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2021-22 Community Sports Infrastructure Loans Scheme

APPLICATION GUIDELINES

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MESSAGE FROM THE MINISTER FOR COMMUNITY SPORT AND THE TREASURER

Community sport and recreation infrastructure plays a vital role in the state's economy and in boosting our physical health and mental wellbeing.

Community sports infrastructure delivers economic, health and social benefits amounting to over \$7 billion annually to Victoria.

With the pandemic providing a challenge for all sectors, the opening of the new round of the *Community Sports Infrastructure Loans Scheme* has never been more important in helping sporting communities get back on their feet.

As we look to recover and rebuild, boosting our sport and active recreation infrastructure will be vital, especially for those areas most impacted and already socio-economically disadvantaged.

The *Community Sports Infrastructure Loans Scheme* provides low-interest government-guaranteed loans from \$500,000 up to \$10 million to local government authorities, education institutions, facility managers, private enterprises, not-for-profit organisations, state and national sporting bodies, and clubs and associations to develop high-quality community sport and active recreation infrastructure.

Previous rounds of the scheme supported borrowers to kick-start more than \$434 million worth of infrastructure across the state.

The projects will deliver jobs and economic benefits, while the completed infrastructure will enhance sport and active recreation opportunities delivering a much-needed boost to the physical and mental health of Victorian communities.

In addition to providing organisations with access to low interest rate loans, the Victorian Government makes interest subsidy payments that halve the interest paid by borrowers, saving organisations significant dollars and helping bring forward infrastructure delivery.

We know that by working together we can make sport more inclusive, increase participation, stimulate local economies and bring families and local communities together to ensure a healthier and more active Victoria.

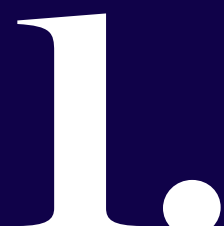
By lending a hand we hope to kickstart even more game changing infrastructure projects thanks to this scheme.



THE HON.
ROS SPENCE MP
Minister for
Community Sport



TIM PALLAS MP
Treasurer



COMMUNITY SPORTS INFRASTRUCTURE LOANS SCHEME

1.1 About the Loans Scheme

The *Community Sports Infrastructure Loans Scheme* (Scheme) supports the delivery of community sport and recreation infrastructure by offering **low-interest government-guaranteed loans between \$500,000 and \$10 million** to organisations with the capacity to deliver community sport and recreation infrastructure and service a loan.

The strong credit rating held by Victoria puts the government in a position to use our borrowing power to guarantee loans to organisations at a very low-interest rate. In addition to accessing a low-interest rate loan through Treasury Corporation of Victoria (TCV), **Sport and Recreation Victoria (SRV) will subsidise interest rates for borrowers by 50 per cent, up to 2.5 per cent.**

The Scheme accepts applications from local government authorities, education institutions, facility managers, private enterprises, not-for-profit organisations, state and national sporting bodies, clubs and associations, thus broadening the market to deliver community sport and recreation infrastructure.

The Scheme is a Victorian Government initiative delivered by SRV in partnership with the Department of Treasury and Finance (DTF) and TCV.

1.2 Objectives of the Loans Scheme

The Scheme facilitates the development of community sport and active recreation infrastructure, responding to issues identified in the sport and recreation sector and contributing to the outcomes sought in the *Active Victoria* Strategic Framework. The Scheme aims to achieve this by:

- Supporting the delivery of community sport and recreation infrastructure that will increase participation opportunities for Victorians, placing a focus on areas of disadvantage and under-represented groups.
- Incentivising organisations such as local government authorities to bring forward community sport and recreation infrastructure delivery.
- Increasing opportunities for investment in the delivery of community sport and recreation infrastructure.
- Supporting a range of organisations that can demonstrate the capability and capacity to deliver the Victorian Government's objectives as outlined in [Active Victoria – A Strategic Framework for sport and recreation in Victoria 2017-2021](#).
- Encouraging a collaborative approach to the delivery of community sport and recreation infrastructure.

1.3 Outcomes of the Loans Scheme

Active Victoria recognises the value of sport and active recreation in contributing to healthier Victorians, economic growth and jobs, community cohesion and liveability. The **Scheme** will prioritise investment to projects which:

- Increase sport and recreation participation opportunities by addressing gaps in community sport and recreation infrastructure provision.
- Provide increased access to sport and recreation participation for under-represented groups.
- Stimulate local economic activity through the planning, building, maintenance, management and activation of redeveloped or new infrastructure.
- Facilitate the upgrade and development of significant metropolitan and regional community sport and recreation infrastructure.
- Improve physical and mental health and wellbeing in traditionally disadvantaged communities such as low socio-economic areas, growth areas, communities experiencing long-term disadvantage and communities that have experienced natural disasters, such as bushfires, flood and drought.

