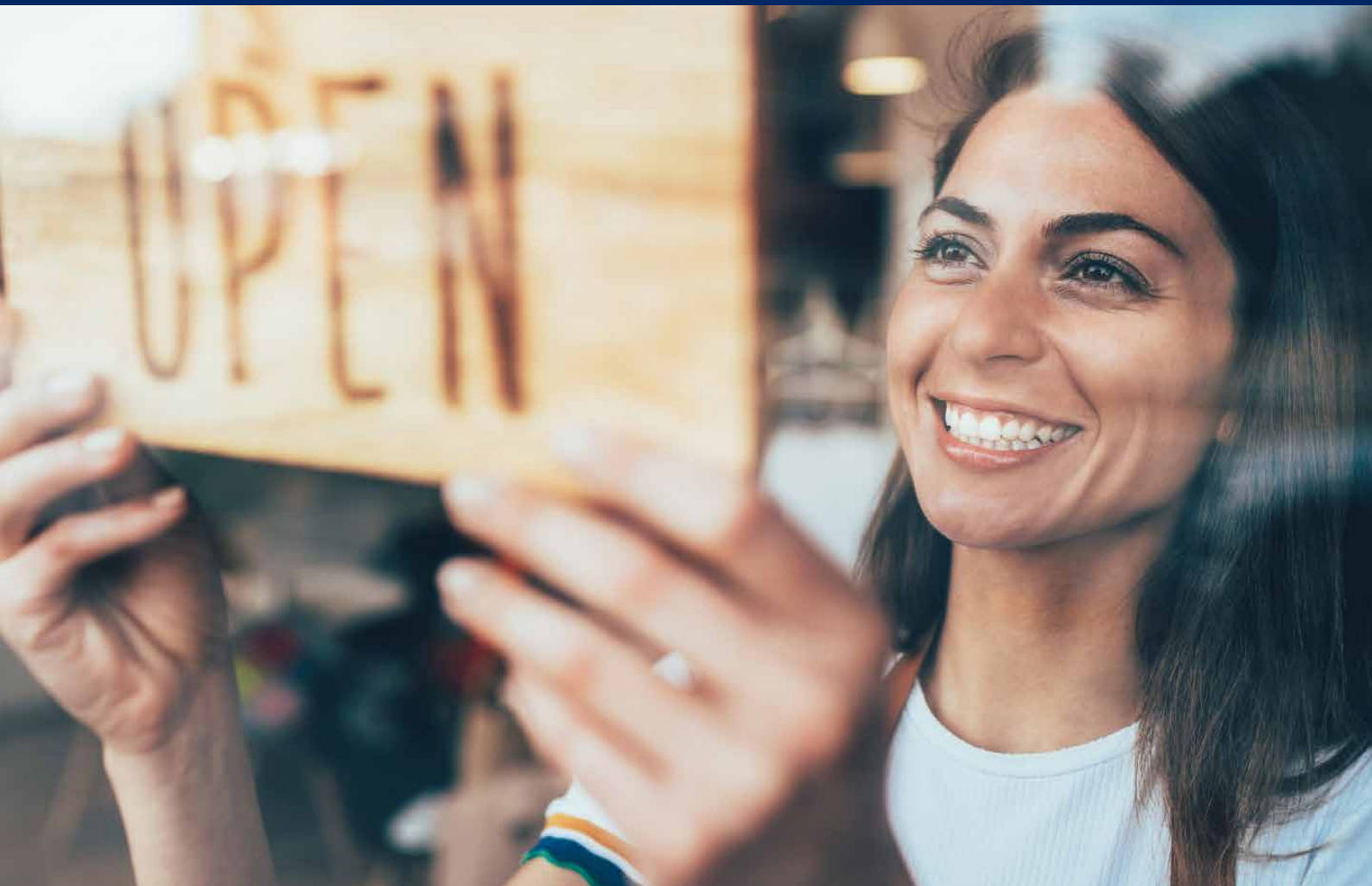


# Natural Disaster Relief Loan *Small Businesses*

## Program Guidelines



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## 1. Purpose and objective

To provide concessional interest rate loans to eligible small businesses to assist with the costs associated with 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 declared *natural disaster*.

## 2. Assistance available

- 2.1. Eligible small businesses impacted by the declared *natural disaster* can apply to borrow a maximum amount of \$130,000.
- 2.2. 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 term 12 years).
- 2.3. Principal and interest loan repayments are made monthly, half-yearly, quarterly or annually.
- 2.4. The interest rate is a concessional rate of interest. The interest rate applicable at the time of loan commencement is shown on the NSW Rural Assistance Authority (RAA) [website](#).
- 2.5. The interest rate applied to the loan is fixed for the term of the loan.

