



GOVERNMENT OF
WESTERN AUSTRALIA

Builders' Support Facility

Round 2 Program Guidelines

August 2024



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OVERVIEW

In the last few years, the construction industry has experienced significant supply chain disruption and increasing material and transport costs. This has delayed some residential builders from completing homes already under construction, as the cost of fixed term building contracts has increased significantly.

In response, in January this year, the Western Australian Government established a \$10 million loan facility to assist residential builders to complete homes and get homeowners into their new dwellings.

The Builders' Support Facility is an industry support initiative implemented in accordance with section 10 of the *Industry and Technology Development Act 1998*.

The first round resulted in more than \$5.8 million being allocated to eligible residential builders to assist in the completion of almost 100 homes. A second round of the facility will look to fully allocate the remaining funds.

These guidelines address the objectives, eligibility requirements, application and assessment process and the obligations on builders receiving a loan under the second round of the Builders' Support Facility.

Applications will open at **10am on Monday, 26 August 2024** and close at **5pm, Monday 7 October 2024** or at the discretion of the State. Applications will be assessed on a first-come basis to eligible businesses.

Objectives

The goal of the \$10 million Builders' Support Facility is to provide financial assistance to residential building businesses to complete homes that have been under construction for more than two years.

The loans are intended to help promote the completion of long-standing residential builds, thereby facilitating the transition of Western Australians into their new homes.

This initiative seeks to support the Western Australian housing market's long-term stability by assisting residential builders to address delays in construction timelines.

About the Builders' Support Facility

The Builders' Support Facility will apply to incomplete homes that have been under construction for more than two years, to assist Western Australians most affected by delayed construction timeframes into their new homes.

Under Round 2 of the Builders' Support Facility, eligible builders who are successful in their applications can receive an interest-free loan of up to \$60,000 per home, up to a maximum of \$300,000 per applicant. The interest-free loan will be disbursed in instalments to promote timely completions. **Homes must be completed within 12 months from the execution of the Deed of Loan.**

Successful builders are required to enter into a Deed of Loan with the Department of Jobs, Tourism, Science and Innovation (JTSI) and adhere to a specified repayment schedule. Repayment of the loan must begin 12 months after entering into a Deed of Loan and be completed within a five-year period.

Financial assistance will be offered on a “first come” basis to eligible builders.

The provision of financial assistance shall be at the absolute discretion of the Minister or their delegated officer and is subject to the availability of funds.

Meeting the eligibility criteria does **not** automatically entitle applicants to assistance under this initiative.

ELIGIBILITY

Round 2 Eligibility Criteria

To be considered for financial assistance, the applicant must meet **all** the following eligibility criteria.

1. Have at least one unfinished Class 1a residential building in WA, that commenced construction prior to 1 July 2022, and has not reached practical completion by 18 August 2024.
2. Is solvent and retains the capacity to complete the residential buildings subject to the application.
3. Is a WA-based residential building business that has been in continuous operation in WA since 1 July 2020.
4. Holds a WA Building Contractor registration without interruption since 1 July 2020.
5. Holds a valid ABN and GST registration without interruption since 1 July 2020.
6. All residential building sites subject to this application must be located in WA.
7. Agree to the application Terms and Conditions.

Non-eligible loan uses

The loan must be applied to the homes that are the subject of the loan agreement. Below is a list of ineligible loan uses, but not limited to:

- Purchase of private and domestic assets.
- Payment of private and domestic expenses.
- Purchase of and/or investment in non-business assets and payment of non-business expenses.
- Payment of tax and statutory payments.
- Payment of dividends or other distributions of equity to owners.

- Payment of intercompany debts or any accrued payments owed to owners.
- Reimbursement for depreciation of assets.
- Activities that do not support the completion of the subject residential homes.

HOW TO APPLY

All applications must be submitted via the online portal which will be made available via the Small Business Development Corporation (SBDC) website www.smallbusiness.wa.gov.au/builders.

