

LGFA Discounted CAD Loan Facilities



In early March the LGA wrote to the LGFA to ask if the LGFA could provide support to the South Australian Local Government Sector, both during and after the COVID-19 emergency.

The LGFA workshopped a number of options and committed to provide the following support to the sector:

- provide higher interest rates on at call products (+0.20% over our standard rate); and
- offer 3-year discounted convertible cash advance debenture (CAD) facilities (-0.75% off our standard rate) that equates to 10% of a council's 2018-19 total income that can be used by councils as they see fit;

The LGFA also decided that it would partner with a State Government infrastructure grants program, by offering additional discounted CAD facilities to fund the remainder of projects, if such a stimulus program was established.

As a result of the recent announcement by the State, local government bodies who successfully gain stimulus funding via the State's infrastructure program will also be entitled to establish a 3-year LGFA discounted Infrastructure Partnership CAD loan facility (-0.75% off the standard CAD rate) to fund the remainder of the project (subject to the LGFA's normal lending criteria).

Once the successful projects have been announced, the LGFA will contact the relevant local government entity and advise how to apply for the discounted facilities.

Please see the below link for more information about the program:

<https://www.treasury.sa.gov.au/Growing-South-Australia/stimulus-measures-to-support-businesses-and-the-community-impacted-by-covid-19>

If you wish to know more about the discounted CAD loan please call us on 8223 1550.