

# Future Drought Fund – Farm Business Resilience Program

## FEDERATION FUNDING AGREEMENT - ENVIRONMENT

Table 1: Formalities and operation of schedule					
Parties	Commonwealth New South Wales Victoria Queensland Western Australia South Australia Tasmania Australian Capital Territory Northern Territory				
Duration	This Schedule is expected to expire on 31 December 2025.				
Purpose	<p>This Schedule will support the delivery of financial assistance from the Commonwealth to the State and Territory governments (States) to deliver the Farm Business Resilience Program (the Program). The States will use this funding to provide subsidised training for farm owners and farm managers to build their strategic management and planning skills.</p> <p>This Schedule is an extension to the 2020-21 foundational year Future Drought Fund – Farm Business Resilience Program Schedule, signed by all states in 2021.</p>				
Estimated financial contributions	The Commonwealth will provide an estimated total financial contribution to the States of \$60m in respect of this Schedule.				
	<b>Table 1.1 (\$)</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Total</b>
	<b>Estimated total Commonwealth financial contribution</b>	<b>45,000,000</b>	<b>15,000,000</b>	<b>Nil</b>	<b>60,000,000</b>
	- NSW	12,054,131	3,936,013	Nil	15,990,144
	- VIC	10,718,312	3,507,784	Nil	14,226,096
	- QLD	9,659,758	3,168,439	Nil	12,828,197
	- WA	4,927,979	1,651,553	Nil	6,579,532
	- SA	4,982,779	1,669,121	Nil	6,651,900
	- TAS	1,588,910	581,134	Nil	2,170,044
	- ACT	428,411	209,108	Nil	637,519
- NT	639,720	276,848	Nil	916,568	

Additional terms	<p>States will be responsible for providing an agreed minimum co-contribution as specified in the agreed Program Implementation Plan and maintenance of effort to support the implementation of this Schedule. Estimated Commonwealth financial contributions are subject to, and will be scaled up to, matched (or otherwise agreed) co-contributions from the states up to the limits set out in Table 1.1. The Commonwealth's financial contribution will be finalised in the agreed Program Implementation Plan.</p> <p>States must deliver the program in accordance with the agreed Program Implementation Plan. Program Implementation Plans must be informed by and aligned to the Program Framework at Appendix A.</p> <p>In addition to Paragraph 21 of the Federation Funding Agreement - Environment, and Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations:</p> <ol style="list-style-type: none"><li>1. The Commonwealth will provide states with a program Communication Plan and Co-branding guidelines. States must undertake program communications and branding consistently with the national guidance.</li><li>2. the announcement of a program or a project under this Schedule must be made jointly with the Australian Government and the relevant jurisdiction, unless otherwise agreed by the Commonwealth.</li><li>3. when referring to the program or a project under this Schedule, it must be described as "jointly funded by the Australian Government and (insert name of jurisdiction) under the Future Drought Fund".</li></ol> <p>In addition to Part 4 of the Federation Funding Agreement - Environment, the Commonwealth will provide a program Monitoring, Evaluation and Learning Plan (MEL Plan). States will negotiate with the Commonwealth to agree a format for progress reporting in the context of their Program Implementation Plan, and the MEL plan.</p> <p>States are expected to deliver the program in accordance with public sector ethical values and duties such as probity, accountability, and transparency.</p> <p>As per the provision in Subsection 22(4) of the <i>Future Drought Fund Act 2019</i>, where states do not meet the requirements of the agreed Program Implementation Plan, states may be required to refund to the Commonwealth part or all of any previously distributed funding that remains unexpended.</p>
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**Table 2: Performance requirements, reporting and payment summary (2022-25)**

