

## Debt Policy

<b>Number:</b>	<b>Stat.PO2</b>
<b>Responsible Manager:</b>	<b>Executive Manager Finance</b>
<b>Head Policy:</b>	<b>N/A</b>
<b>Legislation:</b>	<b>Local Government Act 2009</b> <b>Local Government Regulation 2012</b>

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### **1. Purpose of the Policy**

To comply with the legislative requirements under Local Government Regulation 2012 and provide the parameters for Kowanyama Aboriginal Shire Council's debt structure for the next 15 year period.

### **2. Application of this Policy**

This policy applies to all people acting for an on behalf of the Kowanyama Aboriginal Shire Council including councillors, employees, consultants and contractors.

### **4. Definitions**

Debt is also defined as borrowings

### **5. Policy Provisions**

- 5.1 Council will ensure that consideration be given to the long term financial sustainability of Council before entering into any applications for debt.
- 5.2 Council will give consideration to the interests of the community and external funding providers when making decision regarding establishing debt.
- 5.3 Any applications for debt will only be for non-current assets to deliver essential services, reflect the approved budget for debt, be for a repayment period of no longer than 15 years, and will be made through the most competitive institution.
- 5.4 Effective 1 July 2016, the Working Capital Facility of \$2.150M was converted to a loan borrowing attracting interest at a current rate of 2.803%, and payable over 15 years.
- 5.5 Estimated Debt repayments, based on Queensland Treasury Corporation loan calculation, for the next 13 years for Kowanyama Aboriginal Shire Council are detailed in the QTC Indicative Principal and Interest Schedule.
- 5.6 All loan applications must be endorsed by Council resolution before progressing to the application stage.


## **Review**

This policy is to remain in force until otherwise determined by Council.

## **Approval**

This policy was duly authorised by Council as the Kowanyama Aboriginal Shire Council's Debt Policy on 25 July 2018 and shall hereby supersede any previous policies of the same intent.

Chief Executive Officer, Fabian Williams



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**Date: 25 July 2018**

Chief Executive Officer, Fabian Williams