



Department of
**Primary Industries and
Regional Development**

The Western Australia Disaster Recovery Funding 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 Disaster Recovery Funding Arrangements (DRFA WA), 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 ^[1] whose assets or primary production business has/have been affected by a disaster for which the DRFA 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 DRFA is administered by the Department of Fire and Emergency Services (DFES). The primary producer measures are administered by the Rural Business Development Unit of the Department of Primary Industries and Regional Development (DPIRD) on behalf of DFES.

Support measures

The DRFA WA 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 program.

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

- **Grants to obtain professional advice (reimbursement of fees)**

Primary producers may apply for reimbursement of fees to obtain professional advice relating to addressing issues arising from the declared natural disaster event. The maximum reimbursement available is \$1,500. 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. The reimbursement is not available to meet the costs of normal business expenses or for employing professional advice for other purposes.

- **Freight subsidy (reimbursement)**

This assistance reimburses the primary producer a maximum of 50% of the costs to the producer to transport any of the following items as a direct result of an eligible natural disaster:

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

- **Fencing (reimbursement)**

This assistance reimburses the primary producer 100% of the costs associated with any of the following:

- restoration/replacement of boundary fencing (to pre-disaster standard) where the fencing has been deliberately dismantled or damaged due to counter disaster operations activities undertaken 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. This measure is only available 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 reimbursement for fencing materials (the latter dot-point), for a claim to be considered under this support measure, the primary producer 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 (that is livestock of a commercial nature, such as beef or dairy cattle, meat or wool sheep, pigs, goats).

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 DRFA WA.

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 DRFA WA.

- **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/commercial financiers) 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 WA-DRFA 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 DPIRD that funds are not available from within their own resources. It would be expected applicants would 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, with reference to the applicant if additional information is required. An increase in the level of agreed borrowing would qualify for the interest subsidy support. While DPIRD will assess the application, the decision to approve or decline rests with DFES.

The DRFA WA provides an interest rate subsidy with 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 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 DFES.

- **Other measures**

Additional support measures may be available after an event for which DRFA has been activated and these will be determined by DFES and will be based on the needs arising because of the event. Information about any additional measures will be advised on both the DFES and DPIRD websites. The additional measures under a Category C or D proclamation by the Prime Minister are only made available in severe and exceptional circumstances.

Eligibility criteria

An applicant is the business entity, represented by the partners, directors, shareholders. 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, fishing, horticultural or pastoral 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 farmland 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 own and operate under a fishing licence or have a three (3) year lease of a fishing licence.
- d) devote at least 75% of their labour to the affected primary production enterprise.
- e) confirm the business usually generates at least 50% of its total income from the affected enterprise.

- f) lodge their claim within six (6) months of the declaration date of the disaster (any variance in the lodgment period will be advertised on the OEM and DPIRD websites).
- g) demonstrate that own resources are not available to the business to recover from the disaster.
- h) confirm that the items claimed are not covered by insurance or industry compensation fund.
- i) demonstrate 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.

Regarding 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 DRFA WA primary producer application form online (including providing a current statement of assets and liabilities which covers the business and all partners, shareholders, etc.) within six (6) months of the declared event.
- By applying, the applicant consents and declares to give authorisation for DPIRD or DFES to seek and/or share information.
- For measures other than the Loan Interest Rate Subsidy, the applicant will need to submit all relevant documentation including photographic evidence of the damage sustained from the event, suppliers' tax invoices and receipts to verify expenditure/payment for repairs.
- Reimbursement payments for professional advice, freight costs, fencing or other measures will be assessed and paid by DPIRD direct to the applicant's nominated bank account on the provision of a compliant tax invoice to Department of Primary Industries and Regional Development for approved reimbursement excluding GST (ABN 18 951 343 745).
- Expressions of interest for the Interest Rate Subsidy will be reviewed by DPIRD for completeness and forwarded to DFES. DFES will then consult directly with the applicant to progress the application.

General information

- By applying, 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 Recovery Funding Arrangements 2018 for definition of a primary producer:
<https://www.disasterassist.gov.au/disaster-arrangements>

Contact

Please help us to help you. If you are uncertain about any section of the application form, please contact DPIRD at RuralBusiness.DevelopmentUnit@dpird.wa.gov.au or call (08) 9368 3082.

Important disclaimer

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