GOVERNMENT OF WESTERN AUSTRALIA

DFES Department of Fire & Emergency Services

DRFAWA FACT SHEET

Small Business Interest Rate Subsidy

Information for Small Businesses

This fact sheet provides information to assist small business proprietors with understanding the Small Business Interest Rate Subsidy provided under the Disaster Recovery Funding Arrangements Western Australia (DRFAWA).

Overview

The DRFAWA offers small business interest rate subsidies for new loans 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 DRFAWA does not offer concessional loans or interest rate subsidies to individuals or non-profit organisations.

Interest Rate Subsidy on New Loans

Small business proprietors 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 a bank, building society or credit union.

The DRFAWA 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); and
- available for a maximum period of 10 years, of which the first two (2) 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 the subsidy is available.

DRFAWA will fund the interest rate subsidy, annually in advance, based upon the satisfactory completion of a claim form submitted after the anniversary date of the loan commencement.

The claim form must be supported by documented evidence of the loan balance at that time, such as a copy of the relevant loan account statement showing the actual loan balance, on or shortly after the anniversary date.

Small business proprietors in receipt of the subsidy must immediately notify Department of Fire and Emergency Services (DFES) Recovery Funding of any changes to the loan arrangement.

Eligibility

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 DFES Recovery Funding 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 their own resources.
- Demonstrate to the satisfaction of DFES Recovery Funding that the items for which the loan is required occurred as a direct result of the eligible disaster event.

Small business proprietors will receive email correspondence confirming eligibility to access this assistance.

If you believe your small business may be eligible to apply for the assistance, complete the *Small Business Interest Rate Subsidy – Expression of Interest Form* and submit it to the DFES Recovery Funding Team at drfawa@dfes.wa.gov.au

Further information and contacts

Further information on the DRFAWA, including fact sheets, guidelines and training is available here:

☎ Phone: 1800 920 659

✉ Email: drfawa@dfes.wa.gov.au

💻 DFES Recovery Funding website