



The Disaster Recovery Funding Arrangements in Western Australia

Measures to assist primary producers

Responding to natural disasters, including the provision of relief and recovery assistance to disaster affected communities whose social, financial and economic wellbeing has been severely affected by a natural disaster, the Australian Government established the Disaster Recovery Funding Arrangements (DRFA). The Western Australian government participates in the DRFA, and provides the assistance (DRFA-WA) through the Department of Fire and Emergency Services (DFES).

Assistance is not available for drought, frost, heat wave or epidemics which are not natural disasters for the purposes of the DRFA-WA. Events where human activity is a significant contributing cause; including poor environmental planning, commercial development, personal intervention (other than arson), or accident; will not be covered by the DRFA-WA.

Measures to assist primary producers in WA, are administered on behalf of DFES by the Department of Primary Industries and Regional Development (DPIRD).

Purpose

Support measures are designed to assist in meeting the needs of Primary Producers^[1] whose assets or primary production business has/have been affected by a disaster for which the DRFA-WA have been invoked.

Assistance is NOT provided as compensation for damage/losses sustained, or as a disincentive to self-help by way of commercial insurance and/or other appropriate strategies of disaster mitigation. Support is offered to primary producer businesses who can demonstrate they have exhausted their own resources to recover from the disaster event.

Support measures to Primary Producers

- **Professional advice**

Primary producers can claim a reimbursement of fees up to \$1,500 to obtain professional advice directly related to addressing issues arising from the declared natural disaster event.

Advice may be obtained from a suitably qualified farm business consultant (such as a member of the Australian Association of Agricultural Consultants (WA Inc.) or a member of a professional accounting body) or a suitably qualified professional.

Advice may relate to business or financial matters, hydrological or soil conservation issues, feed analysis or other stock health issues. This grant is not available to meet the costs of normal business expenses or for employing professional advice for other purposes.

- **Freight costs**

Primary producers can claim a maximum of 50% of the costs to the producer of transporting any of the following as a direct result of a natural disaster:

- Livestock;
- Fodder or water for livestock; or
- Building or fencing equipment or machinery.

Primary producers cannot claim for their own transport costs.

- **Fencing**

Primary producers can claim 100% of the costs associated with any of the following:

- restoration/replacement of fencing (to pre-disaster standard) where the fencing has been deliberately dismantled or damaged due to counter disaster operations activities undertaken in order to combat the eligible natural disaster event; and/or
- reimbursement of the costs of materials only (to pre-disaster standard) to repair/replace boundary fencing damaged/lost as a direct result of the eligible natural disaster event, where the fencing adjoins a major road/rail transport corridor and where the roaming of livestock may present a danger to the travelling public (i.e., the aim being to preserve public safety).

The applicant must demonstrate to DPIRD's satisfaction that at the time of the natural disaster event the property was being used to hold or agist livestock.

A property that was used solely for cropping purposes at the time of the natural disaster event is not be eligible for fencing assistance under the DRFA-WA.

To be eligible, all fencing works must be undertaken as soon as is practicable after the impact of the natural disaster event.

- **Interest rate subsidy**

An interest rate subsidy may be available to primary producers for new loans provided by Authorised Deposit-taking Institutions (ADI e.g. Banks);

- to repair/replace assets lost or damaged, caused by the natural disaster event,
- for carry on purposes; to implement the next season's production program,
- or to replace livestock lost in the disaster for which the assistance measures under the DRFA-WA have been activated.

There is no government guarantee or indemnity to borrowers or lenders in relation to these loans.

Applicants must demonstrate that funds are not available from within their own resources.

Applicants will have committed all liquid assets and credit sources for normal operation of the business and will need to access extra borrowings to recover from the disaster.

This will be assessed initially from the Statement of Assets and Liabilities at the time of application. Applicants may be asked to provide additional information if required.