Output	Performance milestones	Report due	Payment
Deliver revised Program Implementation Plan	Completion of a Program Implementation Plan, as evidenced in writing and signed by both the Commonwealth and the relevant state and territory government officials, that outlines: <ul style="list-style-type: none"> <li>a) Program delivery approach and timing, including alignment with program framework (Appendix A) and any jurisdictionally tailored inclusions</li> <li>b) Program governance, risk management and stakeholder engagement</li> <li>c) Program budget, including Commonwealth, State and participant co-contributions and any industry sponsorship and expected number of funded program participants</li> <li>d) Communication and co-branding strategy (consistent with Commonwealth requirements)</li> <li>e) Monitoring, Evaluation and Reporting Plan (consistent with Commonwealth requirements)</li> </ul>	30/10/2022 or within one month of the Schedule being signed by both parties, whichever is later	50% Commonwealth financial contribution for 2022-23 identified in Table 1.1 as adjusted in accordance with the additional terms.
Delivery of Farm Business Resilience program	Completion of deliverables and provision of a progress report, as per the agreed Monitoring, Evaluation and Reporting Plan, detailing performance against this Schedule and the agreed Program Implementation Plan for reporting period to 31 December 2022.	28/02/2023	50% Commonwealth financial contribution for 2022-23 identified in Table 1.1 as adjusted in accordance with the additional terms.
	Completion of deliverables and provision of a progress report, as per the agreed Monitoring, Evaluation and Reporting Plan, detailing performance against this Schedule and the agreed Program Implementation Plan for reporting period to 30 June 2023	30/08/2023	50% Commonwealth financial contribution for 2023-24 identified in Table 1.1 as adjusted in accordance with the additional terms.
	Completion of deliverables and provision of a progress report, as per the agreed Monitoring, Evaluation and Reporting Plan, detailing performance against this Schedule and the agreed Program Implementation Plan for reporting period to 31 December 2023.	29/02/2024	50% Commonwealth financial contribution for 2023-24 identified in Table 1.1 as adjusted in accordance with the additional terms.
	Completion of deliverables and provision of a progress report, as per the agreed Monitoring, Evaluation and Reporting Plan, detailing performance against this Schedule and the agreed Program Implementation Plan for reporting period to 30 June 2024.	30/08/2024	Nil
	Completion of deliverables and provision of a progress report, as per the agreed Monitoring, Evaluation and Reporting Plan, detailing performance against this Schedule and the agreed Program Implementation Plan for reporting period to 31 December 2024.	28/02/2025	Nil

**Table 2: Performance requirements, reporting and payment summary (2022-25)**

Output	Performance milestones	Report due	Payment
	Completion of all deliverables and provision of a final report, as per the agreed Monitoring, Evaluation and Reporting Plan, detailing performance against this Schedule and the agreed Program Implementation Plan for the reporting period to 30 June 2025.	30/08/2025	Nil
	Provision of an evaluation report, as per the agreed Monitoring, Evaluation and Reporting Plan, that describes the delivery, benefits and outcomes of the program as a whole (including the foundational year 2020-21) and evaluates the program, including assessing the extent to which the outcomes have been achieved, or not.	31/12/2025	Nil

The Parties have confirmed their commitment to this schedule as follows:

**Signed for and on behalf of the Commonwealth of Australia by**



**Senator the Honourable Murray Watt**  
Minister for Agriculture, Fisheries and Forestry;  
Emergency Management

20/11/2022

**Signed for and on behalf of the State of New South Wales by**

**The Honourable Dugald Saunders MP**  
Minister for Agriculture and Western New South Wales

2022

**Signed for and on behalf of the State of Queensland by**

**The Honourable Mark Furner MP**  
Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities

2022

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**The Honourable Clare Scriven MLC**  
Minister for Primary Industries and Regional Development and Minister for Forestry Industries

2022

**Signed for and on behalf of the Australian Capital Territory by**



**Ms. Rebecca Vassarotti MLA**  
Minister for the Environment and Heritage

21/4/2023

**Signed for and on behalf of the State of Victoria by**

**The Honourable Gayle Tierney MLC**  
Minister for Agriculture; Training and Skills; Higher Education

2022

**Signed for and on behalf of the State of Western Australia by**

**The Honourable Alannah MacTiernan MLC**  
Minister for Minister for Regional Development; Agriculture and Food; Hydrogen Industry

