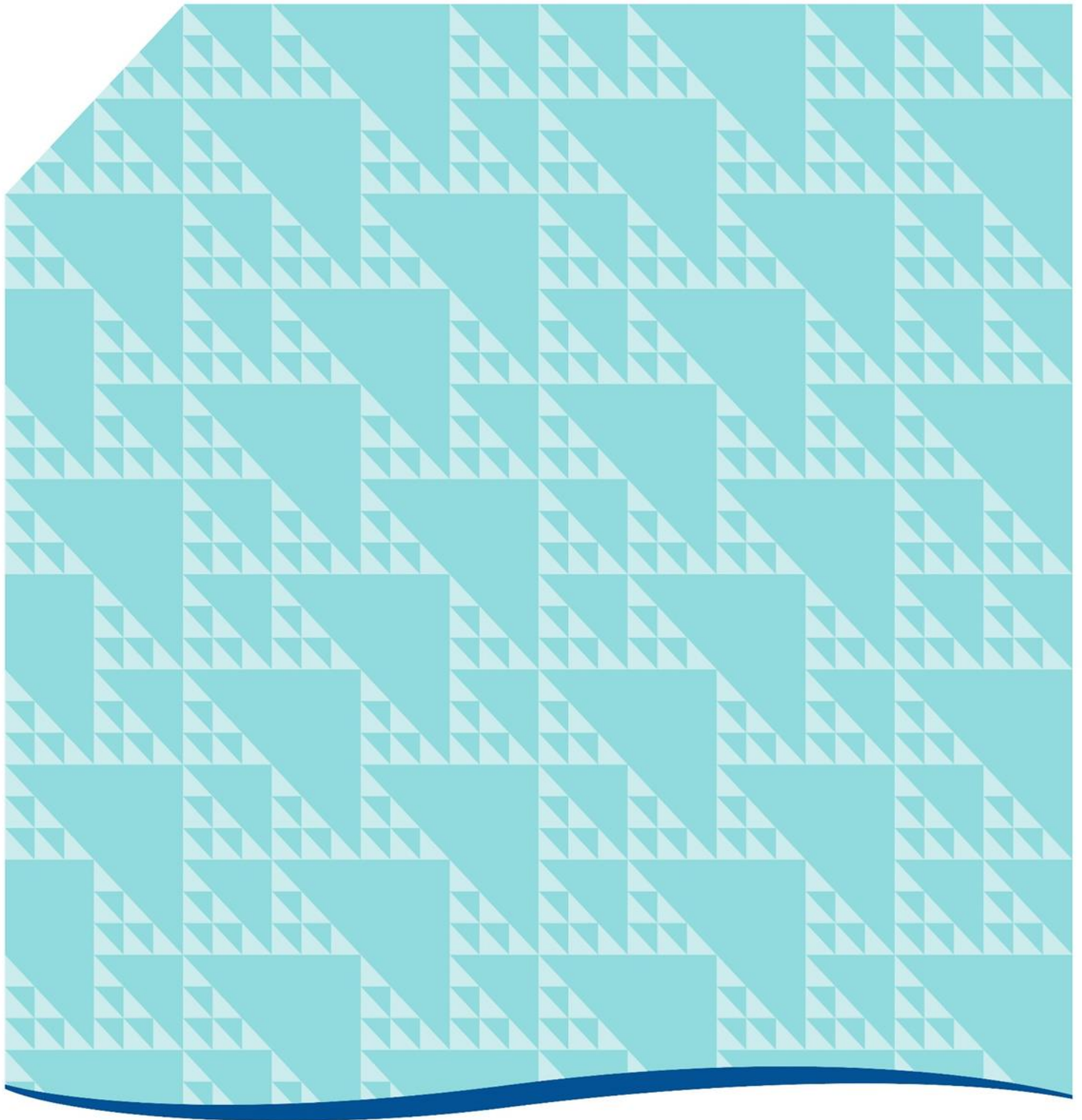


Tourism Development Loan Scheme

August 2021

# Program Guidelines





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# Tourism Development Loan Scheme

## About the scheme

The Tasmanian Government understands the unprecedented impact COVID-19 has had on our tourism industry.

The Tasmanian Government is pleased to release this \$50 million loan scheme to assist the improvement and development of tourism products and experiences that support Tasmania's position as a sought-after and leading Australian destination as the economy re-builds from COVID-19 and travel returns to normal.

The scheme will assist operators to rebuild and regain market share and will provide an opportunity to build resilience, innovate and contribute to the priorities identified within the *T21 Visitor Economy Action Plan 2020-22*.

The scheme generally provides loans of between \$50 000 and \$2 million to successful applicants, with the loan being interest free for the first three years of the loan term.

