



Extraordinary Bushfire Assistance Loans

Guidelines Primary Producers, Small Business and Non Profit Organisations

Queensland Bushfires, September - December 2019

1. About the program

The objective of these loans provided under an agreement between the Commonwealth and State Governments, is to support small business owners, primary producers and non-profit organisations directly affected by the 2019-2020 extraordinary bushfire disaster events.

The Extraordinary Bushfire Assistance Loans are intended to help eligible entities pay for costs of repairing or replacing assets lost or damaged because of the disaster or to provide working capital to assist entities meet expenses or in limited circumstances refinancing of eligible loans.

2. Available funding

2.1 Concessional loans of up to \$500,000 are available.

2.2 The amount of loan assistance available:

- a) is based on an assessment of the applicant's financial position, including any amount recoverable under an insurance policy;
- b) cannot be more than the amount of net loss caused by the disaster.

2.3 Loan assistance available to refinance an eligible commercial loan is 50 per cent of the total outstanding loan balance to a maximum of \$500,000.

3. How funding may be used

3.1 Concessional loans are provided to re-establish the normal operations of the business. The loans are intended to be used for the purposes of restoring and/or replacing damaged assets and/or for working capital expenses that cannot be met due to a loss of income. Refinancing of up to 50 percent of eligible loan balances may be available where exceptional damage to assets has occurred and a financial need for this type of assistance is demonstrated.

3.2 Asset replacement: Costs of restoring and/or replacing damaged assets in accordance with current codes and standards. This includes costs such as:

- a) repairing or replacing damaged plant, equipment or buildings;
- b) purchasing replacement stock or livestock;

c) restoring, re-planting or establishing an area of land to replace damaged crops.

3.3 Working capital: Essential expenses while the business returns to its normal level of trading, such as:

- a) paying salaries or wages;
- b) paying creditors;
- c) paying rent and rates;
- d) buying goods, including fuel, for the purpose of carrying on the primary production enterprise, small business, or non-profit activities.
- e) if applying as a primary producer –
 - i. buying fodder or water for livestock or produce;
 - ii. transporting livestock or produce.

3.4 Refinancing a commercial loan: A loan obtained from a financial institution and held immediately before the disaster event, in relation to carrying on a primary production enterprise, small business or non-profit activities, other than any of the following types of loans—

- a) off-balance sheet financing;
- b) a short-term credit facility;
- c) a loan established at a concessional rate under a Commonwealth or State government scheme; or
- d) an equipment finance loan.

4. Eligibility criteria

4.1 To be eligible for a loan you must:

- a) be a small business owner, primary producer or a non-profit organisation;
 - i. immediately before the disaster have carried on a primary production enterprise, small business or non-profit activities in the defined disaster area on a regular basis;
- b) have suffered, as a direct result of the eligible disaster:
 - i. damage to assets used for carrying on business or non-profit activities; or
 - ii. significant loss of income (such as a loss in trade due to evacuation, road closures and reduced visitor numbers);
- c) for assistance to refinance an eligible commercial loan, have held a commercial loan in relation to carrying on a primary production enterprise, small business or non-profit activities immediately before the disaster event;
- d) demonstrate reasonable prospects of long-term viability with the assistance given (this will be assessed in relation to the expected cost of recovery and projected cash flow shortfalls);
- e) for assistance other to refinance an eligible commercial loan, have used all liquid assets and normal credit sources up to normal credit limits;
- f) be unable to, from your own resources and without assistance under this scheme:
 - i. repair or replace assets directly damaged as a result of the disaster; or
 - ii. return to operations at a similar level as before the disaster; or
 - iii. refinance the commercial loan;
- g) demonstrate the capacity to repay the loan;

- h) have not received another concessional loan for loss or damage that was related to the eligible disaster;
- i) provide security that is to the satisfaction of the authority (QRIDA).

4.2 Applications from businesses that employ 20 or more full time employees but have a turnover of less than \$50 million may also be considered following submission to the National Bushfire Recovery Agency via the Queensland Rural and Industry Development Authority (QRIDA).

5. Interest rates and loan terms

5.1 The maximum term of a loan is ten years.

5.2 The first two years for the term of the loan do not require repayments of either principal or interest.

5.3 Following the initial two years, principal and interest repayments apply.

5.4 The annual interest rate from the third year is 0.82%.

6. How to apply

6.1 To be considered for a loan please submit a completed application form, accompanied by the documentation stated on the application form.

6.2 Application forms and related information can be accessed at: www.qrida.qld.gov.au.

6.3 Complete applications are assessed in order of receipt and QRIDA may request further information to help assess an application.

7. Terms and conditions

7.1 Loans will be subject to an annual review and the necessary financial information must be provided when requested each year by QRIDA.

