

FARM LOANS AND SUPPORT · PART 7 OF 10

State government farm loans and grants in Australia

By Nick Clunes · Updated 26 October 2026 · 10 minute read

SHORT ANSWER

Queensland and Tasmania run standing farm loan schemes, through QRIDA's First Start and Sustainability Loans and Tasmania's AgriGrowth Loan Scheme. NSW and South Australia have drought loans open as at October 2026, while Victoria and WA have no standing state farm loan open. Disaster recovery loans and grants open after a declared event and close on set dates, so always check the agency page before you apply.

You've heard the state has cheap loans for farmers, but every website seems to list a different scheme. Half of them closed last year. That's normal, because state schemes open for a season, a drought or a disaster, then close when the money runs out.

I worked as a personal and business banker at Greater Bank, then in commercial and equipment finance since 2018. This guide lists each state's farm finance programs as the official sites showed them in October 2026. Treat it as a map, and check the agency page before you rely on any detail.

How state schemes work

Most states lend through an agency rather than a bank. In NSW that's the Rural Assistance Authority (RAA). In Queensland it's QRIDA, which also processes South Australia's drought loans. Tasmania lends through Tasmania Development and Resources.

The loans are concessional (at a lower rate than a normal commercial loan) or interest free for a period. Most need security, which is the land or assets the agency can sell if the loan isn't repaid. Grants are usually a share of a project's cost, so you pay the rest.

New South Wales: Rural Assistance Authority

Open as at October 2026:

- **Drought Ready and Resilient Fund Loan:** up to \$500,000 for preparing for, managing and recovering from drought. Uses include fodder, water, feeding equipment, fencing, solar and new infrastructure. The fixed rate was 4.96% for a 5-year loan or 5.57% for 10 years, linked to NSW Treasury Corporation bond rates and set on drawdown day. It needs a registered mortgage.
- **Drought Relief Loan:** up to \$100,000 over 5 years at 4.96% fixed, with an upfront payment of up to \$25,000. No security is required. It can't be used for fuel, vehicles or refinancing.
- **Natural Disaster Relief Loans:** up to \$130,000 for primary producers directly affected by a declared natural disaster. Transport subsidies of up to \$15,000 are also offered for some events.

For both drought loans, you must earn at least 50% of gross income, or at least \$75,000 in one year, from primary production. Both stay open until funding runs out.

Closed: the Drought Infrastructure Fund (formerly the Farm Innovation Fund), the Seafood Innovation Fund and the Engine and Emerging Industries Loan Pilot. The storm and flood grants on RAA's site were all marked closed in October 2026.

Queensland: QRIDA

Open as at October 2026:

- **First Start Loan:** up to \$2 million to help set up a Queensland primary production business. You can use it to buy a first farm or herd, start leasing or share farming, or join a family business as part of a succession plan. Terms run up to 20 years, with up to 10 years interest only (you pay just the interest).
- **Sustainability Loan:** up to \$1.3 million for an existing Queensland farm business. Uses include upgrades, drought preparedness, irrigation, energy efficiency and biosecurity. It has the same 20-year term and 10-year interest-only option.
- **Drought Preparedness Grants:** up to 25% of the cost of permanent drought infrastructure, to a lifetime total of \$50,000. You need a Farm Business Resilience Plan.
- **Disaster Assistance Loans:** up to \$250,000 for primary producers in a defined disaster area, at 2.14% for listed events. Terms run up to 10 years, with up to 2 years interest only. Closing dates differ by event. For example, the Tropical Cyclone Alfred loans close on 31 December 2026.

QRIDA's rates for First Start and Sustainability Loans from 1 October 2026 were 6.32% variable, 6.29% fixed for 1 year, 6.44% for 3 years and 6.59% for 5 years. The two schemes share a \$120 million lending cap for 2026-27, and applications are assessed in order until 30 June 2027.

To qualify for First Start, you spend most of your labour, and earn most of your income, in primary production. You must have lived in Queensland for six months. You also need suitable experience and sound prospects of a viable business. Neither loan charges fees.

Announced but not yet open: Emergency Drought Assistance Loans (interest free, up to \$50,000) and Drought Carry-on Finance Loans (interest free, up to \$250,000). They were reinstated on 28 July 2026. In October 2026, QRIDA said details would follow.

Victoria

I couldn't find a standing state farm loan scheme open in Victoria in October 2026.

