



Department of Education

Department of Education Low Interest Loan Scheme the University of Notre Dame Australia Guidelines and Procedures

1. Introduction

- 1.1. The Western Australian Government provides funds through the Low Interest Loan Scheme - The University of Notre Dame Australia (LILS-UNDA) to assist the University of Notre Dame Australia (the "University") to undertake a wide variety of projects.
- 1.2. In general terms, the projects undertaken will be of a similar level and standard to those provided at public universities.
- 1.3. Under the LILS-UNDA, there is a capacity to pass on to the University the benefits of the Western Australian Government's advantageous borrowing rate.
- 1.4. The Department of Education (DOE) administers LILS-UNDA on behalf of the Minister for Education.
- 1.5. These guidelines apply from the date on which approval for said guidelines was granted by the Treasurer.

2. General conditions

- 2.1. The base interest rates applicable to LILS-UNDA are reviewed and adjusted as necessary in January each year.
- 2.2. The base interest rate payable on loans is based on the Western Australian Treasury Corporation's (WATC) "benchmark rate".
- 2.3. The base interest rate for loans approved after 30 June 2001 will be 3.5 per cent per annum or the benchmark rate less 6 per cent, whichever is the higher rate.
- 2.4. The actual interest rate payable on loans will be the base interest rate, plus the Loan Guarantee Fee (LGF) applicable to public university borrowings from WATC less the LGF charged to general government agencies. The actual rate is subject to change in accordance with movements in the LGF.
- 2.5. The actual repayment amount will be reviewed and may be adjusted as necessary in accordance with movements in the "benchmark rate" and the LGF.
- 2.6. Loans are repayable over not more than 15 years from the date of the first advance. At the time of submitting an application for a loan, the University may elect to repay the loan over a term of less than 15 years.
- 2.7. Interest will accrue from the date of advance of loan funds and shall be paid quarterly, together with payments of principal, on the last day of February, May, August and November each year for the term of the loan.

CLOSING DATE FOR APPLICATIONS

31 DECEMBER

(of year prior to financial year funds required· e.g. 31/12/19 for 20/21 funding)

APPROVAL OF LOANS

Announced in State Budget of following financial year Funds available from
1 July

- 2.8. Repayment of principal and interest, including accrued interest, shall start on the last day of February of the year following the year in which the loan funds are fully advanced. Repayments are to be made by direct debit to the Department of Education.
- 2.9. Loans will only be available for approved projects as defined in section 3 below.
- 2.10. The upper borrowing limit available under the LILS-UNDA will be \$25 million.
Total borrowing by the University will be limited to the above maximum figure, taking into account reductions to the principal on existing loans through repayments.
- 2.11. The University will be expected to contribute a minimum of 10 per cent towards the approved cost of each project for which a low interest loan is sought. The University may elect to contribute more than the minimum equity contribution.
The Minister for Education has discretion to vary the equity contribution required for individual projects. Should a reduction in the level of contribution be sought, it will be necessary for the University to make a request outlining all relevant circumstances. A reduction in equity may be granted only in the most compelling of circumstances.
- 2.12. The University will be expected to contribute a minimum of 10 per cent towards the cost of the project before drawing on funds provided under LILS-UNDA; the University must provide evidence to DOE of contribution made towards the project.
- 2.13. Loan funds will be advanced to the University on receipt by the DOE of capital works invoices issued in respect of the approved project. Advances shall not exceed the total value of costs incurred by the University on the approved project. In the case of a building project, a Certificate of Practical Completion, or equivalent, should be forwarded as soon as possible after the approved project has been completed.
- 2.14. Applications are assessed on an annual basis. Applications that are not funded in a particular year may be resubmitted for consideration in a future round. A project undertaken using other funds will not be disqualified from future funding for that project, however, no guarantee can be given that LILS-UNDA funds will be available from a future allocation. If a loan is not approved, the University must be able to proceed with any financial arrangements already made. If a loan is subsequently approved, the State will not be responsible for any bridging costs. This clause only applies to projects commenced from 1 January 2001 onwards.
- 2.15. If, in 4 years after the date on which the Minister for Education approves a loan that loan is yet to be activated, then the University will be required to re-submit the application for consideration in a future round. No guarantee can be given that LILS-UNDA funds will be available from a future allocation.

