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COVID-19 JOBS SUPPORT LOANS

The Queensland Government has opened applications for the COVID-19 Jobs Support Loan scheme. This scheme is designed for Queensland businesses and not-for-profit entities that are financially affected by COVID-19 to retain employees and maintain their operations.

What is available?

Loans are available up to 50% of an eligible entity's "annual wage expense" to a maximum of **\$250,000**. To confirm your maximum entitlement, "annual wage expense" is calculated as follows:

- Average of your wage expense including superannuation over the 2018 and 2019 financial years and includes salaries and drawings of business owners who work in the business.

What can you use the loan for?

The loans are designed to meet working capital expenses, including:

- Paying employee wages
- Paying creditors, existing business loans and equipment finance payments
- Paying rent and rates
- Buying goods, including fuel, for the purposes of carrying on your business.

It specifically **excludes** any refinancing arrangements of existing business loans or equipment finance and the purchase of new equipment or other assets.

What are the eligibility requirements?

Eligible applicants must:

- Have an active ABN and GST registration
- Be a sole trader, partnership, private or public company, trust or incorporated not-for-profit organisation
- Have one or more equivalent full-time employees (FTE) in Queensland. FTE is defined as an employee who works at least 35 hours in the business. Owners of a business may also be regarded as employees if they work in the business
- Have been operating since 1 July 2017
- Be considered a viable business under normal business conditions
- Be able to service the loan under normal business conditions
- Intend to continue operations after receiving the loan
- Intend to use any surplus cash reserves or normal credit sources in conjunction with this loan to continue operations.



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What are the loan terms?

- Loans up to **\$100,000** require no security
- Loans between **\$100,000 and \$250,000** are to be secured by a General Security Agreement. This is a general charge over the business assets of the entity
- Loan term is 10 years
- First year of the loan will be interest free with no repayments
- Following the first year, payments will be interest-only for two years. After this period, principal and interest repayments will apply for the remaining term and will be required on a monthly basis.
- Interest rate of **2.5%** will apply from the commencement of the second year and for the remainder of the loan term.

How do you apply?

Loan applications are **open until 25 September 2020 or until funding is fully committed**. Applications must be made online via the Queensland Rural and Industry Development Authority, see <http://www.qrida.qld.gov.au/current-programs/covid-19-business-support/queensland-covid19-jobs-support-scheme>

Applications will be assessed in date received order and assessment will not commence until all information is received.

What do you need to include in your application?

In addition to the online application form, you will be required to submit the following:

- Business Financial Statements for the 2018 and 2019 financial year
- Personal income tax returns for the 2018 and 2019 financial year
- Aged list of debtors and creditors at time of application
- Copy of ATO Integrated Client Account Statement
- Bank Account Information
- Applicant Identification such as:
 - Trust Deed (if a Trust)
 - Constitution or Rules of Association and Certificate of Incorporate (if a not-for-profit).

For further information, please don't hesitate to contact your **SRJ Walker Wayland** Advisor on 07 3490 9988.