CHERBOURG ABORIGINAL SHIRE COUNCIL
22 BARAMBAH AVENUE
CHERBOURG QLD 4605
Phone: (07) 4168 1866
Fax: (07) 4168 2727

DEBT POLICY

1. PURPOSE

The purpose of this policy is to ensure the sound management of Council's existing and future borrowings.

2. COMMENCEMENT OF POLICY

The policy commences on adoption by Council.

3. SCOPE

This policy applies to all borrowing activities of the council.

4. BACKGROUND

Council has a responsibility to operate in a financially sustainable manner. In developing a Long Term Financial Plan, borrowing is identified as an alternative source for funding major capital projects. In accordance with the *Local Government Regulation 2012*, Section 192 Debt Policies, Council must prepare and adopt by resolution a Debt Policy for a financial year.

The policy must state:

(i) The new borrowings planned for the current financial year and the next 9 financial years; and

(ii) The period over which the local government plans to repay existing and new borrowings.

5. PRINCIPLES

The debt policy aims to provide Council with a debt management strategy based on sound financial management guidelines.

- 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 not utilise loan funding to finance operating activities or recurrent expenditure.

- Council will only borrow funds for the purpose of acquiring assets, improving facilities, services or infrastructure and/or substantially extend their useful lives.

- Borrowings for infrastructure that provides a return on assets will take priority over borrowing for other assets

Borrowings will only be undertaken if:

- All alternative options for undertaking a project without borrowing have been investigated and proved less advantageous to the Council;

- The benefit received from undertaking the borrowing is greater, over the life of the borrowing, than the costs of borrowing; and

- Repayments will be met from project income or other untied income of Council (not grant funding).

- Approvals in accordance with legislative requirements are met.

6. EXISTING BORROWINGS

Council currently has no borrowings.

7. NEW BORROWINGS

Council has no borrowings planned for the next 9 financial years.

Variations

CASC *reserves the right to vary, replace or terminate this policy from time to time.*

Associated Documents

- Corporate Plan
- Operational Plan
- Budget

POLICY VERSION AND REVISION INFORMATION

Policy Type:	Statutory		
Policy Authorised by:		**Original issue:**	
Title:	Chief Executive Officer		
Policy Maintained by:		**Current version:**	1
Title:			
Date Reviewed:	June 2026		
Council Resolution:		**Resolution date:**	