

Protecting yourself from coronavirus

# Small business loan support package



This interim guidance is based on what is currently known about coronavirus (COVID-19). The Tasmanian Government will update interim guidance as needed and as additional information becomes available. This interim guidance is to help everyone plan for community transmission of coronavirus in Tasmania. There is **much to learn about its transmissibility, severity, and other features of the disease.** We want to help everyone prepare their response to this public health threat.

*The health, safety and wellbeing of Tasmanians is our number one priority as we face the challenge of coronavirus. We also recognise the significant impact the unfolding COVID-19 situation and trading restrictions are having on Tasmanian businesses.*

## Business Support Loan Scheme

Loans from \$20 000 up to \$250 000 are available to assistant eligible businesses for the purposes of supporting business continuity, viability and sustainability during the Coronavirus period.

This may include for:

- » Purchase of business plant and equipment.
- » Improving distribution channels and online shopping accessibility.
- » Implementing initiatives to improve the sustainability and viability of the business.
- » Ensuring that essential business continuity is maintained.
- Generally, loans will be considered for eligible businesses in Tasmania that operate in the hospitality, tourism, seafood export sectors, related supply chain businesses, as well as businesses in other sectors of the economy that can demonstrate they have been materially impacted by the Coronavirus outbreak.
- Where a number of businesses are conducted under common ownership, those businesses will collectively be eligible for loans up to the maximum loan amount.
- Loans approved within these parameters will be provided on an unsecured basis.
- Loans will be available to businesses with a turnover of \$10 million or less as per the applicant's most recent financial statements. Businesses with turnover in excess of \$10 million per year that operate in multiple locations will be considered by exception.
- Loans will be interest free for the first three years then payable at State Growth's commercial loan interest rate from year four onwards.

- Loan terms will be a maximum of five years.
- Businesses will be able to access up to five hours of professional business planning or advice through the Enterprise Centre network that is funded by the Tasmanian Government.

## Eligibility

All applicants will:

- Be majority Tasmanian-owned and operate in Tasmania as a sole trader, trust, partnership or private company. Tasmanian Incorporated Associations that operate business undertakings for the purpose of generating income streams will also be eligible to apply at the department's discretion.
- Demonstrate their business has been impacted by the Coronavirus outbreak, and a clear need for the loan, to the satisfaction of the Department of State Growth.
- Demonstrate business financial viability prior to the Coronavirus outbreak, as well as a clear need for the loan.
- Be registered for tax purposes in Australia with an Australian Business Number (ABN).
- Provide business financial reporting to a satisfactory level with 2019 financial accounts and tax returns being highly preferred.
- Require a satisfactory credit history including the payment of statutory obligations and staff entitlements.



## Applications are not eligible for payment of:

- Overdue creditor payments.
- Overdue statutory payments.
- Staff displacement or redundancy costs.
- Debt refinancing.

To help decide your eligibility you should be able to answer yes to these questions:

1. Is my business in the hospitality, tourism, seafood export sectors, associated supply and logistic operators, or in another sector of the economy that has been impacted by the Coronavirus outbreak.
2. Do I generally have a demonstrated history of meeting my debt servicing requirements?
3. Do I have a plan in place to either continue to operate my business during the Coronavirus period or to re-establish operations at an appropriate future time?

## Contact and assistance

For advice on eligibility or for assistance with your application please call Business Tasmania on 1800 440 026 or email [ask@business.tas.gov.au](mailto:ask@business.tas.gov.au)