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At a glance

Key features of the Heritage Places Renewal Loan Scheme

- Allocation of up to \$10 million for loans of \$100 000 up to \$1.5 million for the owners of historic heritage properties permanently entered on the Tasmanian Heritage Register.
- Loans are for projects that will improve and upgrade existing heritage registered properties in order to facilitate tourism and business development, expansion and retention opportunities across Tasmania that help to stimulate the visitor economy and also help to generate good heritage outcomes.
- Before lodging an application under the Heritage Places Renewal Loan Scheme (the Scheme), or seeking works approval, applicants are encouraged to discuss their proposal with Heritage Tasmania in the Department of Primary Industries, Parks, Water and the Environment (DPIPWE).
- The maximum loan term normally up to five years, longer terms up to 10 years may be considered in specific circumstances.
- Variable concessional interest rate, which as at April 2018 is 3.26 per cent per annum.
- Loans must be repaid in full or fully refinanced at the end of the agreed loan term.
- Interest repayments will commence from the outset of the loan based on a monthly, quarterly or half-yearly basis as determined and the commencement of principal loan repayments will be negotiated.
- Applicants must have a demonstrated history of meeting debt servicing requirements and be able to meet financial commitments over the agreed loan term.
- Adequate mortgage security must be provided to the lender in accordance with the *Tasmanian Development Act 1983*.
- Applications will be assessed against the eligibility criteria contained within these guidelines.
- Applications will be deemed ineligible if they do not support and expand existing business undertakings and business opportunities in Tasmania.

To apply for a Heritage Places Renewal Loan you must:

1. Demonstrate that your current or proposed business within a heritage registered property meets the eligibility and loan assistance criteria as set out in these guidelines.
2. Call the Office of the Coordinator-General 03 6777 2808 and arrange to speak with a Loans Scheme Project Manager to determine preliminary eligibility. Once preliminary eligibility is confirmed, you will be provided with a link to the online application form.

Heritage Places Renewal Loan Scheme

The Heritage Places Renewal Loan Scheme forms part of the Tasmanian Government's Visitor Economy Strategy facilitating tourism and business development opportunities across Tasmania that help to stimulate the visitor economy and generate good heritage outcomes.

The Scheme is managed by the Office of the Coordinator-General in conjunction with and support from the Department of State Growth, the Tasmanian Heritage Council and Heritage Tasmania in DPIPWE.

I. Objective

The Heritage Places Renewal Loan Scheme recognises the importance and value of businesses within the visitor economy that work with and present Tasmania's historic heritage assets as part of the State's unique brand and appeal to visitors and locals alike. This initiative is designed to assist private businesses and local governments that use, or intend to use, their unique historic heritage assets as part of their current or proposed business undertakings or business opportunities in Tasmania.

Eligible purposes may include the following activities within the visitor economy that otherwise could not be brought forward and/or financed under normal banking arrangements:

- Refreshing or refurbishing a heritage registered business property that facilitates tourism and business development opportunities.
- Undertaking essential heritage conservation projects on business properties.
- Deferred or catch up maintenance on heritage registered business premises.
- Facilitating the use, adaptive reuse or refurbishment of heritage registered properties to support a new business initiative that will grow the visitor economy.
- Enhancing or expanding an existing business, its infrastructure and facilities, i.e. to facilitate access.
- Assisting new initiatives within heritage registered properties that develop a business that help to grow the visitor economy

Examples could include but are not limited to:

- Altering a heritage property to become boutique visitor accommodation or upgrading the services provided and experience offered by an existing accommodation business.
- Converting an historic building, space, barn or outbuilding to become a café, retail outlet, gallery, cellar door or business premises that targets visitors to that area or region.
- Renovating an historic hotel (pub) that has been heavily modified with unsympathetic renovations to restore its appearance and street appeal or help to highlight its internal features.
- Upgrading and extending the footprint of an established business in a heritage building that facilitates patron access, expands the business's footprint or the kitchen's capacity.

2. Application period

The Heritage Places Renewal Loan Scheme application period will open on Saturday, 2 June and will remain open for a period of up to two years at which time a review of the scheme will be undertaken.

If the funding allocation is fully committed prior to the closing date for applications, the application period will close early and no further applications will be considered. If this happens, notification of closure will be published on the Office of the Coordinator-General website (www.cg.tas.gov.au) and those that have already lodged an application will be advised in writing.