1.4 How much can I apply for?

Applicants may apply for one or more loans valued **between \$500,000 and \$10 million** each.

1.5 How does the subsidy work?

In addition to accessing a low-interest rate loan through TCV, SRV will **subsidise the interest rate by 50 per cent, up to a maximum of 250 basis points (2.5 percent)**.

2.



2. ELIGIBILITY

2.1 Who is eligible?

Applications to develop community sport and recreation infrastructure projects within Victoria may be submitted from eligible applicants, including:

- Local government authorities (LGA's)
- Incorporated, not-for-profit organisations whose primary purpose is to facilitate community sport and recreation activities – for example, sport and recreation clubs and associations
- Victorian State Sporting Associations or National Sporting Organisations seeking to invest in a community infrastructure project in Victoria
- Incorporated not-for-profit and private facility managers with long-term community facility management arrangements
- Private enterprises with long-term community access arrangements
- Education institutions such as universities or non-government schools (schools not in a position to borrow funds are encouraged to work with project partners)

Applicants will be required to satisfy a credit assessment which will consider their capacity to repay the loan and meet interest payments, among other measures.

In addition to the Community Sports Infrastructure Loans Scheme, LGA's may now access loans from Treasury Corporation of Victoria (TCV) through the Local Council Lending Framework (LCLF). Under the LCLF, individual Victorian LGA's may request to borrow from TCV up to a borrowing limit consistent with their borrowing requirements as part of the annual budget process. The Department of Treasury and Finance (DTF) will undertake a credit assessment of all Victorian LGA's planning to borrow to ensure that the councils meet the minimum requirements and other loan conditions.

Loans received through the LCLF access TCV's low interest rates, however, do not receive interest subsidies. The access to a loan through the LCLF does not preclude any LGA from seeking loan funds through the Scheme. However, if LGA's intend to borrow through both the Scheme and LCLF, borrowings may be restricted by financial covenants existing in TCV loan agreements. TCV will take into account all borrowings by individual LGA's. It is the responsibility of each LGA to ensure they adhere to their loan conditions including meeting financial covenants.

2.2 Who is ineligible?

General government sector agencies are not able to borrow from TCV as they are funded through the State Budget process. These entities include:

- Alpine Resorts Co-ordinating Councils
- Parks Victoria
- Kardinia Park Trust
- Melbourne and Olympic Park Trust
- State Sports Centre Trust
- TAFEs
- Public primary and secondary schools

A full list of ineligible government sector entities can be found in Appendix C of the [Auditor-General's Report on the Annual Financial Report of the State of Victoria: 2018–19](#).

2.3 What types of projects can be funded?

The Scheme supports the delivery of significant community sport and recreation infrastructure, which directly leads to increased participation opportunities.

Applications must demonstrate strong project readiness, sound project management and community sport and recreation benefits that extend for a minimum of 10 years following the project completion.

Projects that may be supported under the Scheme include, but are not limited to:

- New or redeveloped indoor or outdoor aquatic leisure facilities
- New or redeveloped indoor sports stadiums
- New or upgraded multi-sport precincts that include the delivery of sports fields, sports courts and pavilions
- Active recreation infrastructure including but not limited to trails, play spaces, skate parks and BMX tracks
- New or redeveloped sporting pavilions
- Sporting surface upgrades and developments
- Sporting infrastructure on school land with confirmed community use through provision of a completed Community Joint Use Agreement (CJUA) or Community Joint Use Proposal to enter into a CJUA.
- Packaging of similar projects across multiple sites is permissible. For example, this may include grouping play spaces or sports lighting installations across multiple sites.

The Scheme can:

- Fund 100 per cent of the total project cost.
- Finance the development of multiple projects with a consistent project scope.
- Be secured in conjunction with a government grant, provided that any grant funding program ratios are still met with the required cash contributions.
Note: Loan funding may not be used to fulfil cash contribution obligations and minimum funding ratios of other SRV infrastructure programs.

It is expected that projects will commence construction prior to 30 June 2023 and complete construction by June 2025. The Victorian Government reserves the right to withdraw the loan should these timelines not be met.

