RESOLUTION NO. SM03/06/19 VERSION 1

# **APPLIES TO STATUTORY POLICIES ONLY**

This is an official copy of the **2019/20 Financial Year - Debt Policy**, made in accordance with the provisions of *Local Government Act and Regulations*, *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 **2019/20 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.

Sharon Ibardolaza

**Chief Executive Officer** 

DOCUMENT VERSION CONTROL								
I/R	XXXXX	<b>FILE</b> 1208		8 Policy Register	POLICY TYPE	Statutory (Council)		
VERSION	DATE	RESOLUTION NO.		DETAILS				
V1	26.06.2019	SM03/06/19		Responsible Officer  Manager Corporate and Financial Services  Description  Annual Policy Renewal – New Financial Year				
-		-			COMMENCEMENT	01.07.2019		
					EXPIRY	30.06.2020		



RESOLUTION NO. SM03/06/19 VERSION 1

# **Policy Statement**

## Commencement

The Mount Isa City Council Debt Policy will take effect following the adoption of Council's Budget at the Special Budget Meeting on 26<sup>th</sup> June 2019.

# **Community Engagement**

Not applicable.

### **Policy Instruction**

To satisfy Council's statutory obligations under Section 192 *Local Government Regulation 2012* and to establish Council's intent with respect to borrowings.

# **Definition of 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.

### **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.

# **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: 2019/20 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

