



Debt Policy 2026-2027

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Policy Owner	Corporate Services
Contact Officer	Director of Corporate Services

PURPOSE

The purpose of this Policy to provide guidelines for those who work for Diamantina Shire Council ("Council") in respect to its approved strategies for borrowing for the current and future Financial Years.

POLICY OBJECTIVES

The objective of this policy is to ensure compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012* and to articulate Council's current and future debt position.

COMMENCEMENT OF POLICY

This Policy will commence on adoption, and it replaces all other specific Borrowing policies of Council (whether written or not).

HUMAN RIGHTS COMMITMENT

Council has considered the human rights protected under the *Human Rights Act 2019* (Qld) (the Act) when adopting and/or amending this policy. When applying this policy, Council will act and make decision in a way that is compatible with human rights and give proper consideration to a human right relevant to the decision in accordance with the Act.

POLICY STATEMENT

CONTEXT

Section 104(5) of the *Local Government Act 2009* outlines Council's requirement for a system of financial management including:

1. financial planning documents consisting of a five-year corporate plan, a long-term asset management plan for 10 years or more, a long-term financial forecast covering a period of at least 10 years, an annual budget, and an annual operational plan; and
2. financial accountability documents; and
3. the following policies:
 - a) an investment policy;
 - b) a debt policy;
 - c) a revenue policy

Section 192 of the *Local Government Regulation 2012* outlines the requirements of a debt policy as follows:

1. A local government must prepare a debt policy each financial year.
2. The debt policy must state:
 - a) the new borrowings planned for the current financial year and the next nine financial years; and
 - b) the period over which the local government plans to repay existing and new borrowings.

POLICY STATEMENT

The context of this Policy aims to ensure a clear and concise approach is undertaken in respect to Council's approved strategy for long term borrowing.

In developing a long-term financial plan, borrowing is identified as an alternative source for funding major capital projects.

To achieve long term financial sustainability, Council will adopt the strategies outlined in Standards Section.

STANDARDS

KEY PRINCIPLES

Council's approved strategies are detailed below:

- Council will in general, seek to minimise its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges.
- Council will only borrow funds for the purpose of acquiring assets, improving facilities, services or infrastructure and/or substantially extending their useful life.
- Council may borrow to meet strategic needs or to take advantage of opportunities for development providing there is a demonstrably good return in economic and/or social terms.

- Borrowings in programs/areas such as water, sewerage, cleansing are to be repaid from revenue generated in those areas and the full costs are to be taken to account in these areas.
- Where borrowings are to be repaid by special rates, the revenue and repayments will be matched as far, as is practical. Borrowings will be repaid early should revenue exceed scheduled repayments.
- Borrowings will only be made in accordance with the adopted budget.
- Borrowings will only be from the Queensland Treasury Corporation (QTC) or, if from another organisation, with the approval of QTC and Department of Local Government and Planning.
- Borrowings will normally be for a maximum of twenty years. Shorter borrowing periods and earlier repayments will be taken where possible and appropriate. If a longer term is appropriate, and this may be the case for some infrastructure assets such as water and sewerage, the term will not exceed the life of the asset or twenty years, whichever is the shorter period.

CONSIDERATIONS

Borrowings

Based on Council's most recent review of its capital funding requirements, the following borrowings are identified as being required for the 2026-2027 financial year and the next nine financial years.

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	

Loan Position

The following table sets out the status of Council's loan liability over the coming 2026-2027 financial year.

Loan Project	Principal Outstanding 01/07/2026 (\$)	Repayment Per Annum (\$)	Loan Expiry Date
Optic Fibre / BV Caravan Park Loan 81160 – Diamantina SC – 2015/16	\$ 1,436,708.08	\$ 196,541.08	June 15, 2036
Diamantina Shire 2022 Housing 505605	\$ 903,440.93	\$ 117,690.31	June 15, 2042
Birdsville Cooling Pond Project	\$ 2,000,000.00	\$261,087.79	June 15, 2045
Birdsville Housing Project	\$ 1,000,000.00	\$130,543.92	June 15, 2045
TOTAL	\$5,340,149.01	\$705,863.10	

SERVICE STANDARDS

The Debt Policy will be developed and presented to Council each financial year, prior to the adoption of the next financial year's budget.

DEFINITIONS

To assist in interpretation, the following definitions shall apply:

Term	Definition
Council	Means Diamantina Shire Council
All Definitions are in accordance with the <i>Local Government Act 2009</i> and the <i>Local Government Regulation 2012</i> .	

SUPPORTING DOCUMENTATION

Legislation	<i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i> <i>Statutory Bodies Financial Arrangements Act 1982</i> <i>Statutory Bodies Financial Arrangements Regulation 2019</i>
Council Policies	Investment Policy
Supporting Documents	Corporate Plan 2022 – 2027 Adopted Budget Long Term Asset Management Plan Long Term Financial Plan

VERSION CONTROL

Version	Adopted	Comment	eDRMS #
2022-23	29 July 2022	2022.07.29-SM-2	N/A
2023-24	30 July 2023	2023.07.20-SM-03	N/A
2024-25	20 July 2024	2024.07.31-SM-05	324642
2025-26	17 June 2025	Resolution: CNL/25/143	324870
2026-27	16 June 2026	Resolution: SCM/26/002	330528