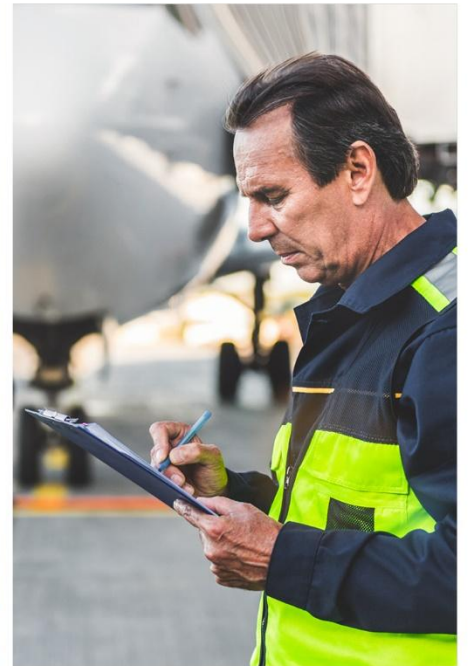


Program Guidelines

Aviation Attraction Fund – Version 3



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The Department of State Growth recognises and values Aboriginal histories, knowledge and lived experiences and is committed to being culturally inclusive and respectful in our working relationships with all Aboriginal people.

The Department of State Growth acknowledges all Aboriginal people; the traditional owners of the Land upon which we work and pay our respects to Elders past and present.

About the program

The aviation environment remains challenging post COVID-19 and for Tasmania to maintain and increase capacity to the island, Tasmania must be able to respond to emerging opportunities as they arise.

The Tasmanian Government has committed \$5 million over four years to the Aviation Attraction Fund to enable Tasmania to be agile and swift in leveraging opportunities by partnering with Tasmanian airports to increase capacity in the Tasmanian market.

Objectives and outcomes

The objective of the program is to support economic growth and creation of jobs and opportunities for Tasmanians by building inbound capacity and patronage to Tasmania.

The objective will be achieved through targeted investment to achieve the following outcomes:

- Establish new routes and grow existing routes between Tasmania and mainland Australia and within Tasmania
- build international direct air access between Tasmania and New Zealand
- secure and build international direct air access between Tasmania and Asia.

Definitions

Topic	Definition
New route	A route that has never been operated to or within Tasmania or not currently operated (and has not been operated for a continuous period of no less than 12 months)
Existing route	A route that is currently operated to or within Tasmania on a regular scheduled basis
Seasonal route	A route that is currently operated to or within Tasmania, or has been operated within the last 12 months, for only part of a calendar year
International direct air access	Non-stop flight between a Tasmanian airport and an airport outside of Australia

Available funding

The Fund has two streams:

1. International direct air access

This stream is open to current and/or new international direct air access that will support delivery of the program objectives.

Applications for this stream are to be made by a Tasmanian airport and supported by an airline. All applications are required to be jointly funded by a Tasmanian airport and an airline.

A total of up to \$3 million will be allocated to this stream.

2. Domestic routes

This stream is open to proposals for new routes, extensions to seasonal routes and capacity increases on existing routes.

Applications for this stream are to be made by a Tasmanian airport and supported by an airline. All applications are required to be jointly funded by a Tasmanian airport and an airline.

A total of up to \$2 million is allocated to this stream.

Applicants must specify which stream their application is to be considered under.

Eligible applicants

To be eligible, an applicant must meet all the eligibility criteria outlined below.

For any queries about the eligibility criteria, contact State Growth by emailing aviationfund@stategrowth.tas.gov.au

Eligible applicants must:

1. Operate an airport in Tasmania that supports, or is demonstrated to be capable of supporting, regular passenger services of the type proposed.
2. Have the appropriate authorities, licences, insurances, and approvals as required to operate the proposed service.

Ineligible applicants

1. Any business that is trading insolvent, under external administration or bankruptcy.
2. Any business that submits an application without the required supporting evidence.
3. Consultants or intermediaries, including wholesalers or distributors.

How funding may be used

Funding will be provided in the form of grants.

Funds may be applied to initiatives designed to build capacity and demand including, but not limited to:

- sharing commercial risk of services, such as cost offsets and seat subsidies
- demand-generating strategies, including in-market promotion and media
- an agreed minimum revenue guarantee.

In all cases, applicants must address measures to drive demand to utilise proposed capacity.

Funding may be made available to a successful applicant for a period of up to 12 months, with an option to extend for a further period of 12 months, at the discretion of State Growth, subject to confirmation of budget.

Proposals may also be considered for longer-term arrangements, including multi-year funding deeds, where justified by the Applicant and considered reasonable by the panel when assessing the application against the merit criteria.