## Objective

Initiatives supported under this scheme will contribute to achieving the identified priorities of the *T21 Visitor Economy Action Plan 2020-22* ("T21 Plan"), including:

### **Priority 1 – Rebuilding Visitation**

- \* *Support and champion quality tourism operators that enhance our brand through prioritising marketing assistance, industry development support, advocacy and other assistance.*
- \* *Champion entrepreneurialism and innovation in new products and experiences that reinforce and enhance our core brand proposition and competitive strengths.*
- \* *Maintain focus on tourism as a priority area for attracting investment and working with proponents to support new projects and address barriers.*

## 1. What the loan funds can be used for

- 1.1 Loan funds will be available to assist with the improvement and development of a Tasmanian tourism product or experience that supports Tasmania's position as a sought-after and leading Australian destination.
- 1.2 Projects must align with the Tasmanian brand, and the vision and priorities of the T2I Plan (refer to [www.brandtasmania.com](http://www.brandtasmania.com) and [www.t2i.net.au](http://www.t2i.net.au) for further information).

Examples of the types of projects that will be considered include (but are not limited to):

- \* *Projects that will improve and upgrade existing tourism accommodation facilities and increase the standard of accommodation offering.*
- \* *Projects that will upgrade existing or establish new tourism infrastructure or services that will attract or increase visitation and generate economic benefit at a regional or state-wide level.*
- \* *Projects that will improve and upgrade existing tourism attractions or develop new tourism attractions that drive visitation and generate economic benefit at a regional or state-wide level.*
- \* *Projects that will service identified demand in key areas for example, agritourism, Aboriginal cultural tourism, hospitality, adventure and experiential tourism.*
- \* *Projects that implement measures for tourism operators to achieve carbon-neutral status.*

## 2. How to apply

- 2.1 To apply for a loan:
  - Read these guidelines and consider the eligibility criteria and exclusions.
  - Discuss your proposal with your accountant or business advisors.
  - Call Business Tasmania on 1800 440 026 if you have any questions regarding this scheme.
  - [Click here](#) to complete and lodge an application online via SmartyGrants. SmartyGrants is an easy to use online loan and grant management system that can be accessed via mobile phone, tablet, or computer. If you have any difficulties, or are unable to apply online, please call Business Tasmania on the number above.

## 3. Opening and closing dates

- 3.1 The scheme will be open for 12 months or until all funding has been utilised, whichever occurs first.
- 3.2 The Department of State Growth reserves the right to close the scheme at any time should circumstances require it to do so. In this situation, a notice of the loan scheme closure will be published on the Department's web site [www.stategrowth.tas.gov.au](http://www.stategrowth.tas.gov.au).
- 3.3 Applications will not be accepted after the closing date.

## 4. Eligibility

4.1 To be eligible for a loan, applicants will:

- a. Hold an active Australian Business Number (ABN) and be registered for Goods and Services Tax (GST).
- b. Already operate within the tourism industry, or alternatively demonstrate significant past tourism and/or business experience, and demonstrate the skills and experience necessary to manage the operation of the product or experience.
- c. Clearly demonstrate an ability to service the loan.
- d. Clearly demonstrate a satisfactory ability to meet project contingencies and cost overruns.
- e. Demonstrate the loan supports Tasmanian employment, and that Tasmanian labour and materials will be used wherever possible to complete the project.
- f. Clearly demonstrate that the financial assistance from the Tasmanian Government sought under this program is needed to support the improvement or development of the product or experience.

## 5. Ineligibility

5.1 The following applicants are ineligible:

- a. Any public company under the meaning as defined in the Corporations Act 2001. Not-for-profit public companies are eligible.
- b. Any state, federal or local government body, government agency or government business enterprise.
- c. Any applicant that is under external administration or subject to bankruptcy or similar proceedings.
- d. Applicants with unsatisfactory statutory payment and lodgement obligations.
- e. Businesses that have, or are projecting, an annual turnover of less than \$75 000.
- f. Third party submissions on behalf of a business owner.

5.2 The following uses of loan funds are ineligible:

- a. Equipment purchases including, but not limited to, new vehicles, machinery and vessels that are able to be financed commercially through banks, equipment financiers or other private sector financiers.
- b. Funding of working capital.
- c. Funding of projects related to residential dwellings marketed primarily on sharing economy platforms.
- d. Funding of works that have already been completed.
- e. Purchase or development of land and buildings or equipment for speculative sales purposes.
- f. Business acquisitions.

- g. Refinancing/repayment of existing debt, creditors or other statutory or legal payment obligations.
- h. Activities for which funding has already been approved from the Australian and/or Tasmanian Governments.

## 6. Loan amounts

- 6.1 The minimum loan amount is \$50 000 and the maximum loan amount is \$2 million.
- 6.2 Loans above \$2 million may be considered by exception. Applicants must call Business Tasmania on 1800 440 026 and be put in contact with an Assessment Officer from the Department before submitting an application exceeding \$2 million.

## 7. Loan term

- 7.1 The term of the loan will be up to five years.

## 8. Interest rates

- 8.1 Loans will be interest free for the first three years.
- 8.2 After three years, interest will be payable at a commercial rate.
- 8.3 Interest will be payable monthly, unless otherwise negotiated.
- 8.4 The interest free period will only apply if all the loan terms and conditions are adhered to during the term of the loan, including any reporting obligations.

## 9. Principal repayments

- 9.1 Principal loan repayments must commence no later than 24 months after the initial drawdown of the loan.
- 9.2 Principal will be payable in equal monthly instalments, unless otherwise agreed.

