



Queensland

# Rural and Regional Adjustment (White Spot Disease Concessional Loan Scheme) Amendment Regulation 2017

## Subordinate Legislation 2017 No. 123

made under the

*Rural and Regional Adjustment Act 1994*

## Contents

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		Page
1	Short title .....	3
2	Regulation amended .....	3
3	Amendment of s 3 (Approval of schemes—Act, s 11) .....	3
4	Insertion of new pt 4, div 6 .....	3
	Division 6      Transitional provision for Rural and Regional Adjustment (White Spot Disease Concessional Loan Scheme) Amendment Regulation 2017	
	11      Change of interest rate .....	3
5	Amendment of sch 1, s 6 (Interest rate) .....	4
6	Amendment of sch 16 (Schemes approved under Act, section 11(4))	4
7	Insertion of new sch 31 .....	4
	Schedule 31      White spot disease concessional loan scheme	4
	Part 1      Preliminary	
	1      Objective of scheme .....	5
	2      Definitions .....	5
	Part 2      General provisions for scheme	
	3      Nature of assistance .....	6
	4      Maximum amount of loan .....	7
	5      Interest rate .....	7
	6      Terms of repayment .....	8

Rural and Regional Adjustment (White Spot Disease Concessional Loan Scheme)  
Amendment Regulation 2017

Contents

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7	Security . . . . .	8
8	Eligibility criteria . . . . .	8
9	Applications for assistance . . . . .	10
10	Deciding applications for assistance . . . . .	10

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**1 Short title**

This regulation may be cited as the *Rural and Regional Adjustment (White Spot Disease Concessional Loan Scheme) Amendment Regulation 2017*.

**2 Regulation amended**

This regulation amends the *Rural and Regional Adjustment Regulation 2011*.

**3 Amendment of s 3 (Approval of schemes—Act, s 11)**

Section 3(1), ‘, 25, 26, 27, 28, 29 and 30’—  
*omit, insert—*  
and 25 to 31

**4 Insertion of new pt 4, div 6**

Part 4—  
*insert—*

**Division 6**

**Transitional provision for  
Rural and Regional  
Adjustment (White Spot  
Disease Concessional  
Loan Scheme) Amendment  
Regulation 2017**

**11 Change of interest rate**

The amendment of schedule 1, section 6(8), definition *base lending rate* by the *Rural and Regional Adjustment (White Spot Disease Concessional Loan Scheme) Amendment Regulation 2017* applies in relation to loans drawn down before or after the commencement.

**5 Amendment of sch 1, s 6 (Interest rate)**

Schedule 1, section 6(8), definition *base lending rate*—

*omit, insert—*

*base lending rate* means the 1, 3 or 5 year lending rate, as appropriate, of the Queensland Treasury Corporation, plus a margin decided by the authority and approved by the Minister.

**6 Amendment of sch 16 (Schemes approved under Act, section 11(4))**

Schedule 16, item 5—

*omit, insert—*

- 5 The scheme set out in the documents called ‘Farm Business Concessional Loans Scheme—Drought Assistance Concessional Loans—Guidelines for Queensland’ and ‘Farm Business Concessional Loans Scheme—Business Improvement Concessional Loans—Guidelines for Queensland’, published by the authority.

*Editor’s note—*

The documents are available on the authority’s website.

**7 Insertion of new sch 31**

After schedule 30—

*insert—*

**Schedule 31 White spot disease concessional loan scheme**

section 3(1)

## 1 Objective of scheme

The objective of the scheme is to provide assistance to prawn farmers whose prawn farming primary production enterprises are directly affected by white spot disease to help the enterprises recover from the impact of the disease.

## 2 Definitions

In this schedule—

*applicant* means a prawn farmer applying for a loan under the scheme.

*approved form* means a form approved by the authority.

*prawn farmer* means—

- (a) a sole trader who—
  - (i) spends the majority of his or her labour on a prawn farming primary production enterprise; and
  - (ii) derives the majority of his or her income from the prawn farming primary production enterprise at the time of applying for assistance under the scheme; or
- (b) a partnership, proprietary company or trust that carries on a prawn farming primary production enterprise for which the partners, shareholders or beneficiaries—
  - (i) spend the majority of their labour on the prawn farming primary production enterprise; and
  - (ii) derive the majority of their income from the prawn farming primary production enterprise at the time of applying for assistance under the scheme.

[s 7]

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*prawn farming primary production enterprise* means an aquaculture business—

- (a) for which there is an Australian business number; and
- (b) that involves the raising and production of prawns—
  - (i) for human consumption; or
  - (ii) for sale to a prawn farmer.

*proprietary company* means a proprietary company within the meaning of the Corporations Act.

*scheme* means the scheme set out in this schedule.

*white spot disease* means the white spot syndrome virus.

