

## HEAD OF POWER

- *Local Government Act 2009*, section 104(5)(c)(ii)
- *Local Government Regulation 2012*, section 192
- *Statutory Bodies Financial Arrangements Act 1982*, section 32 to 41
- *Statutory Bodies Financial Arrangements Regulation 2019*, section 5 and schedule 2

## INTENT

The purpose of this policy is to ensure Council complies with its obligations under the *Local Government Regulation 2012*, to specify Council’s strategy for the management of existing loans, its planned borrowings forecast for the next ten financial years, and the period over which borrowings plan to be repaid.

## SCOPE

This policy applies to the Executive Leadership Team, Managers, and Financial Services employees.

## DEFINITIONS

**Employee** means a local government employee as defined in the *Local Government Act 2009*.

## POLICY STATEMENT

1. Council will restrict borrowings to expenditure on identified capital projects that are considered by Council to be of the highest priority. These would be major projects, which cannot be fully funded by revenue, grants and/or subsidies.
2. Council will not place undue reliance upon loans as a source of capital funding in renewing assets. Council will not use loans to finance operating activities.
3. Council will limit borrowings to fund infrastructure and buildings and structures that will generate significant economic benefits or generate income of net worth. These assets generally have useful lives greater than 20 years and the loan term will approximate the asset(s) useful life to a maximum of 20 years.
4. Where Council requires borrowings to fund other assets, such as plant and equipment, which do not provide significant economic benefits or generate income of net worth, the loan term will approximate the asset(s) useful life to a maximum of 5 years.
5. Details of planned borrowings for the period 1 July 2022 through to 30 June 2032 are indicated in the schedule of future borrowings table below.

**Table 1: Schedule of Future Borrowings**

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Value (\$ millions)	\$30.0	\$26.8	\$27.2	\$13.7	\$6.7	\$7.0	\$21.2	\$14.8	\$7.3	\$5.0
Term	Each loan indicated is scheduled for a term of 20 years.									

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- Existing borrowings are to be repaid under fixed terms in accordance with this Policy and as per the relevant authority approval at that time.

## **ASSOCIATED DOCUMENTS**

- Long-term Financial Plan

## **DOCUMENTS CONTROLS**

Council will review the policy annually and a new policy will be adopted by Council at the same time as its budget.

## **POLICY OWNER**

Chief Financial Officer, Organisational Services.