



# Show Starter Loan Scheme FAQs

December 2020

## What is the Show Starter Loan Scheme?

The Show Starter Loan Scheme is supporting up to \$90 million of lending to eligible arts and entertainment entities that have been adversely affected by COVID-19.

Under the Scheme, the Government is guaranteeing 100 per cent of new loans taken out by eligible arts and entertainment businesses to deliver new productions or events for a live audience. Loans are provided by participating lenders.

The Scheme is implemented through the Coronavirus Small and Medium Enterprises (SME) Guarantee Scheme. For information on the overall Scheme, see the Show Starter Scheme Rules, which are available through the [SmartyGrants online portal](#).

## Eligibility

### Who is eligible to apply for a Show Starter Loan?

An eligible borrower must:

- have an ABN;
- have had an annual turnover of between \$1 million and \$120 million in the 2019–20 income year, and/or have a likely annual turnover of between \$1 million and \$120 million in the 2020–21 income year
- be an Arts and Entertainment Entity
- have been adversely affected by the Coronavirus Pandemic
- be unable to fund the new Arts and Entertainment Activity without the assistance of the Scheme.

An eligible borrower must also **not** be one of the following:

- an entity or corporation owned by the Australian Government, state/territory or local government
- a Local Government Body; or
- the operator of a theme park or fun park

An Arts and Entertainment Entity is an organisation that in the previous 24 months derived its major source of revenue or worked a majority of hours in activities that involve at least one of the following the:

- employment of Australian Cultural or Creative Workers, and/or Australian Support Workers;
- operation of venues or facilities often used to exhibit or showcase creative and cultural talent; or
- organisation of Arts and Entertainment Activities.

Eligibility is determined by the Show Starter Loan Scheme Rules, which can be accessed through the [SmartyGrants online portal](#).

## What can a Show Starter Loan be used for?

Show Starter loans can be used to fund up to 50% (with a maximum amount of \$5 million) of a new arts and entertainment production or event.

An Arts and Entertainment Activity is any production or event for a live audience that involves:

- the exhibition or showcasing of objects and sites of historical, or cultural interest;
- artistic works such as visual artworks, music, dance, story and other performance arts;
- festivals or concerts;
- the exhibition or showcasing of cultural or creative skills of general interest to a general audience; or
- digital and/or online elements, provided they complement and are not the main component of the production or event.

Excluded Activities under the Scheme are screen production and distribution (film, television, online productions, interactive digital games); design (e.g. architectural and landscape design, industrial and product design etc); radio broadcasting; sporting activities; carnivals, fairs, collectible shows, agricultural and produce shows, garden production and events; zoological events; gambling activities; the establishment of a new arts and entertainment entity; or the development of new capabilities for an existing arts and entertainment entity.

## Pre-screening process

### What is the process for accessing the Show Starter Loan Scheme?

Applying for a Show Starter Loan involves a two-step process:

#### 1. Pre-screening process (assessment of eligibility)

Once you've read the eligibility criteria above and are satisfied that your entity and your activity meets the eligibility criteria, you can submit an Intention to Borrow application through the [SmartyGrants online portal](#). This will allow the Office for the Arts (out of the Australian Government Department of Infrastructure, Transport, Regional Development and Communications) to assess the eligibility of your entity and your proposed activity. It does not constitute a loan approval.

If your submission is assessed as eligible, you will receive a Notice of Eligibility. This Notice will confirm that you are eligible to apply for a loan under the Scheme, and will outline the conditions of eligibility, the maximum loan amount, and the timeframe for which the Notice is valid.

Applications assessed as ineligible will receive a Notice of Ineligibility.

#### 2. Applying for a loan

If your submission is assessed as eligible, you can provide a copy of your Notice of Eligibility to a participating lender. This demonstrates to the lender that you meet the Scheme's eligibility criteria.

You will need to apply for your loan through a participating lender in the normal way. The lender will then undergo usual lending processes and will undertake a credit assessment.

## What is the maximum loan amount that can be applied for under the Scheme?

The maximum loan amount is 50% of the total budget of the eligible activity, or \$5 million (whichever is lesser). This rule still applies in cases where you have received a RISE Fund grant. Your loan can fund up to 50% of the total budget of the eligible activity or \$5 million (whichever is lesser), including when aggregated with any RISE Fund grant to the eligible borrower with the same ABN, for the same activity.

