

Bushfires

Guidelines

1. About the program

This grant program is a jointly funded measure between the Commonwealth and relevant state governments under the Disaster Recovery Funding Arrangements (DRFA).

It aims to assist eligible primary producers impacted by 2019-2020 summer bushfire events (commencing August 2019) with the costs of immediate clean-up and repairs, where those costs are not covered by other assistance measures or existing insurance policies. This includes caring for injured stock or disposing of dead stock, and rebuilding or replacing damaged or destroyed on-farm fencing and other infrastructure. Damage may include that caused by fire, smoke, ash and/or soot.

2. Available funding and supporting evidence

2.1 The maximum grant amount for clean-up, reinstatement activities and emergency measures, per affected property, is \$75,000.

2.2 Should an initial application be for less than the maximum grant amount, further applications may be submitted if additional expenditure is required to complete clean-up, reinstatement activities and emergency measures.

2.3 Applicants must include evidence of direct damage with their application. This:

- a) must include photographic evidence of direct bushfire-related impacts, and
- b) may include other evidence in addition to photographs such as quotes, estimates or tax invoices (if available) that demonstrate the impact of the eligible disaster, noting that, per 6.1b) this information may be sought through the audit process.

3. How funding may be used

3.1 Grants are provided to help pay for the costs of clean up, reinstatement activities and emergency measures associated with the immediate recovery of primary production enterprises. Eligible claims may cover:

- a) Hiring, leasing or purchase of equipment and/or materials to undertake clean-up
- b) Additional labour costs (above and beyond normal wage expenditure, i.e. day-to-day staffing)
- c) Disposing of damaged goods and injured or dead livestock, including associated costs
- d) 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)
- e) Repairing or replacing fencing and horticultural netting (not covered by other assistance)
- f) Reconditioning/repairing essential plant and equipment, including repairing damage to, or replacing, water tanks, de-silting dams, water reticulation systems, forestry equipment, aquaculture and fishing equipment,
- g) Salvaging (but not replacing) crops, grain, feed, fertiliser and timber, including crops damaged by fire, smoke, ash and/or soot.
- h) Health assessment, treatment and maintenance for livestock, poultry and aquaculture species,
- i) Purchase of fodder, grain, and feeds for livestock and poultry and supplementary pollen or pollen

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substitute, and/or stock agistment costs, and associated transport costs (not covered by other assistance),

- j) Purchase or hire/lease costs for equipment essential to the immediate resumption of the business (e.g. energy equipment such as generators and solar panels for non-residential purposes),
- k) Replacement of essential water used for firefighting purposes,
- l) Water cartage,
- m) Payment for tradespeople to conduct safety inspections.

4. Eligibility criteria

4.1 To be eligible for the grant, the applicant must:

- a) be a primary producer (as defined in section 7 below); and
- b) earn more than 50 per cent of their total gross income from primary production; and
- c) spend part of their labour on primary production; and
- d) have a primary production enterprise (as defined in section 7 below) located in the defined area for the eligible disaster that has suffered direct damage as a result of the eligible disaster; and
- e) hold an Australian Business Number (ABN) and have held that ABN at the time of the disaster; and
- f) have been carrying on that business at the time of the disaster; and
- g) intend to re-establish the primary production enterprise; and
- h) have lodged an application by 15 December 2020.

4.2 An applicant may also be eligible for a 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 sometimes on a regular basis in the area; and
- b) plant or equipment of the primary production enterprise situated in the defined disaster area has been damaged or livestock has died as a result of the eligible disaster.

4.3 Where an applicant's income from primary production is less than 50 per cent of their total income, the applicant may nonetheless be eligible for a grant if it can be demonstrated that;

- a) in the ordinary course of business the applicant would meet that requirement, but:
 - i. their primary production income is currently reduced due to drought; and/or
 - ii. due to long lead times to full production, (e.g. an orchard or vineyard is in early stages of development), the applicant expects to earn such an amount of income within an eight year period; or
 - iii. the applicant is a forest plantation grower, or a private land holder who actively manages forest resources, with the intention of deriving income from commercial timber and/ or wood fibre production; or
- b) The applicant derives at least 50 per cent of their total income from primary production and value-added products (eg wine) made directly from raw produce grown by the applicant.

4.4 Applicants will not be eligible for a grant, or part of a grant, if:

- a) the applicant does not meet the criteria at 4.1, 4.2 or 4.3; or
- b) the applicant has received, or has been approved to receive, financial assistance for costs associated with the items set out under 3.1 from another government assistance scheme,

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however the applicant may be eligible for a grant for costs that are not covered by the other scheme; or the applicant is entitled to receive a payment under an insurance policy for costs directly associated with an item set out at 3.1, however the applicant may be eligible for a grant for costs that are not covered by their insurance, or for amounts in excess of the value insured; or

- c) another party to the primary production enterprise, (for example a party holding a separate ABN number), has already applied for a grant under this program.

