



Borrowing Policy

1. STRATEGIC PLAN THEME AND COMPLIANCE OBLIGATION SUPPORTED

Curtin University Act 1966 (WA)

Financial Management Act 2006 (WA)

Strategic Plan Theme: [Sustainable Future](#)

2. PURPOSE

The purpose of this policy is to define the principles when the University borrows.

3. POLICY STATEMENT

3.1 The University generally seeks to minimise borrowing levels.

3.2 In considering whether to borrow, Council will consider the following principles:

- a) **Strategic objective** - the purpose for which the borrowings are to be used will be of strategic significance. We will not borrow to fund operational expenditure or normal capital works, which will be funded from operational revenues and/or reserves.
- b) **Amount** - the amount of borrowings will be limited to that required for the purpose for which the money is borrowed;
- c) **Need** - borrowings will be considered in the context of the University's ongoing financial sustainability with reference to, inter alia, current and projected cash and investment levels and the ability to make repayments as and when due;
- d) **Obligations** - for example, any security to be provided and any existing or new covenants to be complied with;
- e) **Cost** - the costs of borrowing, such as interest, fees and charges payable, will be minimised within the context of borrowing options available and associated risks; and
- f) **Period** - the period for which money is borrowed will be matched to the purpose for which the money is borrowed. If the repayment period is less than the period for which the funds are needed, the future availability of alternative funds or the need for and risks of refinancing will be considered.

3.3 Cumulative borrowings will be managed within a range determined by Council on recommendation from Finance Committee.

4. SCOPE OF POLICY

Under the *Curtin University Act 1966 (WA)* the University may do all or any of the following:

- borrow money;
- obtain credit;
- issue, acquire, hold or dispose of debt paper;
- create and issue capital instruments;
- arrange for financial accommodation to be extended to the University.

This policy covers all borrowings by the University as listed above other than the University's Credit Card facility and operating leases.

5. DEFINITIONS

(Note: Commonly defined terms are located in the [Curtin Common Definitions](#). Any defined terms below are specific to this document)

Borrowings

The act of accepting money under a contract which requires its repayment, normally with an associated interest charge. Borrowings include but are not limited to:

- Advances by way of loans (short term or long term)

- Overdraft facilities

Operating lease

A contract that allows for the use of an asset but does not convey rights of ownership of the asset. The lease period is over a period smaller than the economic life of the asset and the asset is returned to the lessor at the end of the lease period. For the sake of simplicity, all leases of assets with a value less than \$5,000 (excluding GST) are regarded as operating leases.

6. SUPPORTING PROCEDURES

[Borrowing Procedures](#)

7. RELATED DOCUMENTS/LINKS

[Purchasing Procedures](#)

[Matters Reserved to Council](#)

[Register of Delegations](#)

Policy Compliance Officer	<u>Amanda Stammers</u> , Chief Financial Officer
Policy Manager	Chief Financial Officer
Approval Authority	Council
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REVISION HISTORY

Version	Approved/ Amended/ Rescinded	Date	Committee / Board / Executive Manager	Approval / Resolution Number	Key Changes & Notes
	Approved	03/07/2019	Council	C 82/19	(previously Borrowing Policy and Procedures)