



What is the Climate Change Adjustment Program Farm Business Analysis and Financial Assessment

The Farm Business Analysis and Financial Assessment is a compulsory assessment of a farmer's financial situation. This form assists Professional Advisers to collect information relevant to a farmer and their farming operation and to assist advisers to make recommendations to a farmer.

This form assists Prescribed Advisers to collect information relevant to a farmer and their farming operation.

Assessing a farmer's financial situation is important because it provides a farmer with an independent appraisal of their financial position and helps them to decide what is best for the future of their farming business and their family.

Who completes this Farm Business Analysis and Financial Assessment form

PART A A farmer who has successfully applied for assistance under the Climate Change Adjustment Program should complete as much of **PART A** as possible, before attending a session with a Prescribed Adviser.

PART B A Prescribed Adviser will complete **PART B**.

A Prescribed Adviser is a person who has relevant financial qualifications and is a member of a professional association whose members normally provide financial advice (e.g. accountant, financial planner). The Prescribed Adviser will provide an independent appraisal of the farmer's financial situation to assist the farmer to decide what is best for the future of their farm business and family.

Note: A family member of the farmer, or other person whose independence may be compromised, by the very nature of his or her relationship to the applicant, cannot be a Prescribed Adviser.

This assessment uses historical farm enterprise information and current financial information to develop a forward-looking analysis of the farmer's financial situation and is funded under the Climate Change Adjustment Program Advice and Training Grant using a voucher.

Definition of a partner

For Centrelink purposes a person is considered to be **your partner** if you and the person are living together, or usually live together, and are:

- married, **or**
- in a registered relationship (opposite-sex or same-sex), **or**
- in a de facto relationship (opposite-sex or same-sex).

Centrelink considers a person to be in a de facto relationship from the time they commence living with another person as a member of a couple.

Centrelink recognises all couples, opposite-sex and same-sex.

For more information

Go to our website at www.centrelink.gov.au or call us on **1800 050 585** or visit your local **Centrelink Customer Service Centre**.

To speak to Centrelink in languages other than English, call **13 1202**.

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.

If you have a hearing or speech impairment

TTY service Freecall™ **1800 810 586**. A TTY phone is required to use this service.

Interpreters and translations

If you need an **interpreter** or **translation** of any documents for Centrelink business, we can arrange this for you free of charge.

Filling in this form

Please use black or blue pen.

Mark boxes like this with a ✓ or X.

Where you see a box like this ➔ **Go to 5** skip to the question number shown. You do not need to answer the questions in between.

Please keep these Notes (pages 1 to 4) for your information.

Returning your form(s)

Check that you have answered all the questions you need to answer and that you have signed and dated this form.

Refer to page 3 of the **Notes** for steps on how to use and return this form.

What is the Climate Change Adjustment Program

The Climate Change Adjustment Program (CCAP) is aimed at helping farmers in financial difficulty to manage the impacts of climate change. The program assists farmers to develop options for on-farm climate change strategies and practices, seek specific professional advice and training.

The program provides assistance to:

- undertake advice and training of up to \$5,500.
- undertake a financial assessment of the farm business to provide farmers with a clear understanding of their financial situation and future prospects, in the context of the future climatic (and financial) environment.
- develop a Climate Change Action Plan which outlines options for on-farm climate change adaptation strategies and practices through access to professional advice, information and training.

Linked to the Climate Change Adjustment Program is a Transitional Income Support payment for eligible farmers.

What is the Farm Business Analysis and Financial Assessment

The Farm Business Analysis and Financial Assessment includes tests used to determine the level of assistance required based on the farmer's financial position. It is based on four tests that are designed to assess the current financial status of the farmer and the farm business. A financially sound business (from which the tests are derived) would usually have the following elements:

- an ability to earn profits or surpluses
- an ability to generate sufficient cash flow (as profitability without liquidity is of limited benefit to a business)
- sufficient liquidity to meet short term cash flow obligations, and
- a finance structure whereby the entity is not in debt more than the value of the property (over leveraged), and has a sufficient level of assets to operate its business.

To maintain consistency with social security policy that people seeking financial assistance from the taxpayer must first draw on their own reserves, the total net assets held by the farmer/family unit (including their farm assets) is capped at \$1.5 million.

