



RICHMOND SHIRE COUNCIL DEBT POLICY

POLICY NUMBER: 053
INFOXPRT REF: 86917
TIME PERIOD OF REVIEW: 1 Year
DATE OF NEXT REVIEW: July 2027

1. OBJECTIVES

Local Government Regulation 2012, Section 192 requires the Council to prepare and adopt a debt policy each financial year.

The policy must include the following elements:

- (a) new borrowings planned for the current financial year and the next nine financial years; and
- (b) the time over which it is planned to repay existing and proposed borrowings.

2. APPLICATION OF POLICY

Council's policy for 2026/2027 for Debt is as follows:

Current Borrowings

- Council currently has one existing Queensland Treasury Corporation loan that is a 10-year loan which will mature in March 2027.
- Anticipated loan repayment for the year 30 June 2027 is \$470,774.36.

New Borrowings

- Borrowings are only available for capital investment purposes and are based on the following considerations:
 - Council will initially consider meeting capital investment requirements by first using any surplus cash available before undertaking any new borrowings. This includes if using existing funds only defers the need to borrow for a short period of time.
 - Council under no circumstances will use long term debt to fund recurrent expenditure or operating activities. Council may use a working capital facility or overdraft to help fund short term cash flow requirements.
 - Council will consider the need to borrow by determining the additional cost incurred by the community when assets are acquired through borrowings, with the benefit gained by future generation from those same community assets.
 - When Council finances capital projects through borrowings, it will repay the loans in a term not exceeding the life of those assets and in accordance with Queensland Treasury Corporation's borrowing guidelines.
 - Council will monitor its debt levels to ensure relevant financial sustainability does not exceed the targets recommended by Queensland Treasury Corporation.
 - The amount of new debt to be borrowed in a financial year must be approved as part of the annual budget process. New borrowing applications must be approved by the Department of Local Government, Water and Volunteers.

Ten Year Proposed Loan Borrowings

Financial Year	Debt Details	Loan Term
2026/2027	No new borrowings	
2027/2028	No new borrowings	
2028/2029	No new borrowings	
2029/2030	No new borrowings	
2030/2031	No new borrowings	
2031/2032	No new borrowings	
2032/2033	No new borrowings	
2033/2034	No new borrowings	
2034/2035	No new borrowings	
2035/2036	No new borrowings	

3. RELEVANT LEGISLATION

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

4. IMPLEMENTATION

This Policy will commence from the Policy reviewed date and will be made available to all corporate staff on Council's intranet site/network, and to all outdoor staff via their supervisor/coordinator. Council reserves the right to vary, replace or terminate this Policy from time to time. This Policy will typically be reviewed when a review has been deemed appropriate by organisational processes (e.g., audit recommendations), or when legislative requirements change.

5. APPROVAL

Date of Adoption: 26 June 2007
Policy Reviewed: Special Budget Meeting 29 July 2026
Resolution Number: 2026729.8

Policy Authorised: Peter Bennett
Chief Executive Officer