



# Debt Policy

Policy Information			
<b>Policy Name</b>	Debt Policy		
<b>Policy Number</b>	MSC-STAT-006		
<b>Type</b>	Statutory		
<b>Owner</b>	Chief Executive Officer		
<b>Responsible Officer</b>	Chief Financial Officer		
<b>Decision No.</b>	2026/80	<b>Approval Date</b>	June 2026
<b>Records No.</b>		<b>Next Review Date</b>	June 2027

Document Version Control			
Version	Date	Resolution No.	Details
1		N/A	New Issue

## 1. Policy Objectives

This policy provides robust financial management principles for Council's borrowings and working capital facilities. It establishes a framework for:

- (a) New borrowings planned for the current financial year and the next nine (9) financial years.
- (b) The repayment period for existing and new borrowings.

This policy is prepared in accordance with Chapter 5, Part 4, Section 192 of the *Local Government Regulation 2012*.

## 2. Scope

This policy applies to all current and future borrowings by Council, in line with:

- *Local Government Act 2009 (Section 104(5)(c)(ii))*
- *Local Government Regulation 2012 (Section 192)*
- *Statutory Bodies Financial Arrangements Act 1982*
- *Statutory Bodies Financial Arrangements Regulation 2019*

It applies to all Councillors and Council officers.

### 3. Responsibility

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for ensuring compliance with this policy.

### 4. Definitions

All definitions align with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

### 5. Policy Statement

The *Local Government Act 2009* requires each local government to maintain and annually review a Debt Policy. This policy must be reviewed in time to align with the adoption of the annual budget.

Key principles include:

- Borrowings are permitted for long-term assets, enabling costs to be shared across current and future beneficiaries, subject to Council's ability to service debt.
- Borrowing decisions will align with the Long-Term Asset Management Plan and Long-Term Financial Plan.
- Capital projects must undergo evaluation, risk assessment, and prioritisation before borrowings are sought.
- Long-term debt will not be used to fund operating activities or recurrent expenditure.
- Working capital facilities or overdrafts may be used for short-term cash flow needs.
- Priority will be given to borrowings for infrastructure that generates a return on investment when borrowing capacity is limited.
- Debt terms will generally match the life of the asset but will not exceed 20 years.
- Council will monitor debt levels to ensure financial sustainability and minimise community financial risk.
- New borrowings must be approved as part of the annual budget process, excluding working capital and overdraft facilities.
- Future borrowings or working capital facilities require approval from the Council's administering department or Queensland Treasury, as per the *Statutory Bodies Financial Arrangements Act 1982*.
- Planned borrowings for the budget year and the next nine (9) financial years, including repayment terms, will be presented at the annual budget meeting.

### 6. Existing Borrowings

Council currently has no borrowings.

## 7. Planned Borrowings

The Council's Long-Term Financial Plan does not identify any new borrowings for the next ten (10) years.

## 8. Related Policies and Legislation

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Statutory Bodies Financial Arrangements Act 1982*
- *Statutory Bodies Financial Arrangements Regulation 2019*

## 9. Associated Council Documents

- Adopted Budget
- Long-Term Asset Management Plan
- Long-Term Financial Plan
- Investment Policy

## 10. Review

This policy will be reviewed annually in accordance with Section 192 of the *Local Government Regulation 2012*.