

# First Start Loans Guidelines Commercial Fishers

## 1. About the program

First Start Loans are aimed at assisting you in the initial years of establishing your Queensland based commercial wild-catch business.

The maximum loan available under the program is **\$2 million**.

## 2. How loans may be used

2.1 First Start Loans may be used to assist you to:

- (a) acquire a viable commercial wild-catch business in its own right
- (b) build to a viable commercial wild-catch business by
  - i. acquiring and operating a commercial wild-catch fishing business on a staged basis where you have defined longer-term plans; or
  - ii. entering into lease or share fishing arrangements; or
  - iii. upgrading or building-up an existing non-viable business
- (c) enter an existing family commercial fishing business as part of a longer-term plan to operate a viable commercial wild-catch fishing business in your own right.

## 3. Eligibility

3.1 To be eligible for a First Start Loan you are required to:

- (a) have resided in Queensland for at least six months
- (b) not previously owned or disposed of a viable commercial wild-catch business
- (c) immediately trade in your own right, except in case of 3.3.

3.2 You will also be required to demonstrate:

- (a) concessional finance under the program is needed to secure sound prospects for success in the long-term
- (b) a capacity to repay the loan and sound prospects for commercial viability in the long-term development of your commercial wild-catch business. (This usually means that equity of at least 50 per cent in the commercial wild-catch business will be required from the outset unless you have other sources of income to support the business). We will discuss these arrangements with you in detail when we assess your application
- (c) access to sufficient working capital to support the day-to-day running of the Queensland based commercial wild-catch business
- (d) adequate industry experience or other qualifications to provide a reasonable prospect of success.

3.3 If you are entering an existing commercial wild-catch business or purchasing a relative's assets, you will be required to demonstrate:

- (a) the family member is not in a financial position to completely effect transfer of the assets
- (b) the purchase is not simply a refinance arrangement
- (c) you will have the long-term ability to trade in your own right.

### **4. Loan terms and interest rates and repayments**

- 4.1 The maximum term for First Start Loans is 20 years. We will work with you to determine the most appropriate term for your loan proposal.
- 4.2 You may access Interest only periods up to a maximum five years if needed, at any time over the loan term.
- 4.3 You may fix interest rates initially for periods of one, three or five years. (Current interest rates are available on QRIDA's website at: [www.qrida.qld.gov.au](http://www.qrida.qld.gov.au)). We will discuss interest rate structures with you when we assess your loan.
- 4.4 Loans will be repaid via direct debit from your nominated bank account

### **5. Loan security**

- 5.1 First Start Loans need to be adequately secured by a mortgage over business assets. (We will discuss security arrangements with you in detail when we assess your application).

### **6. How to apply**

- 6.1 To apply for a First Start loan:
  - (a) read this guideline and discuss your proposal with us. (You may also consider discussing your application with, or seeking assistance from your business adviser/s); and
  - (b) complete an application form, business plan, cashflow forecast and projected catch which are located on QRIDA's website. Instructions for completion are included in these forms. Please contact us should you require any assistance; and
  - (c) submit your application and supporting documents to us by post, email or fax.
- 6.2 First Start Loans are subject to the availability of funds.
- 6.3 Penalties apply for providing false and misleading information.

### **7. How loans are assessed and decided**

- 7.1 Upon receiving your application, we will acknowledge receipt by email or mail and let you know if any further information is required to commence assessing your application.
- 7.2 Complete applications will be allocated to an assessor who will contact you to discuss your application to ensure we fully understand your proposal. Our assessor will also liaise with your business advisors or financiers as necessary.
- 7.3 We assess applications in date order of receipt and incomplete applications will not enter the assessment queue until all required information is received.
- 7.4 QRIDA will decide First Start Loan applications and make a loan offer in writing to approved applicants.
- 7.5 If offered a loan you will be required to enter into a loan agreement with QRIDA which will be prepared in conjunction with loan security documentation. This agreement will include details of loan terms and conditions, repayment details and interest rates.

### **8. Other requirements**

- 8.1 First Start Loans are subject to an annual review and recipients are required to provide the necessary financial information when requested each year.
- 8.2 The interest rate on your First Start Loan may be increased to commercial rates if for example your financial capacity improves during the term of the loan to the point where the concessional rate is no longer required.
- 8.3 You will be required to report annually on the outcomes achieved with the loan funds relative to the agreed activities outlined in the loan agreement.

## 9. More information

If you would like more information about First Start Loans we will answer any questions you may have. We can be contacted on **Freecall 1800 623 946** or visit [www.qrida.qld.gov.au](http://www.qrida.qld.gov.au).

Regional Area Managers located in Brisbane, Bundaberg, Townsville, Cloncurry, Innisfail, Kingaroy, Emerald (with an office in Longreach), Mackay, Rockhampton, Roma and Toowoomba are also available to assist you.

## 10. Definitions

**Commercial wild-catch fisher** means:

- (a) a sole trader who spends the majority of his or her labour on, and derives the majority of his or her income from a commercial wild-catch fishing business; or
- (b) in relation to a partnership, proprietary company or trust that carries on a commercial fishing enterprise, any partner in the partnership, shareholder in the company or trustees of the trust who spends the majority of their labour on, and derives the majority of their income from, the commercial wild-catch fishing business.

**Commercial wild-catch fishing** means the fishing and harvesting for commercial purposes of marine and freshwater species from a wild population that are caught in their natural environment.

**Commercial wild-catch fishing business** means a business that:

- (a) is carried on by a sole trader, trust, partnership or proprietary company that involves aquacultural and commercial wild-catch fishing.
- (b) holds an Australian Business Number (ABN).

**Sharefisher** means a person who

- (a) works in a business in the commercial wild-catch fishing industry and
- (b) shares the proceeds of the business with the owner of the business.