

Australian Capital Territory

Financial Management (Credit Facility) Amendment 2014 (No 1)

Disallowable instrument DI2014-54

made under the

Financial Management Act 1996, section 59 (5) (Borrowing by territory authorities credit facility)

EXPLANATORY STATEMENT

Background

In accordance with section 59(5) of *Financial Management Act 1996*, two credit facilities were approved by the Treasurer, Andrew Barr for the University of Canberra (UC) from the territory banking account on 20 August 2012 – Disallowable Instrument DI2012-208 and 7 May 2013 - Disallowable Instrument DI2013-40 (each a Credit Facility and together the **Credit Facilities**).

Amendment of terms of the Credit Facilities

Despite the Territory and UC agreeing to make payments of interest and principal on the dates set out in paragraphs 7(1)(g) and (h) of DI2012-208 and DI2013-40 respectively, the parties now acknowledge that the payment dates set out are incompatible with the capitalisation of interest on 30 June 2014 as set out in paragraph 7(1)(f) of each of the DI's, commencement of interest only payments on 1 July 2014 and commencement of principal and interest payment on 1 July 2015. To resolve the inconsistency, the parties have agreed the date for commencement of interest only payments in arrears in respect of both Credit Facilities should be 1 October 2014 and the date for commencement of principal and interest payments in arrears in respect of both Credit Facilities should be 1 October 2015.

In accordance with section 46 of the *Legislation Act 2001* this instrument amends the interest and principal repayment dates set out in paragraphs 7(1)(g) and (h) of DI2012-208 and DI2013-40.

Documentation

The Under Treasurer will negotiate and execute, on behalf of the Territory, a variation to each of the Credit Facility agreements reflecting the terms set out in this instrument and including such additional terms as the Under Treasurer deems appropriate (which must not be inconsistent with the terms set out in this instrument or in Disallowable Instruments DI2012-208 and DI2013-40 respectively).

End