Emergency Bushfire Response: Small Business Grants

**Guidelines**

**1. About the program**

The objective of this assistance measure made under agreements between the Commonwealth and relevant State Governments, is to support small businesses directly affected by the 2019-2020 bushfire disaster events (*eligible disaster* events commencing August 2019). The *small business* grant application period is effective for six months upon announcement of the grants. Extensions may be considered following submission to the Commonwealth.

The Emergency Bushfire Response for *Small Business* Grants are intended for small business owners to help pay for costs of clean-up and *reinstatement* of *small businesses* that have suffered direct damage as a result of the *eligible disaster*.

**2. Available funding**

2.1 The maximum grant amount for clean-up and reinstatement is $50,000.

Note: multiple applications can be made up to the maximum amount available under the *small business* grants.

**3. How funding may be used**

3.1 Grants are provided to help pay costs associated with clean up and *reinstatement* of the *small business*. This may include:

1. engagement of tradesperson to conduct a safety inspection of damage to a property, premises, or equipment;
2. purchasing, hiring or leasing equipment or materials to clean a property, premises, or equipment;
3. purchasing, hiring or leasing equipment or materials that are essential for immediately resuming operation of the *small business;*
	1. employing a person to clean a property, premises or equipment if the cost would not ordinarily have been incurred in the absence of the *eligible disaster;* or
	2. the cost exceeds the costs of employing a person to clean the property, premises or equipment that would ordinarily have been incurred in the absence of the *eligible disaster;*
4. removing and disposing of debris or damaged materials;
5. removing and disposing of spoiled goods and stock due to power outage;
6. repairing a building, or repairing or replacing fittings in a building, if the repair or replacement is essential for resuming operation of the *small business*. If the repair or replacement is for small businesses that is home based, applicants are only permitted to claim the costs for damage to the premises which is directly attributable to the business, not other household damage;
7. any of the following:
	1. replacing lost or damaged stock if the replacement is essential for immediately resuming operation of the *small business*;
	2. leasing temporary premises for the purpose of resuming operation of the *small business.*

3.2 An applicant is **not eligible** for assistance under the scheme:

1. for repairs to a building that the applicant lets to a person for residential or commercial purposes, unless the applicant lets the property in the course of operating a business (superannuation funds and personal investment vehicles are not regarded as businesses); or
2. if the *small business* is entitled to receive or has received an amount under a policy of insurance for the relevant costs claimed; or
3. for any expenses that are claimable under the *small business* *owner* insurance policy; or
4. the *small business owner* has successfully received funding or assistance from any other government source or program or donation in relation to the business, where that funding or assistance has met the relevant costs claimed); or
5. for loss of income as a result of the *eligible disaster.*

**4. Eligibility criteria**

4.1 To be eligible for the grant, the applicant must:

1. be a *small business* *owner;*
2. hold an Australian Business Number (ABN) and have held that ABN at the time of the *eligible disaster;*
3. own a *small business* located in the *defined disaster area* for the *eligible disaster* that has suffered direct damage as a result of the *eligible disaster;*
4. have been engaged in carrying on the *small business in the defined disaster area* when affected by the *eligible disaster;*
5. be primarily responsible for meeting the costs claimed in the application; and
6. be intending to re-establish the *small business* in the *defined disaster area* for the *eligible disaster.*

4.2 An applicant is not precluded from applying for this grant if they have already received assistance under the Small Business Support Grant.

4.3 An applicant may also be eligible for a grant if:

1. the *small business* is located outside the *defined disaster area* for the *eligible disaster* but operates part –time or on some regular basis within the *defined disaster area* and that business’ plant and/or equipment were damaged.

4.4 Applications from businesses that employ 20 or more full time equivalent employees but have a turnover of less than $50 million may also be considered following submission to the National Bushfire Recovery Agency via the [state delivery agency].

**5. Eligible separate business**

5.1 Applicants who operate more than one small business under a single ABN, may apply for assistance for each eligible separate business up to the maximum amount of assistance available for the relevant defined disaster area and determined by the establishment notice.

5.2 When assessing an application on this basis, the administrating agency may consider (but is not limited to):

1. the staffing arrangement of the separate business;
2. whether the separate business has its own plant, equipment or stock;
3. the accounting and insurance arrangements of the separate business;
4. whether the separate business operates under their own trading name;
5. the commercial viability and autonomy of each business.

**6. Evidence of direct damage**

6.1 Evidence of direct damage associated with the *eligible disaster* must be provided as follows:

1. a list of bushfire-related damage, supported by photographic evidence of the direct damage or records including quotations, damage assessments; or other appropriate evidence to prove financial impact if/when the damage is unable to be photographed or receipts lost due to the extent of the disaster event.

**7. Terms and conditions**

7.1 Applicants are able to apply for assistance under the scheme where they are a *small business* owner.

7.2 Applicants must retain all tax invoices, official receipts, bank statements, quotations or other similar records for assistance received under the scheme until one year after the closing day for applications for the eligible disaster.

7.3 Applicants must consent to the [administering State agency] conducting an audit of quotations, tax invoices, official receipts, bank statements or other similar records to verify the amounts given under the scheme have been used in accordance with the grant. Penalties may apply for false or misleading information.

7.4 Applicants must provide authorisation for the [administering State agency] to contact their insurance company to confirm or verify entitlements or the outcome of any claims made in relation to the eligible disaster.

**8. Definitions**

***Administrating Agency***means the responsible agency/department/body for assessing and administrating the *small business grant* applications.

***Defined disaster area*** for an *eligible disaster* means the area that the appropriate Minister has defined for the purpose of activating Category C under the *Disaster Recovery Funding Arrangements.*

***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 bushfire.

***Eligible separate business*** means a separate *small business* owned by the same *small business* owner that would be a commercially viable and autonomous business if the other separate businesses ceased to operate.

***Full-time employment*** means an individual who ordinarily works for at least 35 hours each week for the *small business*.

***Public company*** means a *public company* within the meaning of the Corporations Act 2001.

***Reinstatement*** means the carrying out of activities that are necessary to help the *Small Business* continue or resume production at a similar level as before the *eligible disaster.*

***Small Business*** is a business, other than a farm enterprise that:

1. holds an Australian Business Number (ABN); and
2. is not a *public company*, charitable business (charitable business means a business that does not operate to make a profit) or body corporate under the *Body Corporate and Community Management Act 1997; and*
3. employs fewer than 20 *full time employees.* That is, the sum total of all standard hours worked by all employees (whether full-time or part-time) is less than the number of standard hours which would be worked by 20 full-time employees, as defined by the Australian Bureau of Statistics; or
4. if operated by a sole trader and the business has no employees other than the sole owner:
	1. the sole owner must derive the majority of their income from the business unless the applicant can satisfy the *administrating agency* that the sole trader, immediately before an *eligible disaster,* derived that majority of income from the business and that the majority of income from the business and that the majority of the sole trader’s income would have come from the *small business* again, were it not for the *eligible disaster; or*
	2. is a *small business* in development.

***Small business in development*** means an enterprise that is being developed by an individual and in the opinion of the *administrating agency* will be developed into a *small business* that will be carried on by the individual as a sole trader.

***Small business owner***is a sole trader, partnership, private company or trust that carries on a *small business.*

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