

# AgriStarter Loan Guidelines

## Loans for new farm businesses

July 2022



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# 1 Summary

The Regional Investment Corporation (RIC) is offering **AgriStarter Loans** to encourage and support people in obtaining their first farming business, develop a share farming or farm leasing business, or to assist with farm business succession planning and giving effect to succession plans.

There are two kinds of **AgriStarter Loans** – succession loans and first farmer loans. Succession loans are available to help applicants undertake succession activities (being the succession planning process or activities identified in that process). First farmer loans are available to help eligible loan applicants to:

- purchase a farm business or a controlling interest in a farm business, or
- establish or develop a farm business in which the applicant has or will have the sole or a controlling interest (including by funding the purchase of land, infrastructure, equipment or stock, and covering other farm costs such as operating expenses), or
- develop an existing farm business that involves share farming or farm leasing arrangements, in which the applicant has or will have the sole or controlling interest (including by funding the purchase of infrastructure, equipment or stock, and covering other farm costs such as operating expenses).

To qualify for a loan, you must meet all eligibility criteria (see sections 3.1 to 3.4 below).

**AgriStarter Loans** can be for up to \$2 million.

The initial loan term is ten (10) years, with interest-only repayments for the first five (5) years and principal and interest repayments for the final five (5) years. A variable interest rate applies to the loans.

After reading these guidelines you may wish to contact us to discuss your individual circumstances before deciding whether to apply. You can contact us on 1800 875 675, via email [applications@ric.gov.au](mailto:applications@ric.gov.au) to or visit [ric.gov.au](http://ric.gov.au).

When you are ready to apply, complete the [application form](#).

## 2 About the AgriStarter Loan

The Australian Government, through the RIC, is providing **AgriStarter Loans** to assist eligible applicants to:

- buy an existing farm business
- establish a new farm business

- develop a farm business that the applicant has recently established or acquired (or will establish or acquire),
- develop a farm business that the applicant currently owns, that involves share farming or farm leasing arrangements, or
- to support succession arrangements in respect of the farm business.

Subject to the limits outlined in these guidelines, these loans can be used for most genuine farm business-related expenses to help establish and safeguard the profitability and productivity of those businesses into the future.

For all our loans, applicants must demonstrate (among other things) that they are in need of financial assistance, and their farm business is financially viable or has sound prospects of becoming financially viable within the term of the loan.

See the [Glossary](#) for definitions of key terms.

## 3 Who can apply

You can apply for a first farmer loan if:

- you are seeking to purchase, establish or develop a farm business, including a share or farm leasing business, in which you hold or will hold the sole or a controlling interest (see sections 3.1 and 3.1.1 – First Farmer).

You can apply for a succession loan if:

- you are a farm business, or
- you are a farm business successor – that is, you have recently inherited or will inherit an interest in a farm business, or have recently acquired or will acquire an interest in a farm under a succession plan (see sections 3.1 and 3.1.2 – Succession loans)
- you are a farm asset successor – that is, you hold the sole or a controlling interest in a farm business, and have recently inherited or will inherit farm assets, or have recently acquired or will acquire farm assets under a succession plan (see sections 3.1 and 3.1.2 – Succession loans).

### 3.1 Eligibility criteria

An applicant must meet the eligibility criteria before they can obtain an **AgriStarter Loan**. In all cases, the recipient of the loan must:

- have already obtained, or demonstrate that they will obtain within a reasonable period, a loan on commercial terms (see section 5.1.1)
- be in financial need of a concessional loan

- have the capacity to repay the loan, and
- meet all farm business eligibility criteria (see sections 3.2, 3.3 and 3.4).

It will also be necessary to show that the relevant farm business will be an 'eligible farm business' after the succession arrangements have been carried out, or the purchase, establishment or development of the farm business is complete.

### **3.1.1 First Farmer**

To be eligible for a first farmer loan, in addition to eligibility criteria outlined in section 3.1, applicants must:

- have at least three (3) years of relevant on-farm or equivalent experience, and
- intend to have the farm business as their principal business pursuit.

#### **First Farmer**

If you will use the loan to buy, establish or develop a farm business, you must:

- have not previously held the sole or controlling interest in a farm business (other than the recently acquired or established business in respect of which the loan is sought).

First Farmers will also need to show that the loan is for one or more of the following purposes:

- purchasing the sole or a controlling interest in a farm business
- establishing a farm business in which they will hold the sole or a controlling interest
- developing a farm business that they have recently acquired or will acquire, being a farm business in which they hold or will hold the sole or a controlling interest
- developing a farm business that they have recently established or will establish, being a farm business in which they hold or will hold the sole or a controlling interest.

#### **First Farmer - Share Farming / Farm Leasing Business**

There are specific requirements if your farm business involves share farming or farm leasing (or both). If you will use the loan to develop an existing farm business that you own that involves share farming or farm leasing arrangements, you must:

- hold the sole or a majority interest in a share farming or farm leasing business
- have not previously held the sole or a majority interest in another farm business or have not previously held the sole or a majority interest in land on which primary production aspects of a farm business were being undertaken

- provide a copy of the formal written share farming or farm leasing agreement signed by both parties, detailing the start and end dates of the agreement and land being leased or share farmed.

