NSW Rural Assistance Authority April 2026

Program Guidelines
Drought Relief Loan

Contents

1. Purpose and objective

The Drought Relief Loan (DRL) will provide immediate financial assistance to NSW primary production enterprises experiencing the impacts of drought. The program supports eligible primary production enterprises to undertake drought-related activities necessary to sustain operations and manage the impacts of drought. This includes activities relating to animal welfare, on-farm infrastructure works, and environmental activities.

The availability of loans is subject to funds being available. No loans will be offered beyond the $50 million allocated to this program.

2. Key dates

Applications

Applications open on 10 March 2026 and will remain open until all available funds have been allocated.

Claims

Successful applicants have six months to submit claims, starting from the date the loan is established, once all legal requirements have been completed.

3. Assistance available

3.1. The program is available to eligible primary production enterprises located in NSW experiencing the impacts of drought.

Loan value

3.2. A loan of up to 100% of the net GST-exclusive cost of the eligible activity, to a maximum of $100,000 per eligible primary production enterprise, including an initial upfront payment to a maximum amount of $25,000. The upfront payment will be determined by the approved loan amount.

3.3. Minimum loan amount is $25,000.

Drawdown

3.4. Once all loan documents have been successfully executed and your application is approved, the Rural Assistance Authority (the RAA) will release the first drawdown equal to 25% of the total approved loan without the need to provide invoices or supporting evidence.

3.5. The loan must be fully drawn down within 6 months from the date the loan is established, that is, after receipt of the signed and dated letter of offer.

Interest rate

3.6. Interest rates change monthly in line with market conditions, and the confirmed fixed interest rate for the loan will be the interest rate at the time of the first drawdown. Current rates are published on the RAA website.

3.7. Interest accrues from the first drawdown of the loan.

Term

3.8. The maximum loan term is 5 years.

Repayments

3.9. Loan repayments are interest-only from the first drawdown until either the loan is fully drawn down or six months after acceptance of the letter of offer, whichever occurs first. After this period, repayments are principal and interest.

3.10. Loan repayment terms are approved at the discretion of the RAA.

Fees and charges

3.11. There are no ongoing account-keeping fees.

3.12. You must cover the costs for credit checks, bankruptcy and company search where applicable.

4. Eligibility criteria

4.1. An eligible primary production enterprise:

a. is a sole trader, partnership, trust or private company in NSW and

b. has an Australian Business Number (ABN) and declares itself for tax purposes in Australia as a primary producer and

c. is not a public company under the meaning of the *Corporations Act 2011* (Cth) and

d. at least one owner (sole trader, partner, shareholder or beneficiary) contributes part of their labour to the enterprise and

e. in at least one of the last 3 financial years has generated annual gross income (the total income earned before any tax deductions) from eligible primary production income of at least:

   i. $75,000 and no more than $5 million in total gross income or

   ii. 50% of its gross income is from eligible primary production income.

   Note: *Eligible primary production income:*

   - *includes income from the ANZSIC Codes for Agriculture, Forestry and Fishing*
   - *includes income from value-added products (e.g. wine) made directly from raw produce grown by the enterprise*
   - *includes gross income from carbon abatement projects deemed eligible primary production gross income by the Australian Tax Office*
   - *excludes gross income from activities that involve animals that are not bred for farm work, food or fibre; hunting and trapping activities; or agriculture, forestry and fishing support services.*

f. where eligible primary production income is less than $75,000 or 50% of total gross income, the applicant can demonstrate that in the ordinary course of business, they would meet that requirement, but:

   i. their primary production gross income is currently reduced due to seasonal conditions or biosecurity events and/or

   ii. due to long lead times to full production, in the opinion of the RAA, they will earn such an amount of gross eligible primary production income within a reasonable period (taking into account the nature of the industry)

g. can demonstrate that the business has long-term viability and has the capacity to repay the loan sought (this will include an assessment of related directors and owners).

5. Eligible activities

5.1. The DRL can be used to fund drought-related activities that support the primary production enterprises experiencing the impacts of drought. Eligible activities are listed in Sections 5.3 to 5.5.

5.2. Activities that commenced (ordered, purchased, or installed) on or after 16 February 2026 may be claimed.

5.3. Animal welfare

a. Purchasing and transporting fodder.

b. Purchasing and transporting stock and domestic water.

c. Purchasing livestock feed storage, mixing and feeding equipment.

d. Transporting stock to sale or agistment.

e. Veterinary/professional nutrition or animal welfare advice.

f. Genetic banking where destocking of stock is demonstrated.

g. Fencing for rotational grazing, exclusion and cluster fencing, construction of containment feeding pens, stock shade structures.

5.4. On-farm infrastructure

a. On-farm water infrastructure (tanks, stock water systems, pumps, drilling bores, desalination or water quality equipment and related repairs).

b. Dam maintenance earthworks.

c. On-farm grain and fodder storage infrastructure (silos, grain bunkers, hay sheds, silage pits, etc).

d. Livestock feeding equipment.

5.5. Environmental improvements

a. Pest and weed control.

b. Soil conservation and earthworks (including erosion control, contour banks, overbanks (keyline), water ponding and the management of vegetation and maintaining groundcover.