Projects are expected to:

- Be delivered by qualified professionals
- Incorporate Universal Design principles
- Incorporate Environmentally Sustainable Design principles
- Comply with Australian Standards and those of the relevant sport.

Organisations are encouraged to preference energy efficient technologies such as LED lighting as part of proposed projects. Evidence of this should be provided during the application process.

The principles of the [Local Jobs First Policy](#) should be adhered to throughout relevant projects. Projects in Regional Victoria with a value of over \$1 million, and projects in Metropolitan Melbourne with a value of over \$3 million are required to adhere to Local Jobs First Policy and take the appropriate steps to ensure adherence. Refer to **Section 8.7** for further information.

2.4 What types of projects will not be funded?

Projects that will not be supported under the Scheme include, but are not limited to:

APPLICATION

- Applications submitted after the closing date will not be considered, unless written approval from SRV has been obtained before the closing date which will only be granted under exceptional circumstances (e.g. significant technology disruptions).
- Incomplete applications and applications that provide insufficient supporting documentation.
- Applications proposing the construction of multiple projects at various sites that do not share a consistent project scope. For example, the grouping of a pavilion at one site and lighting at a different site.
- Applications where contributions from funding partners are not confirmed in writing and by bank statement/s or underwritten by the applicant.
- Applications to refinance an existing loan or borrowings.
- Applications to finance a shortfall of an existing project that does not increase the scope of works, leading to increased participation opportunities.
- Organisations that are unable to demonstrate a reasonable likelihood of being able to service and repay the loan to the satisfaction of DTF.

PROJECT

- Facilities where little or no public access is available.
- The purchase of land.
- Requests for retrospective funding, where projects have commenced construction or are completed prior to the execution of a loan agreement.
- Buildings considered temporary or not permanent in nature or intended use.
- Requests for ongoing operational costs such as, but not limited to, salaries, electricity, water, asset maintenance and other utilities.
- Upgrading or redeveloping kitchens or public toilet facilities, except as part of a larger project that meets the objectives of the fund.
- Scoreboards, behind goal netting, coaches' boxes and other supporting infrastructure with limited direct impact on participation, unless considered a minor component of a larger project.
- Routine or cyclical maintenance works.
- Purchasing or maintaining recreation, entertainment, sporting, lifesaving or any other equipment (except as part of facility fit out).
- Projects that do not meet relevant sport or Australian Standards (e.g. lighting projects or netball court dimensions). Facilities that do not comply with the relevant sport standards must seek exemption from the relevant governing sporting organisation to be supported by the Scheme.
- Repair of facilities damaged by vandalism, fire or other natural disasters where the damage can be fully covered by insurance. The fund may consider supporting applications where the scope includes elements in addition to the facility damaged.
- In general, areas designated as licenced areas (i.e. Gaming or bars) within a proposed facility will not be eligible for funding. The Department of Jobs, Precincts and Regions may consider applications where a restricted club licence is proposed or in place, provided that the restricted licence does not interfere with the facility's other amenities or services, such as childcare or access by young people.

3.



TIMELINES

The following timelines will be followed for the 2021–22 Scheme.

APPLICATIONS OPEN	APPLICATIONS CLOSE	ASSESSMENT AND APPROVAL OF APPLICATIONS	NOTIFICATION OF OUTCOMES	CONSTRUCTION COMMENCEMENT	CONSTRUCTION COMPLETION
29 September 2021	10 December 2021	mid-December 2021 to mid-June 2022	mid-June 2022 onwards	By 30 June 2023	By 30 June 2025
					



4.

APPLICATION PROCESS

Applicants must complete the Community Sports Infrastructure Loans Scheme Business Case template and submit all relevant supporting documentation for an application to be considered complete. The Business Case template can be downloaded at www.sport.vic.gov.au

Applicants are required to submit their [Business Case](#) and supporting documentation to loans@sport.vic.gov.au. When submitting an application, applicants must quote their organisation and project name in the subject line of the email/s (e.g. ABC Sports - Smith Reserve Lighting).

Applicants may choose to utilise a file sharing service to submit supporting documentation. Access must be granted to loans@sport.vic.gov.au

Applications must be submitted by **5:00pm Friday 10 December 2021.**

Applicants will receive an email confirming receipt of their application the following working day.

For assistance with applying, please email loans@sport.vic.gov.au with your enquiry and contact information.

5.