Share farmers and farmers leasing land will also need to show that the loan is for one or more of the following purposes:

- purchasing the sole or controlling interest in a farm business, including a share farming or farm leasing business
- develop a share farming or farm leasing business that they have recently established or acquired (or will establish or acquire)
- developing a share farming or farm leasing business, even if this results in the farm business no longer involving share farming or farm leasing.

### 3.1.2 Succession loans

To be eligible for a succession loan, in addition to eligibility criteria outlined in section 3.1, applicants must demonstrate that:

- the farm business is undertaking or has undertaken succession planning, and
- the loan is to support succession arrangements (that is, the succession planning process and the activities identified in the succession planning process).

There are also further requirements, which differ depending on whether you are a farm business successor, farm asset successor or farm business.

#### **Farm business succession**

If you will use the loan to support farm business succession, you will need to show that, after the succession arrangements have been carried out:

- at least one (1) member of the farm business will have experience operating a farm business or a demonstrated potential to operate a farm business, and
- at least one (1) member of the farm business intends to have the farm business as their principal business pursuit.

#### **Farm asset succession**

If you will use the loan to support farm asset succession, you will need to show that, after the succession arrangements have been carried out, the farm business in which the farm asset successor holds the sole or controlling interest will:

- have at least one (1) member who has experience operating a farm business or a demonstrated potential to operate a farm business, and
- have at least one (1) member who intends to have the farm business as their principal business pursuit.

### Loan to a farm business

If the loan is to be provided directly to a farm business, at least one (1) member of the farm business must have the farm business as their principal business pursuit.

## 3.2 Farm business eligibility criteria

To be eligible for a first farmer loan or succession loan, your farm business must:

- be assessed by us as financially viable, or having sound prospects of becoming financially viable within the term of the loan (see section 3.3)
- be involved within the agricultural, horticultural, pastoral, beekeeping (apicultural) or aquacultural industries. A farm business must be engaged in primary production activities described under the Australia and New Zealand Standard Industrial Classification 2006 (ANZSIC) 1292.0 (Revision 2.0) Codes 01 Agriculture and 02 Aquaculture, with some exceptions. Refer to [Industries eligible for a RIC loan](#)
- undertake all primary production aspects of the business wholly within Australia
- operate as a sole trader, partnership, a trust or a corporation (within the meaning of the *Corporations Act 2001* (Cth))
- be registered for tax purposes in Australia with an ABN and be registered for GST
- not be under external administration or bankruptcy
- have at least one (1) member who is an Australian citizen or a permanent resident.

## 3.3 Sound prospects of long-term financial viability

To be eligible for an **AgriStarter Loan**, your farm business must have sound prospects of ongoing financial viability within the term of the loan.

A farm business is considered financially viable when the business generates sufficient net profit after fixed and variable expenses to:

- service borrowings at commercial interest rates
- provide an adequate standard of living for relevant members of the farm business
- allow investment on-farm to maintain the farm's productive assets
- provide funds for investment that increases long-term productivity.

## 3.4 Connection to constitutional trade or commerce

An **AgriStarter Loan** must have a particular kind of connection to 'constitutional trade and commerce'. 'Constitutional trade or commerce' means trade or commerce:

- between Australia and places outside Australia, or
- among the States, or
- within a Territory, between a State and a Territory or between two (2) Territories.

A succession loan can only be made:

- to support farm business succession in respect of a farm business that is engaged solely or mainly in producing commodities for constitutional trade or commerce, or
- to support farm asset succession in respect of a farm business in which a farm asset successor holds the sole or a controlling interest, and that is engaged solely or mainly in producing commodities for constitutional trade or commerce, or
- for the purpose of encouraging or promoting constitutional trade or commerce.

A first farmer loan can only be made:

- in respect of a farm business that is engaged solely or mainly in producing commodities for constitutional trade or commerce, or
- for the purpose of encouraging or promoting constitutional trade or commerce.

For a business to be engaged in producing commodities ‘for’ constitutional trade or commerce, it does not need to sell produce directly to the relevant interstate, overseas or Territory markets. It is sufficient for the business to sell produce into supply chains that will distribute the produce in those markets.

Alternatively, the relevant farm business might not yet be engaged in constitutional trade or commerce (e.g., because it has not yet been established). Where this is the case, the loan might encourage or promote constitutional trade or commerce where, for example, it is given to a first farmer to establish a farm business that will engage solely or mainly in producing commodities for constitutional trade or commerce.

If you are applying for an **AgriStarter Loan** in relation to a farm business that does not, at present, solely or mainly produce commodities for relevant interstate, overseas or Territory markets, you must either:

- be proposing to use the loan for specific expenditure directed at securing such markets in the future, or
- outline the steps you plan to undertake to access these markets.

If you are granted an **AgriStarter Loan** in such a case, the terms of the loan will either require you to use the loan for the proposed purpose, or to take steps towards transforming the farm business into a business that solely or mainly produces commodities for a relevant market.

