

+ Farm Business Analysis Assistance Guidelines

1. Program objectives

The Farm Business Analysis Assistance program is administered through the Farm Debt Restructure Office (FDRO) under the Farm Debt Services suite of programs.

The objective of the program is to provide assistance to *primary production* enterprises experiencing *financial difficulties* by a report setting out recommendations to assist them determine the future direction of their business.

The program provides primary producers with free access to an *independent financial specialist* who will:

- a) liaise with the applicant on farm and engage with the applicant's advisors and financiers;
- b) undertake an impartial review of the *primary producers'* enterprise, operation and financial position; and
- c) provide a report identifying the key issues and setting out realistic recommendations aimed at resolving the issues facing the enterprise.

Examples of outcomes that may be provided in a farm business analysis report include strategies to address enterprise viability, debt structure options and provision of a forward cashflow supported by analysis of the underlying operation.

Farm Business Analysis Assistance is limited to the cost of the *independent financial specialist* selected to complete the report and does not extend to third parties engaged throughout the process.

2. Assistance criteria

To be considered for this assistance applicants must:

- a) be a *primary producer* experiencing financial difficulties;
- b) have owned and operated their *primary production enterprise* for at least three (3) years;
- c) have existing *farm term debt* in relation to their *primary production enterprise*;
- d) demonstrate a need for the assistance. This may mean:
 - i. the applicant could benefit substantially from recommendations provided in a farm business analysis
 - ii. a farm business analysis could be critical to the continuation of the *primary production enterprise*
 - iii. the applicant does not have the financial or other resources to access a similar professional service

- iv. the applicant does not have non-farm or liquid assets more than the amount needed for prudent risk management; and
- e) not be under administration or subject to recovery actions.

3. Application process

Applications are to be submitted on the Farm Business Analysis Assistance application form and be accompanied by the documentation outlined in the form, including:

- a) a statement of assets and liabilities for the applicant and any associated entities;
- b) past three (3) years' financial statements for the applicant and any associated entities, including profit and loss statements, balance sheets and depreciation schedules (cashbook figures may be provided if financial statements have not been prepared);
- c) information related to the farm property and production;
- d) past three (3) years' personal taxation returns for the applicant and any associated entities;
- e) Australian Taxation Office Integrated Client Account Statements for the applicant and any associated entities; and
- f) Schedule of Account Details - a schedule (included in the application form) is to be completed by each current lender (including banks, credit unions, lease/finance companies etc.) and attached to the application.

Applicants may be requested to provide additional information to support their application.

Upon receiving an application, QRIDA will acknowledge receipt by email and assess and decide eligibility for assistance. This will include reviewing information provided with an application and liaising with lenders and/or professional or business advisors.

Applicants not satisfied with the outcome of their application may request a review of the decision.

Successful applicants will be requested to select an *independent financial specialist*. This selection should be advised within ten (10) business days of approval being advised.

If the applicant has no preference or their preference is unavailable we will select an *independent financial specialist* on the applicants' behalf.

If a potential conflict of interest or other issue exists for either the applicant or the specialist, either party should notify QRIDA immediately.

The *independent financial specialist* will provide a copy of the completed farm business analysis to QRIDA who will review and then forward to the applicant.

Applicants will be required to notify QRIDA that they have received and understood the analysis within 28 days of receipt.

4. Terms and conditions

The availability of Farm Business Analysis Assistance is subject to funds being available.

Applications under the program will be assessed in the order of receipt and approvals will be based on the availability of funds. Applications will not enter the assessment queue until all required information is received by QRIDA.

If the application is successful, applicants agree to participate in a follow-up survey.

Approvals will be provided conditional upon applicants agreeing to, executing and returning the approval letter and any other information requested to support the process at that time.

QRIDA may review or vary these guidelines from time to time.

5. Definitions

Farm term debt means debt held by a *primary producer* that:

- a) was borrowed for the purpose of operating a *primary production enterprise*; and
- b) is secured by a mortgage over rural land or assets associated with the *primary producer's primary production enterprise*.

FDRO means the Farm Debt Restructure Office established under the *Rural and Regional Adjustment Act 1994* (Qld).

Financial difficulties means the deterioration or loss of capacity within a business that would see it unable to meet ongoing financial commitments within arrangements.

Primary producer means:

- a) a sole trader who spends the majority of his or her labour on, and derives the majority of his or her income from a primary production enterprise; or
- b) in relation to a partnership, proprietary company or trust that carries on a primary production enterprise, any partner in the partnership, shareholder in the company or beneficiary of the trust who spends most of their labour on, and derives the majority of their income from the primary production enterprise.

Primary production enterprise means a business that:

- a) is carried on by a sole trader, trust, partnership or proprietary company; and
- b) involves primary production, including the agricultural, apicultural, aquacultural, commercial wild-catch fishing, forestry, grazing and horticultural industries; and
- c) holds an Australian Business Number (ABN).

Proprietary company means a proprietary company within the meaning of the *Corporations Act 2001*.

Independent financial specialist means an individual or firm appointed by QRIDA from a pre-determined panel.

For further information, please contact the Farm Debt Restructure Office on **Freecall 1800 623 946**, visit www.grida.qld.gov.au/ or email contact_fdro@grida.qld.gov.au