2022

**Signed for and on behalf of the State of Tasmania by**

**The Honourable Jo Palmer MLC**  
Minister for Primary Industries and Water

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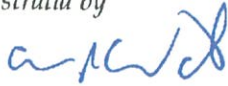
**The Honourable Paul Kirby MLA**  
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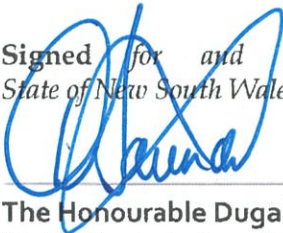
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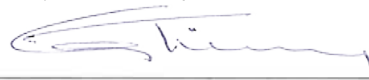
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15/12/ 2022

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**Signed for and on behalf of the State of Western Australia by**

**The Honourable Jackie Jarvis MLC**  
Minister for Agriculture and Food; Forestry; Small Business

20 APR 2023

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Minister for Primary Industries and Regional Development and Minister for Forest Industries

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Minister for the Environment and Heritage

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Minister for Agribusiness and Fisheries

2022

# Future Drought Fund

## Farm Business Resilience Program 2022-25

### Overview

#### The Future Drought Fund

The Future Drought Fund (the Fund) is a long-term investment fund that provides a sustainable source of funding to help Australian farmers and communities become more prepared for and resilient to the impacts of drought. Established under the *Future Drought Fund Act 2019* in September 2019, the Fund began with a \$3.9 billion investment, with earnings to be reinvested by the Future Fund Board until the balance reaches \$5 billion. The Fund is part of the Government's Drought Response, Resilience and Preparedness Plan, and a key deliverable under the National Drought Agreement. From July 2020, \$100 million from the Fund is available each financial year to invest in drought resilience programs.

#### The Drought Resilience Funding Plan 2020-2024

The *Future Drought Fund (Drought Resilience Funding Plan 2020 to 2024) Determination 2020* (the Funding Plan) serves as a framework for all expenditure from the Fund, it guides the design of the program and types of projects offered.

The Funding Plan has three inter-connected strategic priorities:

- economic resilience for an innovative and profitable agricultural sector
- environmental resilience for sustainable and improved functioning of farming landscapes
- social resilience for resourceful and adaptable communities.

The Fund's three objectives to achieve the strategic priorities will enhance the public good by building drought resilience through programs that will:

- grow the self-reliance and performance (productivity and profitability) of the agricultural sector
- improve the natural capital of agricultural landscapes for better environmental outcomes and
- strengthen the wellbeing and social capital of rural, regional and remote communities.

#### The Farm Business Resilience Program 2022-25

The Farm Business Resilience Program (the program) is one of eight foundational programs under the Future Drought Fund.

The program builds the strategic management capacity of farmers/farm managers and employees to prepare for and manage risk, adapt to a changing climate and improve the farm business's economic, environmental and social resilience. The program supports learning in areas including strategic business skills, risk management, natural resource management, and personal and social resilience.

The program also supports farm business planning, tailored to participants' business and situation, and the opportunity for professional feedback on the plans. This planning is expected to have positive impacts on the self-reliance and viability of farm businesses in the face of all kinds of challenges, including drought.

The program takes a proactive approach to promoting long-term resilience and sustainable productivity and growth in farm businesses, before the times get tough – it is not a hardship program. It may, however, provide a pathway for farmers exiting hardship programs and looking to improve their strategic farm business management, planning and decision making to increase their resilience to future droughts and other impacts.

The program is a first step towards the creation of a national framework to improve farm business management and planning skills, delivering on the AGMIN decision from February 2020 to work towards a national program to improve farm business management and planning skills. The program is delivered through the state and territory governments in their respective jurisdictions with Commonwealth funding provided via a schedule to the *Federation Funding Agreement Environment* (Funding Agreement Schedule).

Detailed program design and tailoring in jurisdictions must involve consultation with peak industry bodies and the Rural Financial Counselling Services within jurisdictions to ensure the program will meet regional needs, reflect existing programs and learn from past efforts.