- **Bushfire recovery loans (closed):** Rural Finance ran concessional loans for producers hit by the January 2026 bushfires. They offered up to \$250,000 for asset damage, at 2.46% to 30 June 2027. Applications closed on 21 October 2026.
- **Bushfire recovery grants:** Agriculture Victoria listed grants of up to \$75,000 as open in February 2026. I couldn't confirm they're still open, so ask Rural Finance.
- **Drought:** Farm Drought Support Grants closed on 30 September 2026. The Household Financial Relief Program, up to \$1,000 a family in parts of south-west Victoria, is open until 31 December 2026 or until funds run out.

South Australia

- **SA Drought Loan Scheme (open):** up to \$250,000 over up to 10 years, with no repayments for the first 2 years while interest builds up. For those 2 years the rate is half the 10-year Commonwealth bond rate, fixed. After that it follows the bond rate, reviewed each year. QRIDA listed the bond rate at 4.64% for loans drawn from 27 February 2026.

It's for dryland cropping and livestock farms in the Murray Mallee, Riverland and Upper North. It's for working capital only, not refinancing or equipment. You apply through QRIDA's portal, and you need a Farm Business Resilience Plan within 2 years. It closes on 31 December 2026 or when funding runs out.

PIRSA also lists a Rural Support Grant of up to \$1,500 for producers in significant hardship. Its On-farm Drought Infrastructure Rebate Scheme has closed.

Western Australia

WA's dry season package has closed, and I couldn't find a current standing state farm loan. The interest-free dry season loans of up to \$25,000 had a closing date of 30 November 2024.

Disaster help is open for Severe Tropical Cyclone Narelle. Grants of up to \$40,000 were announced on 9 June 2026 for producers in Exmouth, Carnarvon, Shark Bay, Ashburton and Upper Gascoyne. You apply through DPIRD, and the Rural Business Development Unit is on 1300 374 731.

Tasmania

- **AgriGrowth Loan Scheme (open):** generally \$100,000 to \$3 million for Tasmanian farm and agri-food businesses. It funds productivity projects, new enterprises, replanting and diversification. It can't refinance debt, buy water entitlements or fund working capital.

The concessional variable rate was about 6.28% as at July 2026, for the first five years. Terms are normally up to five years, with longer terms considered case by case. Repayments can be interest only for the concessional period, except machinery loans. Lending goes up to 80% of an acceptable freehold valuation. There's a 0.1% establishment fee, with a \$600 minimum and \$3,000 maximum.

- **Young Farmer Support Package:** part of AgriGrowth, generally for applicants aged 45 or under, preferably buying a first farm. Years 1 and 2 are at TDR's cost of funds, 5.28% as at July 2026. Years 3 to 5 are at cost of funds plus 1%. Unsecured or part-secured loans up to \$250,000 are considered case by case.

Ring Business Tasmania on 1800 440 026 to check eligibility first.

Disaster recovery help, in general

After a flood, fire or cyclone, help usually comes through the Disaster Recovery Funding Arrangements (DRFA). The Australian Government and the states share the cost. The state decides which help to switch on for each event and each local government area.

- **Category B** covers concessional loans or interest rate subsidies, and freight subsidies, for primary producers.
- **Category C** covers clean-up and recovery grants for severely affected areas.
- **Category D** is for exceptional circumstances beyond that.

Each event has its own closing dates. In NSW, for example, loans for the Far West severe weather event close on 9 December 2026. Your state agency's declarations page is the place to check.

The schemes at a glance

State	Scheme	What it's for	Amount	Status, October 2026
NSW	Drought Ready and Resilient Fund Loan	Drought prepare, manage, recover	Up to \$500,000	Open until funds run out
NSW	Drought Relief Loan	Drought recovery	Up to \$100,000	Open until funds run out
NSW	Natural Disaster Relief Loan	Declared disasters	Up to \$130,000	By event
QLD	First Start Loan	New entrants, succession	Up to \$2m	Open to 30 June 2027

