

Program Guidelines

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Ancillary Dwelling Grants Program

I. Aim

The Tasmanian Government is committed to a range of initiatives to increase the housing supply in Tasmania and to help meet the unprecedented growth in demand for rental properties. The Ancillary Dwelling Grants Program will provide \$10 000 for up to 500 eligible applicants to construct new ancillary dwellings that will be made available for long-term rental for at least two years.

Grants will be offered to the first 500 applicants that can demonstrate that they have an approved planning permit or a written confirmation from their local council that no permit is required (e.g. a certificate of no permit required or written correspondence to that effect).

Applications will be assessed in the order in which they are received. Incomplete applications or applications that do not include all requested supporting evidence will not be accepted. If this occurs, applicants will be notified that they are unsuccessful and will forfeit their place in the queue. Unsuccessful applicants may submit a new application. If the required information is provided, however, clarifications are required, the applicant may be contacted as part of the assessment process.

2. Eligibility criteria

You must meet all the eligibility criteria to apply for a grant.

You may be asked to supply documentation to support your eligibility claims as part of the application process, or as part of an audit process to confirm your claims are true and correct.

Applicants who can apply:

1. Applicants must be the owner(s) of the land upon which the ancillary dwelling is built.

All interested parties (i.e. all title holders) must be named as applicants.

2. Applicants that are natural persons must be aged over 18 years.

The applicant does not need to be a natural person. However, an applicant that is a natural person must be aged over 18 years. The program will be open to all types of entities including, for example, companies and trusts which hold residential property.

3. There may only be one grant issued per title.

This will prevent a landowner from claiming the grant to build an ancillary dwelling on a property where a previous dwelling has been built with Ancillary Building Grant assistance.

4. Applicants must not have claimed the grant previously.

Applicants are eligible for one grant only under this program. This is to prevent a landowner claiming the grant for multiple properties. This criterion will ensure the grant is distributed to the greatest number of applicants.

5. Applicants cannot apply for the grant in conjunction with a HomeBuilder grant and/or First Home Owner Grant (FHOG) build.

Applicants cannot claim this grant for the same title where building is currently underway and funded by a HomeBuilder grant and/or FHOG.

Applicants that have previously claimed HomeBuilder and/or FHOG in relation to their principal place of residence or a previous residence are eligible for this grant.

6. The dwelling must be an ancillary dwelling.

That is, it must be a dwelling:

- on residential property;
- with a floor area of less than 60m²;
- that is self-contained and separate to a primary dwelling (detached, semi-detached and internal); and
- that shares access and parking, and water, sewerage, gas, electricity and telecommunications connections and meters with that primary dwelling.

7. The ancillary dwelling must be a new project.

To be awarded a grant the project must deliver a new ancillary dwelling. This may include a standalone structure or the conversion of all or part of an existing structure to create an ancillary dwelling.

To qualify, the building works must neither have commenced, nor been contracted, prior to the announcement of this grant program on 16 March 2021.

8. The value of the works to be undertaken must exceed \$20 000

Applicants must spend more than \$20 000 on the ancillary dwelling project (that is, the \$10 000 grant plus at least \$10 000 of the applicant's own funds) and may need to provide evidence of the total expenditure.

9. The ancillary dwelling must be completed within two years of signing of the grant deed.

The grant deed will require applicants to state their intention to complete building of the ancillary dwelling within two years of signing of the grant deed.

10. Following completion of the build, the ancillary dwelling must be made available for long-term rental^[1] and rented within three months.

The grant deed will require applicants to state their intention to lease the ancillary dwelling as part of a long-term tenancy arrangement within the meaning of the *Residential Tenancy Act 1997*, for a fixed cumulative period of at least 24 months. This grant does not support building ancillary dwellings for short term holiday rentals.

11. The tenancy agreement must be on arm's length terms in relation to the rent amount being charged.

There will be no requirement for the applicant to advertise through a particular mechanism or to provide the lease to a third (unrelated) party to fulfil this requirement. However, the agreement must be made on arm's length terms having regard to current market conditions.

3. Ineligible applicants

Applicants who cannot apply:

- applicants who are not the owner(s) of the land upon which the ancillary dwelling is to be built;
- applicants that are natural persons aged under 18 years; and
- applicants who have applied for, or are in receipt of, a current HomeBuilder grant and/or First Home Owner Grant (FHOG).

^[1] At least two years in total.

4. Assessment

Applications that meet the eligibility criteria will be funded up to the limit of the grant funds available.

