



The Western Australia Natural Disaster Relief and Recovery Arrangements

Measures To Assist Primary Producers

Professional Advice, Interest Subsidy on New Loans, Freight Subsidy and Fencing

Communities in Western Australia are affected by a range of natural disasters each year. Although significant efforts are undertaken by the emergency services, state agencies and local governments, communities and individuals to mitigate the impact of such disasters, it is not possible to prevent such disasters from occurring and impacting on Western Australian communities.

While primary responsibility for safeguarding and restoring public and private assets affected by natural disasters rests with the owner, who should always plan for the uncertainties of nature, the State Government recognises that disaster affected communities do not always have the resources to provide for their own recovery.

To assist the recovery of communities whose social, financial and economic well being has been severely affected by a natural disaster, the State Government has established the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA), providing a range of assistance measures designed to help those within disaster affected communities.

Purpose

Support measures are designed to assist in meeting the needs of Primary Producers whose assets or primary production business has/have been affected by a disaster for which the WANDRRA 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 that can demonstrate they have exhausted their own resources to recover from the disaster event.

The WANDRRA is administered by the Office of Emergency (OEM) Management. The Primary Producer measures are administered by the Department of Agriculture and Food, Western Australia (DAFWA) in conjunction with OEM.

Supporting your success

Support Measures

The WANDRRA does not provide compensation for losses suffered, or assistance where adequate insurance could have been obtained. Insurable assets such as houses and vehicles will not be considered eligible under the WANDRRA.

Assistance is not available for drought, frost, heat wave or epidemics which are not natural disasters for the purposes of the WANDRRA. 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 WANDRRA.

- **Grants to obtain Professional Advice**

Reimbursement of fees to a limit of \$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**

This assistance reimburses the primary producer 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.

- **Fencing**

This assistance reimburses the primary producer 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).

In respect of the latter dot-point, for a claim to be considered under this measure the applicant must demonstrate to DAFWA'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 would not be eligible for fencing assistance under the WANDRRA. As the intent of this measure is to ensure public safety, to be eligible, all works must be undertaken as soon as is practicable after the impact of the natural disaster event. It must also be noted that where a claimant has insurance and the insurance policy includes fencing, the claim must be lodged with the insurer and not via the WANDRRA.

- **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, repair damage 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 WANDRRA have been activated. There is no government guarantee or indemnity to borrowers or lenders in relation to these loans.

Applicants must demonstrate to the satisfaction of DAFWA that funds are not available from within their own resources. It is expected 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 WANDRRA provides an interest rate subsidy (currently set at 4%) 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 OEM will pay the interest rate subsidy annually in advance 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 (e.g provision of 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 are required to be immediately notified to OEM.

- **Other Measures**

Additional support measures may be available after an event has been declared specific to needs as determined by OEM. Information about any additional measures will be advised on both the OEM and DAFWA 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 twelve (12) month 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) 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 (ie application form, suppliers' invoices, evidence of payment and a tax invoice to DAFWA) within six (6) months of the declaration date of the disaster (any variance in the lodgement period will be advertised on the OEM and DAFWA websites);
- (h) demonstrate that own resources are not available to the business to recover from the disaster;

- (i) confirm that the items claimed are not covered by insurance or industry compensation fund; and,
- (j) confirm that the primary production business was severely affected by the declared natural disaster.
- (k) Category C applications have an additional requirement to declare that they intend to re-establish the affected business.

With regard to requests for fencing assistance, applicants will also have to demonstrate that at the time of the natural disaster the land was used to hold or agist livestock and is on a main road.

Application Procedure

- Complete the WANDRRA 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, etc) within six (6) months of the declared event.
- By submitting an application, the applicant consents and declares to give authorisation for DAFWA or OEM to seek and/or share information.
- For measures other than the Loan Interest Rate Subsidy, the applicant will need to submit with the application their tax invoice to DAFWA for expected reimbursement excluding GST (ABN 18 951 343 745), along with suppliers' tax invoices and receipts that verify expenditure/payment.
- Reimbursement payments for professional advice, freight costs, fencing or other measures will be assessed and paid by DAFWA direct to the applicant's nominated bank account.
- Expressions of interest for an Interest Subsidy will be reviewed by DAFWA and recommended to OEM 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.

Contact

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

Important disclaimer

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