State	Scheme	What it's for	Amount	Status, October 2026
QLD	Sustainability Loan	Existing farm upgrades	Up to \$1.3m	Open to 30 June 2027
QLD	Drought Preparedness Grant	Drought infrastructure	25%, up to \$50,000	Open until funds run out
QLD	Disaster Assistance Loan	Declared disasters	Up to \$250,000	By event
QLD	Drought carry-on and emergency loans	Drought	Up to \$250,000 and \$50,000	Announced, not yet open
VIC	Bushfire recovery concessional loan	January 2026 fires	Up to \$250,000	Closed 21 Oct 2026
SA	SA Drought Loan Scheme	Drought working capital	Up to \$250,000	Open to 31 Dec 2026
WA	Dry season interest-free loan	Drought	Up to \$25,000	Closed
WA	Cyclone Narelle recovery grant	Declared disaster	Up to \$40,000	Open, by event
TAS	AgriGrowth Loan Scheme	Growth projects	\$100,000 to \$3m	Open until closure announced

A worked example

This is an invented young couple buying their first cattle block near Roma, and the figures are illustrative. They borrow \$600,000 through a QRIDA First Start Loan and take the interest-only option.

At the 6.32% variable rate from 1 October 2026, the interest is $\$600,000 \times 6.32\% = \$37,920$ a year. That's \$3,160 a month. If they fixed for 5 years at 6.59% instead, it would be \$39,540 a year, or \$1,620 more for the certainty.

Variable means the rate can move, and QRIDA's page says it changes monthly. Interest only means the \$600,000 doesn't go down, so they still need a plan to repay it later. The repayment schedule shows what principal and interest would cost.

Before you apply

1. **Read the guidelines.** Every scheme has a PDF of rules. The eligibility tests are in there, not on the summary page.
2. **Check what you already hold.** RIC's rules say you can generally hold up to \$3 million in government concessional loans in total.
3. **Get the numbers ready.** Most agencies want financial statements, a statement of assets and liabilities, and a cashflow forecast.
4. **Tell your bank.** A state loan usually needs security, and your bank may already hold it.

For the federal side, read RIC loans explained and drought support for farmers. New to borrowing? Start with how farm loans work and ways into farming.

Where to get help

- **NSW RAA:** 1800 678 593. **QRIDA:** 1800 623 946. **PIRSA Recovery Hotline:** 1800 931 314. **Business Tasmania:** 1800 440 026. **WA Rural Business Development Unit:** 1300 374 731.
- **RIC:** 1800 875 675 for federal loans.
- **Rural Financial Counselling Service:** 1300 771 741, free for farmers in or at risk of hardship.
- **NSW DPIRD Farm Business Resilience** for business planning and coaching.
- **Your accountant** for tax on grants and loans, and a **solicitor** for loan and security documents.

Farm CFO by Clunes Rural doesn't arrange loans. If you want the cashflow and statement of position an agency asks for, the Bank Review Pack is \$1,850 plus GST, or start free with the cashflow forecaster.

Common questions

Can I have a state loan and a RIC loan at the same time?

Sometimes. RIC's guidelines say a business can generally hold up to \$3 million in government concessional loans in total, including state ones. Each scheme has its own rules about what else you hold, so ask both agencies before you apply.

Do state farm loans need security?

Most do. QRIDA usually takes a mortgage over land, the NSW Drought Ready and Resilient Fund Loan needs a registered mortgage, and Tasmania's AgriGrowth lends up to 80% of an acceptable freehold valuation. The NSW Drought Relief Loan is an exception, with no security required.

Is there a state loan for young or first-time farmers?

As at October 2026, Queensland's First Start Loan and Tasmania's AgriGrowth Young Farmer Support Package are aimed at new entrants. Federally, RIC's AgriStarter Loan is for first farms and succession.

How do I know if disaster help is open in my area?

Disaster recovery help under the Disaster Recovery Funding Arrangements opens by event and by local government area. Check your state agency's declarations page, such as the NSW RAA's declarations list or QRIDA's primary producer page, or ring the agency.

Are state grants taxable?

Tax treatment varies with your situation and the grant. Ask your accountant before you count the money in your budget.

Sources

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17. Agriculture Victoria, Dry seasons and drought support (updated 22 October 2026)
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- 27. Building Tasmania, AgriGrowth Loan Scheme Guidelines (July 2026)
- 28. Building Tasmania, AgriGrowth Young Farmer Support Package (July 2026)
- 29. NEMA, Disaster Recovery Funding Arrangements
- 30. RIC, Drought Hardship Loan (concessional loan cap)

General information only, not financial, tax or credit advice. Worked examples use made-up figures.