As the funds available for the Heritage Places Renewal Loan Scheme are limited, not all applicants who lodge an application may receive a Loan.

3. How to apply

1. Ensure that you meet the eligibility criteria as outlined in these guidelines prior to submitting an application and confirm preliminary eligibility with a Loan Scheme Project Manager on 03 6777 2808 or email cg@cg.tas.gov.au.
2. Before lodging an application under this Scheme, or seeking works approval, applicants are encouraged to discuss their proposal with Heritage Tasmania.

All works carried out under this Scheme need to be approved by the Tasmanian Heritage Council, under the provisions contained in Part 6 of the Historic Cultural Heritage Act 1995. This may either be by obtaining a Certificate of Exemption or works approval via a discretionary permit (development) application lodged with the relevant local planning authority.

3. Complete and submit the Scheme online application form that will be made available to you once you have confirmed eligibility with the Loan Scheme Project Manager.
4. Within three weeks you will receive notification on whether your application will be progressed to the assessment phase.
5. For more information, or if you have any queries about the Scheme or the application process, please contact a Loan Scheme Project Manager.

4. Costs

Applicants are responsible for the costs incurred by them for the preparation and lodgement of a complete application. The standard establishment fee is 1 per cent of the loan amount, generally with a minimum fee of \$600 and maximum fee of \$1,500 being applied.

Successful loan applicants will be required to pay all Crown Law legal fees associated with the preparation of loan documents. If required, other costs associated with the proposed loan, for example valuation fees, Lands Titles Office registration / discharge fees and other statutory fees will also be payable by the applicant.

5. Loan assessment

Completed applications will generally be assessed in order of receipt. The Loan Scheme Project Manager will liaise with Heritage Tasmania and may also liaise with the applicant, their bankers and professional advisors as required to confirm and verify documentary evidence and information provided.

Applications will not be assessed until all the required information is provided by the applicant.

Where an application has been submitted, the Loan Scheme Project Manager may request further information from the applicant to facilitate assessment of their application. If the further information requested is not provided within the required timeframe, the application will not be considered.

The Loan Scheme Project Manager and a Heritage Tasmania representative may seek to visit and inspect the heritage registered property to assist with its assessment and decision process.

6. Eligibility criteria

To be eligible to apply applicants must:

Own a current or intended business within the visitor economy that operates or will operate from a heritage property permanently entered on the Tasmanian Heritage Register. These businesses may include, but are not limited to:

- tourism outlets
- accommodation venues
- hospitality outlets
- retail outlets
- cellar door operations
- other eligible businesses within the visitor economy.

To confirm if your property is permanently entered on the Tasmanian Heritage Register you can:

- Check the Tasmania Heritage Council's website at www.heritage.tas.gov.au; or
- Contact Heritage Tasmania and seek a copy of the entry on the Tasmanian Heritage Register. Heritage Tasmania can be contacted on 1300 850 332 or at enquiries@heritage.tas.gov.au

All applicants must:

- Own a heritage property that is permanently entered on the Tasmanian Heritage Register.
- Undertake an approved activity that broadly includes refurbishment, expansion, development, conservation or deferred maintenance of their heritage property.
- Have met all regulatory and statutory approvals for the project including the necessary heritage and planning approvals from relevant local councils and the Tasmanian Heritage Council for the proposed work as a condition precedent to the first loan draw down.
- Demonstrate that the project will improve the profitability of the establishment or improve service and quality of the offering.
- Include a refurbishment/maintenance plan that includes detailed costings for the project.
- Operate as a sole trader, trust, partnership, private company or Council established under section 18 of the Local Government Act 1993 (Tas).

- Demonstrate a clear need for the loan, to the satisfaction of the Office of the Coordinator-General and Heritage Tasmania.
- Projects must show an improvement to current infrastructure, achieve good heritage outcomes and stimulate the visitor economy.
- Include a minimum five year business plan to the satisfaction of the Office of the Coordinator-General (in some cases the Office of the Coordinator-General may request that the applicant use a recognised consultant to assist with the plan).
- Undertake an annual review of the approved business plan and report on performance against the business plan.
- Demonstrate ongoing financial viability with the loan application and business plan showing that the venture will be profitable within the agreed loan period.
- Be a business registered for tax purposes in Australia with an Australian Business Number (ABN) and be registered for GST.
- Have a demonstrated history of meeting debt servicing requirements.
- Be able to meet financial commitments over the agreed loan term if a Heritage Places Renewal Loan is approved.
- Be in a position to repay the loan within five years.
- Be able to provide mortgage security to satisfy the requirement of an 80 per cent loan to value ratio, using a Government Valuation or a recent registered valuation.

