



Debt Policy

Policy: D001

Head of Power

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

Objective

To provide Council with a debt management strategy based on sound financial management guidelines.

To establish a framework for:

- a) New borrowings planned for the current financial year & the next nine (9) financial years; and
- b) time over which Council plans to repay existing and new borrowings.

Application

This policy applies to all forms of borrowing undertaken by Pormpuraaw Aboriginal Shire Council.

Policy Statement

1. Council aims to finance capital works and new assets to the greatest extent possible from revenue, grants and subsidies or any specific reserves primarily established to fund capital works.
2. Borrowings will only be made for:
 - a. Capital expenditure; or
 - b. Short-term working capital; or
 - c. A genuine emergency or hardship.
3. Borrowing will be undertaken in accordance with Queensland Treasury Corporation guidelines and the Statutory Bodies Financial Arrangements Act 1982.
4. Borrowings to support capital expenditure will be for a period which is less than or equal to the estimated useful life of the related asset(s). However, in the case of road, water and sewerage infrastructure with useful lives ranging from 20 to 60 years the term will be limited to between 10 and 20 years unless longer terms are recommended by the Queensland Treasury Corporation;
5. Detailed capital works and assets acquisition programs (Asset Management Plans, Strategies, and Policies) for the next 10 years together with Council's 10 year Long Term Financial Forecast will provide the basis for deciding between funding options.
6. Council will use the Queensland Treasury Corporation for the management of its long-term debt facilities.



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7. Borrowings planned for the next 10 financial years will be based on estimated new capital expenditure recorded in Council's Long-Term Financial Forecast.
8. Proposed new debt for the next 10 years is outlined below including the term for repayment.

| Year | Purpose | Amount (\$) | Original Terms (Yrs) | Year of Final Repayment |
|-----------|--------------|-------------|----------------------|-------------------------|
| 2021/2022 | Nil | \$Nil | Nil | N/A |
| 2022/2023 | Nil | \$Nil | Nil | N/A |
| 2023/2024 | Nil | \$Nil | Nil | N/A |
| 2024/2025 | Nil | \$Nil | Nil | N/A |
| 2025/2026 | Nil | \$Nil | Nil | N/A |
| 2026/2027 | Nil | \$Nil | Nil | N/A |
| 2027/2028 | Nil | \$Nil | Nil | N/A |
| 2028/2029 | Nil | \$Nil | Nil | N/A |
| 2029/2030 | Nil | \$Nil | Nil | N/A |
| 2030/2031 | Nil | \$Nil | Nil | N/A |
| | Total | \$0.00 | | |

Related Documents

This policy complements and is to be implemented in conjunction with other Council policies and directives (but not limited to):

- R002 – Risk Management Policy
- 10 Year Financial Forecast Report

Review Triggers

This policy is reviewed internally for applicability, continuing effect and consistency with related documents and other legislative provisions when any of the following occurs:

- The related documents are amended.
- The related documents are replaced by new documents.
- Amendments are made to the head of power which affect the scope and effect of this Policy.
- Other circumstances as determined from time to time by a resolution of Council.

Notwithstanding the above, this Policy is to be reviewed annually for relevance and to ensure that its effectiveness is maintained.

Responsibility

This Policy is to be

- implemented by the CEO; and
- reviewed and amended in accordance with the "Review Triggers" by the CEO.



Pormpuraaw Aboriginal Shire Council

Version Control

| Policy: D001 | | Official Version: D001-V10 |
|--------------|--------------------------------------|----------------------------|
| Version | Adoption (Council Resolution Number) | Date |
| V1 | March 2012 (2012/03/xx) | 01/03/2012 |
| V9 | July 2020 (2020/07/04) | 29/07/2020 |
| V10 | July 2021 (2021/07/18) | 28/07/2021 |

Approved by CEO:

A handwritten signature in black ink, consisting of a large loop followed by a series of smaller, connected strokes.

Signature