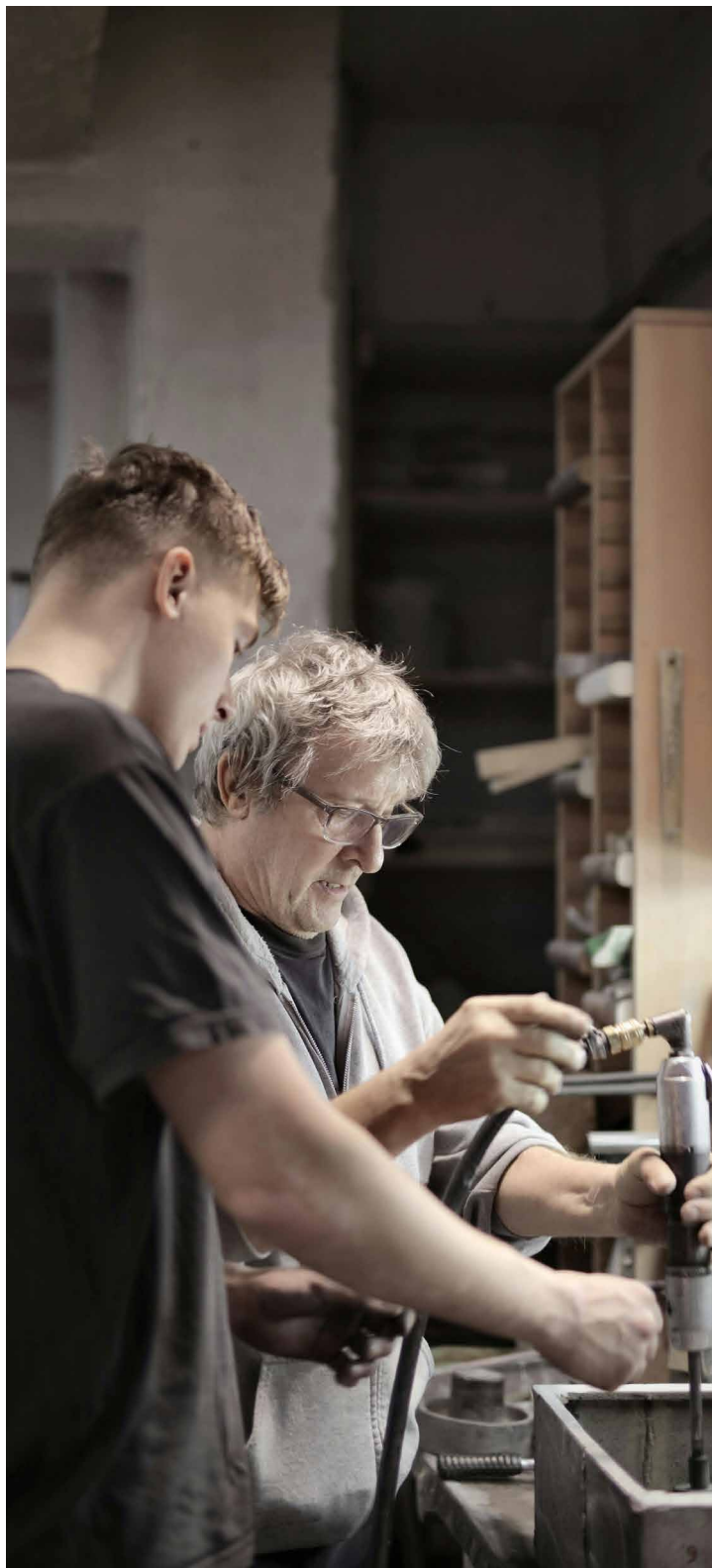
## 3. Key dates

### Applications open

Applications open on the date of declaration of a Category B *natural disaster* declaration.

### Applications close

Applications close at 5:00pm, six (6) months after the date of the declaration of the *natural disaster* (refer to [www.raa.nsw.gov.au/disaster-assistance/declarations](http://www.raa.nsw.gov.au/disaster-assistance/declarations) for dates).



## 4. Funding source

The RAA administers small business loan programs in NSW on behalf of the NSW Reconstruction Authority under the NSW Disaster Assistance Guidelines (DAG) terms.



