

First Start Loan Program

1. Objectives

The First Start Loan Program is provided under the Primary Industry Productivity Enhancement Scheme. The objective of the scheme is to:

- (a) strengthen the economy of Queensland regions; and
- (b) facilitate the development of sustainable primary production in Queensland.

2. Purpose

The purpose of assistance under this program is to provide loans at concessional rates of interest to an applicant in the first years of establishment of a *primary production enterprise* in Queensland.

3. Loan amounts

The maximum amount of a First Start Loan, or the total outstanding loan balances under this program is \$2,000,000.

4. Eligibility activities

Agricultural, Apicultural, Aquacultural, Forestry, Grazing and Horticultural Industries

4.1 Eligible activities under the First Start Loan Program:

- (a) acquire and operate a first viable *primary production enterprise*; or
- (b) acquire and operate a *primary production enterprise* on a staged basis, as part of a longer term plan for the applicant to operate a viable *primary production enterprise*; or
- (c) enter an existing *primary production enterprise* of the applicant's parents or other family member/s, as part of a longer term plan for the applicant to operate a viable *primary production enterprise* in the applicants own right; or
- (d) enter into a leasing or sharefarming arrangement that will lead to the applicant operating a viable *primary production enterprise*; or
- (e) upgrade/build-up or develop the applicant's existing non-viable *primary production enterprise* that has not generated the majority of the applicant's income to one of an economically sustainable size.

4. Eligible activities (continued)

Commercial Wild - Catch Fishing

4.2 Eligible activities under the First Start Program:

- (a) acquire and operate a first viable vessel and/or fishery specific tender vessels and equipment; or
- (b) enter into a leasing and/or sharefishing arrangement which will lead to the operation of a viable commercial wild-catch fishing enterprise in future stages; or
- (c) upgrade/build-up or develop their existing non-viable commercial wild-catch fishing enterprise which has not generated the majority of their income to one of an economically sustainable size; or
- (d) enter the existing wild-catch fishing enterprise of the applicant's parents or other family member, as a part of a longer term plan, for the applicant to operate a viable wild-catch fishing enterprise in the applicant's own right; or
- (e) As part of a longer term plan to achieve their first viable commercial wild-catch fishing enterprise:
 - (i) acquire and operate an enterprise on a staged basis; or
 - (ii) acquire initial quota or authorities and equipment; or
 - (iii) acquire machinery, for example: trailers for tenders and surfboats, four stroke outboard motors. (Note: motor vehicles are not eligible items).

5. Eligibility criteria

5.1 To be eligible to receive assistance under the program, the applicant must:

- (a) have resided in Queensland for six months; and
- (b) not own, or have disposed of, a viable *primary production enterprise*; and
- (c) demonstrate financial need for the assistance; and
- (d) if the loan is to enter the existing *primary production enterprise* or buy the applicant's parents' or other family member's assets, be able to demonstrate:

5. Eligibility criteria (continued)

- (i) the parents or family member is not in a financial position to completely effect a transfer of the assets; and
 - (ii) the purchase is not merely a refinance arrangement; and
- (e) demonstrate adequate experience or other qualifications to give the applicant a reasonable prospect of success in the particular industry the applicant wishes to enter; and
- (f) be able to demonstrate:
- (i) for buying a *primary production enterprise*, the applicant will have 50% equity in the enterprise; or
 - (ii) for a leasing, sharefarming or sharefishing arrangement, the applicant will pay 50% of the set up costs of the enterprise; and

Queensland Rural and Industry Development Authority (QRIDA) may, in relevant circumstances, vary the amount of equity in the enterprise that the applicant is required to demonstrate.

Example –

An applicant has a stable wage, salary or other off-farm income.

- (g) demonstrate adequate funding for carry-on purposes; and
- (h) demonstrate sound prospects for commercial viability in the long term development of the *primary production enterprise*, in accordance with the planned progression, and the capacity to service the proposed debt from the enterprise and other forms of income; and
- (i) trade in the applicant's own right or satisfy QRIDA that their entry into the existing *primary production enterprise* of their parents or other family member is part of a longer term plan to ultimately trade in their own right; and
- (j) provide a *management plan* that shows the stages of a planned progression towards a viable first primary production enterprise.