Before collating evidence to support your application, you may wish to discuss your individual circumstances with us. We can help you to identify the types of evidence we require.

Examples of acceptable evidence to meet this criterion can include one (1) or a combination of the following:

- a business plan that includes a succession plan
- a statutory declaration from you or a relevant third party, including your processor or wholesaler
- supply contracts or sales receipts
- a heads of agreement document
- vendor declarations
- correspondence with processors, wholesalers, retailers or other organisations in the supply chain
- correspondence with industry bodies or government authorities about access to new or existing markets.

#### **Mix between interstate, territories and/or overseas sales**

You will be eligible for an **AgriStarter loan** regardless of the mix between your actual or intended sales into the relevant interstate, overseas and Territory markets. For example, an applicant with an actual or intended mix of 100 per cent interstate sales and 0 per cent overseas sales will be treated in the same way as an applicant with an actual or intended mix of 50 per cent interstate sales and 50 per cent overseas sales. You only need to provide evidence that the commodities the farm business produces (or will produce) are (or will be) solely or mainly for the relevant markets to satisfy this requirement.

## **3.5 Gathering evidence and supporting documentation**

As part of your application process, you may be asked to provide evidence that your farm business meets the eligibility criteria. The types of evidence required will depend on the individual circumstances of your farm business. Contact us if you would like to discuss your application before compiling supporting documentation.

# **4 Loan uses**

## **4.1 Eligible loan uses**

**AgriStarter Loans** can only be granted for particular purposes. For a succession loan, the purpose must be to support succession arrangements in respect of a farm business that is or will be an eligible farm business. For a first farmer loan, the purpose must (broadly speaking) be to support the purchase, establishment or development of a farm business, including a share or lease farming business, that is or will be an eligible farm business.

You can use the loan for a range of purposes within those overarching requirements, including:

- funding the purchase of the farm business, including land, infrastructure and other farm business assets
- funding the purchase of land, infrastructure and other farm business assets as part of establishing or developing the farm business
- buying out relatives during farm business succession
- paying costs associated with the succession planning process
- paying for legal costs or stamp duty.

If you recently purchased a farm business, or received it as part of succession arrangements and are seeking capital to get it up and running, you can use this loan to:

- invest in new infrastructure, machinery or productivity enhancements
- cover operating expenses (e.g. planting crops, buying livestock or paying bills and wages)
- refinance certain existing debt at our low interest rate to improve cash flow (see section 5.1.2). However, you may not use a loan to refinance personal debt or debt not related to the farm (see section 4.2).

If you currently own a farm business that involves share farming or lease farming arrangements and are seeking capital to upgrade and strengthen your business, you can use this loan for any of the purposes below, even if it results in the farm business no longer involving share farming or farm leasing:

- purchasing an interest in a farm business
- purchase land to develop the farm business, even if this results in the farm business no longer involving share farming or farm leasing
- purchase farm equipment, infrastructure and other farm business assets
- cover operating expenses (e.g. planting crops, buying livestock or paying bills and wages)
- refinance certain existing farm-related debt.

Whether you're buying an existing farm business, undertaking succession arrangements, or developing or establishing a farm business, our loans can be used for most genuine farm business-related expenses.

### **Outlining a business case for your loan use**

You will need to outline a business case for the loan use in your application. This will need to include the intended outcomes of the proposed activities. Focus on how the activities will ensure the profitability and productivity of your farm business, help to manage risks and contribute to long-term viability.

If you are proposing to use the loan for the purchase of a new farm business or farm land, your business case will need to be supported by independent financial advice.

## **4.2 Non-eligible loan uses**

Examples of non-eligible loan uses may include, but are not limited to:

- purchase of private and domestic assets
- payment of private and domestic expenses
- purchase of and/or investment in non-farm assets and payment of non-farm expenses
- payment of tax and statutory payments (subject to the exceptions set out in the definition of that term – see the Glossary)
- your own labour costs
- reimbursement for depreciation of assets
- payment of dividends or other distributions of equity to owners
- activities funded under other Commonwealth and state or territory government programs (except for debt that is refinanced from other concessional loans).

Please contact us if you are not sure whether the activities you would like to undertake are eligible.

# **5 Loan features**

## **5.1 Loan amount**

Eligible applicants can apply for a loan of up to \$2 million. There is no minimum loan value.

### **5.1.1 New Debt**

You may apply for new debt of up to \$2 million, or the amount that would result in half your total debt being held in Commonwealth-funded concessional loans – whichever is the lesser.

Your 'total debt' is the total debt you owe in respect of the relevant farm business, including both commercial debt and debt established under Commonwealth-funded concessional loans.

If you are in the process of applying for commercial debt, you can apply to us for a matching amount (or less) up to a limit of \$2 million. In such cases, the minimum requirement is that the debt is drawn down simultaneously.

### 5.1.2 Refinancing

Farm businesses may apply to refinance up to 50 per cent of their total debt (excluding debts which are not in respect of the farm business, such as personal, credit card and home loan debts), provided that the overall amount of the **AgriStarter Loan** does not exceed \$2 million.

