

Debt Policy 2026-2027	
Policy Number	01-07
Policy Category	Financial
Authorised by:	Res-2026-06-153
Date approved:	18 June 2026
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**Longreach
Regional
Council**
Ilfracombe Isisford Longreach Yaraka

PURPOSE

This policy sets out how Longreach Regional Council (Council) will manage debt in the 2026/27 financial year.

SCOPE

Section 192 of the *Local Government Regulations 2012* provides that, for each financial year, Council must prepare and adopt a debt policy that sets out:

- the new borrowings planned for the current financial year and the next nine financial years; and
- the period over which Council plans to repay existing and new borrowings.

POLICY STATEMENT

Debt management is undertaken in accordance with Council's Risk Management Framework and the Queensland Government's *Statutory Bodies Financial Arrangements Act 1982*.

Council's ability to borrow is limited by the amount of revenue it can generate to service loan repayments and the financial sustainability metrics established by the Department of Local Government. Any new borrowings require approval by the Department of Local Government.

Council will consider these principles before borrowing money:

- 1) Council will not borrow money to fund operational expenses.
- 2) Loans will be used to invest in assets or infrastructure with an effective life of more than 12 months. The term of the loan will match as closely as possible, the effective life of the asset or infrastructure.
- 3) The community benefit of the asset or the amount of revenue earned will be greater than the cost of the loan.
- 4) The amount of the loan repayments will be offset by an increase in rates, utilities and special charges or by reducing expenses.
- 5) The financial risks of taking on the loan and the future impacts on Council's cash flows will be assessed including stress testing the long-term financial forecast.

The amount of new borrowings must be approved as part of the annual budget. Based on Council's 2026/27 budget and long-term forecasts over the next 10 years:

- 1) Council plans not to enter into new borrowings; and
- 2) Current loans will be repaid according to their repayment schedules. Existing borrowings have maturity dates falling between 2026 and 2038.

Authorised by resolution as at 18 June 2026:



Brett Walsh
Chief Executive Officer