The DRFA-WA provides an interest rate subsidy (currently set at 4%) on the new loan with the subsidy payments:

- capped at a maximum of \$6,000 per annum (being 4% of a loan maximum of \$150,000); and
- for a maximum period of 10 years, of which the first two years may be free of capital repayments at the discretion of the ADI.

In cases where no capital repayments or minimal capital repayments are made from Year 3 onwards and to be consistent with those who have made capital repayments, a notional deduction of 10% (1/10th) of the original loan principal is taken for each year.

The DFES will pay the interest rate subsidy annually based upon the satisfactory submission of a claim form after the anniversary date of the loan drawdown/ disbursement supported by documentary evidence of the loan balance at this time. For example, an applicant may provide a copy of the relevant loan account statement showing the 'actual' loan balance on, or shortly after the anniversary date.

Any changes to the loan must be immediately reported to DFES.

- **Other measures**

Additional support measures may be available after an event has been declared specific to needs as determined by DFES. Information about additional measures will be announced on both the DFES and DPIRD websites.

Other measures may include support for clean-up and restoration of businesses in some circumstances. For example, the level of damage caused by Severe Tropical Cyclone Olwyn in March 2015 (AGRN663) saw Category C support approved by the Prime Minister.

Eligibility criteria

An applicant is the business entity: represented by the partners, directors, shareholders etc. who are the primary producers and would all need to meet the eligibility criteria as detailed below.

Applicants must:

- a) operate a commercial scale farming, pastoral, horticultural or fishing business and be affected by the declared natural disaster;
- b) be registered with the Australian Taxation Office as a Primary Producer, hold an Australian Business Number, been operational for at least one year and have been in existence in the specified area prior to and including the date of the event;
- c) either own the farm land or hold a current minimum five (5) year written agreement to sharefarm or lease the property for the purpose of primary production. The applicant must provide a copy of the lease/sharefarming agreement with their application; OR
- d) own and operate under a fishing licence or have a three (3) year lease of a fishing licence;
- e) one of the applicants must devote a minimum of 75% of their labour to the affected primary production enterprise;
- f) confirm that the applicant's business usually generates at least 50% of its total income from the affected enterprise;
- g) lodge their claim on line (ie application form, suppliers' invoices, evidence of payment) within six (6) months of the declaration date of the disaster (any variance in the lodgement period will be advertised on the DFES and DPIRD websites);
- h) demonstrate that own resources are not available to the business to recover from the disaster;
- i) confirm that the primary production business was severely affected by the declared natural disaster.
- j) Category C applications have an additional requirement to declare that they intend to re-establish the affected business.

Application procedure

- Complete the DRFA-WA Primary Producer Application form online (including provision of a current statement of assets and liabilities which includes both business and personal of all partners, shareholders, beneficiaries etc) within six (6) months of the declared event. Upload suppliers' tax invoices and receipts (bank statements) that verify expenditure as evidence of payment.

- By submitting an application, the applicant consents and declares to give authorisation for DPIRD or DFES to seek and/or share information.
- Reimbursement payments for professional advice, freight costs, fencing will be assessed and paid by DPIRD direct to the applicant's nominated bank account.
- Once the application has been assessed, the applicant will need to submit their tax invoice to Department of Primary Industries and Regional Development for reimbursement excluding GST (ABN 18 951 343 745),
- Expressions of interest for an Interest Subsidy will be reviewed by DPIRD and recommended to DFES who will liaise directly with the applicant to progress the application.

General information

- By submitting an application you are declaring and confirming all information you have provided is correct.
- An audit may be conducted on a sample of approved applicants.

References

- ^[1] Primary Producer:
Refer to The National Disaster Relief and Recovery Arrangements Determination 2017 (page 9) for definition of a primary producer:
<https://www.disasterassist.gov.au/Pages/related-links/Natural-Disaster-Relief-and-Recovery-Arrangements.aspx>

Contact

Please help us to help you. If you are uncertain about any section of the application form, please contact DPIRD on freecall 1800 198 231.

Important disclaimer

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