Applicants must specify whether their proposal is for a single year, includes an option to extend, or seeks a longer-term arrangement.

Funding will generally be made on a reimbursement basis, following demonstrated satisfaction of grant requirements. This may include progressive payments against agreed milestones, subject to the reasonable satisfaction of State Growth.

Where there is a clear and evidenced need, funding may be provided in advance (partially or fully), subject to assessment and approval as part of the application process. Applicants must provide justification and supporting evidence for any request for advance payment of grant funds.

To be able to respond to the volume and merits of applications received, the program's funding allocation streams may be adjusted by State Growth and the Tasmanian Government.

Timeframes

Applications to the Aviation Attraction Fund will open at 2:00pm, 13 January 2025. Applications will be considered in order of receipt after program opening. Applications will be considered by State Growth until funds for the relevant stream are fully committed.

Assessment

Applications that meet the eligibility criteria and minimum standards (see section 10) will be assessed using the merit criteria.

The assessment panel may seek and rely on external data (such as Tourism Tasmania visitor data) to inform its decision and may request additional information from applicants.

Merit Criteria

Eligible proposals will be evaluated against the following merit criteria, which have equal weighting. Projects must meet all criteria to a minimum sufficient standard to be considered for funding.

Strategic alignment

- How the initiative will grow visitation from priority source markets and be linked to **Tasmania's 2030 Visitor Economy Strategy** and **Tasmanian Trade Strategy 2019-2025**.
- Service provider's commitment to, and brand alignment with, Tasmania.
- For domestic services, proposals will only be considered where demonstrated market demand exists and there is no detriment to other established routes and/or markets.

Quality and Feasibility of proposal

- Demonstrated capacity and capability in delivering the proposed initiative.
- Evidence-based projections for patronage growth and long-term commercial sustainability of the proposed initiative.
- Accountability safeguards to ensure risk to the Tasmanian Government is managed appropriately.

Value for money

- Level of co-investment and apportionment of commercial risk between parties.
- Commitment to demand-generating initiatives to support proposed capacity.
- How the Tasmanian Government's potential commitment leverages contributions from other partners to match the funding requested.
- How the proposed initiative supports other opportunities and beneficiaries, including tourism, exports, airfreight, international education, trade and investment.

Minimum standards

To be considered for funding, an application must satisfy the following minimum criteria:

- co-contribution of no less than 50 per cent from applicant and partners for domestic routes
- commence route within one year of application.

Supporting documentation

Applications must provide a business case in support of their application, which is expected to include, where relevant:

- route(s) to be supported
- evidence of approvals to operate the route(s) or ability to obtain
- baseline and historical airline seat capacity and passenger numbers (for proposals for capacity increases on existing routes)
- frequency of services
- period of service
- seats per service and aircraft type(s)

- estimated market size and passengers to be delivered on supported route(s)
- forecast operating costs and revenues, showing:
 - amount requested from the Tasmanian Government
 - applicant(s) co-contribution
 - applicant partners' co-contribution
- breakdown of expected origin of passengers on supported routes
- proposed service reliability average/completion rate on supported routes (and how achievement of this is proposed to be linked to funding support)
- target load factor average on supported routes
- estimated tonnes of belly freight by category (commodity type), inbound and outbound
- employment impacts, with breakdown by sector (such as airline, freight, etc.)
- for service-related marketing, expected reach, engagement and conversion
- risk management plan (required).

How to apply

Applications will be managed using SmartyGrants, but applicants are strongly encouraged to contact State Growth to discuss the application process.

1. **Prepare:** Read the program guidelines before starting your application.
2. **Start:** The application form is available via https://www.stategrowth.tas.gov.au/grants_and_funding_opportunities/grants/aviation-attraction-fund
3. **Confirm:** Ensure all information and documentation is accurate and attached.
4. **Submit:** You will receive an email notification after you submit your application. Keep this notification as confirmation of your submission.
5. **Assessment:** Applications will be assessed by a panel convened by State Growth, which may include representatives from other Tasmanian Government agencies.
6. **Notification:** We will notify you with the outcome of your application.

You may be asked to provide information or documentation after you have submitted your application.

You must provide this information within ten working days, unless otherwise advised. Failure to provide the information within the timeframe may result in the application being unsuccessful.

The information you provide may be subject to authenticity checks using third party software.

In addition, applicants agree to participate in any program review conducted by State Growth.

Grant funding agreement

If your application is successful, you will be required to enter a legally binding funding agreement.

The funding agreement, along with these program guidelines, provide the grant terms and conditions.

The funding agreement will specify the approved payment structure, including whether payments are to be made in arrears or in advance, and outline associated reporting and acquittal obligations.

You cannot receive payments if the funding agreement has not been completed.