Applications will open at **10am** on Monday, **26 August 2024** and close at **5pm** on **Monday, 7 October 2024** or at the discretion of the State. No applications will be accepted after the closing time.

Receipt of the application will be determined by the date and time shown that the complete application is electronically submitted. Lodgement of electronic files may take time and the applicant must make their own assessment of the time required for full transmission of their application.

All ineligible Round 1 applications, including ineligible applicants, will be automatically reassessed under Round 2. Round 1 applicants will be contacted directly by JTSI regarding their application against the revised criteria.

Evidence Required

To be considered for the loan facility, the applicant must provide **all** the documents listed below in an unredacted, PDF format (PNG, JPGs and word documents will not be accepted):

1. If the business is a Trust a copy of the Trust Deed.
2. An unredacted PDF copy of the business bank statement showing 2024 transactions, a BSB, an account number, and the business name associated with the application.
3. Financial Statements for Financial Year 2022/23.
4. If the business has audited accounts: A signed letter from your auditor to support the FY2023 Financial Statements.
5. If the business accounts are unaudited: A signed letter of compilation from your registered Accountant to support the FY2023 Financial Statements.
6. Management Financial statements for FY2024 (including Balance Sheet & Income Statement), **OR** Year to Date Management Financials prepared as at the most recent month available and no more than 90 days prior to the date of application.
7. ATO online portal statements/summary confirming the current outstanding balance as at the date of application.
8. A current Aged Creditors Trial Balance Report with aging “buckets” of 0 / 30 / 60 / 90+ days due.

9. Any outstanding summons, judgement or warrants issued against the applicant supplemented by a letter providing an overview/explanation.
10. Documents and supporting evidence of payment plans relating to any overdue Commonwealth / State tax obligations (Income / Payroll / PAYG / GST / FBT / etc.).
11. Any overdue payments due to employees, including superannuation contributions supplemented by a letter providing an overview.
12. Any unsatisfied Statutory Demand Notices, Debt Collection Warning letters or ATO Director Penalty Notices supplemented by a letter providing an overview/explanation.
13. A current and valid copy of the Applicant's Home Indemnity Insurance facility, including:
 - (a) the current annual turnover limit;
 - (b) the number of certificates issued; and,
 - (c) any restrictions on the policy.

The applicant must also provide **all** the documents and information listed below for each property and allow for authorised officers to inspect each property as and when required:

1. Property address (must be located in Western Australia).
2. Verify the home will not reach practical completion by 18 August 2024.
3. A current and valid Building Approval from the permit authority, which is signed and dated by an officer of the relevant local government authority (BA4 form).
4. A copy of the Building Contract between the builder (the entity applying for the loan) and the owner that has been signed and dated by both parties.
5. A copy of a valid Home Indemnity Insurance certificate.
6. If the property was completed after 18 August 2024, a copy of the BA7 Notice of Completion that is signed and dated, and has been submitted to the relevant local government authority.

Assessment Process

Every application that is submitted, is complete and meets the eligibility criteria, will be assessed.

Applications will be evaluated by an assessment panel with applicants notified of the outcome of their application by email to the nominated contact provided in the application. Please ensure you have entered your email address correctly.

The registered builder's past conduct, current registration status, and any legal proceedings may be taken into account. As part of the assessment process applicants will be asked whether they are subject to any legal proceedings or other regulatory action by any government authority and may be required to provide further information.

Meeting the eligibility criteria does not automatically entitle applicants to funding under this program and the Western Australian Government holds discretion in determining the outcome of the application.

LOAN FEATURES

The recipient must execute the Deed of Loan provided by JTSI and finalise the agreement through good faith negotiations.

Directors guarantees will be required where the builder is:

- a company; or
- operated through a trust with a company as the trustee.

Personal guarantees will be required when the builder is operated through a trust with an individual as the trustee.