In 2020-21, the Australian Government invested \$15.97 million from the Future Drought Fund for a foundational year of the program (with activities to 30 June 2022) with a co-contribution from the state and territory governments.

A \$60 million extension to the program was announced in the 2021–22 Federal Budget. The extension aims to achieve change at a meaningful scale – extending the program beyond the foundational year, reaching more farmers, and providing follow-up support for participants. The extended program is supported by matching (or otherwise agreed) co-contributions from state and territory governments.

### Purpose of this document

This framework outlines the desired outcomes, guiding principles and core elements of the program. This framework for the extended program is included in an amendment to the Funding Agreement Schedule and should be read alongside it. State and territory governments will deliver the program in accordance with an agreed Program Implementation Plan. Program Implementation Plans must be informed by and aligned to this framework.

### Program objectives and outcomes

The program aims to achieve the objectives and outcomes outlined in Table 1 (below).

**Table 1: Farm Business Resilience Program objectives and outcomes 2020-25**

Objectives	Program information
The strategy	Build the capacity of farmers to plan for and manage risks, including drought
What are we trying to achieve?	A step-change in the use of farm business management skills to proactively manage drought risks
How will this support drought resilience?	Farmers who have better business management skills, and plan for risks, are more likely to take actions that help sustain farm business productivity and profitability in times of drought
How will we assess whether it's successful?	Overall success measures <ul style="list-style-type: none"> <li>• There's an increase in the business management skills and confidence of farmers to manage risk</li> <li>• There's an increase in farm business plans that consider drought risks</li> <li>• More farmers are taking actions to manage risk, including drought</li> </ul>

		<b>Outcomes</b>	
		<b>Short-term (1-2 years)</b>	<b>Intermediate (2-4 years)</b>
<b>Economic resilience</b>		<ul style="list-style-type: none"> <li>• Producer awareness of the benefits and value of strategic planning, business management skills, and professional advice is increased</li> <li>• Participants have an increased understanding of their farm business drought resilience level</li> <li>• Participants have an improved capacity for strategic business management and decision making</li> <li>• Participating farmers have improved farm business planning in place</li> <li>• Participants seek to implement their Farm Business Plan</li> </ul>	<ul style="list-style-type: none"> <li>• The owners, managers and employees of agricultural businesses have greater financial literacy and business acumen</li> <li>• More primary producers and businesses engage in strategic business planning and risk assessment on a regular basis</li> <li>• Farm businesses have improved access to new and existing knowledge and skills to enable more effective responses to risks</li> <li>• More primary producers incorporate Natural Resource Management philosophies and approaches in business planning and risk assessment to better manage their natural resources through drought</li> </ul>
<b>Environmental resilience</b>		<ul style="list-style-type: none"> <li>• Participants have improved natural resource management and planning skills and capability</li> </ul>	<ul style="list-style-type: none"> <li>• More primary producers are aware of and experimenting with Natural Resource Management practices to manage drought</li> <li>• More primary producers have the skills, data and support to apply better Natural Resource Management practices</li> </ul>
<b>Social resilience</b>		<ul style="list-style-type: none"> <li>• Participants have greater awareness of the importance of personal and social resilience</li> <li>• Formal or informal (peer) networks are established / utilised for farmers to share their knowledge and learning</li> </ul>	<ul style="list-style-type: none"> <li>• Increased participation by primary producers in local networks and programs to enhance drought resilience</li> </ul>

Program administration outcomes along with longer-term outcomes, linking to the Funding Plan and FDF Monitoring Evaluation and Learning Framework, are detailed in the program Monitoring, Evaluation and Learning Plan (MEL Plan). The outcomes will continue to be refined collaboratively with the states and territories through the MEL Plan and associated reporting.

State and territory governments will be required to provide robust performance monitoring and reporting to ensure the program meets the program’s outcomes, outputs and strategic priorities as documented in the MEL Plan. Performance monitoring and reporting should also be guided by the drought preparedness and recovery objectives in the National Drought Agreement and relevant objectives of the NFF National Drought Policy.

