

POLICY TITLE: BORROWING POLICY

Policy No. 516

POLICY PURPOSE

To establish a decision framework to ensure that:

1. Funds are available as required to support approved outlays;
2. interest rate and other risks (eg liquidity risks and investment credit risks) are acknowledged and responsibly managed;
3. The net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term; and
4. Outstanding debt is repaid as quickly as possible and therefore the gross level of debt held by Council at anytime is minimised.

POLICY STATEMENT

The underlying principle of any decision re borrowings is that of equity between present and future ratepayers (intergenerational equity). This principle will guide the Council in all decisions to raise new borrowings (or in the timing of the repayment of existing borrowings); it requires that adequate repayment of existing debt be spread equally over time.

Refer to attached document "Borrowings Procedural Statement and Directives" that supports this policy.