Loan Amount

The loan amount available for each eligible residential builder under Round 2 is up to \$300,000, with a maximum of \$60,000 allocated per new, incomplete home. Applicants have the flexibility to apply for a lesser amount than \$60,000 to complete a home and also a lesser amount than the maximum \$300,000.

The \$300,000 maximum applies independently to each round. This means that applicants who received a loan in Round 1 are still eligible to apply for up to \$300,000 in Round 2 but only for homes not funded in the previous round.

Loan term and repayments

The term of the Builders' Support Facility Loan is a maximum of five years from execution of the Deed of Loan.

Recipients are only required to make principal repayments, as the loan is interest free.

At the end of the loan term, the loan recipients must repay or refinance any remaining loan balance through commercial finance (or repayment by other means).

The principal of the loan may be repaid (wholly or partly) at any time during the term of the loan without incurring a fee or penalty. The first repayment instalment will be due twelve (12) months after execution of the Deed of Loan.

JTSI will determine the repayment amounts and frequency offered to successful applicants, and this will be detailed in the Deed of Loan.

Under no circumstances can a loan recipient redraw on repaid Builders' Support Facility Loan amounts.

Loan drawdown

Funds from loan drawdowns will be transferred directly into an Australian bank account designated by the recipient at the execution of the Deed of Loan agreement.

Successful applicants will receive **one-third** of their total Builders' Support Facility Loan from JTSI within three (3) months of executing the loan agreement, as mutually agreed upon with JTSI.

The remaining disbursements will be paid within three (3) months of the builder providing evidence of the practical completion, with the provision of a BA7 Notice of Completion for each home, in accordance with the terms of the Deed of Loan.

Builders receiving this financial assistance will need to complete the home and provide evidence of **practical completion within 12 months from execution of the Deed of Loan**. Successful applicants are not obligated to draw-down on the full value of the approved loan.

Audit, compliance and risk management

The recipients of the Builders' Support Facility are to note that the Western Australian Government may conduct a review of business operations that relate to homes that are subject to the Deed of Loan and must agree to, provide access to documentation and financial information, and prior to handover, access to the building site, as requested as part of any assessment or review process.

The recipient of this support must abide by all legal and statutory obligations that apply in the State of Western Australia. If, by making the application for a loan, you knowingly provide false or misleading information, create false documents, or impersonate a person or business with the intent to deceive the loan provider in order to obtain a benefit, this may constitute a fraud offence under the *Criminal Code Act 1913* and be subject to criminal penalties.

The Western Australian Government must ensure the most prudent and effective use of its financial assistance schemes, including having access to the subject homes, and is subject to audit and review of programs. Funding recipients will be therefore required to:

- Agree to assist with program audits if requested.
- Provide, if requested, information to assist in the review of the project.

- Agree, if requested, to respond to an annual program evaluation survey.

Freedom of Information

Applicants are notified that all information supplied is subject to the *Freedom of Information Act 1992 (WA)* which provides a general right of access to records held by state and local government agencies.

Applicants should also be aware that the information pertaining to the receipt of Western Australian Government financial assistance may be tabled in the Western Australian Parliament. This information may include the name of recipients, the amount of the assistance, the name of the project/activity and, possibly, a brief description thereof. This could result in requests for more details to be released publicly.

Should the Applicant require further information in relation to this issue, please contact JTSI at BSF@jtsi.wa.gov.au.

FURTHER INFORMATION

For further information about the Facility, please read the Frequently Asked Questions (FAQs). The FAQs will be updated on a regular basis in response to questions being raised by applicants.

The FAQs can be found here www.smallbusiness.wa.gov.au/builders/faq.

We recommend that you add the email addresses:

'grants@smallbusiness.wa.gov.au'; 'noreply@smartygrants.com.au', and 'service@smartygrants.com.au' to your email safe senders list to ensure any incoming communications do not get filtered into your spam folders.