The Scheme Rules allow for a minimum loan amount of \$100,000 and a maximum of \$5 million in loans in total under the Scheme, however please contact the participating lenders directly in relation to what loan products they are offering under the Scheme.

## What are 'new' productions or events?

'New' productions and events are those to be delivered in Australia and are not already established as at the time the Office for the Arts conducts an assessment. New productions and events may include those that were planned prior to the COVID-19 pandemic, but which were not able to be delivered or which will require significant modification if they are to now be delivered. It may also include productions or events that were mounted or opened, but then interrupted due to COVID-19.

## Can a Show Starter Loan be used for new online or digital productions and events?

Digital and/or online elements of live productions and events are permitted under the Scheme, provided that they complement an activity, and are not the main component of that activity. Productions that are wholly screen productions are ineligible.

## Can a consortium of entities apply for a Loan?

Yes. Where an activity is to be delivered by a consortium of entities, one of those entities will need to be nominated as the borrower. The nominated borrower (and activity) must meet the eligibility criteria outlined in the Scheme Rules and will need to submit an Intention to Borrow application, identifying and providing information on all other entities involved in the consortium.

## Can a sole trader with employees apply for a Loan?

Yes, provided that all eligibility criteria are met.

## Can I apply more than once?

An eligible entity can submit more than one application provided each application covers a different New Arts and Entertainment Activity. Note that an eligible entity can also submit one application for a slate of eligible New Arts and Entertainment Activities. Also, an entity can only receive a maximum of \$5 million in total loans under the Scheme.

## Can a loan be used to cover entity operating costs?

No. A Show Starter Loan cannot be used to cover entity operating costs beyond those reasonably required to undertake the New Arts and Entertainment Activity. Some overhead costs are allowable within the activity budget, provided it can be demonstrated that they relate directly to the new production or event.

## Can a loan be used to cover capital works costs?

A Show Starter Loan cannot be used to cover entity operating costs, including capital works costs, beyond those reasonably required to undertake the New Arts and Entertainment Activity. Minor capital works may be permitted, provided that an entity can demonstrate that those works are necessary for the delivery of the Activity.

## Can a loan be used for refinancing or repaying an existing debt?

No. A Show Starter Loan cannot be used for refinancing or repaying an existing debt.

## Can a loan be used to cover international/non-Australian wages and costs?

No. A Show Starter Loan cannot be used to cover international/non-Australian wages and costs. A new production or event may include these costs, but they are not able to be covered by a Show Starter Loan.

## Can a Show Starter loan be used to fund a slate of productions or events?

A slate of productions or season of works, if promoted and presented as part of the one package with delivery to be commenced within the 24-month timeframe, is eligible under the Scheme, provided that an entity and its activity meets the eligibility criteria outlined in the Scheme Rules.

## What documentation will I need to provide as part of my Intention to Borrow submission?

You will need to provide the following documentation as part of your Intention to Borrow submission:

- Financial statement for 2018–19, certified by your Chief Financial Officer, Board or registered Chartered Accountant.
- Financial statement for 2019–20 and/or Part year income and expenditure relevant for 2020–21 with forecast for the rest of the year, certified by your Chief Financial Officer, Board or registered Chartered Accountant.

Further information about your entity and proposed activity is also required to be submitted in the Intention to Borrow form.

## Can I update my Intention to Borrow form after submitting it?

If you find an error in your Intention to Borrow application after submitting it, you should contact us immediately at [ShowStarter@arts.gov.au](mailto:ShowStarter@arts.gov.au). In some cases, we may ask you to resubmit your Intention to Borrow with the correct information.

## Can I apply for both the RISE Fund and the Show Starter Loan Scheme?

Entities can apply for both the RISE Fund and the Show Starter Loan Scheme. Any grant received through the RISE Fund will affect the total amount that an entity can receive under the Loan Scheme. Under the Loan Scheme, the total amount of each loan is limited to 50% of the activity budget (or \$5 million – whichever is lesser), including when aggregated with a RISE Fund grant for the same arts and entertainment activity by the eligible entity.

