



# BWR Accountants & Advisers

## January 2011

### Rural Assistance Newsletter

#### NATURAL DISASTER RELIEF ASSISTANCE RECOVERY GRANTS

*The recent heavy rain and flooding throughout NSW has affected a number of our clients. We have had enquiries regarding assistance available to flood affected regions and are pleased to provide the following information. Please contact us if you require additional information or require assistance with preparing an application for assistance.*

The NSW Government, through the Rural Assistance Authority, are **providing grants of up to \$15,000** to eligible primary producers and small businesses who have suffered direct damage as a result of the **November-December 2010 floods in New South Wales**, for clean-up, removal of debris, disposal of dead livestock and further restoration to assist business continue or commence trading.

This grant is not intended to replace the need for insurance, and is not intended to provide compensation for losses such as destroyed crops. All claims for assistance will be assessed on a case by case basis.

#### **Who is Eligible?**

##### **Primary Producers**

Eligible primary producers who have suffered direct damage and who:

- have a right or interest in the land used for the purpose of a farm enterprise,
- derive the majority of their individual gross income from the farm enterprise,
- are registered with the Australian Taxation Office as a primary producer, and have an Australian Business Number (ABN)
- have suffered direct damage as a result of November-December 2010 flooding in New South Wales. This may be damage to farm buildings, crops, pasture, stock, fencing and/or tools of trade (e.g. equipment/plant) and the essential cost of repair or replacement are the applicant's responsibility,
- were conducting a primary production business in a Disaster Declared Local Government Area prior to and including the date of the event (further information concerning areas is available on the RAA website or call us),
- have established or are intending to re-establish the primary production enterprise.

Eligible primary producers can be individuals, partnerships, trusts or companies, operating commercially.

##### **Small Businesses**

Eligible small businesses which have suffered direct damage and which:

- have less than 20 full time (or equivalent) employees,
- are a registered business, partnership or sole trader,
- have an Australian Business Number (ABN),
- have suffered direct damage to their premises and/or tools of trade (e.g. equipment/plant) and the essential cost of repair or replacement are the applicant's responsibility,
- are intending to re-establish within the Disaster Declared Local Government Area,
- were conducting business in the Disaster Declared Local Government Area prior to and including the date of the event, or are business enterprises in the development phase (e.g. premises being prepared but trading had not yet commenced).

Eligible small businesses may include locally owned and operated franchises; businesses not operating from commercial premises but which experienced damage to primary equipment; home based enterprises (claiming only the costs directly attributable to the business).

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We take pride in our service and have a team of highly trained individuals to ensure you receive the high level of service that you expect.

Our team would like to take this opportunity to thank you for choosing our firm to take care of your business and we are looking forward to your continued support.

Previous Professional Advice and Planning Grant recipients can access an additional \$2,200 to re-evaluate your plans after a minimum of 6 months. You must have apply for the grant by 12/6/2011 or prior to your Exceptional Circumstances (EC) area end date, whichever occurs first.

*The material & contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If professional advice is required, please contact our office.*

## What Costs ARE Covered?

### Primary Producers

Eligible costs include damage to:

- farm buildings
- infrastructure
- fencing
- livestock husbandry needs and/or removal of dead stock
- crops and/or pastures
- fodder purchases
- equipment and/or plant

### Small Business

The recovery grant is designed to cover the cost of clean-up and restoration to assist small businesses which have suffered direct damage as a result of a natural disaster, to enable businesses to continue or commence trading as soon as possible where the impact on the sector has been particularly severe, also to assist with the costs of relocation to temporary premises in cases where immediate re-opening of damaged premises is not possible.

### What is Not Covered?

- Damage to dwellings. Owners may be able to claim other assistance for this (e.g. personal hardship and distress payments under the Natural Disaster Relief and Recovery Arrangements by contacting Department of Community Services on 1800 018 444).
- Loss of income from destroyed crops.
- Damages covered by insurance.
- Your own labour costs.

### **TO ACCESS GRANT FUNDS:**

You must lodge an application with the Authority before **30.06.2011**

You will need to provide paid tax invoice/ receipt or quote dated after 26.11.2010 for damages incurred. **NOTE: Payment of any assistance can only occur upon production of tax invoice or receipt for damages incurred which must be received by the Authority by 30.06.2011**

Provide copies of your latest Business Tax Returns and Financial Statements PLUS personal tax returns for each member of the business enterprise.

**Please contact us if you require further information or assistance in preparing and lodging your application.**

## **LOAN - NATURAL DISASTER RELIEF SCHEME**

The Natural Disaster Relief Scheme assists primary producers and small businesses affected by flood/fire/storm damage or any other declared natural disaster.

Funding by way of a loan up to a maximum of \$130,000 is available for:

1. **Essential Working Capital:** The amount required to continue farming operations for the next twelve months from the date of the disaster or until the next major income is received. Small Businesses - the amount required to continue business operations until normal income resumes or until the next major income is received (a maximum period of 12 months from date of disaster applies).
2. **Replacement and repair of damage caused to the property and associated improvements not covered by insurance.** Assistance does not cover costs unrelated to the farming or small business enterprise or commitments overdue at the time of the disaster, such as; trading accounts, lease or hire purchase instalments, interest on borrowings or loan repayments.

**Assistance under this scheme by its nature is not compensatory therefore applicants need to be in urgent and genuine need of assistance.**

**Note:** In assessing this requirement the Authority will take into account all cash reserves, investments, undrawn overdraft balances plus loans with redraw facilities.

A term of up to 10 years dependent upon the amount borrowed and the applicant's ability to repay can be considered. Interest is calculated on a concessional rate of interest fixed for the term of the loan with repayments generally in line with your cash flow. Security by way of a registered mortgage over land is required.