7.2 You must provide evidence of expenditure in relation to amounts drawn against the loan when requested by QRIDA.

7.3 Penalties may apply, including call-up of the loan if false or misleading information is provided.

8. Defined disaster areas

<i>Eligible disaster</i>	<i>Eligible entity</i>	<i>Defined disaster areas</i>
Queensland Bushfires, September –December 2019	Primary Producer	<ul style="list-style-type: none"> • Bundaberg Regional Council • Gladstone Regional Council • Gympie Regional Council • Ipswich City Council • Livingstone Shire Council • Lockyer Valley Regional Council • Mareeba Shire Council • Noosa Shire Council • Scenic Rim Regional Council • Somerset Regional Council • Southern Downs Regional Council • Sunshine Coast Regional Council • Toowoomba Regional Council
	Small Business	<ul style="list-style-type: none"> • Bundaberg Regional Council • Gladstone Regional Council • Livingstone Shire Council • Noosa Shire Council • Scenic Rim Regional Council

		<ul style="list-style-type: none"> • Southern Downs Regional Council • Somerset Regional Council • Sunshine Coast Regional Council • Toowoomba Regional Council
	Non-profit Organisation	<ul style="list-style-type: none"> • Scenic Rim Regional Council • Southern Downs Regional Council

9. More information

For more information on the Disaster Assistance Loans Scheme contact QRIDA on **Freecall 1800 623 946** or email contact_us@qrda.qld.gov.au.

QRIDA also has [Regional Area Managers \(RAMs\)](#) who are available to assist:

Location	Phone	Mobile	Location	Phone	Mobile
Brisbane	07 3032 0118	0427 763 787	Kingaroy	07 4182 1816	0417 778 317
Bundaberg	07 4154 2874	0417 775 547	Mackay	07 4967 0728	0427 770 147
Cloncurry	1800 623 946	0427 007 240	Rockhampton	07 4936 1872	0417 775 245
Emerald (with an office in Longreach)	07 4987 5807	0417 775 345	Roma	07 4622 8527	0427 029 141
			Toowoomba	07 4634 8987	0427 690 448
Innisfail	07 4064 2824	0429 497 757	Townsville	1800 623 946	0408 180 644

10. Definitions

Defined disaster area for an eligible disaster means the area that the appropriate Minister has defined for the purpose of activating the Disaster Recovery Funding Arrangements. These are published on QRIDA's website (also see section 11 above).

Disaster Recovery Funding Arrangements means the funding arrangements as agreed between the Commonwealth and the State for providing financial assistance to communities affected by an eligible disaster (available on the Australian Government Disaster Assist Website).

Eligible commercial loan means a loan obtained from a financial institution established upon commercial interest rates, terms and conditions, other than any of the following types of loans—

- off-balance sheet financing;
- a short-term credit facility;
- a loan established at a concessional rate under a Commonwealth or State government scheme;
- an equipment finance loan;
- personal, private or family loans.

Eligible disaster means Queensland Bushfires, September –December 2019.

Eligible entity means any of the following –

- a primary producer;
- a small business owner;
- a non-profit organisation.

Loss of income means the net income that would have been earned in that period if the small business, primary production enterprise or non-profit organisation had not been interrupted by the eligible disaster. The loss of income is assessed on the financial performance of the primary

production enterprise, small business or non-profit organisation in previous periods in which circumstances were similar to the current period.

Non-profit organisation means a charity or other not-for-profit entity that is:

- a) incorporated under a law of the Commonwealth or a State;
- b) either:
 - i. registered under the *Australian Charities and Not-for-profits Commission Act 2012* (Cwlth) or the *Collections Act 1966*; or
 - ii. registered or otherwise authorised to raise funds under a law of another State.

Primary producer means:

- a) a sole trader who spends the majority of the sole trader's labour on, and derives the majority of the sole trader's income from, a primary production enterprise; or
- b) for a partnership, 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 the majority of their labour on, and derive the majority of their income from, the primary production enterprise.

Primary production enterprise means a business:

- a) that involves primary production, including the agricultural, apicultural, aquacultural, commercial wild-catch fishing, forestry, grazing and horticultural industries; and
- b) for which an entity holds an Australian Business Number.

Small business means a business that:

- a) holds an Australian Business Number (ABN); and
- b) in which are employed fewer than:
 - i. 20 full-time employees; or
 - ii. If the business has employees other than full-time employees – 20 equivalent full-time employees;
- c) that is not operated by a public company;
- d) is not a body corporate under the *Body Corporate and Community Management Act 1997*.

Small business owner 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 small business; or
- b) for a partnership, company or trust that carries on a small business – the partners in the partnership, shareholders in the company or beneficiaries of the trust who spend the majority of their labour on, and derive the majority of their income from, the small business.