The four tests used in the criteria have been chosen to cover each of the elements shown above, and will assist in determining the level of assistance, as outlined below:

- farmers following the application of these tests who are assessed to be in severe financial difficulty, will be required to develop a Climate Change Action Plan with the assistance of a Rural Financial Counsellor, as well as seek specific professional advice and training to assist them in achieving their objectives. The farmer must attend mandatory quarterly review sessions with their Rural Financial Counsellor.
- farmers following the application of these tests who are assessed to be financially viable, but have been impacted by the effects of climate change will be required to develop a Climate Change Action Plan with the assistance of Centrelink, as well as seek specific professional advice and training to assist them in achieving their objectives. The farmer will self manage the process and will not generally receive assistance from a Rural Financial Counsellor.
- applicants whose net assets are deemed to be in excess of the allowable cap of \$1.5 million are ineligible for assistance under the Climate Change Adjustment Program.

Obtaining a copy of the Financial Assessment template

The Financial Assessment template is designed to be completed electronically, as it contains formulas and macros to determine the level of assistance required by the farmer. Your Prescribed Adviser should be able to download the template from:

<http://www.daff.gov.au/climatechange/australias-farming-future/climate-change-adjustment-assistance>

Alternatively, you can request the template on CD by phoning Freecall™ **1800 638 746**, and take the CD along to your appointment with the Prescribed Adviser.

What happens with the Farm Business Analysis and Financial Assessment information

This assessment is an important foundation for the Climate Change Action Plan the farmer will work through during their time on the program. The Plan will include advice and training activities, and goals they have identified to deal with the short and long-term effects of climate change, either by improving the financial and environmental performance of their farm enterprise or re-establishing outside farming.

What information is required for the Farm Business Analysis and Financial Assessment session with Prescribed Adviser

The farmer should provide the following information:

- copies of the last 3–5 years tax returns and financial statements (including profit and loss statements and balance sheets)
- details of current income, including Centrelink payments, income from off-farm employment or rental income
- any superannuation payments, annuities and other income
- details of assets and investments, including bank and building society accounts, Farm Management Deposits, shares or managed investments
- details of any debts
- details of planned expenditure (e.g. children's education, house maintenance).

What the farmer must do

- Step 1** You will need to choose an appropriately qualified Prescribed Adviser to undertake your Farm Business Analysis and Financial Assessment. If you are unable to locate a suitably qualified adviser, call us on **1800 050 585**.
- Step 2** Obtain a quote for the Farm Business Analysis and Financial Assessment. This must cost no more than \$1,500 and does not cover the cost of other services which an adviser may offer to provide you in conjunction with the session.
- Step 3** Attend the session with the Prescribed Adviser once you have agreed with the quote. Remember to take the ***Climate Change Adjustment Program Voucher for Farm Business Analysis and Financial Assessment (SU633)*** with you.
- Note:** Complete as much of **PART A** of this form as you can, before attending the session. It is recommended that the financial questions be answered during the session with the Prescribed Adviser.
- Step 4** A copy of this completed form and Financial Assessment must be taken to your Rural Financial Counsellor or Centrelink to develop your Climate Change Action Plan.

What the Prescribed Adviser must do

- Step 1** Agree on a quote with the farmer to complete the Farm Business Analysis and Financial Assessment, ensuring that you are appropriately qualified to provide this type of service.
- Step 2** Undertake the Farm Business Analysis and Financial Assessment and complete **PART B** of this form with the farmer.
- Step 3** Complete the Financial Assessment. This can be obtained electronically from <http://www.daff.gov.au/climatechange/australias-farming-future/climate-change-adjustment-assistance>
- Instructions for using this tool are provided in the template. If you require further assistance call **1800 638 746**.
- Step 4** Complete **PART B** of the ***Climate Change Adjustment Program Voucher for Farm Business Analysis and Financial Assessment (SU633)***.
- Step 5** Submit the following to Centrelink once the session has been completed:
- an itemised invoice which includes your ABN, the date of the service and the cost of the completion of this Farm Business Analysis and Financial Assessment form.
 - the completed ***Climate Change Adjustment Program Voucher for Farm Business Analysis and Financial Assessment (SU633)*** which includes details of your membership of a professional association(s).
- Step 6** Send all of the above documentation to:
- Centrelink
Rural and Climate Change Services
Reply Paid 7816
CANBERRA BC ACT 2610**
- Step 7** Provide a copy of this completed form and Financial Assessment to the farmer.

WARNING: Failure to have appropriate qualifications to provide this service or failure to provide the appropriate documentation and follow this process may impact on the payment of your invoice.

Privacy and your personal information

Personal information is protected by law, including the *Privacy Act 1988*.

The information you provide in this form will be used to determine your eligibility and provide payment and services for you and, where relevant, third parties. This information may also be used to detect or prevent fraud and/or recover overpayments.