Contact

If you have any questions regarding the Builders Support Facility, please contact the SBDC by telephone on 133 140 or by email at grants@smallbusiness.wa.gov.au. (Please note that this Facility is not a grant).

All direct communication with applicants about their application will be conducted via the contact details specified by the applicant in the application form.

Applicants are reminded that all communication and enquires on the Facility, must be strictly in accordance with instructions provided to applicants.

APPLICATION TERMS AND CONDITIONS

Scope of Application

These Terms and Conditions solely govern the application process for the Builders' Support Facility (the Facility) and do not extend to the assessment or approval of any loan associated with the Facility. The loan assessment process and subsequent loan agreement are entirely separate from these Terms and Conditions. The Small Business Development Corporation (SBDC) shall not be involved in or exert influence over the loan assessment process, and compliance with these Terms and Conditions does not guarantee approval or rejection of any loan application associated with the Facility.

1. These Terms and Conditions and Their Administration

- 1.1. These Terms and Conditions apply to the Builders' Support Facility – Round 2 (the Facility).
- 1.2. By submitting its Application, the Applicant agrees to comply with these Terms and Conditions.
- 1.3. In consideration of the Applicant agreeing to comply with these Terms and Conditions, the State will, on and subject to these Terms and Conditions, receive and consider the Application.
- 1.4. The SBDC is assisting the Government of Western Australia with administration of the application process for the Facility and:
 - a) any rights of the State under these Terms and Conditions may be exercised by or through the SBDC;
 - b) anything or matter which may be done by the State in connection with the Facility (including, without limitation, corresponding with an Applicant or undertaking assessment of an Application) may be done by the State through the SBDC; and
 - c) All representations, warranties, undertakings, consents, acknowledgments and agreements given by the Applicant in favour of the State are also given in favour of the SBDC.

Anything or matter which may be done by the State or by the SBDC may be done by an authorised officer of the State or of the SBDC (as the case may be).

2. The State's Rights

- 2.1. The State reserves the right for any reason, at any time and from time to time, to (in whole or in part) cancel the Facility or to (in whole or in part) vary, supplement, supersede or replace the Facility, the Facility Guidelines or these Terms and Conditions.
- 2.2. If the State exercises its rights under clause 2.1, then:

- a) the State will advise each affected Applicant that it has done so; and
 - b) the Applicant will not have any recourse against any State Party whatsoever including, without limitation, with respect to claims for any costs or expenses incurred by the Applicant in applying for the Facility.
- 2.3. The State is under no obligation to approve any Application for the Facility and may reject any Application at the State's absolute discretion, including without limitation:
- a) if an Applicant fails to satisfy the eligibility criteria for, or its Application fails to comply with the requirements of, the Facility; or
 - b) if an Application is incomplete or contains information or representations that are false or misleading; or
 - c) if the State decides to cancel the Facility, or exercise any other right referred to in clause 2.1.
 - d) the Facility is fully subscribed.
- 2.4. The State is under no obligation to assess any Application received if the Facility is fully subscribed and funds are exhausted.
- 2.5. After an Application is received, the State may request additional information from the Applicant in relation to the content of its Application for the purpose of clarifying or assessing the Application. The Applicant must comply with such a request within 5 working days of the date on which the request is made, or prior to the Application Closing Time, whichever is sooner.
- 2.6. To the fullest extent permitted by law, all implied terms and conditions are excluded from these Terms and Conditions.

3. Application and the Applicant

- 3.1. In order for its Application to be assessed by the State, the Applicant must submit a complete Application electronically through the SBDC Website on or before the Application Closing Time.
- 3.2. Receipt of the Application will be determined by the date and time shown that the complete Application is electronically submitted.
- 3.3. If the application is incomplete, SBDC will advise the applicant in writing and identify the missing information. Applicants will be able to resubmit their application with the complete information. Incomplete applications will not be considered or assessed by the State. Applicants should be aware that applications are assessed on a first come basis and resubmitting an incomplete application will restart your place in the assessment queue.
- 3.4. Lodgement of electronic files may take time and the Applicant must make their own assessment of the time required for full transmission of their Application.