Figure 1 provides examples of the maximum value of a loan for ‘refinancing’ and ‘new debt’ if a farm business held \$800,000 in commercial debt before applying for an **AgriStarter Loan**.

**Figure 1**

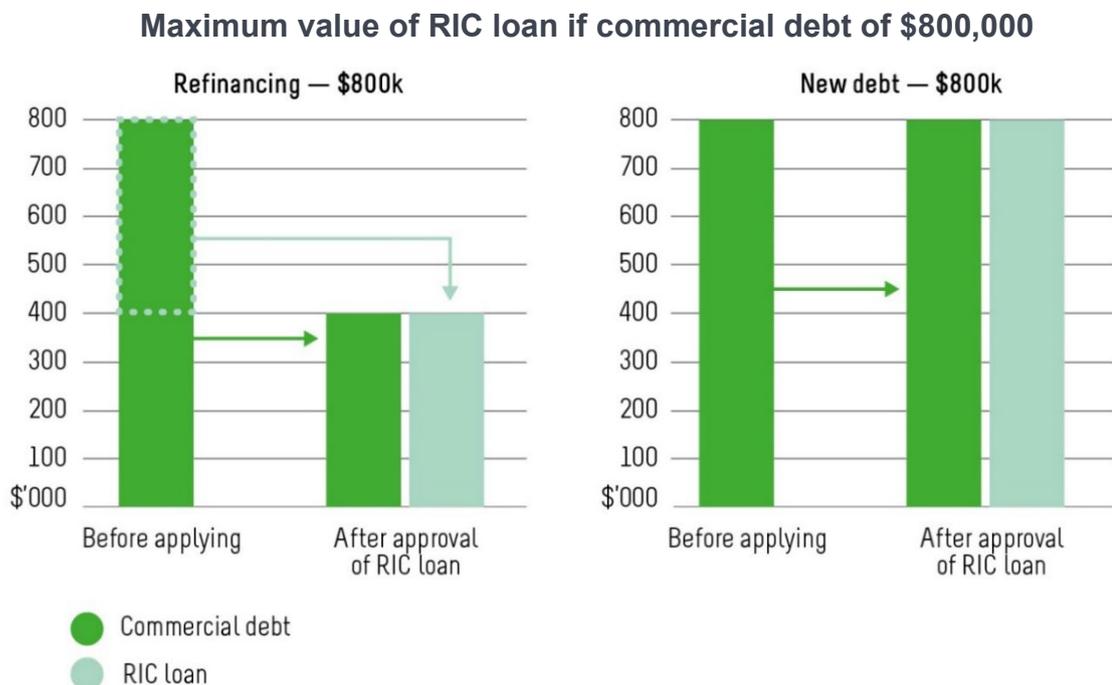
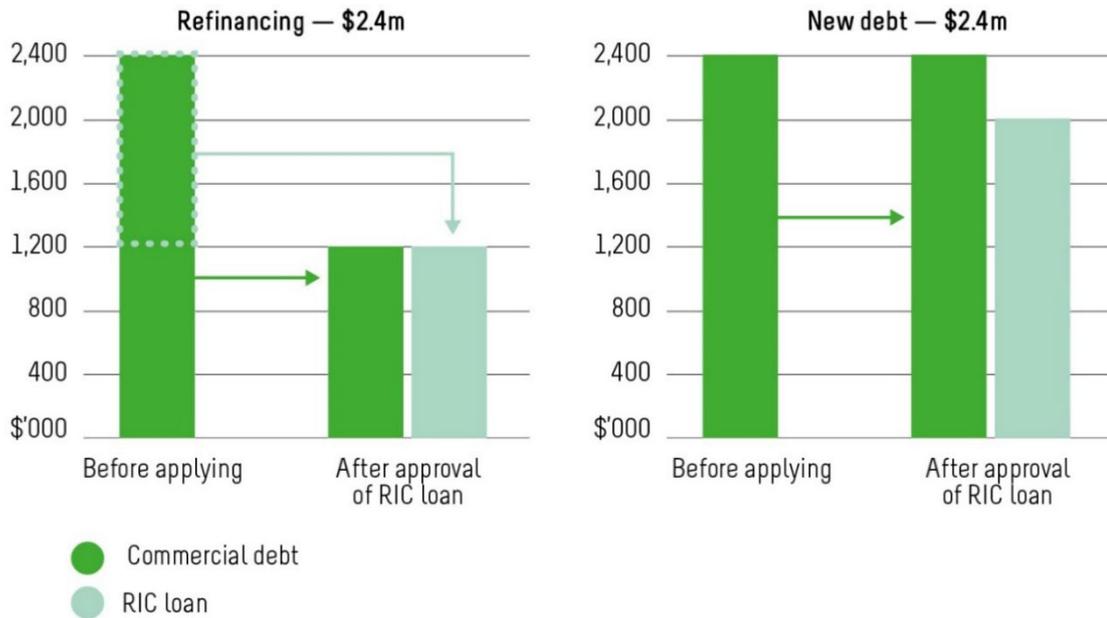


Figure 2 provides examples of the maximum value of a loan for ‘refinancing’ and ‘new debt’ if a farm business held \$2.4 million in commercial debt before applying for an **AgriStarter Loan**.