## 5. Eligibility criteria

- 5.1. For the small business to be eligible for the loan, the small business must:
  - a. have fewer than 20 full-time (or equivalent) employees
  - b. have assets that have been significantly damaged as a direct result of the natural disaster
  - c. have suffered a significant loss of income as a result of direct damage of the natural disaster
  - d. hold a current Australian Business Number (ABN) that was active at the time of the declared natural disaster.
- 5.2. For the small business to be eligible for the loan, the small business owners must:
  - a. have assets located in the defined disaster area for the event that have suffered direct damage as a result of the declared natural disaster
  - b. have been engaged in carrying on the small business at the time of the declared natural disaster
  - c. intend to re-establish or continue the small business
  - d. demonstrate that the business was viable before the natural disaster and that the assistance will ensure the small business continues to be viable
  - e. earn at least 50% of their gross income from the small business
  - f. demonstrate that the small business has the capacity to repay the loan
  - g. provide security acceptable to the RAA
  - h. apply for the loan by the closing date shown on the RAA website.



## 6. Security

- 6.1. Loans are secured by a registered mortgage over land and not necessarily a first mortgage.
- 6.2. Your bank must sign and stamp the lender's consent form to support your application.
- 6.3. Other security, including a mortgage over land, buildings or other assets from another person may be considered.
- 6.4. In assessing the security requirement, the RAA will consider all cash reserves, investments, undrawn overdraft balances, and loans with redraw facilities.
- 6.5. Funds will not be released until all security requirements have been satisfied and the mortgage registered over security property.

## 7. Exclusions

- 7.1. Assistance does not provide for costs unrelated to the small business or commitments overdue at the time of the declared natural disaster, such as trading accounts, lease or hire purchase instalments, interest on borrowings or loan repayments.
- 7.2. Any loss that is claimable by insurance will not be covered by this program.

## 8. Costs

- 8.1. There are no establishment or account-keeping fees. However, you will bear the costs of registering security documents and Government Stamp Duty.
- 8.2. You 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 your account when consenting to the RAA's request to take a mortgage over the property offered as security.

## 9. Conditions

- 9.1. Principal and interest repayments may be monthly, quarterly, half-yearly, or annually, generally in line with your cash flow. The repayment term is dependent upon the amount borrowed and your ability to repay.
- 9.2. Loans are secured by a registered mortgage over land, not necessarily a first mortgage. Other security, including a mortgage over land, buildings, or other assets from another person, may be considered.
- 9.3. In assessing the security requirement, the RAA will take into account all cash reserves, investments, undrawn overdraft balances plus loans with redraw facilities.
- 9.4. Once all legal and security requirements have been completed, the RAA will draw down the loan in full and deposit it directly to the nominated bank account.

## 10. Submitting your application

Apply online at:

[www.raa.nsw.gov.au/loans/ndrl/small-business](http://www.raa.nsw.gov.au/loans/ndrl/small-business)

If you have any questions regarding your eligibility or need assistance submitting your application, please contact the RAA.

Phone: 1800 678 593 (free call)

Email: [rural.assist@raa.nsw.gov.au](mailto: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](mailto:languageservices@multicultural.nsw.gov.au).

**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 on 1800 678 593. Applications received after the advertised application closing date cannot be accepted.**

## 11. Application process

- 11.1. Applications for assistance under the program must be submitted online and be accompanied by the documentation stated in the application form, including:
- the last 3 years of small business tax returns, balance sheets and financial statements for the small business (including profit and loss statements, stock trading account and depreciation schedules)
  - the last 3 years of individual tax returns of all members of the business and a current listing of all assets and liabilities held by each individual director, shareholder, partner or trustee of the small business
- Note: Tax Assessment Notices are not acceptable.
- Signed Mortgagees Consent Form from your existing mortgagee (RAA Mortgagee Consent Form)
  - Trust deed (if applicable)
  - Monthly cash flow budget for the next 12 months

