

Frequently Asked Questions - Disaster Assistance (Essential Working Capital) Loans

Q1: What is the difference between a Disaster Assistance Loan and an Essential Working Capital Loan?

A: A Disaster Assistance Loan of up to \$250,000 is available to assist small businesses who have experienced direct damage as a result of the disaster event. This loan can be utilised to fund repair and reinstatement costs for your enterprise, and to meet normal operating expenses that the business is unable to meet due to the impact of the disaster event (e.g. lease payments, property rates, creditors).

An Essential Working Capital (EWC) Loan of up to \$100,000 is available to assist small businesses who have not experienced direct damage as a result of the disaster event but have experienced a negative impact on their normal business cashflow and are consequently unable to meet normal operating expenses (e.g. lease payments, property rates, wages, creditors). For example, a small business may be eligible for an EWC Loan if their premises were not physically impacted by the flood event however the business suffered a significant loss of income throughout the disaster period. The small business may not be able to meet normal operating expenses within its existing credit limits. These requirements over and above your existing credit limits can be met by the EWC loan.

Q2: Can I apply for both a Disaster Assistance Loan and an Essential Working Capital Loan?

A: You are unable to receive assistance under both a Disaster Assistance Loan and an Essential Working Capital Loan. The Disaster Assistance Loan is available for businesses who have experienced direct damage as a result of the disaster event. The Essential Working Capital Loan is available if you have not experienced direct damage as a result of this disaster event.

Q3: Can I apply for loan assistance to fund a reduction in profit from my Small Business?

A: Reduced profit is not an eligible purpose under either the Disaster Assistance Loan or the Essential Working Capital Loan. Whilst you cannot be compensated for loss of income under this scheme, if you are unable to meet core operating expenses due to the impact of the disaster event then you are able to seek loan assistance to fund your working capital requirements beyond your existing credit limits.

Q4: Can I use my own cashflow budget template with my application?

A: Yes, the cashflow budget template provided by QRIDA is not mandatory. If you have your own cashflow budget template then you are able to provide this to QRIDA as part of your loan application. However, please note that an itemised monthly cashflow is required for all applications, preferably in a financial year (July to June) format.

Q5: Why does QRIDA need all information listed on the application form in order for my loan to be assessed?

A: In order to give you the best chance of success, QRIDA needs to understand the historical performance of your business, your current position and your plan moving forward. Without this information, QRIDA would be unable to determine the level of assistance you need and your prospects of returning to a viable business with the assistance provided.

Q6: If I have received funding under the Special Disaster Assistance Recovery Grant (SDARG), am I able to also claim these same expenses under a Disaster Loan?

A: You are unable to claim the same direct damage expenses under both the Grant Scheme and the Loan Scheme. However, if your expenses have exceeded the amount of assistance available under the Grant Scheme, then you can seek loan assistance for the expenses that were not covered by the Grant.

Q7: Can I apply for loan assistance prior to my insurance claim being finalised?

A: Yes, if your insurance claim is being delayed, you can apply for a loan to reinstate your business before your claim is finalised. If any expenses included in your loan are later recovered from insurance, QRIDA will require these amounts be repaid to your loan.

Q8: I have a business operating from multiple premises that were impacted. Can I apply for loans for each premises?

A: Disaster Assistance Loans are available to the business entity and not to each premises making up the business.

Q9: What security is acceptable to support my loan application?

A: Firstly, QRIDA assesses applications based on the future viability of the business with the assistance provided. Security is the second consideration. Preferably security is available over landed assets, however, security over other business assets may be acceptable.

Q10: If I am concerned about the application process – where can I get assistance with completing the application?

You can speak to or make an appointment to meet a QRIDA representative on **Freecall 1800 623 946** for assistance with your loan application. Alternatively, your accountant, bank or financial or business advisor may also be able to assist with your application.

In addition, QRIDA also has representatives operating out of the Small Business Recovery Centre at 143 Walker Street, Townsville and in other locations across the declared disaster region.

If I have questions in completing my application, where can I go for assistance?

Regional Area Managers are available in Bundaberg, Cloncurry, Innisfail, Kingaroy, Emerald, Mackay, Rockhampton, Roma and Toowoomba. QRIDA representatives in Brisbane are also available to assist you. To speak to a QRIDA representative, phone Freecall 1800 623 946. Your accountant or bank may also be able to provide you with assistance.

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