**Figure 2**

**Maximum value of RIC loan if commercial debt of \$2.4 million**



**Note**

Under a new debt of \$2.4 million, the loan amount does not match the amount held in **commercial debt** because the maximum amount of a loan is capped at \$2 million.

## 5.2 Loan term and repayments

The term of an **AgriStarter Loan** is 10 years.

Loan recipients make interest-only repayments for the years 1-5; and principal and interest repayments for years 6-10. Principal repayments will be calculated on the basis of a longer loan term, meaning that only a proportion of the principal will be repaid during the life of the loan. At the end of the loan term, the loan recipients must repay or refinance any remaining loan balance through commercial finance (or repayment by other means).

The principal of the loan may be repaid (wholly or partly) at any time during the term of the loan without incurring a fee.

We will determine the repayment amounts and frequency offered to successful applicants and this will be detailed in the loan agreement.

Under no circumstances can a loan recipient redraw on repaid **AgriStarter Loan** amounts.

## 5.3 Interest rate

The current variable interest rate is published on our website. We will review and revise the interest rate if necessary in accordance with material changes to the

Commonwealth 10-year bond rate, where a material change is a movement of more than 10 basis points (0.1 per cent).

Any interest rate change will be effective from 1 February and/or 1 August each year, as applicable.

We will give loan recipients advance notice of any changes in writing and on our website.

We will determine how interest is calculated and charged and outline this in the loan agreement.

## 5.4 Loan draw down

Successful applicants must fully draw down their **AgriStarter Loan** from us within six (6) months of signing the loan agreement or as otherwise agreed with us.

We will specify details for repayment of the loan in the loan agreement.

We will pay loans to the Australian bank account held by the loan recipient and nominated by the applicant or relevant third parties at the time of settlement.

## 5.5 Relationship with other concessional loans

An eligible farm business may only hold up to \$3 million in concessional loans across previous and existing government-funded concessional loans (including our loans), with the exception of the Commonwealth's Dairy Recovery Concessional Loans. Farm businesses that hold a Dairy Recovery Concessional Loan may hold up to \$4 million in total.

At the time a RIC loan is approved, the eligible farm business must have commercial debt equal to or more than the amount held in government-funded concessional loans (including our loans).

### 5.5.1 Refinancing a government-funded concessional loan

If you hold a government-funded concessional loan, you may be eligible to refinance some or all of the loan with us. You can refinance existing concessional loans either in full or in part, provided that the new **AgriStarter Loan** does not exceed \$2 million, or the amount that would result in half your total debt being held in Commonwealth-funded concessional loans – whichever is the lesser (see section 5.1 above).

The refinanced loan must be drawn in the same name as the existing concessional loan.

### 5.5.2 Applying for more than one loan with us

If you have applied for and received a loan from us, you may still be eligible to apply again. This will be subject to meeting the eligibility criteria at the time of application.

## 6 Loan security

If your loan application is successful, you must provide us with sufficient and satisfactory security that meets our security requirements. The security you provide can include one (1) or a combination of:

- a registered mortgage over land or other assets satisfactory to the RIC
- any other security that we consider necessary.

We will consider a registered mortgage over livestock, a registered security interest in water rights, and a mortgage or other security interest in other chattels, as possible loan securities on a case-by-case basis. We will settle mortgage priority arrangements through mutual agreement with you and your farm business's commercial lender. We will decide what constitutes sufficient and satisfactory security based on your individual circumstances.

Where applicable, assets you provide as security must be insured to the level we require. For example, against fire or flood.

We reserve the right to enforce our security interests if you do not comply with the terms and conditions of the loan or you default on loan repayments.

## 7 How to apply

To ensure your application has addressed all the necessary requirements, please:

- read these guidelines
- discuss your individual circumstances with us
- consider discussing your application with, or seeking assistance from, a trusted advisor or your local Rural Financial Counsellor.

When you're ready, there are 2 ways to apply for a **AgriStarter Loan**:

1. Using our online application form
  - complete the online [application form](#) and compile all supporting documents identified in the [AgriStarter Loan Document Checklist](#) in the application form
  - submit your application and all required information online. We can't start assessing your application until we get all the information we ask for, including attachments.
2. Using our PDF application form

If using the [PDF application form](#), submit your application and all required information to us at [applications@ric.gov.au](mailto:applications@ric.gov.au) or send to Regional Investment Corporation, PO Box 653, Orange, NSW, 2800.

Further information on how to address each of the eligibility criteria can be found in the application form.

If you require assistance, contact us on 1800 875 675 or via email at [applications@ric.gov.au](mailto:applications@ric.gov.au)

## 8 How applications are assessed

We will assess applications in accordance with these guidelines, the *Regional Investment Corporation Act 2018* (Cth), the *Regional Investment Corporation (Agristarter Loans) Rule 2019* and any additional ministerial direction made under the Act. The eligibility and assessment criteria may change from time to time.

In conducting our loan assessments, we will refer to information provided by the applicant as well as information gathered following our own independent investigations and background checks, such as inquiries about the applicant's credit history from credit reporting agencies, as required.

