields has been damaged and an understanding of what the land was being used for prior to the flood and the future intentions. Please provide any supporting information or documents that will help support your claim; this could include previous invoices for expenses, invoices for input costs and/or photos.

For further information, see section 3 of the [program guidelines](#).

[What recovery activities can I apply for?](#)

The Primary Producer Flood Recovery Grant is designed to help primary producers pay for clean-up and recovery activities to support reinstatement of the primary production enterprise. Please refer

to section 3 of the program guidelines for a list of eligible recovery activities and include a list of activities and estimated costs in section 7 of your application form. The grant is not for discretionary activities.

#### Can I claim costs for my own labour?

No, you cannot claim the costs of labour from an owner or shareholder in the business. You can however claim costs associated with:

- third parties, such as independent contractors, where the services relate to clean-up and recovery
- paying staff wages where you can show that those hours are above standard day to day wages and can be explained based on cleaning up and repairs in relation to the natural disaster event.

Wages of the business proprietors/owners are not eligible. Any associated or related parties with common directors, partners or family members undertaking repairs are managed on a case-by-case basis and may require additional information to verify such as bank statements.

For further information, see section 3 of the program guidelines.

#### Can I claim costs for additional wages for my staff associated with clean-up and recovery?

Yes, you can claim costs for additional wages associated with the clean-up and recovery effort. This covers both additional wages to an existing or newly employed employee. You must demonstrate that the wages are above and beyond what would have ordinarily been incurred in the absence of the flood and that the additional time was associated with the clean-up and recovery effort.

You will need to prove that the additional wages are above and beyond normal wage expenditure.

- For full-time staff, this could be via a PAYG statement with year to date and salary details (showing standard hours) and payslips showing additional hours/overtime worked
- For casual staff, this could be via a PAYG slips showing average hours worked prior the event and hours that are over and above the average.

Wages of the business proprietors/owners are not eligible. Any associated or related parties with common directors, partners or family members undertaking repairs are managed on a case-by-case basis and may require additional information to verify such as bank statements.

For further information, see section 3 of the program guidelines.

#### Can I claim for the purchase of second-hand items?

Yes, you can claim second-hand items so long as the quote and/or invoice is from a registered business with ABN that is independent of your business.

#### Can I claim the loss of income?

No, the grant cannot be used to reimburse the loss of income.

#### Can I claim the cost of activities I undertook prior to the flood event?

No, the grant cannot be used to reimburse costs incurred prior to the floods. The grant is designed to help primary producers pay for clean-up and recovery activities to support reinstatement of the primary production enterprise.



### Can I claim transport costs under the Primary Producer Flood Recovery Grant?

Eligible activities under the Primary Producer Flood Recovery Grant include the purchase of fodder, which can include fodder transport costs, and maintaining the health of livestock or poultry, which could include transporting stock to agistment when necessary to maintain animal health. Refer to section 3 of the [program guidelines](#) for eligible activities.

Support is also available under the Victorian Primary Producer Flood Recovery Transport Support program. Eligible activities under the [Transport Support Program](#), (which provides up to \$15,000 for 50 per cent reimbursement) include transport of emergency fodder or stock drinking water to flood affected properties or transport of stock to agistment, sale or slaughter. Refer to the [program guidelines](#) for more details.

You cannot claim the costs of the same transport activity under both the Flood Recovery Grant and the Transport Support program.

### Can I claim the costs associated with repairing farm roads or tracks impacted by the floods?

Yes, you can apply for grant assistance to repair farm roads or tracks impacted by the floods. You will need to provide evidence to show that the damage was caused by the flood event and describe how the repair of the road/track is essential for resuming the operation of the business.

For further information, see section 3 of the [program guidelines](#).

### Can I claim for seed and fertiliser to resow my pasture or crop?

Yes, repairing or restoring fields and replacing lost or damaged plants are eligible activities if the replacement is essential for immediately resuming operation of the primary production enterprise. You will need to:

- demonstrate that the pasture or crop was damaged by the flood event
- provide details of when the original pasture or crop was planted and how much has been damaged
- provide details of why replacing the pasture or crop is essential to resuming the operation of the enterprise.

For further information, see section 3 of the [program guidelines](#).

### Can I claim to agist my stock?

If the agistment is necessary to maintain the health of livestock due to a lack of feed on the home property or other animal welfare concerns then this could be an eligible activity.

The cost of transporting animals to agistment is also an eligible activity under the [Primary Producer Flood Recovery Grant](#) or the Transport Support Program which provides a subsidy of 50 per cent of eligible transport costs that directly address immediate animal welfare and safety needs. Up to \$15,000 is available for eligible primary producers under the Transport Support Program. Click [here](#) for a copy of the guidelines and application form.

### Can I claim the cost of diesel associated with clean up and recovery?

In some cases you can claim the cost of diesel when it is purchased and used directly for the relief, clean-up and recovery of the primary production enterprise. You must be able to demonstrate how the diesel relates to the clean-up and recovery activities. This could include evidence of:

- What the diesel is used for

- What equipment the diesel is being used for
- The unit of use (e.g. L/hr) and the length of use.

## Questions about support in applying for the grant program

### Where can I go if I need help applying for financial support?

The Rural Financial Counselling Service is available to assist farmers access all support available. To find your local Rural Financial Counsellor call 1300 771 741.

The Rural Financial Counselling Service offers free and independent financial information, options, decision-making support and referral services to primary producers and small, related rural businesses experiencing, or at risk of, financial hardship.

### Who is eligible for free rural financial counselling?

The Rural Financial Counselling Service offers free and independent financial information, options, decision-making support and referral services to primary producers and small, related rural businesses experiencing, or at risk of, financial hardship.

The Victorian Government is providing additional funding to enable this service to meet the increased demand in the north-east and north-west of Victoria.

To find your local Rural Financial Counsellor call 1300 771 741.