## Core program elements

The program has three core elements: learning and development, farm business planning, and farm resilience benchmarking. These must be developed specifically for farm businesses and their employees and must include drought preparedness.

The program, and its content, must be developed specifically for farm businesses and their employees rather than a general business skills program. The program must be available to the agriculture, horticulture, pastoral, apiculture and aquaculture industries, even if the delivery model includes industry-specific course delivery (further detail below about potential delivery methods).

State and territory governments have flexibility to build on their existing expertise and delivery mechanisms where they exist, or to establish new programs if needed throughout the life of the program. Program content and delivery should be tailored to specific regional or industry priorities where possible, building on, or filling the gaps in existing programs.

Jurisdictionally tailored elements must contribute to the program's outcomes and objectives.

## Learning and development

### *Learning areas*

- All learning activities should be aimed at managing and mitigating risks to farm businesses, including the risk of drought and climate change.
- The Program must cover the following learning areas:
  - strategic farm business management and planning – such as, financial literacy (such as business structures, governance models, access to finance and investment in farm assets and other equity investments), best practice business planning approaches, long term profitability, benchmarking and monitoring performance, people management, farm mapping and analysis.
  - farm risk management and informed decision making – such as, tools and strategies, decision-making frameworks, understanding and using data, adverse event preparation and drought planning, climate adaptation, adoption of innovation and technology, on and off farm diversification opportunities (e.g. carbon market, agri-tourism, contracting), market access opportunities (e.g. product traceability, sustainability accreditation, biodiversity stewardship).
  - natural resource management – such as, understanding best practice activities that build drought resilience, experimenting with and implementing holistic natural resource management approaches (links between environmental, economic and social resilience) that improve the farm resource base on which agriculture depends, farm biosecurity (as related to drought resilience), integrated farm planning (such as farm design, pasture and grazing management, biodiversity and shelterbelts, farm water management, soil management), importance of landscape scale management (such as biodiversity, water flow management, erosion control).
  - personal and social resilience – such as, succession planning, digital literacy, leadership development, time management, building social and professional networks (including across regions and landscapes), community engagement, continuous learning/education, work health safety.
- The learning areas are underpinned by the three elements of drought resilience - environmental, economic, and social. The program recognises that these elements are interconnected and that the learning areas are likely to overlap and apply across learning categories. For these reasons, learning areas do not have to be delivered in a modular or categorical format, but can be integrated through comprehensive journey or coaching models.
- The learning areas as described above should be covered, but course content can and should, where possible, be tailored for regions, industry or production method (as appropriate) e.g. appropriate decision making tools or methods for pastoral regions or farm systems, and the wide range of participant abilities and current farm business resilience levels.
- Links into existing state-based programs and funding opportunities would be specific to each jurisdiction.
- Learning and development should be designed to:
  - embed resilience principles to encourage farmers to take a holistic and transformative approach to building resilience in their farm business



- provide practical skills, knowledge and advice relevant to individual farm businesses and that can be implemented on farm
- deliver enterprise-specific benefits that will, in turn, generate broader benefits for the agriculture sector and communities which depend on agriculture
- increase producer awareness of the benefits and value of strategic planning, business management skills, and professional advice
- utilise and encourage the use and sharing of best practice and innovative approaches, tools, resources, data and information to assist farmers to understand their business, strengthen business decision-making and establish sustainable and resilient risk management practices
- draw on local case studies and farming champions, as evidence shows farmers learn best from trusted local sources and local examples
- draw participants' attention to opportunities to obtain support to implement their Farm Business Plan and undertake further learning and education, to instil a culture of continuous improvement and establish a pathway for doing so.

