

FACT SHEET

Small business interest rate subsidy

The DRFA-WA offers small business interest rate subsidies in accordance with clauses 4.3.27-4.3.29 of the DRFA-WA.

The DRFA-WA does not offer concessional loans or interest rate subsidies to needy individuals or non-profit organisations.

Small business may be eligible to receive an interest rate subsidy on new loans.

The new loan must be taken out by the small business for the purposes of repairing damaged assets or business carry on costs incurred as a direct result of an eligible disaster.

The loan must be provided by an Authorised Deposit taking Institution (ADI), such as your bank, building society or credit union.

The DRFA-WA provides an interest rate subsidy, currently set at 4% with the subsidy payments:

- capped at a maximum of \$6,000 (being 4% of a loan maximum of \$150,000)
- a maximum period of ten 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 the third year onwards a 'notional' deduction of 1/10th of the original loan principal will be deducted for each year for which the subsidy is available.

DRFA-WA will fund the interest rate subsidy, annually in advance, based upon the satisfactory submission of a claim form after the anniversary date of the loan commencement.

The claim form must be supported by documented evidence of the loan balance at this time. Documented evidence can be a copy of the relevant loan account statement showing the actual loan balance, on or shortly after the anniversary data.

Small business proprietors in receipt of the subsidy must notify the DFES Disaster Recovery Funding Officers of any changes to the loan arrangement immediately.

General Conditions

To be eligible, a small business proprietor(s) must:

- Be a registered small business with an Australian Business Number
- Employ less than 20 full-time equivalent staff
- Demonstrate to the satisfaction of the State Administrators (DFES Disaster Recovery Funding Officers) that the small business operates locally. Public companies are not eligible.
- Be actively engaged in the operation of the small business and derive the main source of income from that small business
- Demonstrate to the satisfaction of the ADI that the funds required are not available from his/her/their own resources

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- Demonstrate to the satisfaction of the DFES Disaster Recovery Funding Officers that the items for which the loan is required occurred as a direct result of the natural disaster.

If you consider that your small business may be eligible to apply for an Interest Rate Subsidy, complete the DRFA-WA-Small Business Interest Rate Subsidy - EOI Form (Expression of Interest Form) and submit it to the DFES Disaster Recovery Funding Officers at the address shown at the top of the form.

Small business proprietors will receive correspondence confirming eligibility to access the relief measure and further instruction on loan application procedures.