Disaster Assistance Loans (Essential Working Capital) Guidelines Small Business

1. About the program

The objective of this assistance measure, provided under the *Disaster Recovery Funding Arrangements*, is to support communities to recover after an *eligible disaster.*

The Essential Working Capital Loans Scheme provides concessional loans to *small business owners* who have suffered a significant loss of income as a result of an *eligible disaster.*

Loans are provided for continuing the normal operations of the *small business*.

2. Available funding

2.1 The maximum loan amount is $100,000; and

a) the amount available is based on an assessment of an applicant's financial position, including any amount recovered under an insurance policy; and

b) cannot be more than the amount of *essential working capital* reasonably required.

3. How funding may be used

3.1 Loan funds provided are to be used as *essential working capital*, this includes:

a) paying salaries or wages;

b) paying creditors;

c) paying rent or rates;

d) buying goods, for example – fuel essential to carry-on the *small business.*

3.2 Loan funds are not provided to:

a) compensate for loss of income suffered as a result of the disaster; or

b) provide assistance relating to direct damage suffered as a result of the disaster.

4. Eligibility criteria

4.1 To be eligible for a loan:

a) the applicant must be a *small business owner;*

b) before the *eligible disaster*, the applicant carried on a *small business* in the *defined disaster area;*

c) the applicant has suffered a significant loss of income as a result of the *eligible disaster.*

4.2 To be eligible applicants must also:

a) provide adequate security and loans must be secured by:

i. a mortgage of land and other assets satisfactory to QRIDA; and

ii. any other security considered necessary, for example – a Specific Security Agreement over plant and machinery, or a General Securities Agreement

b) continue to carry on the small business in the defined disaster area;

c) have reasonable prospects for carrying on the small business on a viable basis with the assistance given;

d) have used all liquid assets and all normal credit sources up to normal credit limits (this will be assessed in relation to the expected cost of recovery and projected cash flow shortfalls);

e) have no reasonable prospects of obtaining commercial finance to carry on the business;

f) have not received another concessional loan for loss or damage that was related to the eligible disaster;

g) have not taken excessive risks in carrying on the small business.

5. Interest rates and loan terms

5.1 The term of the loan is decided by QRIDA up to a maximum of ten years.

5.2 An interest only period of up to two years may be granted.

5.3 The initial annual interest rates for these concessional loans are:

Rate	***Eligible disaster***
2.14%	Tropical Cyclone Alfred and Associated Severe Weather Commencing 1 March 2025
2.14%	North and Far North Tropical Low, commencing 29 January 2025
2.14%	Southern Summer Rainfall and Flooding, 9 December 2024 – 14 January 2025
1.79%	South Queensland Severe Storms and Rainfall, 24 December 2023 – 3 January 2024
1.79%	Tropical Cyclone Jasper, associated rainfall and flooding, 13 - 28 December 2023
1.79%	Southern Queensland Fires, 8 September – 7 November 2023

6. How to apply

6.1 To be considered for a loan please submit a completed application form, accompanied by the documentation stated on the application form.

6.2 Application forms and related information can be accessed at www.qrida.qld.gov.au.

6.3 Complete applications are assessed in order of receipt and QRIDA may request further information to help assess an application.

7. Terms and conditions

7.1 Loans given are subject to an annual review and the necessary financial information must be provided when requested each year by QRIDA.

7.2 If QRIDA considers an applicant's financial position has improved, it may increase the interest rate up to a commercial rate.

7.3 Loan recipients must provide *evidence of expenditure* in relation to amounts drawn against the loan when requested by QRIDA.

7.4 Penalties apply, including call-up of the loan provided apply where false or misleading information is provided.

8. Conflicts of interest

8.1 A conflict of interest may arise due to a business dealing with QRIDA, if the applicant's private interests' conflict with their obligations under the agreement. Conflicts of interest could affect the awarding or performance of the applicant's agreement. A conflict of interest can be:

a) real (or actual);

b) apparent (or perceived); or

c) potential.

8.2 QRIDA will ask the applicant to declare, as part of the application, any business dealings that may be considered an actual, perceived or potential conflict of interest or that, to the best of the applicant's knowledge, there is no conflict of interest. If the applicant later identifies that there is an actual, apparent or potential conflict of interest or that one might arise in relation to the agreement, the applicant must inform QRIDA in writing immediately.

9. Fraud

9.1 QRIDA takes fraud and corruption seriously. Suspected fraud will be referred to Queensland Police Service (QPS) and/or the Crime and Corruption Commission (CCC).

9.2 Fraud and corruption is a criminal offence under Sections 408C, 408D and 87 of the Criminal Code 1899 (Qld). For corporations, directors and company officials, Sections 596 and 184 of the Australian Corporations Act 2001 (Clth) will also apply.