5. Eligible separate businesses

5.1 Applicants who operate their primary production enterprise under a single ABN on separate properties in different locations may apply for assistance up to the maximum amount available for the eligible disaster for each eligible business.

5.2 Consideration of eligible separate primary production enterprises may cover:

- a) the staffing arrangements of the separate primary production enterprises;
- b) whether the primary production enterprises have their own plant, equipment or stock;
- c) the accounting arrangements of the separate primary production enterprises;
- d) whether the separate primary production enterprises operate under their own trading names;
- e) the commercial scale, viability and autonomy of each primary production enterprises.

6. Terms and Conditions

6.1 Successful applicants will be required to:

- a) provide any additional information required by the Rural Assistance Authority to assess an application, including assessment of losses arising from the disaster event; and
- b) agree to subsequent audits under the scheme including permission for on-farm access to confirm that grant and co-contribution funding provided have been expended on approved purposes.

7. Definitions

Direct damage means a direct and material impact of fire or bushfire-related firefighting activities (including the loss of water used in firefighting activities), on business assets or equipment, including livestock.

Defined area for an eligible disaster is a Local Government Area that has been activated under Category C of Disaster Recovery Funding Assistance for primary producers.

Eligible separate business: An eligible separate business means a commercial entity that would be a commercially viable and autonomous business if other businesses operated by the primary production enterprise ceased to operate.

Primary producer means:

- a) a sole trader who spends part of their labour on, and derives the majority of their income from a primary production enterprise in agriculture (including aquaculture, horticulture and viticulture), fisheries, hunting or trapping, private forestry or apiary; or
- 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 spend part of their labour on, and derive the majority of their income from, the primary production enterprise.

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(Note: assistance will be considered for primary producers as described under the Australian New Zealand Standard Industrial Classification 2006 (ANZSIC) 1292.0 (Revision 2.0) Codes 01 (Agriculture), 02 (Aquaculture), 03 (Forestry and Logging), 04 (Fishing, Hunting and Trapping) and 05 (Agriculture, Forestry and Fishing Support Services).)

Primary production enterprise means:

- a) is established under the legal structure of a sole trader, partnership, trust or private company; and
- b) is carried on by a primary producer and trades in a primary production industry, including the agricultural (including aquaculture, horticulture and viticulture), fisheries, hunting or trapping, private forestry or apiary industries; and
- c) undertakes all primary production aspects of the business wholly in Australia; and
- d) is registered for tax purposes in Australia with an Australian Business Number (ABN); and
- e) is not under external administration or bankruptcy; and
- f) is not a public company under the meaning of the Corporations Act 2001 (Cth).

Official invoice means

- a) an invoice including the name, address and ABN (if applicable) of the entity that issued the invoice and a description of each item to which the invoice relates which is clearly identifiable as being related to approved expenditure for the applicant.

Official receipt means

- a) 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.

8. Other matters

8.1 The Australian Government has made the grant assistance received under this scheme non-assessable, non-exempt income. Applicants do not pay tax on non-assessable, non-exempt income and do not include the amount when they work out their tax loss. Grant assistance received under this scheme is also not subject to GST.

8.2 Grants under this program may result in financial, taxation, legal or other impacts. Applicants are advised to seek independent financial advice in regards to these impacts. Applicants may also seek advice from the Australian Tax Office on 1800 806 218 if they have further questions about their individual situation.

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NSW BUSHFIRES from 31 August 2019

Located Government Areas affected:

Armidale, Ballina, Bega Valley, Bellingen, Blue Mountains, Byron, Central Coast, Cessnock, Clarence Valley, Coffs Harbour, Cootamundra-Gundagai, Eurobodalla, Glen Innes Severn, Goulburn Mulwaree, Greater Hume, Gwydir, Hawkesbury, Inverell, Kempsey, Ku-ring-gai, Kyogle, Lake Macquarie, Lismore, Lithgow, Mid-Coast, Mid-Western, Muswellbrook, Nambucca, Narrabri, Oberon, Penrith, Port Macquarie-Hastings, Queanbeyan-Palerang, Richmond Valley, Singleton, Shoalhaven, Snowy Monaro, Snowy Valleys, Sutherland, Tamworth, Tenterfield, Tweed, Upper Hunter, Upper Lachlan, Uralla, Wagga Wagga, Walcha, Wingecarribee and Wollondilly.

Closing Date for Applications: 15 December 2020