

1. Description

Loans at a concessional rate with a two year interest and repayment free period may be provided to small business operators for:

- essential working capital for up to 12 months from the date of the disaster, to continue business operations until normal income resumes or until the next major income is received and/or
- replacement and/or repair of property damaged as a result of a disaster and associated improvements not covered by insurance.

2. Eligible events

This assistance measure is only provided to eligible small businesses following the declaration of a Natural Disaster by the NSW Government.

3. Amount and term

- a) A loan to a maximum of \$130,000 may be provided.
- b) All loans have an initial two-year interest and repayment free period. This period is followed by a loan term of up to 10 years (making the maximum loan term 12 years), depending on the amount borrowed and the applicant's repayment capacity.

4. Interest

The interest rate is a concessional rate of interest. The interest rate applicable for the time of loan commencement is shown on the RAA website.

5. Who is eligible

When activated, loans are available to small businesses that meet the following criteria:

- a) Have fewer than 20 full time (or equivalent) employees;
- b) Are a registered business, partnership or sole trader
- c) Have an Australian Business Number (ABN) and
- d) provide the owner with their primary source of gross income (more than 50%)

6. Eligibility Criteria

To be eligible small business operators must:

- a) have assets which have been significantly damaged as a direct result of the declared disaster event
- b) have been viable prior to the declared event
- c) demonstrate that the assistance will ensure the business continues to be viable
- d) demonstrate that they are continuing or will re-establish the business enterprise within the same location, or within the same local government area
- e) earn the majority of their gross income from the business enterprise and
- f) demonstrate that the business enterprise has the capacity to repay the loan sought.
- g) Have been in working occupation of your business at the time of the natural disaster.
- h) Demonstrate that your business has long-term viability.
- i) Demonstrate that your business has the capacity to repay the loan sought.
- j) Provide security, acceptable to the NSW Rural Assistance Authority.

7. Exclusions

- a) Assistance does not provide for costs unrelated to the business enterprise or commitments overdue at the time of the disaster, such as trading accounts, lease or hire purchase instalments, interest on borrowings or loan repayments.

8. Conditions of assistance - Loans

- a) Repayments may be monthly, quarterly, half-yearly or annual repayments of principal and interest, generally in line with the applicant's cash flow.
- b) Loans are secured by a registered mortgage over land, and not necessarily a first mortgage. Other security, including a mortgage over land, buildings or other assets from another person may be considered.
- c) In assessing this requirement, the Authority will take into account all cash reserves, investments, undrawn overdraft balances plus loans with redraw facilities.

- d) Once all legal requirements have been completed, the RAA will draw down the loan in full and deposit it direct to the nominated bank account.
- e) Applicants will be asked to cover set-up costs for the mortgage registration fee, mortgage duty, agent fees and land title search costs. Financiers may charge fees to the applicant's account when consenting to the RAA's request to take a mortgage over the property offered as security.

9. Application process

Application forms must be submitted online. Applicants will be expected to provide a range of documents including:

- a) balance sheets and financial statements for the business enterprise (including profit and loss statements, trading account and depreciation schedules)
- b) individual tax returns and a current listing of all assets and liabilities held by each individual director, shareholder, partner or trustee of the business.
- c) evidence of damage incurred (this may be sought).

10. Period for submitting applications

Applications must be lodged within six months of the declaration of the natural disaster.

11. Assessment

- a) Applications will be assessed against the eligibility criteria.
- b) RAA reserves the right to request further information from you or from any business or individual you have engaged, to assist in assessing your application and to verify any information provided in your application.
- c) Failure to provide such information may result in RAA refusing your application.
- d) RAA reserves the right to refuse an application where eligibility criteria are not met, or where the applicant does not or can not provide sufficient information to determine if eligibility criteria have been met.

- e) Applications submitted may be subject to audit by RAA or its agents in order to determine compliance with scheme guidelines.
- f) Complete applications will be assessed in order of receipt. Incomplete applications will not enter the assessment queue until all required information is provided.
- g) 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.
- h) Before applying for financial assistance under this program, applicants should seek advice from their legal, business or financial advisers about the tax implications of this financial assistance.
- i) Applicants who have received funding from the RAA within the last 12 months may not need to provide tax returns and financial statements again.
- j) Businesses are entitled to assistance under either the primary producer loans or the small business loans programs, not both.

12. Important information

- a) Guidelines are correct at the time of publishing.
- b) RAA reserves the right to amend, alter or change these guidelines at any time, and it is the responsibility of the applicant to ensure that they check the relevant website prior to application.
- c) The guidelines that apply to your application will be the guidelines that are current at the time your application is received by RAA.

13. Fraudulent claims

- a) By signing the claim form, you are declaring that the information provided in the application form and supporting documentation is true and accurate.
- b) Providing inaccurate, untrue or misleading information may be a breach of criminal law for which serious penalties may apply.
- c) If any information provided in an application or supporting documentation is found to be inaccurate, untrue or misleading, legal action may be taken against you, including action to recover the funds.

14. Submitting your application

Please apply online at:

<https://www.raa.nsw.gov.au/disaster-assistance/disaster-recovery-loans>

If you need assistance with submitting your application, please contact the RAA:

Phone: 1800 678 593

Email: rural.assist@raa.nsw.gov.au

If you have difficulty understanding these guidelines or completing the application form you should seek the assistance of your rural/financial counsellor, business advisor, accountant or a trusted family member/friend.

If you need assistance with interpreting or translating, please contact Multicultural NSW on 1300 651 500 or email languageservices@multicultural.nsw.gov.au.

Applications received after the advertised application closing date can not be accepted.