AgriGrowth Loan Scheme

The Scheme at a Glance

Key features of the AgriGrowth Loan Scheme:

- Loans of up to $3 million for eligible Farm Businesses and Agri-food Businesses operating in Tasmania for projects that advance the Government's AgriGrowth policy of "Cultivating Prosperity in Agriculture" that otherwise could not be brought forward and/or financed under normal banking arrangements.
- Generally, loan amounts of less than $100,000 will not be considered under the scheme.
- Loan amounts will be considered up to 80 per cent of a recognised valuation for freehold assets provided for loan security. Other non-freehold assets may also be considered for security.
- The maximum loan term normally up to 5 years, longer terms up to 15 years may be considered in specific circumstances.
- Variable concessional interest rates will apply, currently in the order of 6.62 per cent per annum (as at November 2026) for a maximum period of five years.
- Interest only payments are available for a maximum of 5 years.
- Loans should be repaid in full or fully refinanced at the end of the agreed loan term.
- Principal loan instalments will commence when cashflow is generated.
- Enhanced young farmer provisions.
- Applications will be assessed on the criteria contained within these guidelines.

Are You Eligible to Apply?

To help decide whether your Farm Business or Agri-food Business is eligible to be considered for a loan, you should be able to answer yes to all of these questions:

1. Do I generally have a demonstrated history of meeting my debt servicing requirements?
2. Can my Farm Business or Agri-food Business meet all its financial commitments over the agreed loan term if an AgriGrowth loan is provided?
3. Will my Farm Business or Agri-food Business expect to be in a position to repay the AgriGrowth loan within five years, including, for example, through successfully obtaining commercial refinance?

To determine your eligibility to apply for an AgriGrowth Loan, you must:

1. Demonstrate that your Farm Business or Agri-food Business:
   - meets the eligibility criteria to be assessed for an AgriGrowth Loan
   - meets the criteria for loan assistance
2. Speak with one of our Agribusiness Finance Managers by calling Business Tasmania on 1800 440 026;
   - Once you have spoken to our Agribusiness Finance Manager, you may complete and submit an application form (available from Building Tasmania) including the required supporting financial information/documentation
   - Provide a minimum three year Business Plan that shows how the Farm Business or Agri-food Business will achieve its long-term objectives
3. Be able to provide suitable security for the loan

AgriGrowth Loan Scheme

The AgriGrowth Loan Scheme forms part of the Tasmanian Government's Cultivating Prosperity in Agriculture plan and aims to grow the value of the agriculture and agri-food sectors in Tasmania.

1. Objective

The AgriGrowth Loan Scheme will provide financial assistance to Tasmanian farm businesses and agri-food business, where the majority of business is conducted in Tasmania, for projects that advance the government's Agri-Growth agenda. Eligible purposes include:

- Developing an innovative agribusiness initiative that has a long lead time until income is generated.
- Starting a new enterprise or expanding an existing enterprise or
- Implementing Productivity or Value Enhancement Activities,

that otherwise could not be brought forward and/or financed under normal banking arrangements.

Enhanced young farmer provisions are available through the Young Farmer Support Package.

Examples could include:

- Assisting new entrants to the industry, or farm conversions, either in full or part.
- Business improvements, expansions and Productivity and Value Enhancement Activities.
- Replanting orchards or vineyards to update varieties.
- Diversification of business income streams and/or products.
- Projects that enhance the market value of primary production.
- Financial assistance to dairy share farmers.

2. Application Period

Applications will be ongoing until further advised by Building Tasmania.

Notification of closure will be published on Building Tasmania's website (www.building.tas.gov.au) and those that have already lodged an application will be advised in writing.

As the funds available under the AgriGrowth Loan Scheme are capped, applicants should note that lodging an application does not guarantee that they will receive a Loan.

3. Costs

Applicants are responsible for all costs incurred by them in the preparation and lodgement of a complete application. A loan establishment fee 0.1 per cent of the loan amount, to a maximum of $3,000 (minimum of $600) will be applied.

Successful loan applicants will reimburse Crown Law legal fees associated with the preparation of loan documents. If required, other costs associated with the proposed loan, for example valuation fees, will also be payable by the applicant.

4. How to Apply

You are asked to call one of our Agribusiness Finance Managers on 1800 440 026.

An application form can be provided by our Agribusiness staff once your eligibility has been confirmed.

Eligible applicants should lodge their completed application forms including required documentation to the

Agribusiness Finance Manager
AgriGrowth Loans Scheme
Building Tasmania
GPO Box 536
Hobart TAS 7001

Email: ask@business.tas.gov.au

Website details: www.building.tas.gov.au

Applications lodged after the advertised application period closing dates will not be accepted.

