

COUNCIL POLICY LG505

LOAN POLICY

KEY FOCUS AREA LEADERSHIP AND GOVERNANCE

Purpose

The purpose of this policy is to provide guidance to ensure a sustainable and appropriate borrowing strategy.

Policy

Council supports the following principles:

1. Loan funds are not to be used for operating expenses.
2. Loan funds may be considered for significant projects. Loan funds generally should only be proposed to Council for projects that:
 - (a) Are identified in the Town's strategic planning documents;
 - (b) create or renew major community infrastructure which has an extended asset life; and
 - (c) have been identified at the time as providing a positive financial return.
3. Loans will be subjected to critical financial analysis and require Council endorsement prior to undertaking the borrowing. This analysis must include:
 - (a) The term of the loan;
 - (b) Interest rates;
 - (c) Borrowing source; and
 - (d) An explanation and assessment of how the proposal complies with paragraph 2 of the purpose above.

Document Control Box			
Legislation:	Local Government Act 1995		
Organisational:	Nil		
Version #	Decision:	OCM Date:	Resolution Number:
1.	Adopted	6 December 2005	442/05
2.	Reviewed	5 October 2010	210/10
3.	Reviewed	10 December 2013	360/13
4.	Reviewed	9 December 2014	203/14
5.	Reviewed	13 December 2016	206/16
6.	Reviewed	18 December 2018	228/18
7.	Modified	28 November 2023	164/23
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