ASSESSMENT

5.1 Assessment Process

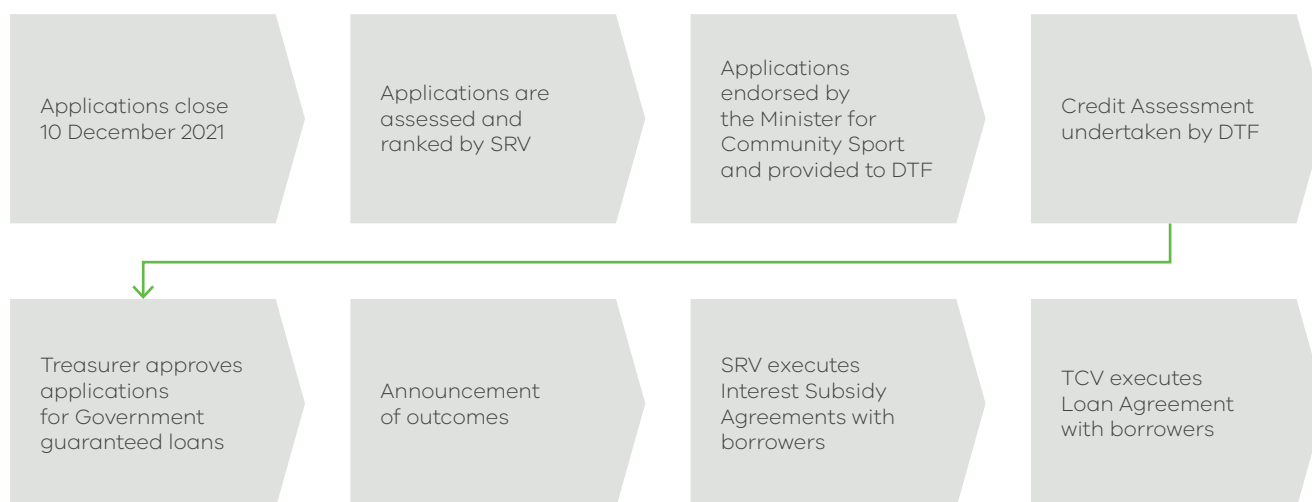
Only eligible loan applications will be assessed and considered for funding by the department. Applications must address all assessment criteria. SRV reserves the right not to assess an application should insufficient information be provided, including absent or inadequate supporting documentation.

It is important that applicants provide true and correct information in their application and during the period of the loan. Providing false details or omitting required information may result in the loan being cancelled or the borrower being in default.

The Department reserves the right not to assess an application should:

- The application not address the assessment criteria by completing each question within the Business Case
- The mandatory supporting documentation not be included
- The project falls into one or more of the categories under what the Scheme will not fund (outlined in Section 2.4).

The process associated with the assessment of applications is as follows:



The decisions of the Minister for Community Sport and Treasurer are final and no further correspondence shall be entered into regarding such decisions. However, applicants can seek feedback on unsuccessful applications from the department.

5.2 Assessment Criteria

SRV will assess applications based on the following:

- Strong alignment to the Scheme's objectives.
- A clear, detailed and evidence based need for the project.
- Quality supporting documentation demonstrating readiness to proceed such as schematic plans, project briefs, costings and evidence of consultation.
- Strong sport and active recreation participation outcomes that will result directly from the project and demonstration of support for communities in need.
- Economic uplift in the form of job creation during construction and operations, non-government investment in the facility and participant and event attraction.
- Alignment to State Sporting Association, Environmentally Sustainable Design, Universal Design Guidelines and Healthy Choices Guidelines where relevant.
- Demonstration of strong participation opportunities for underrepresented groups to improve wellbeing of disadvantaged Victorians.

Further prioritisation will be given to projects that support areas of socio-economic disadvantage and under represented groups, with consideration to communities in areas that have experienced natural disasters or communities experiencing strong population growth or significant change in circumstances.

Applicants who are unable to provide evidence of landowner consent or tenure over the site for the duration of the loan will not be recommended.

Applicants who are unable to provide evidence that secures community access to the facility for a minimum of 10 years or for the life of the loan, whichever is greater, will not be recommended.

5.3 Credit Assessment

All applications endorsed by the Minister for Community Sport will be subject to a credit assessment by DTF. Supporting documentation will be required by DTF (refer to **Section 6**) to enable this process, and in some instances, there may be a requirement that further documentation is supplied.

The credit assessment will determine an organisation's financial viability, security and capacity to repay the loan and service the interest cost. Should the applicant meet the credit assessment criteria and requirements, DTF will recommend a state guaranteed loan.