- 3.5. If the electronic copy of the Application contains a virus then, notwithstanding any disclaimer made by the Applicant in respect of viruses, the Applicant must pay to the SBDC all costs incurred by the SBDC arising from, or in connection with, the virus.
- 3.6. No State Party will be responsible in any way for any loss, damage or corruption of the electronic copy of the Application.
- 3.7. If the electronic copy of the Application becomes corrupted, illegible or incomplete as a result of transmission, storage, encryption or decryption, then the State or the SBDC may request the Applicant to provide another copy of the Application either electronically or in hard copy or both. If the State or the SBDC requests the provision of another copy of the Application, then the Applicant must:
 - a) provide the copy in the form or forms requested within the period specified by the State or the SBDC (as the case may be); and
 - b) warrant that the copy is a true copy of the Application which was electronically submitted by the Applicant and that no changes to the Application have been made after the initial attempted electronic submission.
- 3.8. The Applicant must inform the SBDC of any changes in the status or circumstances of the Application between the time of its submission and its assessment, by email to grants@smallbusiness.wa.gov.au or as otherwise specified in the Facility Guidelines.
- 3.9. The Applicant, in submitting an Application, warrants and represents to the State that all information and representations (in whatever form) given to a State Party under, as part of or in connection with the Facility or the Application are true and correct, complete and up-to-date, and in no way misleading or deceptive.
- 3.10. Where the Applicant consists of more than one person, a representation or warranty given by, and the obligations and liabilities of the Applicant under these Terms and Conditions apply to and bind each of those persons jointly and severally.
- 3.11. All communications by or on behalf of the Applicant with the State and the SBDC are to be provided by the Nominated Applicant and a communication by or on behalf of the State or the SBDC with the Nominated Applicant is deemed to be a communication with all persons constituting the Applicant.

4. First come basis

Applications will be assessed on a “first come” basis. This means that the date and time of submission of a complete application will determine its place in the assessment queue.

5. Assessment

- 5.1. The State will assess all Applications received before the Application Closing Time against the eligibility criteria identified in the Facility Guidelines and make an assessment as to whether to request further information or supporting evidence of any matter.
- 5.2. During the assessment process, the State will review the Application and supporting documents provided by the Applicant to determine whether on the face of it they are complete, correct and accurate. No State Party accepts any responsibility for ensuring that the Application and supporting documents provided by the Applicant are complete, correct and accurate and no State Party is obliged to request further information.

6. Withdrawal of Application

The Applicant may withdraw their Application at any time by email to grants@smallbusiness.wa.gov.au

7. Disclosure of Information

- 7.1. The Applicant warrants that all relevant third parties have consented to the disclosure of information relating to them in respect of the Application.
- 7.2. The Applicant agrees and acknowledges by submitting its Application that the State and the SBDC may disclose the Application and any information or document provided by the Applicant in relation to the Application as deemed necessary or desirable by the State or the SBDC, including without limitation:
 - a) to the extent necessary to assess and verify the matters represented in the Application, including disclosing to any government agency;
 - b) pursuant to the requirements of any law, including the *Freedom of Information Act 1992 (WA)*;
 - c) under a court order;
 - d) upon request by a Minister, Parliament or any committee of Parliament or by way of the Minister responsible for the Facility or the SBDC disclosing to Parliament as deemed necessary or desirable by the Minister.
- 7.3. The Applicant agrees and acknowledges that the powers and responsibilities of the Auditor General for the State of Western Australia under the *Financial Management Act 2006* and the *Auditor General Act 2006* are not affected in any way by the Application or these Terms and Conditions.

- 7.4. By submitting an Application, the Applicant releases each State Party from all liability whatsoever for any loss, injury, damage, liability, costs or expense resulting from the disclosure of its Application, or any other information or document, confidential or otherwise, submitted in respect of its Application, under this clause.