## When will the pre-screening period open/close?

Pre-screening for the Show Starter Loan Scheme is now open. You can submit your Intention to Borrow form up to or on 16 June 2021. Loans must be approved by the Participating Lender by 30 June 2021, or until funding for the Commonwealth guarantee is exhausted.

## Can my Intention to Borrow submission be fast-tracked?

Unfortunately, fast-tracking is not possible. We will aim to complete our eligibility assessment and notify you of the result within 5 to 10 business days of receiving all the necessary information to support your Intention to Borrow submission.

## Where can I get more assistance with my Intention to Borrow submission via SmartyGrants?

You can seek further assistance by contacting the Show Starter team at [ShowStarter@arts.gov.au](mailto:ShowStarter@arts.gov.au).

If you are experiencing technical issues with SmartyGrants, please contact [service@smartygrants.com.au](mailto:service@smartygrants.com.au). You can also call +61 3 9320 6888 between 9.00am and 5.00pm Australian Eastern Standard Time, Monday to Friday.

Further information is also available in the [SmartyGrants help guide](#).

## How long will it take before I know I'm eligible?

Entities will usually be advised of a pre-screening assessment outcome within 5–10 business days.

## How will I be notified of the outcome of my eligibility assessment?

Applicants will either receive a Notice of Eligibility, or a Notice of Ineligibility, from the Office for the Arts. Notices are sent via email.

## If my Intention to Borrow submission is unsuccessful, can I ask for feedback?

Yes. Should your submission be found ineligible you can submit a feedback request to [ShowStarter@arts.gov.au](mailto:ShowStarter@arts.gov.au).

## If my Intention to Borrow submission is assessed as ineligible, can I submit a new application?

Yes, you can submit a new application if your submission is assessed as ineligible.

## What can I do if I am unhappy about how my application has been handled?

The Department's Complaints Procedures apply to complaints about the Office for the Arts' assessment of eligibility for the Show Starter Loan Scheme. All complaints must be provided in writing to [ClientService@infrastructure.gov.au](mailto:ClientService@infrastructure.gov.au).

# Accessing a Show Starter Loan

## What is the next step once I have received a Notice of Eligibility?

If your Intention to Borrow submission is successful and you have received a Notice of Eligibility, you can then approach a participating lender to apply for a loan. Participating lenders are listed on the Arts website.

Speak to a participating lender about what loan product/s they have available under the Scheme.

## How long is a Notice of Eligibility valid for?

Eligibility to apply for a loan is valid for 90 calendar days from the date of your Notice of Eligibility, or by 30 June 2021, whichever is earlier. Under the Scheme, a Show Starter Loan must be approved by a participating lender no later than 30 June 2021.

## Can I request an extension to a Notice of Eligibility?

To request an extension to the 90 calendar day validity period for a Notice of Eligibility, please contact the Office for the Arts in the Department of Infrastructure, Transport, Regional Development and Communications via [ShowStarter@arts.gov.au](mailto:ShowStarter@arts.gov.au) at least 10 business days before the Notice of Eligibility is due to expire.

## Am I guaranteed to receive a loan under the Scheme if I receive a Notice of Eligibility?

No. Eligibility does not guarantee that you will receive a loan from a participating lender. Lenders will conduct separate assessments, including a credit assessment, and will notify you of the outcomes.

## Who are the participating lenders in the Scheme?

Participating Lenders are listed on the Arts website.

## **When will participating lenders begin writing Show Starter Loans?**

Loans will be available until 30 June 2021, or until funds covering the Commonwealth guarantee are exhausted.

## **What are the terms and conditions of the loan?**

The Participating Lender will outline the full terms and conditions of your loan in the relevant loan agreement.

## **How long do I have to deliver the activity upon execution of a loan agreement under the Scheme?**

Delivery of the activity must have commenced within 24 months of the Loan Agreement Date.

## **What is the total amount of funding that has been allocated to the Show Starter Loan Scheme?**

Up to \$90 million in loans will be available under the Scheme.

## **What other support is available to the Australian arts, culture and entertainment sector?**

To find out more about the range of supports available, you can visit the [Arts COVID-19 webpage](#).