

Natural Disaster Assistance Essential Working Capital Scheme Guidelines (Non-profit organisations)

1. Purpose of support

This assistance measure under Natural Disaster Relief and Recovery Arrangements helps *non-profit organisations* which have suffered a significant loss of income as a result of an *eligible disaster*.

This assistance is **not** intended to compensate for loss of income or provide assistance relating to direct damage suffered as a result of an *eligible disaster*.

2. Nature of assistance

The assistance provided under this scheme is a concessional loan to be used as essential working capital.

Essential working capital is money that is necessary to continue the normal operation of non-profit activities for up to one year.

Examples of uses of essential working capital include:

- (a) paying salaries or wages
- (b) paying creditors
- (c) paying rent or rates
- (d) buying goods, including, for example, fuel, essential to carry on the non-profit activities.

3. Amount of assistance

The maximum assistance under this scheme is a loan up to \$100,000.

The amount of assistance available to an applicant under this scheme:

- (a) is based on the Queensland Rural and Industry Development Authority (QRIDA) assessment of the applicant's financial position, including any amount recovered under an insurance policy; and
- (b) must not be more than the amount of one year's essential working capital that QRIDA considers is reasonably required by the applicant.

4. Eligibility criteria

To be eligible for assistance under this scheme, QRIDA must be satisfied that:

- (a) the applicant is a *non-profit organisation*; and
- (b) before the *eligible disaster*, the applicant carried on non-profit activities in the *defined disaster area*; and
- (c) the applicant has suffered a significant loss of income as a result of the *eligible disaster*; and
- (d) the applicant is continuing the non-profit activities in the *defined disaster area*; and
- (e) there are reasonable prospects for the long-term viability of the non-profit activities if the assistance is provided; and
- (f) *the applicant has used all liquid assets and normal credit sources up to normal credit limits; and
- (g) the applicant has no reasonable prospects of obtaining finance on ordinary commercial terms to carry on the non-profit activities; and
- (h) the applicant has not received another concessional loan for loss or damage that was related to the *eligible disaster*.

*Note: This criterion will be assessed in relation to an applicant's projected cash flow shortfalls.

5. Security

A loan under this scheme must be secured to the satisfaction of QRIDA. This must include:

- (a) a mortgage of land and other assets satisfactory to QRIDA; and
- (b) any other security QRIDA considers necessary including for example, a Specific Security Agreement over plant and machinery, or a General Securities Agreement.

6. Terms of repayment

6.1 The initial annual interest rate is 1.16% for loans under the Tropical Cyclone Debbie and associated rainfall and flooding, 28 March – 6 April 2017 event.

6.2 Subject to 6.3 below, the maximum term of a loan is seven years.

6. Terms of repayment (continued)

6.3 The term of the loan may be increased to a maximum term of 10 years if:

- (a) the loan has been operating for at least four years; and
- (b) QRIDA considers the increase in the term of the loan is appropriate in the circumstances.

6.4 QRIDA may allow interest only payments for up to two years, if the principal and interest are repaid over the balance of the term of the loan.

7. Terms and conditions

7.1 Assistance given under the scheme is subject to an annual review. If QRIDA considers an applicant's financial position has improved it may increase the interest rate up to a commercial rate of interest.

7.2 Applicants must, if requested by QRIDA, provide *appropriate evidence* that all amounts drawn against the loan have been used for essential working capital.

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

7.4 QRIDA may request that an applicant provide further relevant information required to decide an application.

8. Definitions

Appropriate evidence means evidence in the form of tax invoices, *official receipt/s* for payment or bank statements showing full details of the goods or services acquired.

Defined disaster area, for an *eligible disaster*, means an area that the Minister for Police, Fire and Emergency Services has defined for the purpose of activating the Natural Disaster Relief and Recovery Arrangements for the communities affected by the *eligible disaster*.

Eligible disaster means any of the following events: a bushfire, a cyclone, an earthquake, a flood, a landslide, a meteorite strike, a storm (including hail, rain, wind), a storm surge, a terrorist event, a tornado, a tsunami.

Non-profit organisation means an incorporated charitable or other organisation that is not operating for the profit or gain either direct or indirect, of its individual members and provides a benefit to the community.

8. Definitions (continued)

This definition applies while the organisation is operating and when it winds up, as if it were still operating. Any profit made by the organisation must go back into the operation of the organisation to carry out its purposes and not be distributed to any of its members.

Official receipt means a receipt including:

- (a) the name and address of the entity that issued the receipt; and
- (b) if the entity has an Australian Business Number – the Australian Business Number; and
- (c) a description of each item to which the receipt relates.

9. Applications

Applications for assistance under the scheme must be made on QRIDA's application form and be accompanied by the documentation stated on the application form.

Before applying for financial assistance under this scheme or making any decision, applicants should seek advice from their legal, business and financial advisers to determine their eligibility for and the terms of the financial assistance.

Payments made by QRIDA may result in financial, taxation, legal or other implications. Applicants are advised to seek independent professional advice in regards to possible implications before participating in the scheme.

Any information provided by QRIDA in relation to this scheme has been taken from sources believed to be reliable however QRIDA does not represent that the information is accurate or complete and it should not be relied upon as such.

QRIDA does not assume any common law duty of care towards applicants in relation to this scheme or any information provided in relation to this scheme and QRIDA will not be liable for any loss or damage however caused (including by the negligence of QRIDA), suffered or incurred by applicants in connection with this scheme or any information provided by QRIDA in relation to this scheme.

Schedule One

Severe Tropical Cyclone Debbie and associated rainfall and flooding, 28 March – 6 April 2017

Eligible disaster for this schedule means Severe Tropical Cyclone Debbie and associated rainfall and flooding, 28 March – 6 April 2017 which affected the following *defined disaster areas*:

Gold Coast City Council
Logan City Council
Mackay Regional Council
Rockhampton Regional Council
Scenic Rim City Council
Whitsunday Regional Council

For further information contact QRIDA:

Phone: **Freecall 1800 623 946**
Fax: 07 3032 0300
Email: contact_us@QRIDA.qld.gov.au Web:
www.qrida.qld.gov.au

QRIDA also has Regional Area Managers (RAM's) who are available to assist you:

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

For more about QRIDA's Regional Service:
<http://www.QRIDA.qld.gov.au/about-QRIDA/service-commitment/regional-service>.

