

APPENDIX N

SUMMARY AND TERMS OF DEBT CAPITAL INJECTION

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Introduction

The Government may choose to finance a number of agency projects through debt. This decision is based on the nature of the individual project, the degree of commerciality, and the projected returns on the investment.

Where debt is provided to an agency, by way of capital injection, the terms and conditions are disclosed in the Budget Papers under the provisions of the *Financial Management Act 1996*.

Loans provided in the form of repayable capital injections are supported by an appropriation. This does not necessarily have any connection to a corresponding external borrowing.

Summary and Terms of Debt Capital Injection

Details of outstanding issued loans are set out below:

Chief Minister, Treasury and Economic Development Directorate (CMTEDD)

Community Housing Canberra (CHC), 2007-08

Purpose	The loan capital injection provides a finance facility for CHC, as part of the Government's <i>Affordable Housing Action Plan</i> . CHC uses the funds to increase the supply of affordable housing properties to eligible ACT residents.
Loan Commencement	2007-08
Loan Limit Amount	\$50 million
Maturity Date	31 December 2037
Interest Rate	Interest is calculated on the daily outstanding loan balance at the prevailing three month bank bill swap reference rate as at the beginning of the quarter and is payable quarterly in arrears.
Principal Repayments	Repayment of the loan principal will commence from 1 January 2018 at the earliest unless otherwise agreed.
Repayment Structure	CHC will make loan repayments to CMTEDD and CMTEDD will make loan repayments to the Territory Banking Account on the same terms and conditions applying to CHC.
Estimated Principal Loan Balance at 30 June 2015	\$50 million

Community Housing Canberra (CHC), 2011-12

Purpose	This loan capital injection builds on the \$50 million financing made available to CHC as part of the Government's <i>Affordable Housing Action Plan</i> . It will provide 90 dwellings for affordable rental to ACT residents on low to moderate incomes.
Loan Commencement	2011-12
Loan Limit Amount	\$20 million
Maturity Date	31 December 2036
Interest Rate	Interest is calculated on the daily outstanding loan balance at the prevailing three month bank bill swap reference rate as at the beginning of the quarter, and is payable quarterly in arrears.
Principal Repayments	Repayment of the loan principal will commence from 1 July 2021 at the earliest unless otherwise agreed.
Repayment Structure	CHC will make loan repayments to CMTEDD and CMTEDD will make loan repayments to the Territory Banking Account on the same terms and conditions applying to CHC.
Estimated Principal Loan Balance at 30 June 2015	\$18.112 million

Exhibition Park

Purpose	The loan represents financial assistance to the former Exhibition Park Corporation (EPC) ¹ to enable it to purchase Block 799 Gungahlin, for the purpose of leasing the block to a third party to develop and operate low cost accommodation facilities.
Loan Commencement	2013-14
Loan Limit Amount	\$1.5 million
Maturity Date	1 July 2031
Interest Rate	5 per cent, fixed
Repayment Terms	Quarterly instalments of principal and interest are to be repaid on 1 October, 1 January, 1 April and 1 July each year until maturity, commencing 1 October 2016 and thereafter up to and including the final payment being made on or before the Loan expiration date of 1 July 2031.
Repayment Structure	CMTEDD will make loan repayments to the Territory Banking Account.
Estimated Principal Loan Balance at 30 June 2015	\$1.5 million

Note:

- As notified on 3 December 2014, the *Exhibition Park Corporation Repeal Act 2014* resulted in the integration of the functions, staff, assets and liabilities of EPC into CMTEDD.