### *Delivery*

- Learning and development is to be primarily delivered through facilitated workshops by public or private local trainers with relevant qualifications, and utilising a variety of suitable delivery options where possible e.g. online learning and face-to-face.
  - A variety of delivery formats should be used including face to face group learning, online delivery (such as self-paced modules, YouTube or webinars through platforms such as Farm Table), utilise local and regional facilities for remote attendance at training sessions, such as those provided by Regional University Centres and explore other options to make it as easy as possible for participants to engage.
- State and territory governments are encouraged to tailor the training and support by region, industry or production method, as appropriate.
- There are a range of training delivery options depending on individual circumstances, including state and territory governments -
  - delivering the training directly
  - engaging a relevantly qualified training provider(s) to design and/or deliver the training package or modules
  - accrediting/approving private or industry-based training providers to design and/or deliver training modules aligned with program outcomes or expanding/tailoring their courses to align.
    - Utilising a range of existing industry providers would allow tailoring for different industries. Seeking co-contributions for interested industry providers could extend the reach of the program.
    - State and territory governments are required to ensure providers are appropriately skilled and qualified to undertake this function, and that across all leveraged programs the core program elements and outcomes are delivered.
- State and territory governments are encouraged to cater for different levels of engagement in the program. The program should primarily focus on supporting farmers to undertake the suite of learning and development opportunities and undertake business planning through the program (full participation) However, the program should also support participation through:
  - engagement in one-off intensive learning sessions or modules through the program (part participation) and

- broader events to support knowledge sharing and network building with the wider community (refer Knowledge Sharing and Transfer section below).
- Any online resources developed for the program (e.g. course outline, farm business plan template, self-assessment checklist etc.) should be accessible to all (at least to preview) to enable farm businesses that are not formal program participants to benefit from program materials and increase awareness of the program.

#### *Costs, participant contributions and allowances*

- Training costs are estimated at up to \$10,000 per participant (full amount assumes participant undertakes all training streams).
- Participants should be required to co-contribute to the course cost to encourage greater buy-in and commitment from participants in attending and finishing the program and to maximise program reach.
- The program should include support to assist with travel & childcare costs reasonably incurred to encourage farmers to participate in face-to-face sessions. Participants who do not genuinely need to incur these costs to participate in face-to-face training, or participate in online based learning, would not be eligible for this allowance.
  - The travel and childcare support is estimated at a value of up to \$1,000 per participant.
- Options to further maximise program reach should be considered, including collaborative cost sharing arrangements such industry cost-shared delivery, sponsorships and/or scholarships (including to cover participant contributions in certain circumstances).

#### *Active follow-up*

- The program should also support active follow-up for participants, including:
  - refresher training with benchmarking and planning playing a role in informing follow-up training needs
  - support touchpoints with advisors and coaches for participants post-program
  - periodic farm business resilience/performance assessments (see Farm Performance assessments and benchmarking section)
  - reviews of farm business plans (see Farm Business Planning section).

#### *Knowledge sharing and transfer*

- The program should encourage the establishment of knowledge sharing and transfer mechanisms to broaden the reach of the program to the broader community. The program should empower attendees and their communities to take ownership of building the knowledge and skills required to be better prepared to manage risk such as drought.
- Examples of knowledge sharing activities may include:
  - Establishment of communities of practice, knowledge leaders, and alumni networks for farmers upon completion of the program
    - Communities of practice should not be limited to participants. State and territory governments may also support program trainers and facilitators to stay up-to-date and take a consistent approach to training such as through a conference and/or online community of practice to access innovative resources and discussion forums.
  - Skill building and networking events for the farming communities as well as agricultural advisors, for example, large scale events, open days, field days and webinars adoption of hubs-based knowledge sharing.

- Pro-actively seek out and leverage learning and knowledge sharing opportunities with existing FDF programs and initiatives such as the annual Science to Practice Forum, participation with the Adoption and Innovation Hubs, Regional Drought Resilience Planning, and Drought Resilience Leaders and Networks to Build Drought Resilience programs.
- Participants engaging in and supporting broader discussions (regional, landscape-scale, network or community level) on strategic drought resilience planning.