Ineligible applicants:

- Any state or Federal government agency, publicly listed companies, government business enterprises, and recreational activities. Please note that local councils are eligible to apply.
- Any public company (or wholly owned subsidiary of a public company) under the meaning as defined in the Corporations Act 2001.
- Any business that is under External Administration or bankruptcy.
- Any applications which do not support and expand existing business undertakings and business opportunities in Tasmania.
- Ineligible funding may include, but is not limited to:
 - Debt refinancing/restructuring. Loans will not be provided for the purposes of refinancing/repayment of any existing borrowings.
 - Funding of normal or additional working capital (e.g. overdraft facilities).
 - Reimbursement of depreciation of existing assets.
 - Payment of tax, existing creditors or other statutory or legal payments.
 - Activities for which funding has previously been obtained from the Australian and/or Tasmanian governments.
 - Properties, holiday homes or shacks that are part of the sharing economy.
 - Funding of events, curation tasks or business operations
 - Acquisition of a property.
 - Funding master or conservation planning.
 - Funding works or projects without necessary/required approvals.
 - Funding for works that have already been completed.

7. Loan security

Tasmania Development and Resources (TDR) is the legal entity that will provide the loan funds on behalf of the Department of State Growth.

Successful applicants must provide acceptable loan security in accordance with established security requirements and commensurate with the amount of the loan. The TDR will accept a LVR of up to 80 per cent.

The security provided will include:

1. a registered mortgage over freehold property satisfactory to TDR; and
2. any other security TDR considers acceptable and necessary.
3. director guarantees as a mandatory requirement for loans to a private company.

Where applicable, assets provided as security must be insured (e.g. against fire and other perils) to the satisfaction of TDR.

8. General conditions of the loan scheme

8.1. Loan amounts

Applications for loan amounts ranging from a minimum of \$100 000 to a maximum of \$1.5 million will be accepted.

8.2. Loan terms

The term of the loan is up to five years. However, loan terms of up to ten years may be considered in specific circumstances and on a case by case basis.

8.3. Interest rate

A variable concessional interest rate will apply for the term of the loan, which as at April is 3.26 per cent per annum. The loan interest rate may be withdrawn and TDR commercial rates may apply if the loan instalments are not paid by the required due date by the loan recipient or the loan purpose becomes non-compliant.

Fixed rates are not available.

The loan interest rate will be reviewed on a regular basis. The Department of State Growth will notify Loan Recipients in writing when changes take effect.

8.4. Loan drawdowns

Loan drawdowns will be made available to a successful applicant by TDR once all the legal documentation has been provided and the successful applicant has provided evidence for the amounts to be paid in accordance with these guidelines.

8.5. Loan repayment

Interest repayments will commence from the outset of the loan based on a monthly, quarterly or half-yearly basis as determined and the commencement of principal loan repayments will be negotiated.

The precise repayment amounts and repayment frequency offered to successful applicants will be determined by TDR based on its assessment and will be detailed in the Loan Agreement.

Conditions relating to loan repayments, arrears, defaults, fees, costs and penalties will be as detailed by TDR in the Loan Agreement. At any time during the term of the loan, loan recipients may repay the whole or any part of their loan, without incurring any additional fees or penalty interest.

If the property for which funding has been approved is sold, the loan must be repaid in full. In no circumstances can loan recipients redraw on repaid loan amounts or transfer the loan to another property or Business if the existing property is sold.

8.6. Financial reporting

Regular financial and operating reporting will be required during the term of the loan. Generally this will encompass an annual review of financial statements and operational budgets.

9. Decision making

The Office of the Coordinator-General will undertake an assessment of applications in accordance with these guidelines on behalf of TDR. TDR will be solely responsible for making decisions about successful applicants and application reviews in accordance with these guidelines, its usual processes and the *Tasmanian Development Act 1983*.



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