



Exceptional Disaster Assistance Loans

North & Far North Queensland Monsoon Trough,
25 January - 14 February 2019

Guidelines Primary Producers & Business

1. About the program

The objective of this assistance measure, under an agreement entered into between the Commonwealth and State Government on 31 March 2019, is to support *primary producers* and *business owners* to recover following the North and Far North Queensland Monsoon Trough, 25 January – 14 February 2019.

The Exceptional Damage Loans Scheme provides concessional loans to help *eligible entities* pay for costs arising out of *exceptional damage* caused by the *eligible disaster*.

2. Available funding

2.1 The maximum loan amount is \$1,000,000. The maximum loan amount includes any previously approved Disaster Assistance Loans for the North & Far North Queensland Monsoon Trough.

3. How loans may be used

3.1 Loan funds may be used to assist towards the following:

- a) repairing or replacing damaged plant or equipment used in your *primary production enterprise* or *business*;
- b) repairing or replacing buildings used for carrying on your *primary production enterprise* or *business*;
- c) meeting requirements for carrying on your *primary production enterprise* or *business*, including, for example:
 - i. buying goods used to operate the business,
 - ii. paying rates, rent or wages; and
 - iii. paying creditors;
- d) for a *primary production enterprise* - meeting requirements for carrying on the enterprise, including, for example-
 - i. re-planting, restoring or re-establishing areas affected by the eligible disaster;
 - ii. buying livestock to replace livestock lost as a result of the *eligible* disaster;
 - iii. sustaining livestock; and



- iv. carrying on essential property operations;
- e) for a *business* - supplying stock for a period of no more than one month to replace inventory lost as a direct result of the *eligible disaster* and required to maintain the liquidity of the *business*.

3.2 Loan funds are not intended to compensate for loss of income suffered because of the *eligible disaster*.

4. Eligibility criteria

4.1 You may apply in only one capacity, either:

- a) a *primary producer*, or
- b) a *business owner*.

4.2 To be eligible for a loan:

- a) you must be a *primary producer* or a *business owner*, and
- b) immediately before the *eligible disaster*, you must have been operating a *primary production enterprise* or *business* in the *defined disaster area*; and
- c) your *primary production enterprise* or *business* has sustained *exceptional damage* as a direct result of the *eligible disaster*.

4.3 To be eligible you must also:

- a) provide adequate security for the loan, such as:
 - i. a mortgage of land or other assets satisfactory to QRIDA; and
 - ii. any other security considered necessary, for example, a General Security Agreement over the trading entity or a Specific Security Agreement over a particular asset.
- b) have used all liquid assets and normal credit sources up to normal credit limits (this will be assessed in relation to the expected cost of recovery and projected cash flow shortfalls);
- c) have not taken excessive risks in carrying on the *primary production enterprise* or *business*;
- d) have taken reasonable precautions to avoid or minimise loss from the *eligible disaster*, for example adequate insurance;
- e) with assistance under this scheme, demonstrate reasonable prospects of carrying on or re-establishing the *primary production enterprise* or *business* on a viable basis;
- f) if you are a *business owner*:
 - i. your business has a critical supply chain relationship with other businesses adversely affected by the *eligible disaster*; and
 - ii. you will continue to carry on or re-establish your *business* at the same place or elsewhere in the local government area in which the *business* was carried on before the *eligible disaster*.

5. Loan terms and interest rates

5.1 The maximum loan term is ten years.

5.2 The first two years for the term of the loan do not require repayments of either principal or interest (repayment free, interest is not capitalised during the repayment free period).

5.3 Following the initial two years, principal and interest repayments apply. During this period repayments calculated over a longer term than eight years may be granted. Any remaining residual loan balance would then need to be refinanced/repaid at the end of the loan term.

5.4 QRIDA may grant an interest only period of up to two years following the initial two-year repayment free period.

5.5 The annual interest rate from the third year is 1.37 percent.

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

7.2 If QRIDA considers your financial position has improved, it may increase the interest rate to a rate no more than a commercial rate of interest.

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

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

8. Defined disaster area

<i>Eligible disaster</i>	<i>Defined disaster areas</i>	<i>Application closing day</i>
North & Far North Queensland Monsoon Trough, 25 January - 14 February 2019	<ul style="list-style-type: none">Burke Shire CouncilCarpentaria Shire CouncilCloncurry Shire CouncilFlinders Shire CouncilMcKinlay Shire CouncilRichmond Shire CouncilWinton Shire Council	30 June 2021

9. More information

For more information on the Exceptional Damage Loans, please contact on **Freecall 1800 623 946** or visit www.qrida.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

Business owner means:

- a) a sole trader who spends the majority of his or his labour on, and derives the majority of his or her income from, a *business*; or
- b) in relation to a partnership, company or trust that carries on a *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 *business*.

Defined disaster area for the *eligible disaster*, means an area-

- a) defined by the appropriate Minister for the purpose of activating the disaster recovery funding arrangements for providing assistance mentioned in this scheme for communities affected by the *eligible disaster*. These are published on QRIDA's website (also see section 8 above).

Eligible disaster means the disaster defined by the appropriate Minister on 8 February 2019, for the purpose of activating the disaster recovery funding arrangements, as 'North and Far North Queensland Monsoon Trough, 25 January- 14 February 2019'.

Eligible entity means a *primary producer* or *business owner* who is eligible for assistance under the scheme.

Evidence of expenditure means a tax invoice showing full details of goods or services (identifiable as relating to damage from the *eligible disaster*) and the corresponding official receipt. The relevant cheque butt or bank transfer documentation is required if unable to provide an official receipt.

Exceptional damage means damage to the assets of an entity's *primary production enterprise* or *relevant business* to the extent:

- a) assets used in carrying on the enterprise or business are damaged as a direct result of the *eligible disaster*; and
- b) QRIDA considers that the prescribed assistance available to an entity through the Disaster Assistance Loans Scheme and Special Disaster Assistance Recovery Grants Scheme, is inadequate to provide the entity with reasonable prospects of re-establishing viability of the enterprise or business.

Primary producer means-

- a) a sole trade 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, 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, aqua cultural, commercial wild-catch fishing, forestry, grazing and horticultural industries; and
- b) that is registered under the *A New Tax System (Goods and Services Tax) Act 1999 (Cwlth)*; and
- c) for which an entity holds an Australian business Number (ABN); and
- d) that is not operated by a *public company*.

Public company means a *public company* within the meaning of the Corporations Act.

Business means a business, other than a *primary production enterprise*-

- a) that is registered under the *A New Tax System (Goods and Services Tax) Act 1999 (Cwlth)*;
and
- b) for which an entity holds an Australian Business Number; and
- c) that is not operated by a *public company*.