



RURAL FINANCE

DISASTER RECOVERY FUNDING ARRANGEMENTS VICTORIA – BUSHFIRES 2019

BUSHFIRES RECOVERY LOANS

LOAN PURPOSE

Concessional interest rate loans are available for eligible primary producers, small businesses and not-for-profit organisations whose properties suffered direct damage as a result of what was known as the South East Victorian Bushfires 2019 (which commenced on 28 February 2019), located in the three local government areas of Baw Baw, Cardinia and Latrobe. The concessional loan can be used to fund the cost of clean-up, recovery and significant loss of income.

LOAN DETAILS

- Maximum loan up to \$200 000 for direct damage; and
- Maximum loan up to \$100 000 for significant loss of income.

Eligible Primary producers, small businesses and not-for-profit organisations that have suffered significant damage to assets as a direct result of the bushfires event may seek loan assistance for items including:

- additional labour costs (above and beyond normal wage expenditure).
- equipment and materials to undertake clean-up.
- cost of disposal of damaged items or deceased livestock.
- repairs to buildings (other than housing) and fencing not covered by any other means of cost recovery (e.g. insurance).
- salvaging, or re-establishing pastures and/or fodder crops (e.g. seed and fertiliser).
- purchase of fodder (not covered by other assistance).
- replacement or repair of plant and equipment.
- replacement of deceased livestock.
- purchase, or hire/lease costs, of equipment essential to the immediate resumption of activities

Terms

The following terms and conditions will apply to all concessional loans:

- Concessional variable interest rate of 0.82% p.a. for the 2019/20 financial year and then an annual concessional variable interest rate based on 50% of the 10-year Commonwealth Government bond rate for a period of up to 5 years (*loans revert to a commercial rate of interest for any remaining loan term after the concessional 5 year period*); and
- Application fees will not apply however statutory costs and other charges to establish loan securities will apply.

The level of support provided will have regard for insurance recoveries and the financial resources available to affected entities.

LOANS FOR PRIMARY PRODUCERS

Concessional loans will be considered for eligible primary producers that are assessed to be in need of financial assistance as a result of direct damage or significant loss of income to their business caused by the bushfires event.

Applicants will be expected to demonstrate that they have reasonable prospects of trading profitably in the future. Each case will be assessed on its merits.

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Primary producer applicants may be an individual, partnership, trust or company that:

- has a right or interest in a farm enterprise; and
- contributes a significant part of their labour and capital to the enterprise; and
- derives at least 51 per cent of their income from the enterprise.

LOANS FOR SMALL BUSINESS

Concessional loans will be considered for eligible small businesses that are assessed to be in need of financial assistance as a result of direct damage or significant loss of income to their business caused by the bushfires event. Under this program a small business is defined as a business that employs less than 20 full time equivalent staff.

Applicants will be expected to demonstrate that the business has reasonable prospects of trading profitably in the future. Each case will be assessed on its merits.

Applicants may be sole owners, partnerships or owners of private companies where the major portion of their income is derived from the business and who substantially devote their time and capital to the conduct of the business.

LOANS FOR NOT-FOR-PROFIT ENTITIES

Concessional loans will be considered for eligible not-for-profit organisations that are assessed to be in need of financial assistance as a result of direct damage or significant loss of income caused by the bushfires event. Each case will be assessed on its merits.

To be eligible, an organisation must be an incorporated charity or non-profit organisation. The Australian Taxation Office definitions for charities and non-profit organisations will apply.

ELIGIBILITY CRITERIA

The *eligible entity* must:

- be located in a designated local government area of Baw Baw, Cardinia or Latrobe and have incurred direct damage or significant loss of income from the February / March 2019 bushfires event.
- use the disaster recovery loan to re-establish the entity's operations at the same location or within the same local government area. Reasons to re-establish in the affected local government area but not in the same location could include:
 - the business can no longer operate in the original location due to disaster risks (local council advice or clear evidence of repeat issues), or
 - the location is no longer accessible due to disaster damage.

Primary producer applicants may be sole owners, partnerships or owners of private companies. Publicly listed companies are not eligible for support.

The loan amount provided will be based on demonstrated need and capacity to service. Adequate security acceptable to Rural Finance will be required for any lending. The loans are administered by Rural Finance in line with the joint State and Commonwealth Disaster Recovery Funding Arrangements (DRFA).

APPLICATION PROCESS

Affected parties seeking a Bushfires Recovery Loan under this program should contact Rural Finance on 1800 260 425 or access the website www.ruralfinance.com.au (under Industry Programs) to obtain an expression of interest form and any further information. Completed expression of interest forms and attachments are to be forwarded to:

Rural Finance
PO Box 1313
Bendigo Central VIC 3552

If required, a Rural Finance employee will be in contact for a further discussion, which may include a personal interview and/or on-site visit.

Applications must be submitted by **31 May 2020**.

FURTHER INFORMATION

Further information can be obtained via

Ph: 1800 260 425

Website: www.ruralfinance.com.au

Email: governmentservices@ruralfinance.com.au