

+ COVID-19 Jobs Support Loans Guidelines

1. About the scheme

The Queensland Government \$500 million COVID-19 Jobs Support Loans scheme is being provided to assist Queensland businesses and non-profit organisations financially impacted by COVID-19 retain employees and maintain their operations.

This assistance measure is being delivered by the Queensland Rural and Industry Development Authority (QRIDA).

2. Loans available

2.1 Concessional loans are available up to 50 per cent of an eligible entity's annual wage expense, to a maximum of **\$250,000**.

- The annual wage expense is the average of an entity's wage expense including superannuation over the 2017/18 and 2018/19 financial years and may include the salaries, or drawings of business owners, if they work in the business.

QRIDA's online application form will guide you in working out the maximum loan for which you can apply. Please contact QRIDA if you need any further assistance.

3. How loans may be used

3.1 Concessional Loans may be used to meet an entity's working capital expenses. Examples of eligible expenses include:

- a) paying employee wages;
- b) paying creditors and existing business loan and equipment finance payments;
- c) paying rent and rates;
- d) buying goods, including fuel, for the purposes of carrying on the business.

3.2 Ineligible expenses include:

- a) refinancing existing business loans or equipment finance;
- b) purchasing new equipment or other assets.

4. Eligibility

4.1 To be eligible for a concessional loan applicants must:

- a) be an eligible business which holds an ABN and is registered for GST, or an incorporated non-profit organisation;
- b) have one or more equivalent full-time employees in Queensland;
- c) have operated the business or non-profit organisation since 1 July 2017;

d) have suffered a loss of income as a result of COVID-19.

- Eligible business types include sole traders, partnerships, private and public companies and trusts.
- A full-time employee is an employee who works at least 35 hours each week in the entity.
- Owners of a business may be regarded as employees if they work in the business.

4.2 Applicants must also:

- a) be considered viable under normal business conditions;
- b) be able to service the loan under normal business conditions;
- c) intend to continue operations after receiving the loan;
- d) intend to use any surplus liquid reserves or normal credit sources up to normal credit limits, in conjunction with the loan to continue operations.

5. Loan security

5.1 Loans **up to \$100,000** will require no loan security.

5.2 Loans **over \$100,000** and up to **\$250,000** are to be secured by a General Security Agreement.

- A General Security Agreement is a general charge over the business assets of an entity.

6. Loan terms and interest rates

6.1 The term of concessional loans is 10 years.

6.2 The first year of the loan will be repayment free and no interest will be charged.

6.3 Following the first year, payments will be interest-only for two years.

6.4 After this, principal and interest repayments will apply for the remaining term.

6.5 Loan payments when they commence will be on a monthly basis.

6.6 An interest rate of **2.5 per cent** will apply to the loan from commencement of the second year and for the remainder of the loan term.

7. How to apply

7.1 To apply for a loan:

- (a) read this guideline and discuss your application with your lender and financial or business advisors;
- (b) complete and submit your application and supporting documents to QRIDA online at:
www.qrida.qld.gov.au/current-programs/covid-19-business-support/queensland-covid19-jobs-support-scheme

7.2 The scheme will be open to applications until 25 September 2020, or when funding is fully committed, whichever occurs first.

7.3 Penalties apply for providing false and or misleading information.

8. How loans are assessed

8.1 Upon receiving your application, QRIDA will acknowledge receipt by email and let you know if any further information is required to commence your assessment.

- 8.2 When assessing applications QRIDA may contact you to discuss your circumstances in more detail. QRIDA will also liaise with your lenders and business advisers as necessary.
- 8.3 Applications are assessed in date received order and assessing will not commence until all required information is received.
- 8.4 If your application is approved, QRIDA will remit loan funding to your nominated bank account upon completion of necessary loan documentation.

9. Other requirements

- 9.1 An annual review of your loan may be required and you will need to provide the necessary financial information when requested by QRIDA.
- 9.2 Successful applicants will be required to consent to subsequent audits under the scheme to confirm that loan funds provided have been expended on approved purposes.

10. Your privacy

QRIDA's Privacy Policy available at: www.qrida.qld.gov.au/privacy, sets out general information on how QRIDA collects, uses, and discloses individuals' personal information.

The application form for this scheme contains specific information on how personal information will be collected, used, and disclosed.

11. More information

For more information about this scheme contact QRIDA on **Freecall 1800 623 946** or email contact_us@qrida.qld.gov.au.