We will assess applications through a non-competitive priority process based on the order of receipt. To be eligible, applicants and their farm businesses must meet the requirements of the program as specified in these guidelines.

Loan offers will be subject to the availability of funds and will be made at our discretion. Lodging an application does not guarantee that an applicant will receive an **AgriStarter Loan**.

When assessing applications, we will verify the information provided by applicants. We may liaise with the applicant, their bankers and professional advisors as required to confirm and verify documentary evidence and information provided.

If an incomplete application is lodged, we will contact the applicant to advise of any required information. Applicants can submit the missing information without lodging a new application provided it is received within the timeframe that we specify. If the applicant is unable to meet this requirement, their application may be declined.

Before applying for an **AgriStarter Loan** or making a decision about whether to enter into a loan agreement, applicants should seek advice from their legal, business and financial advisors. Applicants are responsible for all costs incurred in the preparation and lodgement of their application.

## 9 Loan funding availability

The availability of loans is subject to the availability of funds. If the funding allocation is fully committed, no further applications will be considered. If this happens, notification of the early closure will be published on our website and those who have already lodged an application will be advised in writing.

## 10 Notifying applicants of loan decisions

We will provide formal written notification of the assessment outcome. If your loan application is declined, we will give you the reasons for the decision.

If your application is accepted, you must sign a loan agreement with us in order to receive an **AgriStarter Loan**. This will set out the terms and conditions of the loan, including the requirement for the successful applicant to provide sufficient and satisfactory security. You must pay any actual costs of establishing the loan. Costs might include title searches, mortgage registration, Personal Property Securities Register searches and registrations and personal and corporate background checks.

## 11 Decision review process

If you disagree with our decision on your loan application, you can request a review of that decision. You must submit the request for a review in writing to us within 30 business days of receipt of the decision notification.

The request should be as specific as possible and you should ensure you provide us with sufficient new information to undertake the review.

Outline the reasons you disagree with the decision and address the issues identified in the decision notification. In your review request, you should:

- explain why you disagree with our assessment that you did not meet the eligibility criteria
- outline the factors you believe may have been overlooked by us in determining your eligibility
- provide additional relevant information not included in your original application that you believe may alter the assessment outcome.

Requests to review a decision can be lodged online at: [Decision Review Request](#)

Or posted to:

Loans Review Officer

Regional Investment Corporation  
PO Box 653  
Orange NSW 2800

Within 30 business days of receiving a request for a review, the Chief Executive Officer or delegate, will review the decision, make a Determination and advise you of the outcome. The reviewer will be a person not involved in the making of the original decision.

A Determination is a final decision. There is no further appeal against the Chief Executive Officer or delegate's Determination. Our Complaints and Feedback procedure cannot be used as a review mechanism.

There is no provision in the *Regional Investment Corporation Act 2018* (Cth) for review by the Administrative Appeals Tribunal to approve or not approve a loan. Additionally, it is outside the jurisdiction of the Commonwealth Ombudsman, as it is not an Australian Federal Government agency within the meaning of the *Ombudsman Act 1976* (Cth).

## 12 Loan conditions

### 12.1 Contracting arrangement

If we accept your application, you will be required to enter into a loan agreement with us before we can give you any loan funds. The loan agreement will be for the term of the loan (10 years unless terminated earlier) and will set out the full details of the individual loan terms and conditions.

If you do not sign your loan agreement within the time frame provided, your loan offer may lapse. No contractual arrangement will exist until you sign a loan agreement with us. However, a loan agreement is binding once entered, and we may take action against you if you breach its terms.

### 12.2 Loan reviews

Every year we will conduct a loan review to monitor your compliance with the terms and conditions of the loan agreement as well as the ongoing capacity of your farm business to meet those terms and conditions. During the review we may consult with your commercial lender.

We will give you at least two (2) months' notice of a loan review. You must give us evidence of expenditure of the **AgriStarter Loan** funds when requested. These requirements will be contained in your loan agreement and are not imposed by the

guidelines themselves. Evidence of expenditure includes all tax invoices, official receipts, bank statements or other similar records of amounts paid.

When we assess whether an eligible farm business has complied with the terms and conditions of the loan agreement in its expenditure and the activities it has undertaken, we will consider the expenditure and activities originally identified in the application form. As part of the final loan review, we will assess the business's capacity to refinance the remaining principal with a commercial lender when the loan term expires.

## 12.3 Reporting requirements

If your application is accepted and you enter into a loan agreement, the loan agreement will require you to provide us with information throughout the term of the loan. Your reporting requirements and the types of information you must give us will be set out in the loan agreement.

## 13 Conflict of interest

We will take all reasonable measures to ensure that those involved in assessing and making decisions about applications do not have any conflicts of interest.

## 14 False or misleading information

If we find that any information you have given us in your application is false or misleading, we may take action to recover any funds advanced. We may also refer the matter to relevant law enforcement authorities of the relevant Australian, state or territory governments.

If you give false or misleading information in your application you may have committed an offence under the *Criminal Code Act 1995* (Cth).