The program will be open until 31 December 2023 or until it is fully subscribed (whichever comes first).

Once the funding limit has been reached no further applications will be accepted. Those applicants who were unsuccessful at that point will be notified.

During the assessment process, the Department may, at its discretion, require further information to support or clarify an application. This information must be provided within 3 working days, unless otherwise advised. Failure to provide further requested information within the timeframe may result in the application being refused.

Information for successful applicants

Once the applicant has been deemed successful and the grant deed has been signed, the grant will be paid in two instalments of \$5 000:

- 1) The first instalment will be paid once an applicant submits a statutory declaration that building works have commenced along with a copy of any building approval required by the applicant's local council. It is anticipated that the applicant will provide this evidence within 6 months of signing the grant deed.

The ancillary dwelling must be completed within 24 months from the date of signing the grant deed.

- 2) The second instalment will be paid on submission of a certificate of occupancy and a lease agreement within the meaning of the *Residential Tenancy Act 1997*.

5. Timeframes

Based on the large number of pre-registrations of interest, the Department of State Growth anticipates that the program will be fully subscribed before the closing date. Given applications will be assessed in the order they are received, applicants are advised to submit their applications as soon as possible.

| Description | Date |
|---|----------------------------------|
| <i>Program opens</i> | <i>30 June 2021 3:00pm</i> |
| <i>Program closes</i> | <i>31 December 2023 3:00pm</i> |
| <i>Applications assessed</i> | <i>Within 21 days of receipt</i> |
| <i>Applicants notified (estimated date)</i> | <i>Within 21 days of receipt</i> |

All applicants will receive a notification on the progress of their application and, where possible, the outcome of the application by the estimated date above.

6. Application process

The Department of State Growth uses an online grants management system called SmartyGrants. This system is easy to use and accessible via mobile phones, tablets, laptops and personal computers.

The online platform allows you to apply for a grant at any time while the program is open. It also allows us to send you notifications throughout the grant application and funding process.

If you do not have internet access, please contact us to discuss alternate options.

- 6.1 *Applicants should read the guidelines and any frequently asked questions carefully before starting an application. The application form will help structure applicant's responses.*
- 6.2 *Applications are assessed in order of receipt against a limited fund. For this reason, applicants should keep a copy of the automatic confirmation of receipt. Meeting the eligibility criteria will not automatically result in a successful grant.*
- 6.3 *There will be no opportunity to change an application or upload missing information once it has been submitted. Applicants should, therefore, ensure that all supporting documentation provided is accurate and has been attached correctly before submitting. Applicants will not be able to reserve a grant allocation by submitting an incomplete application.*
- 6.4 *Applicants should complete and lodge their application online via SmartyGrants, accessed via the Department of State Growth website (https://www.stategrowth.tas.gov.au/grants_and_funding_opportunities). Applicants who are unable to apply online via SmartyGrants can access a manual application by emailing adgrant@stategrowth.tas.gov.au.*
- 6.5 *Following the submission of your application via SmartyGrants you will receive an automatic receipt of your application. This receipt will include details of the application and a unique application ID.*
- 6.6 *Applications will be assessed by a departmental assessment team.*
- 6.7 *Applicants will be advised of the outcome of their application by email.*

What does a successful application look like?

A successful application:

- Is submitted before the closing date and time.
- Meets all aspects of the eligibility criteria.
- Contains, where requested, quality documented evidence to support your claims against the eligibility and/or assessment criteria.

7. Appealing a decision

State Growth may reconsider a decision if the applicant can demonstrate a proven conflict of interest, error in process or discrimination.

If applicants have reason to believe that the proper process was not followed in assessment of an application, a request for review may be submitted.

Grounds for appeal are:

1. The persons making the decision had a direct or indirect financial interest in the outcome of the application.
2. The preparation of the application was affected adversely by incorrect advice provided by a staff member of the Department of State Growth.
3. The persons making the recommendations discriminated against the applicant on irrelevant grounds, such as cultural, religious or linguistic background; race; gender; marital status; sexual orientation; or disability.

All requests must be in writing and should be addressed to the Director or Manager of the business unit where the application was assessed.

Your request must be received within 28 days from the date of the Department of State Growth notifying you of the decision about your application

8. Acquittal

[What is an acquittal?](#)

An acquittal is a statement that is required to be made by the successful grant recipient, confirming that the grant funding provided was used as it was intended and as per the statements made on the application form and funding agreement.