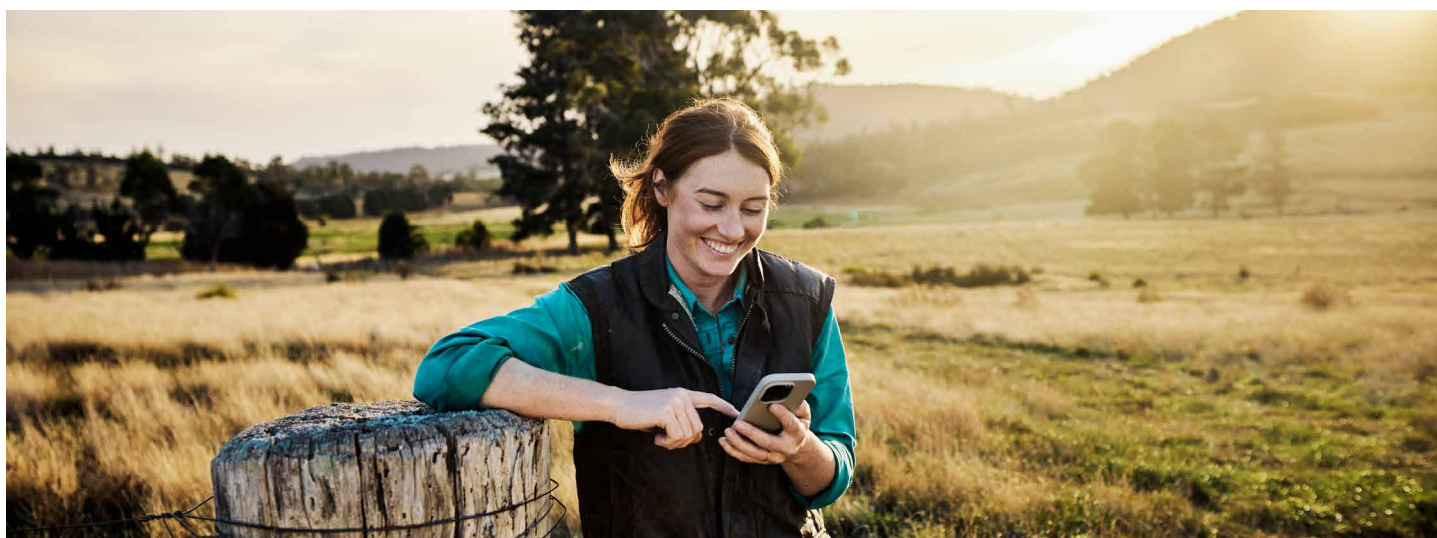
- Current LGA (council) rates notice(s) for property(s) where the work is to be completed. If the affected property(s) is leased, a lease covering the property(s) at the time of the declared natural disaster outlining the tenant's responsibilities is required
- Proof of small business address

- 11.2. Applications must be submitted within six months of the date of the declaration of the natural disaster.
- 11.3. Applications can be submitted online via the RAA website.
- 11.4. Applications will be assessed by RAA staff in the order they are submitted.
- 11.5. If an application is missing information or is incomplete, the RAA may, in its sole discretion, work with you to clarify any missing or incomplete information. However, the RAA will not start assessing the application until, in the RAA's sole opinion, the application is complete.

**If you have all documentation ready, the application should take approximately 45 minutes to complete. We need your documents to ensure these loans only go to genuine small businesses deemed eligible.**

## 12. Assessment

- 12.1. 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, including the availability of cash reserves, investments, undrawn overdraft balances and loans with redraw facilities.
- 12.2. Program Officers on the Assessment Team ensure the program is administered in accordance with these guidelines and the policy intent of the program and approve loans based on recommendations by Assessment Officers.
- 12.3. The RAA may consider your credit position and the status of any existing loans to help verify your intention to continue the small business.
- 12.4. 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.
- 12.5. The RAA reserves the right to refuse an application if the eligibility criteria are not met or if you do not or cannot provide sufficient information for the RAA to determine if they have been met.
- 12.6. The RAA can put an application on hold where you are under investigation or have been charged in relation to the fraudulent receipt of grants or loans under this or other RAA programs.
- 12.7. Complete applications will be assessed in order of receipt. Incomplete applications will not enter the assessment queue until all required information is provided.
- 12.8. You 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.
- 12.9. Applications submitted may be subject to audit by the RAA or its agents to determine compliance with scheme guidelines.
- 12.10. 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.
- 12.11. Applicants who have received funding from the RAA within the last 12 months may not need to provide tax returns and financial statements again.
- 12.12. Businesses are entitled to assistance under either the Natural Disaster Primary Producer Loan or the Natural Disaster Small Business Loan program, but not both.



## 13. Decision

- 13.1. The RAA will notify successful applicants of a conditional approval. The approval will not be finalised until all conditions are met including the payment of any fees and the successful and correct execution of the loan documentation.

The RAA will notify unsuccessful applicants of a refusal with reasons the application was refused.

## 14. Claiming

- 14.1. Once all legal requirements have been completed, the RAA will fully draw down the loan and deposit it directly to the nominated bank account.

