

Media Release

The Hon Mary-Anne Thomas MP
Minister for Regional Development
Minister for Agriculture
Acting Minister for Local Government
Acting Minister for Suburban Development



Monday, 6 September 2021

LOANS FOR COUNCILS TO IMPROVE SERVICES, INFRASTRUCTURE

Victorian councils will now have improved access to low-interest loans to support the development of key infrastructure and other projects, to make local communities even better places to live.

Acting Minister for Local Government Mary-Anne Thomas today announced the new *Local Council Lending Framework*, giving councils access to lower interest rates financed through the Treasury Corporation of Victoria (TCV).

Victoria's strong credit rating means the Victorian Government can borrow and lend money at cheaper rates than those commercially available to councils. Being able to borrow directly from the TCV will help councils to fund general working capital needs as well as project-specific infrastructure.

The *Local Government Act 2020* requires councils to disclose total planned new borrowings in their annual budget. Councils will have to meet credit criteria to be approved for a loan, including a credit assessment by the Department of Treasury and Finance. Councils may then apply for loans up to a borrowing limit set by the DTF.

This new framework builds on the Government's *Community Infrastructure Loans Scheme*, established in 2019-20 to develop or upgrade crucial community facilities, like the Maribyrnong City Council's Town Hall and Community Redevelopment Hub in Footscray, through subsidised interest loans.

The \$30 million Footscray project is supported with a \$10 million loan and will deliver a refurbished Town Hall building and community hub including a park, community meeting and function rooms.

Where this new framework differs is that councils will now be able to access borrowings from TCV for general working capital requirements, in addition to project-specific infrastructure investment purposes.

To find out more, visit localgovernment.vic.gov.au.

Quote attributable to Acting Minister for Local Government Mary-Anne Thomas

"I encourage councils to take advantage of the low-interest loans because access to affordable finance can make a world of difference when providing their communities with the best services and facilities."

Quote attributable to Member for Footscray Katie Hall

"Low-interest loans help councils deliver projects, like the transformed Footscray Town Hall, that cater to the needs of our community well into the future."

Quotes attributable to Maribyrnong City Council Mayor Michael Clarke

"Maribyrnong City Council is planning to take Footscray Town Hall into its next chapter and provide more opportunities for our community to utilise this much treasured space."

"We are able to kick start this project and reduce the impost on our ratepayers, by accessing a low interest loan from the Government, this will help us provide the best outcome for our community, now and into the future."

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