Centrelink may give some or all of your information to the Department of Human Services and the Department of Agriculture, Fisheries and Forestry for the purposes of evaluation and monitoring of services provided by Centrelink. This may also include providing information to a Rural Financial Counsellor.

Centrelink may disclose limited information (for example, income and assets) about you to other individuals, when your circumstances affect their entitlement to payments and services.

Limited personal information collected from you may be used to conduct customer research run by the Department of Agriculture, Fisheries and Forestry, the Department of Human Services, Centrelink or by research organisations on their behalf. Your participation in customer research is valued, however, if you do not wish to take part please call the Customer Relations number on Freecall™ **1800 050 004** (refer to the factsheet titled *Market research and you* for more information).

Centrelink can give your information to other persons, bodies or agencies without your permission in circumstances where Commonwealth legislation requires or authorises the disclosure. For example, Centrelink usually gives some or all of your information about income and taxation matters to the Australian Taxation Office and the Child Support Agency for their use.

You can get more information from the factsheet titled *Your Right to Privacy* by going to our website at **www.centrelink.gov.au** by calling Centrelink on **1800 050 585** to request a copy or you can visit your local Centrelink Customer Service Centre.

Please keep these Notes (pages 1 to 4) for your information.



Climate Change Adjustment Program – Farm Business Analysis and Financial Assessment

What to do:

- 1 Complete as much of **PART A** as you can. It is recommended that the financial questions be answered during the session with the Prescribed Adviser.
- 2 Take this form to the Prescribed Adviser to complete **PART B**. Remember to take the *Climate Change Adjustment Program Voucher for Farm Business Analysis and Financial Assessment (SU633)* with you.

PART A – Farm Business Analysis – To be completed by the farmer

Farmer details

1 Your name

Mr Mrs Miss Ms Other

Family name

First given name

Second given name

2 Your permanent address

.....

 Postcode

3 Your postal address (if different to above)

.....

 Postcode

4 Your contact phone number

()

5 Your Customer Reference Number (if known)

- - -

6 Do you have a partner?

No **Go to 9**

Yes **Go to next question**

7 Partner's name

Mr Mrs Miss Ms Other

Family name

First given name

Second given name

8 Partner's Customer Reference Number (if known)

- - -

9 How many children do you have under the age of 18?



CLK0A1720 1104

Farm enterprise business structure

10 Registered business name of your farm enterprise

11 Trading name of your farm enterprise

12 What type of business structure is your farm enterprise?

Sole-trader **Go to 17**

Partnership **Go to next question**

Trust **Go to 14**

Company **Go to 15**

Other Give details below

Go to 17

13 Give details about the business partnership

| Partner(s) name | Percentage of share |
|----------------------|------------------------|
| <input type="text"/> | <input type="text"/> % |
| <input type="text"/> | <input type="text"/> % |
| <input type="text"/> | <input type="text"/> % |
| <input type="text"/> | <input type="text"/> % |

Go to 17

14 Are you a trustee and/or beneficiary of the trust?

Trustee **Go to 17**

Beneficiary

15 What is the name of the company

16 What is your (and your domestic partner's) share of the company?

 %

17 How many people supply a significant amount of labour to your farm enterprise?

Seasonal peak period

Off season

18 How many separate family units depend on your farm enterprise?

19 Are you involved in share farming?

No **Go to 22**

Yes **Go to next question**

20 Is the share farming arrangement a verbal, written or implied agreement?

Verbal Written Implied

21 Give details on how each party contributes to the share farming arrangement and how the profits are distributed

| | |
|--------------------------------|------------------------|
| 1 Name | |
| <input type="text"/> | |
| Property | Plant and equipment |
| <input type="text"/> | <input type="text"/> |
| Capital and operating expenses | Labour |
| \$ <input type="text"/> | <input type="text"/> |
| Gross % income distribution | <input type="text"/> % |

| | |
|--------------------------------|------------------------|
| 2 Name | |
| <input type="text"/> | |
| Property | Plant and equipment |
| <input type="text"/> | <input type="text"/> |
| Capital and operating expenses | Labour |
| \$ <input type="text"/> | <input type="text"/> |
| Gross % income distribution | <input type="text"/> % |

If you share with more than 2 other people, attach a separate sheet with details.

22 Does your farm enterprise have any lease arrangements or contracts (e.g. land, equipment)?

No **Go to next question**

Yes Give details below

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23 Does your farm enterprise carry any livestock on agistment from another farm enterprise?