[How to acquit for a grant](#)

Successful applicants will be required to provide some information about the activities and purchases made along with providing evidence such as any quotes, invoices, receipts, statements, reports, etc. as evidence to support the acquittal. This requirement may be at various stages of the grant term and will be issued to you electronically as a link to an acquittal form. The form will clearly define what is required of you to complete the acquittal process.

[The acquittal form](#)

In addition to ensuring the funding provided was used as intended the questions on the acquittal form help us determine how successful the grant funding program was.

This success is determined by understanding what the project was able to achieve and how well we were able to deliver the program to our clients. This helps us improve our client service and determine the best place to invest grant funding in the future.

Failure to complete an acquittal

The Department has a requirement and responsibility to ensure that the public funding we administer is allocated fairly and spent responsibly. So, we must review the outcomes of grant funding to ensure it aligns to the intended original approved purpose.

Failure to lodge a valid acquittal by the due date will result in the grant funding being required to be repaid back to the Department.

9. Taxation and financial implications

Grants under the program attract Goods and Services Tax (GST). Grant payments to successful applicants who are registered for GST are increased to compensate for the amount of GST payable. A valid tax invoice must be supplied by the successful applicant to the Department where GST applies to the grant funding.

The receipt of funding from this program may be treated as income by the ATO. While grants are typically treated as assessable income for taxation purposes, how they are treated will depend on the recipient's particular circumstances.

It is strongly recommended that potential applicants seek independent advice about the possible tax implications for receiving the grant under the program from a tax advisor, financial advisor and/or the Australian Taxation Office (ATO), prior to applying.

If you are an individual (not a business) or you do not have an Australian Business Number (ABN) you may be required to complete a 'Statement by a supplier not quoting an ABN'. Refer to the ATO website for more information:

<https://www.ato.gov.au/forms/statement-by-a-supplier-not-quoting-an-abn/>

Information on invoices can be found on our Business Tasmania website:

https://www.business.tas.gov.au/manage_a_business/invoices

10. Grant payments

Applicants will be asked for their bank account details so that we can process successful grant payments. This bank account must be in the same name of the person or business who applied for the grant. You may be asked to provide a copy of your bank statement or a letter from your bank to confirm your bank account details.

For any successful applicants who provides incorrect bank account details, this may result in funds being paid to an incorrect account and then these funds will need to be returned to us before we attempt another grant payment. This process may result in significant delays to any funding being received. Additionally, we cannot guarantee that funds paid to an incorrect bank account will be returned to us.

For applicants who are successful in being awarded a grant and:

1. their situation changes,
2. they do not complete the activities or tasks required under the funding agreement,
3. they do not use any or all of the funding provided, or
4. the information provided to us is found to be false or misleading,

the applicant will be required to return the funds to the Department.

11. Confidentiality

The Tasmanian Government may use and disclose the information provided by applicants for the purposes of discharging its respective functions under the Program Guidelines and otherwise for the purposes of the program and related uses.

The Department may also:

1. Use information received in applications for any other departmental business.
2. Use information received in applications and during the performance of the project for reporting.

12. Administration and contact details

The program will be administered by the Department of State Growth on behalf of the Crown in the Right of Tasmania. Contact with the Department for any of the following reasons can be directed to:
adgrant@stategrowth.tas.gov.au

- Further information or advice on the program
- Assistance in making an application
- Further feedback on the decision of the application
- Request a review of the decision

Important note

All applicants must take care to provide true and accurate information. Any information that is found to be false or misleading may result in action being taken and grant funds, if already provided, will be required to be repaid to the Department.

13. Publicity of grant 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.

14. 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*.

15. Personal information protection

Personal information will be managed in accordance with the *Personal Information Protection Act 2004*. This information may be accessed by the individual to whom it related, on request to the Department of State Growth. A fee for this service may be charged.

16. Disclosure

The following applies to all successful applicants:

- Despite any confidentiality or intellectual property right subsisting in the grant funding agreement or deed, a party may publish all or any part of the grant funding agreement or deed without reference to another party.
- Nothing in this item 16. Disclosure, derogates from a party's obligations under the *Personal Information Protection Act 2004* (Tas) or the *Privacy Act 1988* (Cwth).

17. 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 program.



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Section 1. Aim was amended to reflect an increase in total grant places from 250 to 500.

Section 4. Assessment was amended to reflect a change to the program closing date to 31 December 2023.

Section 5. Timeframes was amended to reflect a change to the program closing date to 31 December 2023.