## 15 Onus on the applicant

When you apply for an **AgriStarter Loan**, you are responsible for ensuring that:

- you have read and understood these guidelines and all the documents referred to in these guidelines
- all information in your application is true and correct to the best of your knowledge.

You are responsible for ensuring that you have read and understood all aspects of:

- the loan agreement and its terms and conditions
- any other documents that we provide.

You should seek advice from your legal and financial advisors before you apply for an **AgriStarter Loan**. In some circumstances, we may require you to obtain such advice as a condition of approval. If you have questions about business tax, you can contact the Australian Taxation Office call centre on 13 28 66.

## 16 Privacy

The RIC and the Australian Government may use your personal information to assess your application and administer the **AgriStarter Loan**.

The application form will require you to consent to the RIC and the Australian Government collecting, using and disclosing your personal information to assess your application and administer **AgriStarter Loans**, and for any other incidental or related purpose (for example, conducting annual loan reviews).

The RIC and the Australian Government may disclose an applicant's personal information to any party engaged in the assessment or evaluation of the **AgriStarter Loans**. Disclosure of information may also occur where authorised or required by an Australian law.

The RIC and the Australian Government will store personal information collected through the application form, supporting documents, the loan agreement and any monitoring and evaluation activities in compliance with the *Privacy Act 1988* (Cth).

Your personal information will not be disclosed overseas.

See our privacy policy to learn more about accessing and correcting personal information or making a complaint. Alternatively, call us on 1800 875 675.

## 17 Disclaimer

Neither the RIC nor the Australian Government accept any common law duty of care towards applicants in relation to **AgriStarter Loans** or any information provided about the loans.

Also, the RIC and the Australian Government will not be liable for any loss or damage regardless of how it is caused. This includes:

- damage that results from the negligence of the RIC and the Australian Government
- damage that applicants suffer or incur in relation to **AgriStarter Loans**
- damage suffered as a result of any information the RIC and the Australian Government provide about the loans.

# 18 Evaluation

We may conduct periodic evaluations to determine the contribution the **AgriStarter Loans** makes to Australian Government policy objectives. You may be requested to give us information to help us with those evaluations.

# 19 Review of the guidelines

We may amend or revoke these guidelines at any time. We will publish revised guidelines on our website.

# Glossary

Term	Definition
ABN	means an Australian Business Number issued in accordance with the A New Tax System (Australian Business Number) Act 1999 (Cth).
adequate standard of living	<p>A farm business will be assessed as providing an adequate standard of living if it generates a sufficient cash surplus from its operations (and off-farm income, if any) to provide adequate living expenses for members who are dependent on the farm business (including their relevant family members).</p> <p>Adequate living expenses will be determined based on information provided by the loan applicant. We will consider whether living expenses are adequate based on the particular circumstances of individual households with reference to the Household Expenditure Measure (as a guide), plus adjustments for other expenses as relevant, including housing costs (for example, rent).</p> <p>The Household Expenditure Measure is developed by the Melbourne Institute.</p>
AgriStarter loan	A loan granted under the <i>Regional Investment Corporation (AgriStarter Loans) Rule 2019</i> , being a first farmer loan or a succession loan.
applicant	A first farmer, farm business, farm business successor or farm asset successor who lodges an application for an AgriStarter loan.
application	means the application form and associated documents that an applicant must complete and lodge with the RIC to apply for an AgriStarter loan.
Australian citizen	<p>A person who:</p> <ul style="list-style-type: none"><li>• is an Australian citizen under Division 1 or 2 of Part 2 of the <i>Australian Citizenship Act 2007</i> (Cth); or</li><li>• both:<ul style="list-style-type: none"><li>(i) was an Australian citizen under the <i>Australian Citizenship Act 1948</i> (Cth) immediately before the commencement day of the new Act; and</li><li>(ii) has not ceased to be an Australian citizen under the <i>Australian Citizenship Act 2007</i> (Cth).</li></ul></li></ul>
commercial debt	<p>Debt that has been established upon commercial interest rates, terms and conditions. Debt that has been established upon commercial interest rates, terms and conditions. Examples include banking institutions that take formal security and you hold signed loan agreement documents including mortgage or caveat documents of security provided to secure the debt</p> <p>Examples of debt that is not considered to be commercial debt include, but are not limited to:</p> <ul style="list-style-type: none"><li>• consumer debt ( e.g. home loans; personal loans (for holidays, motor vehicle, medical expenses, home renovations, investment purposes) )</li></ul>