No ► *Go to 25*

Yes ► Give details below

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24 Give details of the type, number and requirements of the stock on agistment

| | |
|------------------------|----------------------|
| 1 Type of stock | Number |
| <input type="text"/> | <input type="text"/> |
| Reason for agistment | |
| <input type="text"/> | |
| <input type="text"/> | |

| | |
|------------------------|----------------------|
| 2 Type of stock | Number |
| <input type="text"/> | <input type="text"/> |
| Reason for agistment | |
| <input type="text"/> | |
| <input type="text"/> | |

If more than 2 agistment arrangements, attach a separate sheet with details.

Farm enterprise financial information

25 Please read this before answering the following financial questions.

It is recommended that the financial questions 26 and 27 be answered during the session with the Prescribed Adviser.

26 Is your farm enterprise owed money?

No ► *Go to next question*

Yes ► Give details below

| | |
|---|--|
| 1 Who owes the money? (Name of debtor) | |
| <input type="text"/> | |
| What for? | |
| <input type="text"/> | |
| Amount owing | Due date |
| \$ <input type="text"/> | <input type="text"/> / <input type="text"/> / <input type="text"/> |

| | |
|---|--|
| 2 Who owes the money? (Name of debtor) | |
| <input type="text"/> | |
| What for? | |
| <input type="text"/> | |
| Amount owing | Due date |
| \$ <input type="text"/> | <input type="text"/> / <input type="text"/> / <input type="text"/> |

| | |
|---|--|
| 3 Who owes the money? (Name of debtor) | |
| <input type="text"/> | |
| What for? | |
| <input type="text"/> | |
| Amount owing | Due date |
| \$ <input type="text"/> | <input type="text"/> / <input type="text"/> / <input type="text"/> |

If more than 3 people owe money, attach a separate sheet with details.

27 Is your farm enterprise supported by off-farm income (e.g. salary or wages, contract work, investments, other Centrelink payments)?

No Go to next question

Yes Give details below

| | |
|--|-------------------------------|
| 1 Name of family member earning off-farm income | |
| <input type="text"/> | |
| Off-farm income source | Annual income earned off-farm |
| <input type="text"/> | \$ <input type="text"/> |

| | |
|--|-------------------------------|
| 2 Name of family member earning off-farm income | |
| <input type="text"/> | |
| Off-farm income source | Annual income earned off-farm |
| <input type="text"/> | \$ <input type="text"/> |

| | |
|--|-------------------------------|
| 3 Name of family member earning off-farm income | |
| <input type="text"/> | |
| Off-farm income source | Annual income earned off-farm |
| <input type="text"/> | \$ <input type="text"/> |

| | |
|--|-------------------------------|
| 4 Name of family member earning off-farm income | |
| <input type="text"/> | |
| Off-farm income source | Annual income earned off-farm |
| <input type="text"/> | \$ <input type="text"/> |

If more than 4 sources of off-farm income, attach a separate sheet with details.

Farm enterprise description

28 Which of the following best describes your main type(s) of primary production?

- Apiary (bee keeping)
 - Aquaculture
 - Beef
 - Cotton
 - Cropping
 - Dairy
 - Flowers
 - Fruit
 - Nursery
 - Pigs
 - Poultry
 - Rice
 - Sheep
 - Vegetables
 - Viticulture (grapes)
 - Other (give details below)
-

Farm enterprise marketability

35 What is the market for selling your farm enterprise (considering the type and location)?

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36 List any factors which reduce or enhance the sale prospects of your farm enterprise (or any part thereof) being sold at the farmer's estimate of its market value

Reduce the sale prospects of your farm enterprise

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Enhance the sale prospects of your farm enterprise

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Climate Change and Variability factors

37 Is your farm enterprise substantially affected by the following factors?

Tick ALL that apply.

- Drainage problems
- Soil degradation due to salt infiltration, chemical contamination, erosion or other influences
- Long-term vermin infestation
- Sucker regrowth or weed infestation
- Water usage restrictions

Details and extent of problem (comment on your farm enterprise's environmental constraints).

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38 Is your farm enterprise currently adversely affected by any other form of event (e.g. drought, flood)?

No Go to next question

Yes Give details below

Nature of the event and its impact on the farm enterprise

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What have you done for future preparedness?

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39 Has your farm enterprise been adversely affected by the following factors?

Tick ALL that apply.

- Reduced rainfall (reduced rainfall/reduced water availability, less runoff, smaller irrigation storage volumes)
- Extreme events (more variable, less predictable, more intense events including drought)
- Production (changes to agricultural production volumes and values)
- Exports (changes to agricultural export volumes and values)
- Other(s) (give details below)

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40 Statement

I certify that:

- the information I provided to the Prescribed Adviser preparing this form is a fair and accurate description of my farm enterprise's circumstances.

