



Policy F4 – Borrowing Program

1. Policy Intention

To ensure the total amount of loan borrowings is sustainable in terms of ability to meet future repayments whilst maintaining financial ratios at an acceptable level.

2. Policy

2.1 Borrowing Principles

Loan borrowings will only be sourced for the purpose of acquisitions, renewals or enhancements of a capital nature.

2.2 Borrowing Arrangements

When entering into borrowing arrangements, Council will seek to minimise loan servicing costs over the long term without introducing undue annual volatility.

The tenure of a loan will not be greater than the expected useful life of the asset funded by the loan.

All borrowings will be considered as a part of Councils long term financial planning using sound financial management principles.

2.3 Borrowing Ratios and Limits

Borrowings (including self-supporting loans) shall not be undertaken if the effect of such borrowings are projected to result in the debt service cover ratio falling below the advanced standard, as per the Local Government Operational Guidelines – Financial Ratios.

Policy Detail		
Responsible Directorate	Corporate Services	
Responsible Department	Finance	
Responsible Officer	Manager Finance	
Next Policy Review / Schedule	2026 (3-yearly)	
Council Adoption	Date / Resolution	19 November 1998 (SCM98/0414)
Amendment Record	Date / Resolution	25 June 2015 (OCM15/155)
		22 February 2018 (OCM18/008)