## **Part 2                      General provisions for    scheme**

### **3    Nature of assistance**

The nature of the assistance under the scheme is a loan, at a concessional interest rate, to a prawn farmer for activities that—

- (a) improve the productivity and viability of the prawn farmer’s prawn farming primary production enterprise; or
- (b) improve the biosecurity controls of the prawn farmer’s prawn farming primary production enterprise; or

*Example of biosecurity controls—*

access restrictions, bird nets, fencing, solid waste treatment, water treatment

- (c) diversify the source of the prawn farmer’s income.

*Example—*

buying infrastructure necessary for farming a marine species other than prawns

#### **4 Maximum amount of loan**

The maximum amount of a loan under the scheme is \$3,000,000.

#### **5 Interest rate**

- (1) The initial interest rate payable by an applicant is the base lending rate when the applicant first draws down the loan or part of the loan.
- (2) The initial interest rate for the loan—
  - (a) depends on whether the applicant decides to have the interest rate fixed for 1, 3 or 5 years when the applicant first draws down the loan or part of the loan; and
  - (b) is worked out by the authority based on the base lending rate when the interest rate is fixed.
- (3) At any time during the term of the loan after any period decided under subsection (2)(a), the authority may agree to fix the interest rate for periods of 1, 3 or 5 years.
- (4) The authority may, during the term of the loan, increase the interest rate to a commercial rate if the authority is satisfied the applicant's financial capacity has improved.
- (5) If, under subsection (4), the authority decides to increase the interest rate because the applicant's financial capacity improves during the term of the loan, the authority may decide the extent to which the interest rate for the loan is to increase—
  - (a) in an annual review of the loan; and
  - (b) based on the improvement.

(6) The authority may decide the extent to which the interest rate is to increase under subsection (5) more than once in relation to the applicant.

(7) In this section—

*base lending rate* means the 1, 3 or 5 year lending rate, as appropriate, of the Queensland Treasury Corporation, plus a margin decided by the authority and approved by the Minister.

## **6 Terms of repayment**

(1) The term of a loan under the scheme is the term agreed between the authority and the applicant, based on the applicant's income patterns.

(2) However, the maximum term of a loan under the scheme is 20 years.

(3) The authority may give the applicant an interest only period of not more than 5 years.

## **7 Security**

If an applicant is given a loan under the scheme, the applicant must give security for the loan that the authority is satisfied is commensurate with the amount of the loan.

## **8 Eligibility criteria**

(1) An applicant is eligible for a loan under the scheme if—

(a) the applicant demonstrates the following to the authority's satisfaction—

(i) the applicant is a prawn farmer;

(ii) the applicant has been carrying on a prawn farming primary production enterprise for at least 2 years;



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- (iii) some or all of the prawn farming primary production enterprise is located on the Logan River catchment or Albert River catchment;
  - (iv) the applicant's non-enterprise or liquid assets are no more than the amount needed for prudent risk management of the prawn farming primary production enterprise;
  - (v) the applicant has sound prospects for commercial viability in the long term;
  - (vi) the applicant can service the loan; and
  - (b) the applicant gives the authority a management plan that outlines the intended outcomes associated with the activities for which the applicant is applying for the loan; and
  - (c) if the loan is sought for activities that require a licence, permit or other approval—
    - (i) the applicant gives the authority a copy of the licence, permit or approval; or
    - (ii) the applicant demonstrates to the authority's satisfaction that the applicant can acquire the licence, permit or approval.
- (2) In this section—
- management plan***, for an applicant applying for a loan under the scheme, means a plan that—
- (a) includes details of the activities for which the applicant is applying for the loan; and
  - (b) states how the activities will—
    - (i) improve the productivity and viability of the applicant's prawn farming primary production enterprise; or

- (ii) improve the biosecurity controls of the applicant's prawn farming primary production enterprise; or
  - (iii) diversify the source of the applicant's income; and
- (c) complies with the guidelines for management plans under the scheme that are issued by the authority.

*Note—*

A copy of the guidelines for management plans under the scheme may be obtained from the authority.

## **9 Applications for assistance**

- (1) A prawn farmer may apply, in the approved form, for a loan under the scheme.
- (2) The application must be given to the authority before 30 June 2018.

## **10 Deciding applications for assistance**

- (1) The authority must consider an application for a loan under the scheme and decide to approve or refuse the application.
- (2) Subject to subsection (3), the authority must approve an application if the authority is satisfied—
  - (a) the applicant is eligible for the loan under section 8; and
  - (b) the application relates to activities mentioned in section 3(a) to (c).
- (3) The authority must refuse an application if the authority's assistance funds for the scheme are not enough to provide the loan under the scheme.

ENDNOTES

- 1 Made by the Governor in Council on 6 July 2017.
- 2 Notified on the Queensland legislation website on 7 July 2017.
- 3 The administering agency is the Department of Agriculture and Fisheries.

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