The following financial ratios will be required for all applicants to satisfy the credit assessment:

- A maximum loan to valuation ratio of 45% (total borrowings / net assets)
- Borrowings to EBITDA to be 5 or less.
EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortisation
- Interest Cover Ratio not to be less than 2:1
Interest Cover Ratio = EBITDA : Interest Expenses

The following ratio must also be met by Local Government borrowers:

- Interest bearing Loans and borrowings not exceeding 60 per cent of own source revenue (interest bearing liabilities / own source revenue)

Applicants will also be required to provide security for the loan. Refer to **Section 8.3** for further details.

6.



SUPPORTING DOCUMENTATION

Supporting documents are required to assist in the assessment of an application. The below table details mandatory and preferable documents. All mandatory documents must be submitted with the application to ensure its assessment and to demonstrate project readiness and eligibility. Preferable documents are not a requirement but will strengthen the application and demonstrate that further planning has been undertaken.

Where the application covers multiple sites, relevant supporting documentation should be provided for each site, and/or the information relating to each site should be clearly identifiable.

Should an application progress to a credit assessment and be approved for a loan, further information may be requested by SRV, DTF or TCV.

PROJECT SUPPORTING DOCUMENTATION

PROJECT JUSTIFICATION AND SUPPORT	
Landowner support and approval	Mandatory
Evidence of tenure over the site for the required duration (minimum of 10 years or for the life of the loan, whichever is greater)	Mandatory
Letters of support from relevant stakeholders indicating how they support or benefit from the project	Mandatory
Additional relevant business, strategic and/or feasibility planning documents	Preferable
Relevant sections of council reports/plans/strategies to support the project	Preferable
Evidence of stakeholder and community consultation	Preferable
PROJECT DEVELOPMENT	
Aerial Images or plans showing location of proposed project	Mandatory
Project plans <ul style="list-style-type: none"> Site specific schematic plans developed with stakeholder input. Plans should be drawn to scale, include clear dimensions and measurements and identify the proposed project location on site (all projects) Detailed area schedules (for prefab / modular projects) Lighting plans including lux levels (for projects that include field of play lighting) 	Mandatory
Evidence of project costs; <ul style="list-style-type: none"> For projects under \$1 million, quote, quantity survey, independent expert or tender price is acceptable For projects over \$1 million, quantity survey, independent expert or tender price is acceptable 	Mandatory
Project Management Framework - Template available	Mandatory
Site investigation documents. For example; Geotech report	Preferable
Evidence that the Aboriginal Heritage Planning Tool (Aboriginal Heritage Act 2006) has been completed	Preferable
Project Governance Framework - Template available	Preferable
FACILITY MANAGEMENT	
Schedule of Use detailing current and future participation – Template available	Mandatory
For projects on school land (if applicable): <ul style="list-style-type: none"> A completed Community Joint Use Agreement, or a completed Community Joint Use Proposal to enter into a Community Joint Use Agreement Letter from the Department of Education and Training central office that indicates endorsement of the project <i>Applicants requesting this letter should email vsbaproperty@education.vic.gov.au</i> 	Mandatory
For Aquatic Centres and Indoor Stadiums only: <ul style="list-style-type: none"> Facility Management Plan Healthy Choices - Template available 	Mandatory

FINANCIAL SUPPORTING DOCUMENTATION

FINANCIAL – ALL APPLICANTS

Evidence of confirmation of funding sources <i>e.g. Letter from Council CEO, club bank statements, grant approval letters</i>	Mandatory
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Audited financial statements for the previous three years <i>Including comprehensive income statement, balance sheet and cashflow statement</i>	Mandatory
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Estimated financial statements for the next five years <i>Including comprehensive income statement, balance sheet and cashflow statement</i>	Mandatory
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FINANCIAL – PRIVATE/NOT FOR PROFIT APPLICANTS ONLY (NOT REQUIRED FOR LOCAL GOVERNMENT)

Evidence of value and type of unencumbered assets held by the entity. <i>e.g. property, buildings</i>	Mandatory
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Business Structure <i>Should include diagram of organisational structure</i>	Mandatory
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Schedule of any existing and planned loans or liabilities <i>Including purpose of loan, lender/ creditor details, term, any proposed security, maximum facility limit, current amount drawn down, loan repayment structure, applicable interest rates</i>	Mandatory
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Schedule of any security taken by any lenders/ creditors <i>Including form of security, details of any other covenants such as negative pledge and financial covenants</i>	Mandatory
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7.