6. Maximum loan term

The maximum term of a loan under the program is 20 years.

7. Terms of repayment

- 7.1 Repayment of principal and interest on a loan granted to an applicant will be initially calculated using a period of up to the maximum term of the loan.
- 7.2 An interest only period of not more than five years may be available.

8. Interest rate

- 8.1 Applicants may decide to fix the interest rate on the loan for a period of one, three or five years and the interest rate will be the *base lending rate* for the relevant period.
- 8.2 QRIDA may, during the term of the loan, increase the interest rate mentioned in subsection (8.1) to a commercial rate.
- 8.3 If, under subsection (8.2), QRIDA decides to increase the interest rate because the applicant's financial capacity improves during the term of the loan, QRIDA may decide the extent to which the interest rate for the loan will increase:
- (a) in an annual review of the loan; and
 - (b) based on the improved financial capacity of the applicant.
- 8.4 QRIDA may decide the extent to which the interest rate is to increase under subsection (8.3) more than once in relation to the applicant.

9. Security

Applicants must give security for loans provided under the program and QRIDA must be satisfied that this security is commensurate with the amount of the loan.

10. Terms and conditions

- 10.1 The availability of loans is subject to assistance funds being available.
- 10.2 All loans are subject to an annual review.
- 10.3 It is a condition (mutual obligation condition) of a loan under the program that the applicant reports on the outcomes achieved (as detailed in the applicant's *management plan*) with the loan funds.

The reports must be given to QRIDA in the form, and at the intervals, stated in the written offer of a loan given to the applicant by QRIDA.

- 10.4 Penalties including call-up of the loan provided apply where false and misleading information is provided.

11. Definitions

Base lending rate means the one, three or five year lending rate, as appropriate, of the Queensland Treasury Corporation, plus a margin decided by QRIDA and approved by the Minister.

Management plan, for the purpose of this program, means a plan that:

- (a) includes details of the activity for which the applicant is applying for assistance; and
- (b) adopts a timely whole of business approach to sustainable primary production and includes components of sustainable management relevant to:
 - (i) viability; and
 - (ii) productivity; and
 - (iii) managing the impacts of the activity on the natural resource base where the activity is to be carried out and other ecosystems affected by the activity; and
 - (iv) managing business and climate risks; and
- (c) if the assistance is for on-farm activities, identifies and states the area of land affected by the application; and
- (d) complies with the guidelines for *management plans* under the program that are issued by QRIDA. A copy of the guidelines for *management plans* under the program may be obtained from QRIDA at www.QRIDA.qld.gov.au

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 the majority 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*.

12. Applications

Applications for assistance under the program must be made on QRIDA's application form and be accompanied by the documentation stated in the application form.

Complete applications will be assessed in order of receipt. Incomplete applications will not enter the assessment queue until all required information is provided.

Applicants should note that past financial assistance under this program or any other program is not a reliable indicator of eligibility for future financial assistance under this program.

Before applying for financial assistance under this program or making any decision, applicants should seek advice from their legal, business and financial advisers to determine their eligibility for and the terms of the financial assistance.

Any information provided by QRIDA in relation to this program has been taken from sources believed to be reliable however, QRIDA does not represent that the information is accurate or complete and it should not be relied upon as such.

QRIDA does not assume any common law duty of care towards applicants in relation to this program or any information provided in relation to this program and QRIDA will not be liable for any loss or damage however caused (including by the negligence of QRIDA), suffered or incurred by applicants in connection with this program or any information provided by QRIDA in relation to this program.

For further information, please contact QRIDA on Freecall **1800 623 946** visit www.qrida.qld.gov.au email to contact_us@qrida.qld.gov.au

QRIDA Client Liaison Officers are located in:

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

For more information on QRIDA's Regional Service visit <http://www.qrida.qld.gov.au/about-qrida/service-commitment/regional-service>