Appealing a decision

If your application is unsuccessful, you may appeal the decision.

The appeals process ensures that all applicants have been treated fairly.

We will consider appeals that relate to administrative process issues in grants management.

All requests must be in writing and addressed to the Deputy Secretary, Transport. Your request must be received within 28 days from the date State Growth notified you of the decision about your application.

For further information about the appeal process, contact tsp@stategrowth.tas.gov.au

Grant payments

If your application is successful, you will be asked for your bank account details to receive your grant payment.

The bank account must be in your business name. You may be asked to provide a copy of your bank statement or a letter from your bank as confirmation.

Providing incorrect bank account details may result in significant delays or not receiving your grant payment. We cannot guarantee the recovery of funds paid to an incorrect bank account.

You will be required to return some or all the funds if:

- you do not complete the activities required under the funding agreement
- you do not use any or all of the funding provided
- your situation changes in a way that prevents completion of the grant or
- we find that the information provided to us is false or misleading.

Taxation and financial implications

Grants distributed under this program may be treated as income by the Australian Tax Office (ATO).

We strongly recommend that, prior to applying, you seek independent advice from a tax advisor, financial advisor and/or the ATO, about the possible tax implications for receiving the grant.

Grants distributed under this program attract Goods and Services Tax (GST).

If you are registered for GST, the grant amount will be grossed up to include GST. A valid tax invoice must be supplied by the successful applicant to State Growth.

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

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

Acquittal

If your application is successful, you must provide an acquittal at the conclusion of the approved project.

An acquittal is a statement that confirms the grant was completed as per the funding agreement.

Grant payments under this program will generally be made on a reimbursement basis, following successful completion of approved activities and satisfactory acquittal.

Where there is a clear and evidenced need, funding may be provided in advance (partially or fully), subject to assessment and approval as part of the application process. Applicants must provide justification and supporting evidence for any request for advance payment of grant funds.

Where grant funding is provided in advance, recipients will be required to report on the use of funds and acquit expenditure in accordance with the agreed milestones and timeframes outlined in the funding agreement. This may include provision of financial statements, progress reports, and evidence of expenditure to the satisfaction of the State Growth.

All grant recipients, including those receiving advance payments, must comply with reporting and acquittal requirements as outlined in the funding agreement. This includes providing evidence of expenditure, progress against milestones, and any other documentation reasonably required by State Growth.

How to acquit your grant

We will send you an acquittal form using SmartyGrants, with the due date for completion set to one month after the project end date indicated in your application.

Any reporting and acquittal must contain information reasonably required by State Growth, which may include, but is not limited to:

- a report on the activities completed and their outcomes, including, if relevant flights operated and aircraft types utilised on each flight
- details on expenditure incurred and revenue earned and/or patronage generated
- details of passenger numbers and load factors
- information with regard to passenger origin
- freight volumes
- evidence such as invoices, receipts, and bank statements.

We may ask you to provide a Statement of Expenditure certified by an independent, professional auditor. You will be responsible for the cost of obtaining the certified Statement of Expenditure.

Similar information may be required to support any progress payments agreed to be made under the Grant.

Where advance payments have been approved, recipients must provide interim reporting and financial evidence aligned with agreed milestones. These may include invoices, receipts, bank statements, and progress reports. Additional documentation may be requested to ensure accountability for upfront funding.

Failure to complete an acquittal

If you do not satisfactorily acquit your grant by the due date:

- you may be required to return the funding to State Growth and
- you may be ineligible for other grants from State Growth.

Contact us to discuss any issue preventing you from acquitting your grant.

Publicity of grant assistance

State Growth is accountable for its spending of public funds, including providing grants. As part of the accountability process, State Growth may publicise, without further notice, information about the grants provided, including the level of financial assistance, the identity of the recipient, and the purpose of the financial assistance.

If you have received a grant from State Growth:

- 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, and you consent to the disclosure of your name in this context
- all obligations under the *Personal Information Protection Act 2004* (Tas) still apply.

Any applicant seeking consideration for exemption from the application of this section will need to contact State Growth prior to submission of their application.

True and accurate information

You 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, may be required to be repaid to State Growth.

Right to information

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

Information collection and usage

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 relates, on request to State Growth.

State Growth may use and disclose the information you provide for the purposes of discharging its functions under the Program Guidelines and otherwise for the purposes of the program and related uses. State Growth may also use information received in applications and during the delivery of the project for reporting purposes.

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.

Contact details

For queries about this program, contact aviationfund@stategrowth.tas.gov.au



Department of State Growth

4 Salamanca Place
Hobart TAS 7000 Australia

Phone: 1800 030 688

Email: info@stategrowth.tas.gov.au

Web: www.stategrowth.tas.gov.au