LOAN INFORMATION

7.1 Interest Rates

Loans through the Scheme are financed through TCV who will finalise loan terms with the borrower, on behalf of DTF.

Utilising TCV's borrowing rates as of **6 September 2021**, the table below provides approximate interest rates that may be offered to borrowers at certain subsidy levels with a subsidy of 50% offered. It is important to note that TCV's borrowing rates are subject to market fluctuations and therefore the actual interest rate offered will be dependent on TCV's borrowing rate at the date of transaction execution.

MATURITY	TCV INTEREST RATE (%)	50% SUBSIDY
11am Loan Facility	0.10	0.05
1 Year	0.02	0.01
2 Years	0.15	0.075
3 Years	0.37	0.185
4 Years	0.63	0.315
5 Years	0.83	0.415
6 Years	1.02	0.51
7 Years	1.22	0.61
8 Years	1.36	0.68
9 Years	1.50	0.75
10 Years	1.63	0.815
15 Years	2.06	1.03

7.2 Loan Structure

The loan facilities to be provided by TCV will be:

11am Loan Facility

Borrowers will be provided with an 11am loan facility during the construction period. The 11am loan facility is interest only and the interest rate is variable. Interest on the 11am loan facility is payable monthly on the first business day of the next month. Once the project is completed and the final loan drawdown is processed, the borrower will be required to transfer the total loan amount drawn on the 11am loan facility to a credit foncier loan (principal and interest). **Construction must be completed by 30 June 2025.**

Credit Foncier Loan Facility

The credit foncier loan will be provided by TCV for up to 15 years, less the construction period. The maturity date, interest rate and loan repayments are fixed for the term of the credit foncier loan. The loan will be structured to provide regular repayment instalments of principal and interest. The regular instalments will be payable on the first business day of the month and will be direct debited from the applicant's nominated bank account by TCV on the payment date.

The settlement date of the credit foncier loan can be arranged with TCV out of a forward settlement date, for example at the end of the construction period. This allows the borrower to manage the interest rate risk exposure of the credit foncier loan.

8.

CONDITIONS THAT APPLY TO SUCCESSFUL APPLICATIONS

8.1 Interest Subsidy Agreement

All successful applicants will be required to complete and adhere to an Interest Subsidy Agreement (ISA), formerly Community Access Agreement. The ISA, an agreement between the loan recipient and SRV, sets out agreed expectations regarding community access, project delivery, reporting and the implications of a breach. For an organisation to receive their loan and interest subsidy, they will need to agree to, and continue to adhere to the ISA.

The ISA will ensure adherence to;

- Community Access Provision – Ensuring the facility developed is utilised for the purpose intended and tenant clubs/associations adhere to the [Fair Play Code](#).
- Project Delivery – Projects are expected to be delivered by qualified professionals to the relevant sport or Australian Standards, with regular project updates provided to SRV.
- Reporting – Borrowers will be required to provide regular project updates throughout construction. Following construction completion, borrowers will be required to submit annual reports to SRV detailing the access provided to ensure the continuation of subsidy payments.

Throughout the project lifespan, SRV will support projects by providing expert advice and input to assist the development.

8.2 Project Construction

Successful applicants must commence project construction by 30 June 2023 and complete the project by 30 June 2025.

In cases where a project is delayed for an unreasonable length of time, where substantive changes to scope are made after the loan has been approved, or where a project fails to be delivered, SRV reserves the right to direct TCV to cancel the loan and recoup the payment value of the loan at the time.

Funds must be spent on the project as described in the application and outlined in the ISA unless changes are agreed in writing through a formal variation.

Variations to the project timing or scope will need to be agreed to with SRV. Some scope changes may require the approval of the Minister for Community Sport.

8.3 TCV Loan Agreement and Finance Transaction Documentation

The TCV loan agreement and the requirement for additional finance transaction documentation will vary between applicants, depending on the size and structure of the project and organisation.

Councils will be required to enter into a TCV Multi Option Loan Agreement. The TCV Loan Agreements and the requirement for additional finance transaction documentation for other applicants will be determined following submission of their application.

Finalising the TCV loan agreement and any other finance transaction documentation, if required, may require the applicant to receive legal advice. Refer to **Section 8.4** for further details.

LOAN SECURITY

All TCV loan facilities will be secured against the borrower's assets. Unencumbered security over buildings and land is strongly preferred. The value of this security must be at least 10 per cent greater than the value of the loan.

If the applicant cannot offer security over buildings or land, a Council guarantor or a long-term lease may be considered.

