



STATUTORY POLICY
MOUNT ISA CITY COUNCIL
2020/21 Financial Year – Debt Policy

RESOLUTION NO. OM23/05/20 VERSION 2

APPLIES TO STATUTORY POLICIES ONLY

This is an official copy of the **2020/21 Financial Year - Debt Policy**, made in accordance with the provisions of *Local Government Act 2009* and *Local Government Regulation 2012*, *Public Records Act*, Mount Isa City Council's Local Laws, Subordinate Local Laws and current Council Policies.

Statutory Policies comply with a legislative requirement; the **2020/21 Financial Year - Debt Policy** is approved by the Mount Isa City Council for the operations and procedures of Council. Note that Financial Year Policies are reviewed annually.

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 Sharon Ibardolaza
Chief Executive Officer

DOCUMENT VERSION CONTROL			
Governance/Policies/Statutory Doc ID# 667568		POLICY TYPE	Statutory (Council)
VERSION	DATE	RESOLUTION NO.	DETAILS
V1	26.06.2019	SM01/07/19	Responsible Officer - Manager Corporate and Financial Services
V2	27.05.2020	OM23/05/20	Responsible Officer - Manager Corporate and Financial Services
		REVIEW DUE	06.2021

DISTRIBUTION AND DISSEMINATION			
Internal email to all employees	X	Section meetings / Toolbox talks	
Internal email to all councillors		Included in employee inductions	
Employee noticeboards		Uploaded to Council website	X
Internal training to be provided		External training to be provided	
Registered in magiQ	X		



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1. PURPOSE

To satisfy Mount Isa City Council's ("Council") statutory obligations under Section 192 *Local Government Regulation 2012* and to establish Council's intent with respect to borrowings.

2. COMMENCEMENT

The Mount Isa City Council Debt Policy will take effect following adoption at the Ordinary Meeting on 27 May 2020.

3. PRINCIPLES

It is Council's intention that, in order to provide a better service and value for money to ratepayers, Council will restrict the purpose of loans to asset acquisition and expenditure of a capital nature only.

The service that will be provided by long term assets will benefit present and future generations; therefore, it is the opinion of Council that the cost should be shared between present and future generations.

4. POLICY

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 the future and which provides adequate flexibility of funding in the short term. The total debt will depend on the future outlook for growth in the region. The term of the debt will relate to the life of the asset created but will not exceed 20 years for any individual asset.

Council will raise all external borrowings from the Queensland Treasury Corporation.

a) New Borrowings : 2020/21 Nil

Council will not be undertaking any additional borrowings for the financial years 2020 to 2030 and will fully fund its capital program from Government grants and subsidies, funded depreciation, asset sale proceeds, operating revenues, and capital reserves.

b) Anticipated loan repayment dates for all Council loans are as follows:

08/09 Capital Works	June 2029
09/10 Capital Works	June 2030
10/11 Sewerage	December 2028
11/12 Sewerage	June 2032
12/13 Sewerage	December 2032
13/14 Sewerage	March 2034

5. COMMUNICATION AND DISTRIBUTION

5.1 Council will make available to the public, the Debt Policy on our website at www.mountisa.qld.gov.au

6. COMMUNITY ENGAGEMENT

Not applicable

7. DEFINITIONS

a) **Long life assets** - Long Life Assets are those non-current assets required by Council for use in the provision of services to the local community which are not easily disposed of and have a useful life generally longer than twenty years.