8. Intellectual Property

The Applicant consents to the reproduction of the Application and any information or document submitted in respect of the Application for the purposes of administration of the Facility, and represents that it has obtained all copyright and intellectual property permissions as required to do so (if any).

9. No Bribe, Inducement or Offer of Employment

- 9.1. The Applicant or their representative must not directly or indirectly approach or communicate with any officer or employee of the State or the SBDC having any connection or involvement with the Facility, with respect to an offer of employment or availability of employment with the Applicant or any related entity.
- 9.2. The Applicant must not directly or indirectly offer a bribe, gift or inducement to any officer or employee of the State or the SBDC in connection with the Facility.
- 9.3. The Applicant or their representative must not engage in lobbying activities aimed at influencing the outcome of their application for the Facility. Any such lobbying efforts may be deemed as attempting to unduly influence the decision-making process and could result in adverse consequences for the application, including potential rejection or disqualification from consideration.

10. Laws

- 10.1. These Terms and Conditions are governed by the laws of WA.
- 10.2. Each Applicant must comply with all laws in respect of their Application and the Facility.

11. Exclusion of Liability

To the extent permitted by law, the Applicant:

- a) will have no right of recovery against any State Party in respect of any matter or thing in relation to the Facility, including without limitation, any aspect of the assessment of the Application or the disclosure of its Application and information or documents; and
- b) releases each State Party from all liability for any loss, injury, damage, liability, costs or expense arising in connection with any matter or thing in relation to the Facility.

12. Severability

- 12.1. Any provision of, or the application of any provision of, these Terms and Conditions which is illegal, void or unenforceable, is ineffective to the extent of the illegality, voidance or unenforceability.
- 12.2. If any part of these Terms and Conditions is or becomes illegal, void or unenforceable, that part is or will be severed from these Terms and Conditions so that all parts that are not, or do not become, illegal, void or unenforceable remain in full force and effect and are unaffected by that severance.

13. Definitions

In these Terms and Conditions:

Affected Business means the business in respect of which the Application is made.

Affected Business Participant means a person other than the Applicant involved in directing the conduct, or undertaking administration or operation, of the Affected Business.

Applicant means the party applying for the Facility pursuant to the relevant Application.

Application means an application for the Facility.

Application Closing Time means close at **5pm, Monday, 7 October 2024 (AWST)** or at the discretion of the State.

Department means the Department of Treasury of Western Australia.

Eligibility Criteria means the criteria described at points 1 to 7 of the Facility Guidelines.

Nominated Applicant means the person named as the nominated applicant or the primary contact person in the Application.

Facility means the Builders' Support Facility – Round 2 provided by the Government of Western Australia to eligible residential builders in WA by providing access to interest-free loans of up to \$300,000 to help complete unfinished homes that were commenced prior to 1 July 2022, entitled the "Builders' Support Facility", and associated processes, and requirements and benefits described in both the Facility Guidelines and these Terms and Conditions.

Facility Guidelines means the document entitled "**Program Guidelines - Builders' Support Facility – August 2024**", and associated Application Terms and Conditions.

Record means a record or information of any kind, including originals and copies of all accounts, financial statements, books, files, reports, records, correspondence, documents and other materials, however such records and information are held, stored or recorded.

SBDC means the Small Business Development Corporation established under the *Small Business Development Corporation Act 1983 (WA)*.

State means the Crown in right of the State of Western Australia acting through the Department, the SBDC or any other government agency including and includes any department, agency or instrumentality of the State of Western Australia and any Minister whether body corporate or otherwise.

State Party means the State and each of their respective officers and employees.

Terms and Conditions means these terms and conditions.

For all enquiries related to the Builder Support Facility:

Small Business Development Corporation

Web: www.smallbusiness.wa.gov.au/builders

Email: grants@smallbusiness.wa.gov.au

Tel: 133 140