Term	Definition
	<ul style="list-style-type: none"> <li>private debt or family debt not provided at arm's length and at commercial interest rates and terms and conditions</li> <li>non-balance sheet loans</li> <li>equipment finance facilities</li> <li>funding of normal or additional working capital</li> <li>debt that was not established upon commercial interest rates, terms and conditions (such as debt established at a concessional interest rate under Commonwealth and state or territory government schemes).</li> </ul>
Commonwealth-funded concessional loans	<p>Commonwealth-funded concessional loans include loans provided under the following schemes:</p> <ul style="list-style-type: none"> <li>Farm Finance Concessional Loans Scheme</li> <li>Drought Concessional Loans Scheme</li> <li>Drought Recovery Concessional Loans Scheme</li> <li>Farm Business Concessional Loans Scheme, including: <ul style="list-style-type: none"> <li>Drought Assistance Concessional Loans</li> <li>Dairy Recovery Concessional Loans</li> <li>Business Improvement Concessional Loans.</li> </ul> </li> </ul>
company	means a company that is incorporated in Australia and engages in substantial trading or financial activities
external administration	In respect of a company—the external administration of the company in accordance with the <i>Corporations Act 2001</i> (Cth).
farm asset successor	A person who holds the sole or a controlling interest in a farm business and: <ol style="list-style-type: none"> <li>has recently inherited or will inherit farm assets; or</li> <li>has recently acquired or will acquire farm assets under a succession plan.</li> </ol>
farm business successor	A person who: <ol style="list-style-type: none"> <li>has recently inherited or will inherit an interest in a farm business; or</li> <li>has recently acquired or will acquire an interest in a farm business under a succession plan.</li> </ol>
farm leasing	means a formal written contract by which the property owner (landlord) leases land to the lessee (persons or persons), to undertake farming activities on the land. In a farm lease arrangement the lessee pays rent to the landlord and retains any profits made from their farming activities on the land leased.
first farmer	A person who is seeking to purchase, establish or develop a farm business in which the person holds or will hold the sole or a controlling interest.
government-funded concessional loans	<p>Government-funded concessional loans include:</p> <ul style="list-style-type: none"> <li>Commonwealth-funded concessional loans (see definition in these guidelines)</li> <li>State government-funded loans, including the following: <ul style="list-style-type: none"> <li>New South Wales—Farm Innovation Fund</li> <li>Victoria—Young Farmer's Finance Scheme</li> <li>Queensland—Productivity Loans (including Sustainability Loans and First Start Loans), White Spot Disease Concessional Loans</li> <li>Tasmania—AgriGrowth Loan Scheme.</li> </ul> </li> </ul>
GST	Goods and Services tax that is payable under A New Tax System (Goods and Services Tax) Act 1999 (Cth)
loan agreement	means a loan agreement between the RIC and a loan recipient in respect of an AgriStarter loan.
member of a farm business	Where the farm business is carried on by: <ol style="list-style-type: none"> <li>a sole trader – the sole trader; or</li> <li>a partnership – a partner of the partnership; or</li> <li>a trust – a beneficiary or unit-holder of the trust; or</li> </ol>

Term	Definition
	d) a corporation (within the meaning of the <i>Corporations Act 2001</i> (Cth)) – a member of the corporation.
non-farm assets	Assets that are not essential to the effective running of the farm business, including land or property, residential (not used as the primary place of residence) or business, for the applicant or any member of the farm business (as applicable). Life insurance policies and superannuation, provided the superannuation is in a complying superannuation fund for the purposes of the <i>Superannuation Industry (Supervision) Act 1993</i> (Cth) are excluded.
official receipt	A receipt that includes: <ul style="list-style-type: none"> <li>• the name and address of the entity that issued the receipt</li> <li>• the entity's ABN</li> <li>• a description of each item covered by the receipt.</li> </ul>
permanent resident	a) A permanent resident, for the purpose of the RIC's <b>AgriStarter Loan</b> , is considered to be a permanent resident as defined by the <i>Australian Citizenship Act 2007</i> (Cth) or b) a New Zealand citizen who holds a special category visa.
principal business pursuit of a person	A business pursuit: <ol style="list-style-type: none"> <li>a) to which the person contributes or plans to contribute at least 50 per cent of their labour; and</li> <li>b) from which the person derives or plans to derive at least 50 per cent of their income.</li> </ol>
share farmer	means a person or persons engaged in a joint arrangement with a property/land owner via a formal written agreement, to undertake farming activities on the land and where any profits and risks are shared. Each business remains legally separate, dividing earnings and costs by the ratio decided upon in the agreement.
tax and statutory payments	means compulsory monetary contributions demanded by a government and levied on incomes, property, goods purchased or other payments prescribed or authorised by legislation. Examples include: <ul style="list-style-type: none"> <li>• Federal taxes</li> <li>• state government taxes</li> <li>• government-imposed fines and penalties</li> <li>• court ordered payments.</li> </ul> <p><b>State government taxes</b></p> <p>The purchase of agricultural land is an eligible loan purpose. Loan funding may be applied to the payment of state government stamp duty (subject to the terms and conditions of individual loan agreements).</p> <p>For the purpose of AgriStarter loans, 'state government payroll tax' is excluded from the definition of tax and statutory payments. Loan funding may be applied to the payment of state government payroll tax as an operating expense (subject to the terms and conditions of individual loan agreements).</p> <p><b>Council rates</b></p> <p>For the purpose of AgriStarter loans, 'council rates' are excluded from the definition of tax and statutory payments. Loan funding may be applied to the payment of council rates as an operating expense (subject to the terms and conditions of individual loan agreements).</p>
trust	means a trust where at least one of the following requirements is satisfied: (a) all the trustees of the trust are <b>Companies</b> , (b) the law of the trust and the law of the trust's administration are the law of a Territory.