



Policy

Loan Borrowings

2021

Information about this document

Date Adopted by Council	8 October 2009
Resolution No	09-794
Document Owner	Director Corporate and Community Services
Document Development Officer	Manager Finance
Review Timeframe	4 years
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Document History

Doc No.	Date Amended	Details/Comments eg Resolution No.
DM882574		Draft reported to Council DM890679
DM901779	8/10/09	Res No. 09-794
E2020/72154	21 April 2021	Minor update to include NSW TCorp at 4.4, amend wording at 5.1 based on wording used in Minister's Order (2009), removed information that is not current, updated and included extra references to legislation in table below

Further Document Information and Relationships

Related Legislation	<ul style="list-style-type: none"> - Local Government Act 1993 Part 12 – Loans - sections 621 to 624 - Local Government Act 1993 Part 3 – Delegation of functions, section 377(1)(f) - Local Government Act 1993 section 55(1)(f) - Local Government (General) Regulation 2021– sections 229 and 230 - Ministers Revised Borrowing Order (2009)
Related Policies	
Related Standards, Procedures, Statements, documents	

Note: Any reference to Legislation will be updated in the Policy as required. See website <http://www.legislation.nsw.gov.au/> for current Acts, Regulations and Environmental Planning Instruments.



1. Objectives

- 1.1 To borrow funds in accordance with legislative requirements
- 1.2 To achieve best value for money when borrowing funds

2. Authority for Borrowings

- 2.1 All borrowings are required to be approved by Council resolution.

3. Delegations of Authority

- 3.1 The General Manager or their delegated representative has authority to accept loan offers, subject to the lending amount being previously approved by Council and the requirements of the Loan Borrowings Policy being adhered to.

4. Guidelines

- 4.1 The targeted term of a loan will be determined by the service life of the asset for which it is borrowed and wherever possible matched to a loan facility as near as practicable in the then current market.
- 4.2 Quotes must include the interest rate, term of the loan, repayment intervals (eg monthly, quarterly, etc), repayment instalment amount and any applicable fees and how these affect the overall rate quoted to Council.
- 4.3 Council may seek a minimum of three written quotes for its approved loan borrowings from Authorised Deposit-taking Institutions (ADI's) that are regulated by the Australian Prudential Regulation Authority (APRA) or NSW Treasury Corporation.
- 4.4 Quotes may be provided on any basis suitable to Council and appropriate to the underlying asset.

5. Restrictions

- 5.1 Loans may only be borrowed in Australia and in Australian Currency.
- 5.2 These guidelines will be reviewed following the release of any new Ministerial Order.