



Cloncurry Shire Council

**POLICY
NO.**

COR 1006

DEBT POLICY

1. Purpose

This policy aims to provide Council with robust financial management principles associated with borrowings and working capital facilities.

The following sets out the Debt Policy for the year ending 30 June 2027 as required by chapter 5, part 4, and section 192 of Local Government Regulation 2012.

To establish a framework for:

- (a) the new borrowings planned for the current financial year and the next nine (9) financial years; and
- (b) the period over which the local government plans to repay existing and new borrowings.

2. Scope

This policy and procedures apply to all current and future borrowings by Council in accordance with *Local Government Act 2009* (Section 104(5)(c)(ii)), *Local Government Regulation 2012* (Section 192), *Statutory Bodies Financial Arrangements Act 1982* and *Statutory Bodies Financial Arrangements Regulation 2019*.

This policy and procedures apply to all Councillors and Council officers.

3. Responsibilities

The Chief Executive Officer and Director of Corporate Services are responsible for ensuring that this policy is understood and adhered to by all personnel.

4. Definitions

All definitions are in accordance 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 a Debt Policy for each financial year. This policy must be reviewed annually and in sufficient time to allow an annual budget to be adopted that is consistent with the policy.

- Borrowings are a valid funding option for assets of a long-term nature, as they allow the cost of such assets to be spread across the present and future generations who will benefit from them, subject to Council's ability to service any associated debt obligations.
- Council will use as its basis for determining funding options the Long-term Asset Management Plan, together with the Long-Term Financial Plan.

- Capital projects are to have undergone a thorough process of evaluation (including risk assessment), prioritisation and review prior to borrowings being sought.
- Council cannot use long-term debt to finance operating activities or recurrent expenditure. A working capital facility or overdraft may be utilised to help fund short-term cash flow requirements that may arise from time to time.
- Where borrowing is constrained, borrowings for infrastructure that provides a return on capital will take precedence over borrowings for other assets.
- The term of debt will generally relate to the life of the asset created but will not exceed twenty (20) years for any individual asset. Current and new borrowings are planned to be repaid within a twenty (20) year term.
- Council will maintain ongoing scrutiny of its level of debt to ensure its continuing ability to service its commitments without unduly burdening the community with unnecessary financial risk.
- The amount of new debt to be borrowed in a year must be approved as part of the annual budget process, excluding working capital and bank overdraft facilities.
- Approval for future borrowings or working capital facilities will also be sought from either Council's administering Department, or Queensland Treasury, in accordance with the *Statutory Bodies Financial Arrangement Act 1982*.
- In accordance with the Local Government Regulation 2012, details of the planned borrowings for the budget year and the following nine (9) financial years will be presented at Council's annual budget meeting. The details will include the planned borrowings for each year, the purpose of the borrowings and the term of repayment of existing and planned borrowings.

6. Existing Borrowings

Council currently has the following approved borrowings:

Year Approved	Lender	Purpose	Book Value as at 30 June 2026 (\$)	Term Remaining (years)
2021	QTC	Capital 2010	815,378.00	16
2021	QTC	Community Precincts	2,526,648.26	16
2021	QTC	Industrial Land Development	1,350,633.36	16
2021	QTC	Mary Kathleen Park	572,724.63	16
2021	QTC	New Water Treatment	1,911,274.00	16
2021	QTC	Sewerage Treatment Plant Upgrade	3,152,063.46	14
2025	QTC	Scarr Street Redevelopment	2,330,824.68	19
TOTAL			12,659,546.39	

All definitions are in accordance with the *Local Government Act 2009* and the Local Government Regulation 2012.

7. Planned Borrowings

Council's planned borrowings are as follows:

Financial Year	Lender	Purpose	Amount (\$)	Term
2026-27	N/A	N/A	-	-
2027-28	QTC	John Flynn Place Redevelopment	2,000,000	20 years
2027-28	QTC	Water Treatment Plant Improvement	2,000,000	20 years
2028-29	N/A	N/A	-	-
2029-30	N/A	N/A	-	-
2030-31	N/A	N/A	-	-
2031-32	N/A	N/A	-	-
2032-33	N/A	N/A	-	-
2033-34	N/A	N/A	-	-
2034-35	N/A	N/A	-	-
2035-36	N/A	N/A	-	-
		TOTAL	4,000,000	

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 is to be reviewed at least annually as per section 192 of the Local Government Regulation 2012.

Adopted by Council Resolution

This policy was adopted by Council and shall hereby supersede any previous policies of the same intent.

POLICY VERSION AND REVISION INFORMATION

Version No.	Approval	Date Adopted	Review Date
1	Council Resolution 12.140624	24 June 2014	
2	Council Resolution 13.150623	23 June 2015	
3	Council Resolution 12.160705	5 July 2016	
4	Council Resolution 03.170704	4 July 2017	
5	Council Resolution 03.180724	24 July 2018	
6	Council Resolution 03.190716	16 July 2019	
6.1	Council Resolution 05.200730	30 July 2020	
6.2	Council Resolution 03.210727	27 July 2021	
6.3	Council Resolution 15.220628	28 June 2022	
6.4	Council Resolution 149.2023	20 June 2023	
7	Council Resolution 208.2024	16 July 2024	
8	Council Resolution 160.2025	17 June 2025	
9	Council Resolution 135.2026	7 July 2026	June 2027

Policy Endorsed by: Tammy Parry



Title: Chief Executive Officer