

DEBT & BORROWING POLICY

Policy Number: BSC-039	Version: 3
Classification: Statutory	Section: Executive - Governance
Date Adopted by Council: 21/07/2021	Resolution Number: 2021.07.017
Next review Due: 31/07/2022	Responsible Officer: Chief Executive Officer
Last Reviewed:	Review: Note: This Policy is reviewed when any of the following occur: <ol style="list-style-type: none"> 1. The related information is amended or replaced. 2. Other circumstances as determined from time to time by the Chief Executive Officer. Notwithstanding the above, this Policy is to be reviewed at intervals of no more than two years.
Legislation: <i>Local Government Act 2009, Local Government Regulation 2012; Statutory Bodies Financial Arrangements Act 1982.</i>	

OBJECTIVE

The objective of this policy is to ensure the sound management of Barcoo Shire Council's existing and future debt in the 2021-2022 financial year.

POLICY STATEMENT

Council will manage its finances to promote the best interests of local residents, including decisions made for the purposes outlined below.

DEFINITIONS

Nil

PROCEDURE

Council's approach to debt will incorporate the following principles:

- The appropriate mix of debt to internal funding used is intended to provide the lowest long term level of rates which does over commit Council in the future,
- Borrowing should provide adequate flexibility in the short term,
- The total debt accrued should depend on future outlook for growth in the Shire area, and;
- The term of the debt will relate to the life of the asset obtained by borrowing but will not exceed twenty (20) years for any individual asset.

Council will aim to reduce the overall level of debt by continuing repayments as per the adopted schedules set by the lending institute.

In order to provide the best possible service for ratepayers, Council will restrict the purpose of loans to asset acquisition and capital expenditure. As the outcome of borrowing for these purposes will benefit present and future generations and the cost is fairly shared across the years. Council is not expected to borrow funds over the next 10 years:

The time over which it is planned to repay an existing loan is as follows:

Balance as at 30/6/2021	Purpose of Borrowing	Annual Repayments	Remaining Term (Years)	Interest Rate
\$6,508	Rural Electrification Loan	\$6,558	1	5.025%
\$ NIL	Working Capital Facility	NIL	1	0.10%

ASSOCIATED DOCUMENTS AND POLICIES

Revenue Policy