9.3 Providing false and misleading information or documents in the QRIDA application process is an offence. Penalties may apply under Sections 41 and 42 of the Rural and Regional Adjustment Act 1994.

9.4 By signing the application form, you acknowledge that the information you provide is true and accurate, and agree to be bound by the scheme's guidelines and provisions.

9.5 QRIDA reserves the right to pursue and recover funding provided under fraudulent and dishonest circumstance.

10. Privacy

10.1 QRIDA's Privacy Policy, available at: www.qrida.qld.gov.au/privacy, sets out general information on how QRIDA collects, uses, and discloses individuals' personal information.

10.2 The application form for this Scheme contains specific information on how personal information will be collected, used and disclosed.

11. Defined disaster areas

Eligible disaster	*Defined disaster areas*	*Application closing date*
Tropical Cyclone Alfred and Associated Severe Weather Commencing 1 March 2025	• Brisbane City Council • Bundaberg Regional Council • Fraser Coast Regional Council • Gold Coast City Council • Gympie Regional Council • Ipswich City Council • Lockyer Valley Regional Council • Logan City Council • Moreton Bay City Council • Noosa Shire Council • Redland City Council • Scenic Rim Regional Council • Somerset Regional Council • Southern Downs Regional Council • Sunshine Coast Regional Council • Toowoomba Regional Council	31 December 2026
North and Far North Tropical Low, commencing 29 January 2025	• Burdekin Shire Council • Cairns Regional Council • Cassowary Coast Regional Council • Hinchinbrook Shire Council • Palm Island Aboriginal Shire Council • Townsville City Council • Yarrabah Aboriginal Shire Council	31 December 2026
Southern Summer Rainfall and Flooding, 9 December 2024 – 14 January 2025	• South Burnett Regional Council	31 December 2026
South Queensland Severe Storms and Rainfall, 24 December 2023 – 3 January 2024	• City of Gold Coast Council • Logan City Council • Scenic Rim Regional Council	31 December 2025
Tropical Cyclone Jasper, associated rainfall and flooding, 13 - 28 December 2023	• Cairns Regional Council • Cassowary Coast Regional Council • Cook Shire Council • Douglas Shire Council • Hope Vale Aboriginal Shire Council • Mareeba Shire Council • Tablelands Regional Council	31 December 2025

	• Wujal Wujal Aboriginal Shire Council • Yarrabah Aboriginal Shire Council	
Southern Queensland fires, 8 September – 7 November 2023	• Western Downs Regional Council	31 December 2025

12. More information

For more information on the Disaster Assistance Loans Scheme contact QRIDA on **Freecall 1800 623 946** or email contact_us@qrida.qld.gov.au.

QRIDA also has Regional Area Managers (RAMs) who are available to assist:

Location	Phone	Mobile	Location	Phone	Mobile
Brisbane	07 3032 0118	0427 763 787	**Kingaroy**	07 4182 1816	0417 778 317
Bundaberg	07 4154 2874	0417 775 547	**Mackay**	07 4967 0728	0427 770 147
Cloncurry	1800 623 946	0427 007 240	**Rockhampton**	07 4936 1872	0417 775 245
Emerald (with an office in Longreach)	07 4987 5807	0417 775 345	**Roma**	07 4622 8527	0427 029 141
			Toowoomba	07 4634 8987	0427 690 448
Innisfail	07 4064 2824	0429 497 757	**Townsville**	1800 623 946	0408 180 644

13. Definitions

Defined disaster area for an *eligible disaster* means the area that the appropriate Minister has defined for the purpose of activating the *Disaster Recovery Funding Arrangements*. These are published on QRIDA's website (also see section 9 above).

Disaster Recovery Funding Arrangements means the funding arrangements as agreed between the Commonwealth and the State for providing financial assistance to communities affected by an *eligible disaster* (available on the Australian Government Disaster Assist website).

Eligible disaster means a bushfire, cyclone, flood, earthquake, storm surge, landslide, meteorite strike, tornado, tsunami, storm – including hail, rain and/or wind event or terrorist act.

Essential working capital means, money that is necessary to continue the normal operations of the *small business* for up to one year.

Evidence of expenditure means a tax invoice showing full details of goods or services (identifiable as relating to damage from the eligible disaster) and the corresponding official receipt. The relevant cheque butt or bank transfer documentation is required if unable to provide an official receipt.

Small business means a business that holds an Australian Business Number (ABN), is not a public company within the meaning of the Corporations Act and employs fewer than 20 full-time (or full-time equivalent) employees. A *small business* does not include a body corporate under the Body Corporate and Community Management Act 1997.

Small business owner means

a) a sole trader who spends the majority of his or her labour on, and derives the majority of his or her income from a *small business*; or

b) in relation to a partnership, company or trust that carries on a *small business*, the partners in the partnership, shareholders in the company or beneficiaries of the trust who spend the majority of their labour on, and derive the majority of their income from, the *small business.*