6. Ineligible activities

6.1. Activities that cannot be supported by a DRL include:

a. activities that commenced (ordered, purchased or installed) prior to 16 February 2026

b. all residential farm premises/buildings and/or improvements to the residential farm premises/buildings

c. activities beyond/outside the farm gate

d. own labour costs and employee wages

e. motor vehicles including (but no limited to) the purchase, modification, registration, insurance or operational costs of any motor vehicle

f. equipment that is not specifically linked to a drought-related activity listed in Section 5 (Eligible activities)

g. the cost of fuel or diesel

h. costs incurred to use your own equipment

i. costs associated with planting new pasture or crops

j. activities that have been used to secure funding under any other NSW Government scheme, including funding administered by the RAA (this includes past and future programs).

7. Guidelines

7.1. These guidelines are correct at the time of publishing.

7.2. The 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.

8. Submitting your application

Apply online at www.raa.nsw.gov.au/loans/drl.

If you need assistance with submitting your application, please contact us as below.

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.

If you have any questions regarding your eligibility for the program, please contact the RAA on 1800 678 593 or visit www.raa.nsw.gov.au/loans/drl.

Please don't self-assess your eligibility for this loan. If you have any questions regarding your eligibility or are in financial difficulty, please call the RAA or your nearest Rural Financial Counsellor on 1800 319 458 (Southern and Central NSW) or 1800 344 090 (Northern NSW).

Applications received after all available funds have been allocated cannot be accepted.

9. Application process

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

9.2. Applicants will be required to provide the following information to determine their eligibility for the program:

a. the most recent year of the applying primary production enterprise's tax returns, balance sheets and financial statements (including profit and loss statements, stock trading account and depreciation schedules)

b. the most recent year of individual tax returns (tax file numbers removed) of all members of the primary production enterprise and a current listing of all assets and liabilities held by each individual director, shareholder, partner or trustee of the primary production enterprise

Note: *Tax Assessment Notices are not acceptable. Completed applications will be assessed by RAA staff in the order of receipt.*

c. the most recent year of tax returns and financial statements for all related business entities that individual members of the primary production enterprise are involved in, if applicable

d. Local Government Area (LGA) rates notice and, if available, the Local Land Service (LLS) rates notice

e. trust deed (if applicable)

f. monthly cash flow budget for the next 12 months

g. confirmation of bank details, such as the front page of a bank statement showing the account name, BSB, and account number.

9.3. If an application is missing information or is incomplete, the RAA may, in its sole discretion, work with applicants to clarify any missing or incomplete information. However, the application will not enter the assessment queue, and the RAA will not start assessing the application until, in the RAA's sole opinion, the application is complete.

9.4. Complete applications will be assessed in order of receipt.

9.5. If approved, applicants will receive a letter of offer advising of the indicative fixed interest rate and repayments applicable to their loan. The confirmed fixed interest rate for the loan will be the rate in effect at the time of the first drawdown.

9.6. If approved, applicants have 30 calendar days to return their signed contract (letter of offer).

If you have all the documentation ready, the application should take approximately 45 minutes for you to complete. We need your documents to ensure these loans go only to genuine primary producers who are deemed eligible.

10. Assessment

10.1. Applications will be assessed against the eligibility criteria by Assessment Officers on the Assessment Team, who are responsible for routine assessment against the criteria in these guidelines and recommend assessment outcomes.

10.2. Program Officers on the Assessment Team ensure the program is administered in accordance with these guidelines and the policy intent, and loans are approved in accordance with the RAA financial delegations.

10.3. The Chief Executive of the RAA is responsible for ensuring the program is administered in accordance with approved criteria and policy intent.

10.4. The RAA may take into account your credit position and the status of any existing loans to help verify your intention to continue the primary production enterprise.

10.5. The 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. Failure to provide such information may result in the RAA refusing your application.

10.6. The RAA reserves the right to refuse an application where eligibility criteria are not met or where you do not or cannot provide sufficient information for the RAA to determine if eligibility criteria have been met.

10.7. The RAA can put an application on hold where the applicant is under investigation or has been charged in relation to the fraudulent receipt of grants or loans.

10.8. 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.

10.9. Applications submitted may be subject to audit by the RAA or its agents in order to determine compliance with scheme guidelines.

10.10. Before applying for financial assistance under this program, you should seek advice from your legal, business or financial advisers about the tax implications of this financial assistance.

10.11. Applications and claim forms can be submitted online.

11. Loan drawdown

11.1. The loan must be fully drawn down within six months from the date the loan is established, that is, after receipt of the signed and dated letter of offer.

11.2. Once all loan documents have been successfully executed and your application is approved, the RAA will release the first drawdown to a maximum amount of $25,000 without the need to provide invoices or supporting evidence.

11.3. Any subsequent or additional loan drawdowns will be subject to validation of the initial upfront payment amount by providing eligible tax invoices to demonstrate that the funds have been applied to eligible activities in accordance with the program guidelines.

11.4. Invoices submitted in relation to this application may not be used or have been used to secure funding under any other NSW Government scheme. This includes past and future programs.

