



HOPE VALE ABORIGINAL SHIRE COUNCIL

Debt Policy

Document Control

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Version History

Version Number	Date	Signature	Reason / Comments
1	28 June 2011		Council Resolution
2	20 March 2013		Council Resolution
3	25 February 2014		Council Resolution
4	9 March 2015		Council Resolution
5	18 January 2017		Council Resolution
6	21 February 2018		Council Resolution
7	27 February 2019		Council Resolution
8	16 December 2019		Council Resolution
9	17 March 2021		Council Resolution

DEBT POLICY 2020-2021

ORIGIN/AUTHORITY

Local Government Act 2009

Section 104 (5)

Local Government Regulation 2012

Section 192

Statutory Bodies Financial Arrangements 1982

Part 5 (Division 1, Section 32)

Statutory Bodies Financial Arrangements Regulation 2007

Schedule 2

OBJECTIVES

1. To provide Council with a debt management strategy based on sound financial management guidelines.
2. 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 time over which the local government plans to repay existing and new borrowings.

GUIDING PRICIPLES

The purpose of establishing this policy is to:

- Provide a comprehensive view of Council's long-term debt position and the capacity to fund infrastructure growth;
- Increase awareness of issues concerning debt management;
- Enhance the understanding between Councillors, community groups and employees of Council;
- Demonstrate to government and lending institutions that Council has a disciplined approach to borrowing.

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:
 - Capital expenditure; or
 - Short-term working capital; or
 - A genuine emergency or hardship.

3. Borrowing will be undertaken in accordance with Queensland Treasury Corporation guidelines, the Statutory Bodies Financial Arrangements Act 1982 and Section 192 of the Local Government Regulation 2012.
4. Borrowings 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 infrastructure with useful lives ranging from 10 to 80 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 ten (10) years together with the ten (10) year Long Term Financial Forecast will provide the basis for determination of funding options.
6. Council will use the Queensland Treasury Corporation for the management of its long term debt facilities.
7. Borrowings planned for the next ten (10) financial years based on estimated new capital expenditure provided to Queensland Treasury Corporation:

2020/21 – no proposed borrowings

2021/22 – no proposed borrowings

2022/23 – no proposed borrowings

2024/25 – \$1,000,000

2025/26 – no proposed borrowings

2026/27 – no proposed borrowings

2027/28 – no proposed borrowings

2028/29 – no proposed borrowings

2029/30 – no proposed borrowings

2030/31 – no proposed borrowings

Debt as at 30 June 2020, \$0.00

8. Council will maintain scrutiny of debt levels to ensure that relative sustainability factors will not exceed target parameters recommended by Queensland Treasury Corporation and Local Government Regulation 2012.

Adopted by Council on the 17 March 2021

Shannon Gibbs
Director of Finance