### Farm Business Planning

- The program must require and support participants to develop or update existing Farm Business Plans through providing participants individually tailored professional support and advice to complete their plan. Plans should be informed by and incorporate relevant learnings from the program learning and development.
- Farm Business Plans are to be underpinned by the following key principles:
  - There is no single approach to farm business planning - plans should be tailored and fit for purpose
  - Plans should guide decision-making and management of risk, including drought
  - Plans should be evidence-based
  - Best practice planning approaches & resilience principles, applied practically at the farm level, should be considered
  - Plans should consider the whole of the farm business - goals and actions should consider the triple bottom line, and the operational, tactical, and strategic aspects of the business
  - Plans should provide a baseline of farm business performance and establish a review and response process.
- The Commonwealth and state and territory governments will work together to provide resources and guidance to assist farmers in undertaking this planning.
- Participants will have the opportunity for advice and feedback on their Farm Business Plan, by an appropriately skilled and qualified independent professional(s). This will provide participants with individually tailored advice on the potential effectiveness of the plan in improving the drought resilience of their farm business.
  - The independent assessor, or network of assessors (e.g. a trusted farm business consultant/advisory network), will be approved and/ or engaged by state and territory governments. State and territory governments are responsible for ensuring assessors are appropriately skilled and qualified to undertake this function.
  - The principles (above) will inform assessors in reviewing Farm Business Plans.
  - Reviews of plans are estimated at a cost of up to \$2,500 per review (one per farm business, regardless of number of members of the farm business that participate in training).
- The program must support participants to use their Farm Business Plan to proactively manage risk.
  - The program should draw participants' attention to opportunities to obtain support to implement their Farm Business Plan e.g. grant programs such as the those available under the FDF, state-based grants, or private sector funding and lending options. State and territory governments could consider providing funding to support implementation of Farm Business Plans.
  - Follow-up support should be provided to participants e.g. assessment of current farm business resilience and the implementation and review of plans after 12-24 months.

## Performance assessments and benchmarking

- The program will require participants to undertake a farm business resilience/performance assessment before (or during) and after participating in the program.
  - This will assist in determining a benchmark for participants to track their progress against, help participants target support to their specific needs and provide valuable data to feed into program monitoring, evaluation and future design.
- The program will support farmers to assess and monitor their performance against the benchmark. This support may come in the form of:
  - Repeating the farm business resilience/performance assessment periodically (e.g., 12-24 months after completing the program)
  - Complementary individually tailored professional advice to participants in the initial assessment of farm business resilience, and/or the implementation and review of plans after 12-24 months, including, where possible, support provided by the same provider throughout
  - Fostering a culture of continuous learning and improvement. Building farmer's abilities to measure success via various learning opportunities, including peer-to-peer learning, coaching and communication activities, advisory resources, ongoing forums, and knowledge sharing to measure success across farming networks.
- State and territory governments (or their training providers) can select the most appropriate method or tool to undertake this assessment. This could be undertaken via an advisor or an appropriate data tool, which may differ based on industry e.g. AgriHive or DairyBase.
  - Once developed, if fit for purpose, the FDF Drought Resilience Self-Assessment Tool is expected to fulfil this purpose and provide national consistency of assessment method and data.

## Eligibility

- The program is to be aimed at *members of viable farm businesses* (including those with genuine potential to become viable) that are looking to improve their farm business strategic management and planning skills, as a mechanism for building future drought resilience, particularly to prepare for impacts of climate change.
- Eligibility criteria will be streamlined and nationally consistent. This will support equitable access across Australia, limit unnecessary barriers to participation amongst eligible participants. The suggested criteria takes a balanced and proportionate approach to managing the risk of non-target cohort being able to participate in the program.
- State and territory governments will determine the most appropriate methods for applicants to demonstrate their claims to the eligibility criteria, allowing them to leverage existing programs' eligibility assessments.
- Attachment A sets out the core eligibility criteria for subsidised participation, along with guidance on evidentiary options state and territory governments might use to assess applicant's claims against the criteria.
- A maximum of two members of each farm business would be eligible to attend subsidised training. Additional members (beyond the subsidised places) would be encouraged to attend at their own cost, or through state funding or industry-sponsored positions.
- If state and territory governments choose to fund additional positions or allow applicants to pay in full, eligibility criteria would be more flexible e.g. more than two farm business members or employees of public companies may pay to attend (to be determined by state and territory governments).