12. Important information

12.1. These guidelines are correct at the time of publishing.

12.2. The RAA reserves the right to amend, alter or change these guidelines at any time. It is the applicant's responsibility to check the relevant website before applying.

12.3. The guidelines that apply to your application will be the guidelines that are current at the time your application is received by the RAA.

12.4. Applicants should also review the DRL 'Frequently Asked Questions' webpage prior to submitting an application at www.raa.nsw.gov.au/loans/drl/faqs. While the RAA has taken all care in preparing these guidelines, the RAA will not be liable in any way for any errors, omissions or variations to information in these guidelines or for not advising an applicant of any errors, omissions or variations to information in these guidelines.

12.5. Without limiting any rights, the RAA (or another NSW Government agency), in its sole discretion, may recover funds from the applicant and determine that a debt is due if evidence indicates that the applicant did not meet the eligibility criteria.

13. Fraudulent claims

13.1. The RAA takes fraud and corruption seriously. Suspected fraud will be assessed and investigated as appropriate, which may involve external parties such as the NSW Police Force or the NSW Independent Commission Against Corruption (ICAC).

13.2. By signing the application form, you declare that the information provided in the application form and supporting documentation is true and accurate.

13.3. Providing inaccurate, untrue or misleading information may be a breach of the *Rural Assistance Act 1989* or criminal law for which serious penalties may apply.

13.4. The RAA responds to fraud by:

a. audit and site validation of applications and claims that are of concern

b. referral to the NSW Police Force or ICAC of suspected fraud

c. recovery of any assistance provided under a fraudulent application.

13.5. An application approval, or payment of a claim against an approved loan, may be delayed where the outcome of relevant legal or validation actions may impact the decision to grant further assistance.

14. Evaluation

14.1. The RAA is committed to providing excellent service that responds to your needs through well-targeted programs. For that reason, the RAA evaluates its programs. This includes surveys at various points of your application, approval and completion. The RAA may also contact you to ask about your experience of the assistance you received. The RAA will always treat the responses you provide as confidential and use the information only for the purposes for which it was collected.

15. Government Information (Public Access) Act

15.1. Applicants should be aware that information submitted in applications and all related correspondence, attachments and other documents may be made publicly available under the *Government Information (Public Access) Act 2009* (NSW). Information that is deemed to be commercially sensitive will be withheld.

15.2. The *Government Information (Public Access) Act 2009* (NSW) makes government information accessible to the public by:

a. requiring government agencies to make certain sorts of information freely available

b. encouraging government agencies to release as much other information as possible

c. giving the public an enforceable right to make access applications for government information

d. restricting access to information only when there is an overriding public interest against disclosure.

16. Complaints

16.1. Any concerns about the DRL should be submitted in writing to rural.assist@raa.nsw.gov.au.

17. Definitions

Motor vehicle: Any vehicle that is built to carry passengers or goods over public roads, whether registered or unregistered.

Primary production enterprise:

- is carried on by a primary producer and involves primary production, as defined by the ANZSIC Code for Agriculture, Forestry & Fishing, but excludes activities from the ANZSIC Code that involve animals that are not bred for farm work, food or fibre; hunting and trapping activities; or agriculture, forestry and fishing support services and
- is registered for tax purposes in Australia with an Australian Business Number (ABN) and
- is not a public company under the meaning of the *Corporations Act 2001* (Cth) and
- is, in the opinion of the RAA, a bona fide primary production enterprise that:
  - has a significant commercial purpose or character
  - has more than a mere intention to engage in primary production
  - has the intention to make a profit or a genuine belief that a profit will be made
  - has repetition and regularity in the activity
  - is the same kind and carried on in a similar way to that of similar primary production enterprises
  - is organised in a business-like manner
  - primary production income expenses have been declared on relevant tax returns.

Proof of payment: Valid tax invoices and evidence of payment for these tax invoices. You must provide a copy of your bank transfer(s) and/or bank statement(s) with any relevant valid tax invoice from suppliers or contractors.

Seasonal conditions: A year or years where the primary production enterprise has not been adversely affected (financially) by drought, natural disasters or biosecurity events (like pest and disease). In reviewing past years, the objective is to determine whether there has been any one year in up to the past five years when the primary production enterprise has achieved more than 50% of its gross income from primary production.

Valid tax invoice: An invoice in the name of the approved applying entity. Including the name, address and ABN (if applicable) of the entity that issued the invoice and a description of each item to which the invoice relates which is clearly identifiable as being related to approved expenditure for the applicant. The RAA can ask for proof of payment of the invoice.

18. Version control

Version	Key changes	Approval date
V1.0	Program opened and Program Guidelines published	10 March 2026
V1.1	Additional items added to clause 6.1 to provide clarification regarding ineligible activities, including: • the cost of fuel or diesel • costs incurred to use your own equipment • costs associated with planting new pasture or crops	25 March 2026
V1.2	Additional items added to clause 6.1 to provide clarification regarding ineligible activities, including: • motor vehicles • equipment that is not specifically linked to a drought-related activity listed in Section 5 (Eligible activities). Added a definition for 'motor vehicle'.	23 April 2026

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