## 15. Important information

- 15.1. These guidelines are correct at the time of publishing.
- 15.2. The RAA reserves the right to amend, alter or change these guidelines at any time, and it is your responsibility to ensure that they check the relevant website prior to application.
- 15.3. The guidelines that apply to your application will be the guidelines that are current when RAA receives your application.
- 15.4. 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 you of any errors, omissions or variations to information in these guidelines.
- 15.5. Without limiting any rights, the RAA (or another NSW agency), in its sole discretion, may recover funds from you and determine that a debt is due if evidence indicates that the applicant did not meet the eligibility criteria.
- 15.6. Note that additional important information is contained in the program Frequently Asked Questions (FAQs) at [www.raa.nsw.gov.au/loans/ndrl/small-business/faqs](http://www.raa.nsw.gov.au/loans/ndrl/small-business/faqs). Applicants are advised to familiarise themselves with the FAQs.

## 16. Fraudulent claims

- 16.1. The RAA takes fraud and corruption seriously. Suspected fraud will be assessed and investigated as appropriate, which may require the involvement of external parties such as the NSW Police Force or the NSW Independent Commission Against Corruption (ICAC).
- 16.2. By signing the claim form, you declare that the information in the application form and supporting documentation is true and accurate.
- 16.3. 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.
- 16.4. The RAA responds to fraud by:
- audit and site validation of applications and claims that are of concern
  - referral to the NSW Police Force or ICAC of suspected fraud
  - recovery of any assistance provided under a fraudulent application.
- 16.5. 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.

## 17. Evaluation

- 17.1. 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 with the assistance you received. The RAA will always treat your responses as confidential and use the information only for the purposes for which it was collected.



## 18. Government Information (Public Access) Act

- 18.1. 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.
- 18.2. 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 an overriding public interest is against disclosure.

## 19. Complaints

- 19.1. Any concerns about the Natural Disaster Relief Loan – Small Businesses should be submitted in writing to [rural.assist@raa.nsw.gov.au](mailto:rural.assist@raa.nsw.gov.au).
- 19.2. If you disagree with the way the RAA has handled the issue, you may wish to contact the NSW Ombudsman via [www.ombo.nsw.gov.au](http://www.ombo.nsw.gov.au).



## 20. Definitions

**Direct damage:** Relates to physical damage that occurred due to the event. This means immediate damage caused by floodwaters at the time of the floods. The hazard can remain so long as floodwaters remain. There is a distinction, however, between clean-up activities that cause damage in themselves and damage that occurs as a direct result of the floods. For example, a boat damaged during the floods or while floodwaters remain high would be covered. However, a boat damaged during recovery after floodwaters have receded would not be covered.

**Defined disaster area:** For an eligible disaster, means the area that the appropriate Minister has declared to activate the Disaster Recovery Funding Arrangements. These are shown on the RAA's website and are a Local Government Area (LGA).

**Natural disaster:** One or a combination of the following rapid onset events: bushfire, earthquake, flood, storm, cyclone, storm surge, landslide, tsunami, meteorite strike, or tornado.

**Small business:** A business, other than a farm enterprise, that employs fewer than 20 full-time equivalent staff. That is, the sum total of all standard hours worked by all employees (whether full-time or part-time) is less than the number of standard hours that would be worked by 20 full-time employees.

**Small business owner:** A sole trader, partnership, private company or trust that carries on a small business who spends the majority of his or her labour on, and derives the majority of his or her income from the small business.

**You and your:** In the context of these guidelines and the related application process refers to the applicant. The RAA takes you as having authority to make application on behalf of the entity applying.

## 21. Disclaimer

The Department does not guarantee or warrant and accepts no legal liability whatsoever arising from or connected to the accuracy, reliability, currency or completeness of any material contained in this publication. Information in this publication is provided as general information only and is not intended as a substitute for advice from a qualified professional.

The Department recommends that users exercise care and use their own skill and judgment in using information from this publication and that users carefully evaluate the accuracy, currency, completeness, and relevance of such information. Users should take steps to independently verify the information in this publication and, where appropriate, seek professional advice.

Funding assistance provided through the scheme is subject to funds being available. The Department reserves the right to make changes to the scheme to ensure it meets the objectives outlined in these guidelines and provides equitable funding support to applicants.

In extenuating circumstances, applications submitted after the deadline may be accepted at the sole discretion of the Department.

These guidelines are subject to change at any time at the sole discretion of the Department.

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NSW Rural Assistance Authority

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**Business Hours:**

8:30am to 4:30pm, Monday to Friday

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