POLICY: DEBT AND BORROWING POLICY

Purpose

The Debt and Borrowing Policy provides a framework for the responsible management of Barcoo Shire Council's (Council's) existing and future debt in the 2026-27 financial year. The policy aims to ensure debt and borrowing is carefully considered to support strategic infrastructure and service investments while maintaining long-term financial sustainability.

Policy statement

Council will manage its finances to promote the best interests of local residents. This includes:

- aligning borrowing decisions with strategic objectives and long-term financial plans
- considering current and projected economic growth and future services in the region
- maintaining debt at a level that does not unreasonably burden ratepayers or compromise future financial sustainability, and
- regularly monitoring and reviewing debt and borrowing performance.

Scope

The policy applies to all borrowing activities undertaken by Council and is relevant to all functional areas involved in financial planning and management, budgeting, capital works planning and asset management.

Definitions

Nil.

Responsibilities

Council: Approves the Debt and Borrowing Policy.

CEO:

- Policy implementation.
- Overall management of Council budget and service obligations.

Director, Corporate and Community Services:

- Manages debt and borrowing process and provides assurance activities to support responsible financial management.
- Ensures Council compliance with relevant legislation, policies and procedures.

Approach to debt and borrowing

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 not 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 20 years for any individual asset.

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 5 years.

The time over which any planned future loans to repay is as follows:

Balance as at 30/06/2026	Purpose of borrowing	Annual repayments	Remaining terms (years)	Interest rate
Nil	Nil	Nil	0	N/A

Governing legislation, regulations and references

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

Document references and control:

Policy owner:	Director, Corporate and Community Services
Policy reference no.:	BSC-039
Related policies:	BSC-037 Revenue Policy
Related forms:	Nil
Version:	8.2
Council resolution no:	SM2026.07.003
Date approved:	8 July 2026
Review:	30 June 2027 **Review notes** This policy is reviewed when any of the following occur: 1. At least annual intervals. 2. The related information is amended or replaced. 3. Other circumstances as determined from time to time by the Chief Executive Officer. The Chief Executive Officer may, without referral to Council, review and make amendments of a minor administrative nature that do not affect the intent of the policy (e.g., change of legislation, change of personnel responsibilities, repair drafting error).