3. Approved projects

- 3.1. An approved project is a project to purchase, construct, upgrade, modify, refurbish, modify, extend or replace buildings, or other facilities of a capital nature, or acquire land to be used for any university purpose, subject in all cases to the approval of the project by the Minister for Education.
- 3.2. University purposes will relate to the provision of facilities for any staff, students or other University business and may include, but not necessarily be limited to, the following:
- Teaching facilities
 - Staff facilities
 - Student recreation facilities
 - Childcare facilities
 - Staff Parking
 - Library facilities
 - Student accommodation
 - Staff accommodation
 - Bookshop/retail facilities
 - Gymnasium

- 3.3. In addition to items detailed in clause 3.2, funding for an approved project is available for the following:
- building and site preparation costs;
 - architectural, engineering and other professional fees associated with an approved building project (except general legal and bank fees);
 - costs associated with meeting development application conditions set by local government authorities;
 - costs of essential ground improvements and landscaping associated with the project.
- 3.4. In general, an approved project will be one which provides facilities, services and land of a type, standard or scale not exceeding that typically provided at or for a public university, as determined by the Minister for Education.
- 3.5. The University needs to be aware that the Western Australian *Disability Services Act 1993*, the Commonwealth *Disability Discrimination Act 1992*, the Australian Standards and the Building Code of Australia all stipulate stringent requirements with respect to the provision of facilities for people with disabilities. It is expected that the University will have considered these requirements in the planning for projects submitted for consideration under LILS-UNDA and taken any necessary steps to comply.
- 3.6. Except in cases in which the Minister for Education considers that exceptional circumstances exist, loans will not be approved where the sole or principal object of the project, or one of the principal objects, is to provide facilities for religious worship, or where, in the Minister's opinion, the project will result in facilities which will not be used predominantly for University purposes.
- 3.7. Loans will not be approved for the purposes of meeting recurrent costs; loan repayments; the purchase of depreciable assets including furniture and equipment, and computer or electronic devices; general building maintenance costs (e.g. replacement of carpets, guttering, repainting of rooms); or professional travel expenses incurred as part of the project. Loans will not be available to re-finance a bridging loan or for settlement of an existing loan.
- 3.8. A condition of a loan approved for the purposes set out in section 3 will be that the University agrees to use the building or facilities, and land for University purposes within five years of the date of the purchase. The Minister for Education may agree to waive this condition in special circumstances.
- 4. Lodgment of applications for loans**
- 4.1. Applications for loans are to be lodged on the prescribed form with the Department of Education by 31 December of the year prior to the financial year in which the loan funds are required.
- 4.2. If an application is lodged after the due date, it may be regarded as an application for the following calendar year.
- 4.3. The Western Australian Government will not accept responsibility for expenses incurred by the University in preparing or lodging applications or the cost of bridging finance or bank charges incurred as a result of proceeding with a project before approval of a loan by the Minister for Education.
- 4.4. To assist in the long-term planning of capital provision under the LILS-UNDA, each loan application must be accompanied by a five-year capital development plan.
- 5. Security**
- 5.1. At the time of applying to receive a loan, the University will be required to provide evidence of sufficient security - as determined by the DOE - against the loan to ensure the interests of the Minister for Education are protected.
- 5.2. At the time of accepting any loan funds, the University will be required to agree to repay the loan at the rate from time to time determined by the State and to provide such security for the loan as the State may require.

- 5.3. All loans are subject to the terms and conditions of the Loan Deed signed in relation to an approved project.
- 5.4. The University shall not be permitted to sell or otherwise dispose of facilities, land or other assets purchased, built or acquired with State loan funds without the prior approval of the Minister for Education.
- 5.5. In the event of the University closing or ceasing to use for approved purposes facilities obtained with a low interest loan before it has repaid the loan, the University will be required to make arrangements satisfactory to the Western Australian Government for the repayment of the balance of the loan.
- 5.6. If the University does not make loan repayments at the required rate or time, a penalty at the rate of an additional 1 per cent per annum may be charged for the period that the loan repayments remain unpaid.
- 5.7. The University must secure all risks insurance for the full replacement value of all facilities and other assets purchased, built or acquired with Western Australian Government loan funds for the term of the loan.

6. Limits of loans

The total value of loans approved for the University in any year will be subject to Western Australian Government approval.

7. Approval of loans

The outcome of applications received by the closing date of 31 December in each year will be announced as part of the State Budget process for the following financial year. Funds for approved loans will be available as from 1 July.

8. Recognition of the Western Australian Governments contribution towards an approved project

Recipients of low interest loans are required to give recognition to the Western Australian Government for the assistance provided in the following ways:

Publicity: The University should acknowledge the Western Australian Government's assistance in publicity issued by the university regarding its LJLS funded project such as newsletters, web sites, media releases or any other form of advertising used by university.

Where an official opening or launch is held for a project an acknowledgement should be given for the assistance provided by the Western Australian Government

Plaques: The University receiving LJLS funding will be required to affix a plaque, to be supplied by the university school, to all completed projects. This includes, but is not limited to, a new block of buildings, a full stage of a university's building program or a stand-alone building such as a gymnasium or a library and substantially refurbished buildings. If Commonwealth assistance was also provided for the project, recognition of the assistance received from both Western Australian and Commonwealth Governments could be included on the one plaque.

Where a plaque cannot be attached to a project because of the nature of the project, then a plaque must be placed in an appropriate location in the university, such as the front foyer or administration area.

Prior to erecting the plaque please consult with the DOE to ensure that the plaque meets the established requirements

9. Enquiries

All enquiries may be directed to:

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Financial Management and Resourcing
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EAST PERTH WA 6004

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