Applicants will be required to provide a Security Deed or Lessor Consent Deed. This will be requested at the TCV loan agreement stage.

For Local Government applicants, loans will be secured against the general rates revenue of the Council.

If additional loans are required by the borrower subsequent to the provision of a TCV loan, the borrower will be bound by a negative pledge covenant which will prohibit it from creating security interests over existing property.

CONDITIONS PRECEDENT

All TCV Loan Agreements include conditions precedent, financial undertakings and reporting requirements. These require the provision of information prior to draw down and on an ongoing basis, such as a project cashflow forecast, updated financial statements and the maintenance of financial covenants.

FURTHER DOCUMENTATION

Depending on the nature of the project and security provided, additional documentation may be required including:

- **Builder's Side Deed:** where loans are made to non-government borrowers or for higher value loans, a tripartite arrangement with the relevant contractor will be required.
- **Independent Certifier's Deed:** where loans above \$3 million are made to non-government borrowers.
- **Intercreditor Priority Deed:** where the applicant has existing debt.

8.4 Transaction Documentation Legal Fees

Following the announcement of successful loans, applicants will enter a negotiation stage with TCV to finalise the loan agreement and if applicable, other finance transaction documents. During this stage, private borrowers may incur legal costs that will vary based on a number of factors.

The amount of legal costs that can be incurred will be based on:

- the number of finance transaction documents required in addition to the TCV loan facility agreement (i.e. security deed, builders side deed, priority deed, independent certifier's deed, lessor consent deed, etc.)
- the number of drafts prepared for each of these documents
- the negotiation of these documents by the external lawyers of both parties.

For large, complex transactions, legal fees may exceed \$50,000 and should be factored into an applicant's project budget. The loan may be used to cover these fees, and therefore they may be included as a part of the loan request.

8.5 Draw Down Process

The 11am Loan Facility (Interest only) will allow borrowers to draw down on the loan during the construction period as project expenses are incurred. The ISA agreement will set out the process for how borrowers will submit a draw down request to SRV, evidencing project expenses and providing a project update on the status of construction.

Private borrowers with loans above \$3 million may be required to appoint an independent certifier, approved by TCV, in relation to the project. The independent certifier will provide a certification for each draw down, report on project construction costs and progress and any other matters required by TCV.

8.6 Ongoing Financial Reporting

There will be ongoing financial reporting requirements which will be detailed in the TCV loan agreement. The types of reports required include financial statements, annual budgets and financial covenant compliance certificates.

8.7 Local Jobs First

The [Local Jobs First Policy](#) will apply to projects where the value of the loan is above the threshold values of:

- \$3 million or more in metropolitan Melbourne, and
- \$1 million or more in regional Victoria

Detail on this policy can be found at **Appendix 1**.

Local Jobs First requirements will be built into all loan agreements where these thresholds apply. Tenders and their contractors for successful projects will be required to advertise for additional workers through the Working For Victoria platform in the first instance.

8.8 Fair Play Code

Facility tenant clubs/organisations are expected to adhere to the [Fair Play Code](#) (or related state sporting association Code of Conduct). Evidence of this adherence will be required to be provided to SRV upon application submission.

8.9 Victorian Government Acknowledgement

Successful applicants need to acknowledge the Victorian Government's support through the provision of a loan from the Community Sports Infrastructure Loans Scheme. Promotional guidelines form part of the funding agreement and include the requirement that all activities acknowledge Victorian Government support through logo presentation on any activity-related publications, media releases and promotional material; and/or placing a Victorian Government endorsed sign at the site of infrastructure activities.

Details of requirements for funded projects are available in the [Sport and Recreation Victoria: Infrastructure Grants Acknowledgement and Publicity Guidelines](#).

Successful applicants may be required to contribute information on activity outcomes for use in program evaluation reviews or the department's marketing materials.

8.10 Privacy

The Department of Jobs, Precincts and Regions is committed to protecting your privacy. We collect and handle any personal or health information about you or a third party in your application, for the purpose of administering your loan application and informing the public of successful applications.

In order for us to administer your application effectively and efficiently, we may need to disclose your personal or health information with others for the purpose of assessment, consultation, and reporting. This can include departmental staff, Members of Parliament and their staff, external experts, such as members of assessment panels, or other government departments. If you intend to include personal information about third parties in your application, please ensure that they are aware of the contents of this privacy statement.

Any personal information about you or a third party in your correspondence will be collected, held, managed, used, disclosed or transferred in accordance with the provisions of the *Privacy and Data Protection Act 2014* (Vic) and other applicable laws.

