

Economic Resilience Program



What is the Economic Resilience Program?

The Australian Government has announced a \$1 billion Economic Resilience Program to be drawn from the \$15 billion National Reconstruction Fund (NRF).

Zero interest loans provided through the Economic Resilience Program are intended to support manufacturers and logistics companies in areas of the economy such as freight, fuel, fertiliser and plastics, who are impacted by market disruptions. It will also keep Australia's industries moving, and secure and scale critical production activities.



What kind of support will be provided through the Economic Resilience Program?

Support provided through the Economic Resilience Program will be in the form of zero interest loans. These are loans, not grants, and businesses will be required to pay back the principal at the end of the loan term.

The program involves:

- Zero interest loans administered directly by participating Australian banks to eligible customers who have been materially impacted by market disruptions in the context of the current conflict in the Middle East.
- Zero interest loans directly administered by the NRFC in cases where the requirement from an eligible business falls outside the scope of the bank-administered program.



What is the National Reconstruction Fund?

The National Reconstruction Fund (NRF) is a \$15 billion government-backed sovereign fund investing in manufacturing, logistics and industrial capability across eight Priority Areas of the Australian economy. The NRF works to maintain and build resilience and deliver sovereign capability, supporting current industries as well as helping to develop future ones.

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Who is the assistance targeted at?

Loans are intended to support manufacturers and logistics companies in areas of the economy such as freight, fuel, fertiliser and plastics that face significant market disruption in the context of the current conflict in the Middle East.

When is the Economic Resilience Program open for business?

The Economic Resilience Program is open to eligible businesses from Monday, April 20 and the application period for loans will be open for six months.

The NRF and the Government will regularly monitor and review the delivery of the Economic Resilience Program.

Which banks are participating?

Banks initially participating include ANZ, Commonwealth Bank Australia, National Australia Bank, Westpac, Bendigo Bank, Bank of Queensland, and Judo Bank. Other banks are expected to be added to the Economic Resilience Program over time.

Is there a minimum or maximum size of loan available under the Economic Resilience Program ?

- There is no minimum size for loans under the Economic Resilience Program.
- Loans under the bank-administered part of the program are capped at \$5 million.
- A business may apply for an initial loan under the bank-administered part of the program and subsequently apply to add to that initial loan amount (capped at \$5 million) provided the application is received within the six month application period.
- Loan requests in excess of \$5 million must be made directly to the NRFC.

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What timeframe applies to repaying the loans?

While banks may offer longer loans, including commercial interest rates, the NRFC-supported zero interest loans administered by banks have a duration of up to two years.

Timeframes for loans administered directly by the NRFC are tailored to customer needs. No interest is payable on the loans.

What size of business can apply for the loans?

The Economic Resilience Program has been created to offer support for a wide variety of Australian businesses, including small to medium enterprises.

- Businesses who are seeking a zero interest loan of less than \$5 million can apply to their participating bank for a bank-administered loan.
- Businesses who are seeking a zero interest loan of more than \$5 million must apply directly to the NRFC to be considered.

Are fees payable on these loans? What happens if a business defaults?

While there is zero interest payable on the loans, each loan will be subject to each bank's standard fee structure and default practices.

Can companies get a grant through the program?

No. The NRFC is not permitted to provide grants. Assistance will be in the form of zero interest loans with a requirement that the principal amount of the loan be repaid in full.

Can I use the Economic Resilience Program to refinance my existing loans or to finance building works?

No. These are not intended uses of the Economic Resilience Program and will not be approved by participating banks.

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What purpose are the funds intended to be used for?

Zero interest loans could be used to:

- Defray increased costs as a result of fuel prices or related inputs sharply rising.
- Assist a company's recovery from supply chain, including fuel-related, market disruption.
- Funding could also be used by key manufacturers to increase production of critical products such as fuels, fertiliser and plastics, where Australia has an urgent need to increase sovereign capability in critical supply chains.



What do I need to demonstrate to be considered eligible?

To be considered eligible for the bank-administered part of the program businesses will need to demonstrate that they are:

- An Australian entity with a valid ABN.
- Involved in manufacturing or logistics in one of the industries targeted for support.
- Materially impacted by market disruption or contributing to Australia's sovereign industrial capabilities.



How do I demonstrate my business is materially impacted by current market disruption?

Eligibility assessment will be carried out by participating banks and can be based on changes in trade terms with key suppliers or customers, delays in supply or increases in the cost of key inputs. Documents used by banks to assess material impact could include demand notices, debt notices, quotes showing prices have gone up significantly, fuel accounts and customer attestation.

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How do I demonstrate I am in an eligible industry?

This will be determined according to the Australian and New Zealand Standard Industrial Classification (ANZSIC) framework issued by the Australian Bureau of Statistics (ABS).

Each industrial business in Australia is allocated an ANZSIC code, which determines how it is classified by the Australian Government. The NRFC will publish a list of eligible ANZSIC codes, and businesses will be required to show that the majority of their business activity falls within approved codes.



How do I apply for a loan under the Economic Resilience Program?

If you are seeking a loan of \$5 million or less, apply by contacting your existing participating bank.

If your bank is not one of the participating banks please contact the NRFC to discuss your options.

If you are seeking a loan of more than \$5 million, you will need to apply directly to the NRFC via erp@nrf.gov.au.