

Borrowings Policy

Section 1 - Purpose

(1) This Policy outlines the guiding principles for sound financial management in circumstances when borrowing funds is required by QUT.

Section 2 - Application

(2) This Policy applies to committees and staff responsible for the review, recommendation and approval of monetary borrowing including QUT Council, Finance and Planning Committee, the Vice-President (Finance) and Chief Financial Officer and the Associate Director, Financial Control.

Section 3 - Roles and Responsibilities

Position	Responsibility
QUT Council	Recommend borrowings to Treasurer of Queensland for approval.
Finance and Planning Committee	Provide recommendations on borrowings to QUT Council.
Vice-President (Finance) and Chief Financial Officer	Provides quarterly status report on borrowings to the Finance and Planning Committee. Submits requests for borrowings to Finance and Planning Committee, QUT Council and Queensland Treasurer.
Associate Director, Financial Control	Has delegated authority to approve access to the working capital facility in certain circumstances. Ensures all borrowings are recorded in a central register and safeguards source documents.

Section 4 - Principles

(3) QUT may borrow funds, with the approval of the Treasurer of Queensland, in accordance with Part 5 of the [Statutory Bodies Financial Arrangements Act 1982](#).

(4) Finance and Planning Committee provides a recommendation to borrow funds to QUT Council. Following its review, QUT Council recommends all borrowings to the Treasurer of Queensland. All borrowings are approved in consideration of the published University Consolidated Financial Plan and Capital Management Plan, the University's risk appetite, balance sheet, borrowing conditions and repayment terms.

(5) The principles applied to borrowings are:

- a. Currency - borrowings must be in Australian currency and undertaken in Australia.
- b. Interest rates - total borrowings are a mixture of fixed and variable interest rates, wherever practicable.
- c. Liquidity - the University's liquidity level is maintained at all times to meet all reasonably anticipated operating cash flow requirements of the University, as and when they fall due.

(6) QUT’s borrowings will generally be from Queensland Treasury Corporation (QTC), with any guarantee or conditions approved by the Treasurer of Queensland.

(7) Funds required to meet borrowing repayments are accounted for in the University’s financial plan and commitments reported in QUT’s Financial Statements.

Section 5 - Borrowings in Limited Circumstances

(8) Borrowings may be approved in the following limited circumstances:

- a. to support the Asset Management Program;
- b. to address unexpected shortfalls in cash flows (limited to the QTC Working Capital Loan Facility on 30 day terms).

(9) The Associate Director, Financial Control has delegated authority to approve access to funds from the QTC Working Capital Loan Facility for up to 30 days and within pre-approved limits.

(10) All other borrowings require QUT Council approval following recommendation from Finance and Planning Committee. Recommendations must include a detailed business case clearly identifying the benefits of the loan, including a detailed cash flow projection prepared on a discounted cash flow basis.

Section 6 - State Government Borrowings Program

(11) QUT has access to loan arrangements through State Government funding programs which adhere to the borrowing principles listed above. Specific terms and conditions relating to these loans are held within Finance Business Solutions under the guidance of the Associate Director, Financial Control.

Section 7 - Records and Reporting

(12) The Associate Director, Financial Control ensures that all borrowings are recorded in a central register and that source documents are safeguarded.

(13) The Vice-President (Finance) and Chief Financial Officer provides a status report on borrowings as part of the quarterly report to Finance and Planning Committee.

Section 8 - Definitions

Term	Definitions
Borrowings	Is the act of accepting an asset from an individual or organisation under a contract. This can include bank overdrafts, granting of covenants, promises, guarantees, indemnities or other encumbrances on the future economic benefits of the University.

Section 9 - Delegations

(14) Refer to the [Register of Authorities and Delegations](#) (VC142) (QUT staff access only)

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