To obtain a copy of the Department of Jobs, Precincts and Regions Privacy Policy, please email info@sport.vic.gov.au

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APPENDIX 1 – LOCAL JOBS FIRST POLICY

Overview

- (a) The Local Jobs First Policy (LJF Policy) issued under the Local Jobs First Act 2003 supports businesses and workers by ensuring that small and medium size enterprises are given a full and fair opportunity to compete for both large and small government contracts, helping to create job opportunities, including for apprentices, trainees and cadets. The LJF Policy is implemented by Victorian Government departments and agencies to help drive local industry development.
- (b) The LJF Policy comprises the Victorian Industry Participation Policy (VIPP) and the Major Projects Skills Guarantee (MPSG).
 - i. VIPP seeks to ensure that small and medium-sized business are given full and fair opportunity to compete for government contracts.
 - ii. MPSG is a policy that provides job opportunities for apprentices, trainees and cadets on high value construction projects.
- (c) The LJF Policy applicable projects include but are not limited to:
 - i. purchase of goods and/or services, regardless of the method of procurement (including individual project tenders, State Purchase Contracts, supplier panels);
 - ii. construction projects (incorporating design and construction phases and all related elements), including individual projects, Public Private Partnerships, Alliance Contracts, Market Led Proposals, supplier panels and auctions; and
 - iii. grant and loan projects, including grant agreements or loan arrangements to private, non-government and local government organisations for a single or group of projects.
- (d) The LJF Policy applies to grant projects where the value of the grant is above the threshold values of:
 - i. \$3 million or more in metropolitan Melbourne, and
 - ii. \$1 million or more in regional Victoria, orFor further information, grant applicants should refer to the LJF Policy and Guidelines which can be found at www.localjobsfirst.vic.gov.au.

Definitions

Agency means Sport and Recreation Victoria within the Department of Jobs, Precincts and Regions.

Contestable Items means goods or services in a procurement process where there are competitive international and local suppliers. 'Competitive' means the suppliers are able to offer comparable goods or services that meet the specifications provided in this [Request for Grant Proposal / Grant Application]. Contestable items can be goods or services at any stage of a project, including maintenance.

Department has the meaning given in s 3(1) the Local Jobs First Act 2003.

Funding Agreement means the funding grant contract entered into between the Agency and the Grantee.

Guidelines means the Local Jobs First Supplier Guidelines, available at www.localjobsfirst.vic.gov.au.

ICN means Industry Capability Network (Victoria) Limited of Level 11, 10 Queens Road, Melbourne VIC 3004 ACN 007 058 120.

Consultation with Industry Capability Network (ICN) Victoria

- (a) To increase opportunities for local businesses within their project, successful grant recipients (Grantees) are required to consult with ICN regarding opportunities for local businesses, particularly with regard to Contestable Items. This is to better target the application of LJF towards areas of contestable procurement.
- (b) Successful Grantees are required to consult with ICN after the Grant Funding Agreement has been executed. Payment of monies under the Grant Funding Agreement may be based upon Grantees' compliance with the consultation requirement.
- (c) The consultation requirement involves the following steps:
 - i. The Agency will advise the Grantee that they must submit an Interaction Reference Number Form (IRN Form).
 - ii. Grantees must register with ICN online at www.icn.vic.org.au/ljf and go through the IRN Form submission process. The IRN Form requires Grantees to provide an indication of the nature of the grant activities to be undertaken or project being designed, and the likely services or the activity to be required. Community Sports Infrastructure Stimulus Program // 09

- iii. ICN will review the Grantee's IRN Form and contact the Grantee to discuss opportunities for local industry.
- iv. Grantees must negotiate with ICN to determine how opportunities for local businesses or Contestable Items will be provided for in the project. This may involve ICN contributing to or reviewing draft designs or participating in particular project meetings.
- v. Consultation with ICN can take between 30 minutes and a few hours, depending upon the nature of the Contestable Items in the procurement activity.
- vi. Once consultation is complete, ICN will issue the Grantee with an Interaction Reference Number (IRN) and a reference letter. The reference letter will set out any agreements reached between ICN and the Grantee during consultation.
- vii. The Grantee must submit their IRN to the Agency's representative within 20 business days of the Grant Funding Agreement being executed to demonstrate to the Agency that they have consulted with ICN, and that ICN is satisfied local industry will be considered in the design of the project.

Authorised by the Victorian Government
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