Details of application periods, including opening and closing dates and funding allocations will be available on Building Tasmania's website or by contacting Business Tasmania on 1800 440 026.

5. Loan Assessment

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

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

Where an application has been submitted, Building Tasmania 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.

Building Tasmania may seek to visit and inspect a Farm Business or Agri-food Business to assist with its assessment and decision process.

6. Eligibility Criteria for Assessment

To be eligible to apply applicants must:

Be a Tasmanian Farm Business or an Agri-food Business where;

A Farm Business is defined as being involved in the agriculture, horticulture, pastoral, apiculture, aquaculture industries. A Farm Business may also be for the purpose of activities related to agri-tourism.

An Agri-food Business is classified as those businesses that transform, package or otherwise value-add to primary products that are marketable for human consumption and will generally be limited to businesses that employ 35 or less Full Time Equivalents and have an annual turnover of $5 million or less.

All applicants must:

- Operate as a sole trader, trust, partnership or private company;
- Demonstrate a clear need for the loan, to the satisfaction of Building Tasmania, and projects must advance the Government's AgriGrowth agenda/policy;
- Include a minimum three year business plan to the satisfaction of the department (in some cases the department may request that the applicant use a recognised consultant to assist with the plan);
- Demonstrate ongoing financial viability with the loan application and business plan showing that the venture will be profitable within the agreed loan period; and
- The business must be registered for tax purposes in Australia with an Australian Business Number (ABN) and be registered for GST.
- With regard to a Farm Business at least one member of the Farm Business must be a farmer who, under normal circumstances, generally contributes at least 50 per cent of his or her labour and will generally derive at least 50 per cent of his or her income from the Farm Business within the loan term.

Ineligible Applicants:

- Any government body, government agency, publicly listed companies, government business enterprises, absentee landlords, hobby farmers, forest activities and recreational activities;
- Any public company under the meaning as defined in the Corporations Act 2001; and
- Any business that is under External Administration or bankruptcy.

Productivity or Value Enhancement Activities:

Productivity Enhancement activities encompass systems and management practices that enhance sustainable primary production in Tasmania.

Examples of eligible Productivity Enhancement activities include, but are not limited to:

- Enterprise build-up/expansion of operations
- Diversification of the farm business
- Purchase and upgrade of equipment, plant or machinery
- Purchase of livestock that will provide long term improvement to the farm businesses productivity
- Implementing proprietary energy efficient or renewable energy farm infrastructure
- Purchase of irrigation and water management systems for improved water use and efficiency
- Projects that increase the market value of primary production
- Other activities not listed but to the satisfaction of Building 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 for the purchase of water entitlements and associated costs
- Funding of normal or additional working capital (e.g. overdraft facilities)
- Off-farm investment (except in the case of investment in off-farm Agri-food Business activity)
- Purposes directly relating to the harvesting of wild fishery resources
- Family succession arrangements, other than the agreed Productivity Enhancement activities
- Reimbursement of depreciation of 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.

7. Loan Security

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

Successful applicants must provide acceptable loan security in accordance with established security requirements and commensurate with the amount of the loan.

The security provided may include:

a) a registered mortgage over land satisfactory to TDR; and

b) any other security TDR considers acceptable and necessary.

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

Loan security may be extended up to a maximum of 80 per cent of a valuation acceptable to TDR for freehold assets provided for security.

Other non-freehold assets such as leasehold assets, livestock, plant, equipment or other tangible assets may be considered for security purposes.

Acceptable loan security is to be to TDR's satisfaction.

8. General Conditions of the Loan Scheme

8.1 Loan Amounts

Applications for loan amounts generally ranging from a minimum of $100,000 to a maximum of $3 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 first five years of the loan, currently 6.62 per cent per annum (as at November 2026). The concessional 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.

Concessional loan interest rates will return to TDR commercial rates after a period of no more than five years.

The loan interest rate will be reviewed on a regular basis. Building Tasmania 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. This could be in the form of a settlement arrangement, invoice or receipt of goods and services.

8.5 Loan Repayment

The 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. The minimum repayment in the five year concessional period is the interest component, except loans to upgrade, replace or purchase plant or machinery which will be required to be amortised by at least fifty per cent of the amount borrowed for equipment over the five year period.

Principal loan repayments may begin when the enterprise reaches an agreed profit threshold OR at a defined time determined based on information provided in the applicant's application, business case or a review of the business during the term of the loan.

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 five year term of the loan, loan recipients may repay the whole or any part of their loan, without incurring any additional fees or penalty interest.

In no circumstances can loan recipients redraw on repaid loan amounts or transfer the loan to another property or Agri food 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

Officers of Building Tasmania 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.