



Queensland

Rural and Regional Adjustment (COVID–19 Jobs Support Loan Scheme) Amendment Regulation 2020

Subordinate Legislation 2020 No. 36

made under the

Rural and Regional Adjustment Act 1994

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1 Short title

This regulation may be cited as the *Rural and Regional Adjustment (COVID–19 Jobs Support Loan Scheme) Amendment Regulation 2020*.

2 Regulation amended

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

3 Amendment of s 3 (Approval of schemes—Act, s11)

Section 3(1), ‘25’—
omit, insert—

26

4 Insertion of new sch 26

After schedule 25—
insert—

**Schedule 26 COVID–19 Jobs
Support Loan Scheme**

section 3(1)

Part 1 Preliminary

1 Objective of scheme

The objective of the scheme is to assist Queensland businesses and non-profit organisations financially impacted by COVID–19 to retain employees and maintain their operations.

2 Purpose of assistance

- (1) The purpose of assistance under the scheme is to provide concessional loans to eligible entities to assist the eligible entities to meet working capital expenses.
- (2) For subsection (1), working capital expenses include, for example, the following—
 - (a) paying employee wages;
 - (b) paying creditors;
 - (c) paying rent and rates;
 - (d) buying goods, including fuel, for the purpose of carrying on the business.
- (3) However, for subsection (1), the following are not working capital expenses—
 - (a) refinancing existing business loans or equipment finance;
 - (b) purchasing new equipment or other assets.

3 Definitions for schedule

In this schedule—

applicant means a person applying for financial assistance under the scheme.

COVID–19 means the coronavirus known as COVID–19.

eligible business see section 4.

eligible entity means 1 of the following—

- (a) an eligible business;
- (b) a non-profit organisation.

employee, of an eligible entity—

- (a) means an individual who ordinarily works for the eligible entity; and

- (b) includes an individual mentioned in paragraph (a) who is—
- (i) an owner of the business carried on by the eligible entity; or
 - (ii) a director of the eligible entity.

full-time employee, of an eligible entity, means an employee who ordinarily works for at least 35 hours each week for the entity.

loss of income see section 6.

non-profit organisation means a charity or other not-for-profit entity that is incorporated under a law of the Commonwealth or a State.

owner, of a business, means a sole trader, partnership, private company, public company or trust that carries on the business.

scheme means the scheme set out in this schedule.

4 Meaning of **eligible business**

An **eligible business** is a business—

- (a) for which an entity holds an Australian Business Number; and
- (b) that has 1 or more equivalent full-time employees in Queensland; and
- (c) that is registered for GST.

5 Equivalent full-time employees

For an eligible entity, the number of equivalent full-time employees of the entity is worked out using the formula—

$$E = F + \frac{P}{35}$$

where—

E means the number of equivalent full-time employees of the business.

F means the number of full-time employees of the business.

P means the total number of hours worked each week by employees other than full-time employees.

6 Meaning of *loss of income*

- (1) An eligible entity's *loss of income* is the difference between—
 - (a) the net income that the eligible entity earned in a period (the *relevant period*); and
 - (b) the net income that the eligible entity would have earned in the relevant period if the operation of the applicant's eligible entity had not been interrupted by COVID–19.
- (2) The loss of income is assessed on the basis of the financial performance of the eligible entity during the same relevant period during the 2017–18 and 2018–19 financial years.

Part 2 General provisions of scheme

7 Nature of assistance

The nature of the assistance that may be given under the scheme is the provision of a loan at a concessional interest rate for an amount to be used for a purpose mentioned in section 2.

8 Maximum loan amount

- (1) The amount of loan assistance that may be given to an applicant under the scheme is the lesser of—
 - (a) 50% of the eligible entity’s annual employee wage expense; or
 - (b) \$250,000.
- (2) In this section—

annual employee wage expense means an average of the following expenses—

- (a) the total expense incurred by the business paying wages and superannuation to employees during the 2017–18 financial year; and
- (b) the total expense incurred by the business paying wages and superannuation to employees during the 2018–19 financial year.

wages, for an employee, see *Industrial Relations Act 2016*, schedule 5.

9 Eligibility criteria—eligible business

An applicant is eligible for assistance under the scheme if the authority is satisfied—

- (a) the applicant is the owner of an eligible business; and
- (b) the applicant has continuously operated the eligible business since at least 1 July 2017; and
- (c) the eligible business has suffered a loss of income as a result of COVID–19; and
- (d) the eligible business is viable under normal business conditions; and
- (e) the applicant is able to service the loan under normal business conditions; and

- (f) the applicant intends to continue operating the eligible business after receiving the loan; and
- (g) the applicant intends to use any surplus liquid reserves or normal credit sources up to normal credit limits, in conjunction with the loan, to maintain business operations.

10 Eligibility criteria—non-profit organisation

An applicant is eligible for assistance under the scheme if the authority is satisfied—

- (a) the applicant is a non-profit organisation; and
- (b) the applicant has 1 or more equivalent full-time employees in Queensland; and
- (c) the applicant has operated continuously since at least 1 July 2017; and
- (d) the applicant has suffered a loss of income as a result of COVID–19; and
- (e) the applicant is considered viable under normal business conditions; and
- (f) the applicant is able to service the loan under normal business conditions; and
- (g) the applicant intends to continue operations after receiving the loan; and
- (h) the applicant intends to use any surplus liquid reserves or normal credit sources up to normal credit limits, in conjunction with the loan, to continue operations.

11 Interest rates

- (1) The interest charged on a loan given under the scheme must be calculated at a concessional interest rate decided by the authority.

- (2) The authority may include a condition varying the interest rate during the term of the loan.

12 Security

A loan under the scheme must be secured to the satisfaction of the authority.

13 Terms of repayment

- (1) The term of a loan under the scheme is the term decided by the authority up to a maximum of 10 years.
- (2) During the first year of the loan, the authority must not charge interest and must defer repayments of principal under the loan.
- (3) From the start of the second year of the loan, the amounts of the repayments of principal and interest under the loan are the amounts decided by the authority.
- (4) From the start of the second year of the loan, the authority may defer repayments of interest for a further 2 years under the loan.

14 Requirements for applications

An application must—

- (a) be made on the authority’s application form; and
- (b) be accompanied by the documents stated in the application; and
- (c) be given to the authority.

15 Conditions

- (1) It is a condition of the loan that the applicant must consent to the authority conducting an audit to

allow the authority to verify that amounts given to the applicant under the scheme have been used in accordance with the application for assistance.

- (2) It is a condition of the loan that if the authority asks the applicant for consent to confer with the applicant's commercial lender, the applicant must provide the consent.

16 Deciding applications

- (1) The authority must consider, and decide to approve or refuse to approve, each application for assistance under the scheme.
- (2) The authority must consider applications in the order the applications are received by the authority.

17 Review by authority

Assistance given to an applicant under the scheme may be subject to an annual review by the authority.

ENDNOTES

- 1 Made by the Governor in Council on 19 March 2020.
- 2 Notified on the Queensland legislation website on 20 March 2020.
- 3 The administering agency is the Department of Agriculture and Fisheries.

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