- Key aspects of program design, including the tailoring, the development of Farm Business Plans and the requirement for a co-contribution from participants will assist to attract participation from members of viable farm businesses.
- A targeted approach to promotion of the program, particularly at the local level by state and territory governments and relevant providers will ensure the program reaches the target audience through their involvement with state farming bodies, industry representative bodies, grower groups, the Rural Financial Counselling Service and agricultural advisory networks (e.g. accountants, agronomists and agents).

ATTACHMENT A

Eligibility criteria – Commonwealth subsidised places in the Farm Business Resilience program	
Eligibility Criteria	Assessment & Evidentiary Options
<b>PART 1 - Eligible farm businesses</b>	
<p>An eligible <b>farm business</b> is:</p> <ul style="list-style-type: none"> <li>carried on by a primary producer and trades as a primary production business in the agriculture, horticulture, pastoral, apiculture, or aquaculture industries</li> <li>located in Australia and undertakes all primary production aspects of the business wholly within Australia</li> <li>registered for tax purposes in Australia with an Australian Business Number (ABN) and is registered for Goods and Services Tax (GST)</li> <li>established under the legal structure of a sole trader, trust, partnership or private company</li> <li>commercially <i>viable</i>.</li> </ul> <p>A <b>viable farm business</b> is:</p> <ul style="list-style-type: none"> <li>able to generate sufficient net profit under normal seasonal and market conditions after fixed and variable expenses to service borrowings (if applicable);</li> <li>able to provide an adequate standard of living for relevant members of the farm business;</li> <li>able to allow investment on-farm to maintain the farm's productive assets; and</li> <li>financially sustainable and productive long term OR</li> <li>able to demonstrate genuine potential to become a viable business (as outlined above).</li> </ul>	<p>Evidentiary options for determining an eligible <i>farm business</i> is to be determined by States and can include using existing data and information available on farm businesses from within government, examples may include:</p> <ul style="list-style-type: none"> <li>ABN or ACN number or</li> <li>Unique 'Holding reference number' from annual land and stock return (NSW) or other equivalent state-based system</li> </ul> <p>Evidentiary options for determining a <i>viable</i> farm business may include:</p> <ul style="list-style-type: none"> <li>ABN number, indicating the business is registered for GST; or</li> <li>Previous financial statements, income tax returns, etc</li> <li>Financial reference letter from an accountant, or letter of support/comfort from a commercial bank, confirming: <ul style="list-style-type: none"> <li>that over the past five years, the business is trading at a profit; or</li> <li>overall the business is commercially viable after consideration of factors such as the financial sustainability of the farm business and whether it provides/genuinely contributes to a livelihood for the people whose livelihoods depend on it.</li> </ul> </li> </ul>
<b>PART 2 - Eligible farm business members</b>	
<p><b>Eligible farm business members</b> must be:</p> <ul style="list-style-type: none"> <li>the owner or manager or endorsed employee of a farm business through private companies, partnerships and trusts; and</li> <li>one of only two members of the farm business receiving a subsidised place in the program.</li> </ul>	<p>Evidentiary options for farm owners, managers and employees may include:</p> <ul style="list-style-type: none"> <li>ABN number, ACN, company search or other business registration documentation, certificates or taxation documents showing ownership and</li> <li>Declaration/letter of support from the farm business owner or manager indicating support for your participation in the course</li> <li>Payslips or tax returns showing employment in the farm business</li> <li>Declaration from landowner, employer or accountant, declaring the participant's relationship to the nominated farm business</li> <li>Declaration from associated farm business professional such as agronomist or agent, declaring the participant's relationship to the nominated farm business.</li> </ul>