I declare that:

- the information provided in this form is complete and correct.

I understand that:

- giving false or misleading information is a serious offence.
- Centrelink can make relevant enquiries to ensure I receive the correct entitlement.
- the assessment provided by the Prescribed Adviser is based on my description of my farm enterprise's attributes (e.g. business structure, financial situation, environmental conditions).
- the advice I have received during this Farm Business Analysis and Financial Assessment session will form the basis of my Climate Change Action Plan, if applicable.

Farmer's signature

Date

Partner's signature

Date



The rest of the questions in this form are for the Prescribed Adviser to complete when you attend your Farm Business Analysis and Financial Assessment session.

Please ensure you take the following information to your session with the Prescribed Adviser to assist in the completion of your financial assessment:

- copies of the last 3–5 years tax returns and financial statements (including profit and loss statements and balance sheets)
- details of current income, including Centrelink payments, income from off-farm employment or rental income
- any superannuation payments, annuities and other income
- details of assets and investments, including bank and building society accounts, Farm Management Deposits, shares or managed investments
- details of any debts
- details of planned expenditure (e.g. children's education, house maintenance).

PART B – Financial Assessment – To be completed by the Prescribed Adviser

PART B must be completed by a Prescribed Adviser who:

- has relevant financial qualifications, and
- is a member of a professional association whose members normally provide financial advice (e.g. accountant or financial planner).

A family member of the farmer, or other person whose independence may be compromised, by the very nature of his or her relationship to the applicant, cannot be a Prescribed Adviser.

Note: Your invoice will only be paid if you provide the services as specified on this form (and the farmer's Initial Advice Session Voucher) and you are an appropriately qualified adviser.

If you have ANY questions as to the services this form (and voucher) covers or whether your professional qualifications are appropriate to provide this service, call Centrelink on **1800 050 585**.

Prescribed Adviser details

1 Name of Prescribed Adviser

2 Name of organisation

3 Postal address

 Postcode

4 Contact phone number

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5 Date of appointment with Prescribed Adviser to complete this form

 / /

Financial Assessment Test

The Financial Assessment **MUST** be completed using the template downloaded from:

www.daff.gov.au/climatechange/australias-farming-future/climate-change-adjustment-assistance

The completed template forms part of this Farm Business Analysis and Financial Assessment and will be used to determine the level of assistance required by the farmer.

6 What was the Eligibility result from the completed template?

Tick ONE box only.

In severe financial difficulty (G1) – the farm enterprise is not viable and there is no prospect of recovery.

In financial difficulty (G1) – the farm enterprise is borderline viable with insufficient liquidity and assets necessary to operate the farm business. Changes are required to return to a viable position.

Farm enterprise is financially viable (G2) with sufficient liquidity and assets to operate the business. Viability is at risk due to ongoing drought, and changes are required to ensure ongoing viability.

Net farm assets exceed allowable cap (G3) – farm enterprise has sufficient liquidity and assets to operate business with no government assistance required.



You must attach the completed Financial Assessment template to this form.

7 Please read this before answering the question.

A profitable farm is one that, in the short-term, services its borrowings and meets the living costs of the farm family.

Is the farm enterprise currently falling short of profitability (per annum)?

No

Yes

8 In your professional opinion, taking into account that the farm continues to be run as it is at present, is it likely the farmer's farm enterprise will achieve profitability in the next 12 months?

No

Yes

9 What does the farmer need to do to achieve profitability over the next 12 months?

Empty text box with horizontal dashed lines for writing.

10 Please read this before answering the question.

A sustainable farm is one that has a sufficient surplus available to maintain a farm's productive assets and investments to increase the long-term productivity of the farm.

Is the farm enterprise falling short of sustainability (per annum)?

No

Yes

11 In your professional opinion, taking into account that the farm continues to be run as it is at present, is it likely the farmer's farm enterprise will achieve sustainability in the next 5 years?

No

Yes

12 What does the farmer need to do to achieve sustainability in the long-term?

Empty text box with horizontal dashed lines for writing.

13 Statement

I certify that:

- the information supplied on this form is a fair and accurate report of my understanding of the farmer's operational activities.
- I have informed the farmer of their farm enterprise's financial position and the options available to improve the family's long-term financial prospects.
- I have provided advice on the best course of action for the farmer.
- I am not a family member of the farmer.
- I do not have a relationship to the applicant that compromises my independence.

Prescribed Adviser's signature

Signature box containing a pen icon.

Date

Date box with slashes for day and month.