## 10. Costs

- 10.1 A concessional loan establishment fee of \$500 or 0.1% of the loan amount will apply, whichever is the greatest.
- 10.2 Successful applicants will be responsible for legal fees and costs associated with establishing, maintaining and discharging the loan facility.

## 11. Loan security

- 11.1 Loan security must be to the satisfaction of Tasmania Development and Resources (TDR).
- 11.2 Loan security must include freehold security up to a maximum Loan to Valuation Ratio (LVR) of 80 per cent.
- 11.3 Other security requirements may include Directors Guarantees, General Security Deeds and any other security particular to the request.
- 11.4 A registered valuation may be required at the applicant's expense.

## 12. How loans are assessed

- 12.1 Applicants will receive an acknowledgement email once applications have been submitted.
- 12.2 Applicants may be contacted by a member of the Department to discuss an application in more depth or to require further information.
- 12.3 The Department may need to liaise with an applicant's lenders and business advisers.
- 12.4 Assessment will be undertaken by the Department in accordance with these guidelines on behalf of TDR.
- 12.5 Applications will generally be assessed in order of receipt.
- 12.6 Assessment will not commence until all required information is received.
- 12.7 Meeting the eligibility criteria and applying for a loan does not guarantee loan approval.
- 12.8 The funding available for this program is limited to \$50 million. Generally, projects must be completed within 12 months of approval and therefore the regulatory planning approval process needs to be well advanced prior to application.

## 13. Decision making

- 13.1 TDR will be solely responsible for making decisions about successful applicants and application considerations in accordance with these guidelines, its usual processes and the *Tasmanian Development Act 1983*.

## 14. Loan drawdowns

- 14.1 If your application is approved, loan funds will be remitted to your nominated bank account once loan documentation has been signed and relevant loan conditions met. Progressive drawdowns may be required.
- 14.2 Invoices and other documentation may be required to support the drawdown of funds.

## 15. Financial reporting and review

- 15.1 Financial reporting will be required during the term of the loan as detailed in the loan contract.
- 15.2 Loan reviews will take place annually, or at other intervals required by the Department on behalf of TDR.



## 16. Other information

- 16.1 Planned expenditure should incorporate Tasmanian content to the maximum extent possible.
- 16.2 Businesses planning to undertake works on places permanently entered on the Tasmanian Heritage Register are expected to have discussed the proposed project or expenditure with Heritage Tasmania as part of the application process.
- 16.3 Not-for-profit organisations, including incorporated associations, located in Tasmania which operate business undertakings that generate commercial revenue streams may also be considered.
- 16.4 Businesses under common ownership or control will collectively be eligible for the maximum loan amount. This includes all loans funded through TDR.
- 16.5 Businesses with existing TDR loans should contact Business Tasmania on 1800 440 026 in the first instance.
- 16.6 The Department reserves the right at any time to vary these guidelines, the eligibility criteria or any other documented rule or procedure relating to the scheme. Any announcement will be published on the Department's web site.
- 16.7 Providing false and misleading information may result in the loan being repayable on demand.

## 17. Publicity of loan assistance

The Department of State Growth disburses public funds and is therefore accountable for the distribution of those funds. As part of the accountability process the Department may publicise the level of financial assistance, the identity of the recipient, the purpose of the financial assistance, and any other details considered by the Department to be appropriate. The Department may also request that successful applicants participate in the promotion of the current scheme and potential future schemes.

## 18. Right to information

Information provided to the Department of State Growth may be subject to disclosure in accordance with the *Right to Information Act 2009*.

## 19. Personal information protection

Personal information collected by the Department of State Growth in connection with your application will be used for the purpose of assessing your loan application, communicating with you about it, and managing your loan if you are successful. All such information will be managed by the Department in accordance with the Personal Information Protection Act 2004. You may access your own personal information on request to the Department and may be charged a fee for this service.

## 20. Disclosure

The following applies to all successful applicants:

- 20.1 Despite any confidentiality or intellectual property right subsisting in the loan agreement or deed, a party may publish all or any part of the loan funding agreement or deed without reference to another party.
- 20.2 Nothing in this item, 19. Disclosure, derogates from a party's obligations under the *Personal Information Protection Act 2004 (Tas)* or the *Privacy Act 1988 (Cwlth)*.

## 21. Copyright and disclaimer

Although care has been taken in the preparation of this document, no warranty, express or implied, is given by the Crown in Right of Tasmania, as to the accuracy or completeness of the information it contains. The Crown in Right of Tasmania accepts no responsibility for any loss or damage that may arise from anything contained in or omitted from, or that may arise from, the use of this document, and any person relying on this document and the information it contains does so at their own risk absolutely. The Crown in Right of Tasmania does not accept liability or responsibility for any loss incurred by an applicant that are in any way related to the Scheme. Prospective applicants are strongly advised to seek independent professional advice regarding the suitability of the program for their circumstances before proceeding with an application.

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## 22. Questions and further information

Please contact Business Tasmania on 1800 440 026.



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