



Our Ref: 05806-08

Mr Paul Martin
Chief Executive Officer
Shire of Serpentine Jarrahdale
6 Paterson St
MUNDIJONG WA 6123

Dear Mr Martin

OAKFORD BFB FACILITY – SELF SUPPORTING LOAN

As you are aware, the Shire was approved \$1,105,000 for a new facility for the Oakford Volunteer Bush Fire Brigade as an outcome of the 2021/22 Local Government Grants Scheme (LGGs) application process. Through the 2022/23 LGGs process, the Shire's request for additional funding was also approved, with the total allocation being revised to \$2,010,000.

At the time of 2021/22 assessment process, the Shire confirmed its acceptance to a Self-Supporting Loan (SSL) arrangement, with repayments funded annually through the LGGs process. The Shire has confirmed the SSL acceptance will also apply to the revised funding total.

The LGGs Capital Grant Committee was informed of the arrangement and approved the funding allocation accordingly.

To provide the Shire with further information on the Self-Supporting Loan process as requested, please refer the following advice:

- Self-Supporting Loans are an established LGGs funding allocation method which is typically applied to high-cost facility projects. The method is described in the LGGs Manual for Capital and Operating Grants (5.4.1 Payment of Capital Grants (b) Self -Supporting Loans).
- Self-Supporting Loans have previously been applied to fund Bush Fire Service and State Emergency Service facility projects and remain an important option that allows LGGs funding in any one year to be allocated across multiple priority local government requests, outcomes that would not be possible should a full value grant have been allocated.
- Self-Supporting Loans are usually held with the Western Australian Treasury Corporation (WATC) over a 10-year term. However, Local Governments may choose to self-fund or enter a financial arrangement with another approved financier over a shorter term. Where this occurs, the maximum interest payable shall be at the rate current to the WATC at the time of any such agreement.

- Local Government make payment of the principle, interest, and guarantee fee of the loan in accordance with the loan repayment schedule once the loan is drawn upon.
- On receipt of a tax invoice, DFES will reimburse the Local Government for the loan repayment costs. The tax invoice shall not include any interest rate variation for the reimbursement of the finance costs.
- A copy of the approved loan repayment schedule and debenture documents must be provided to DFES.
- The annual repayment is automatically submitted for approval to the BFS Capital Grants Committee each year for the length of the loan period. There is no requirement for the Local Government to apply for the funding.

I trust the information provided clarifies the LGGGS Self-Supporting Loan option. Should you have any further queries or require any additional information please contact Peter Raykos, LGGGS Funding Officer, at peter.raykos@dfes.wa.gov.au or on 9395 9846.

Yours sincerely

K. Vijaya Kumar

Kumar Kandappan
EXECUTIVE MANAGER ASSET PLANNING AND SERVICES

23 September 2022