

## **PALM ISLAND ABORIGINAL SHIRE COUNCIL**

### **POLICY STATEMENT**

- SUBJECT:** BORROWING POLICY
- AUTHORITY:** Council of the Whole.
- PURPOSE:** To clearly state Council's position on its borrowing principles, new borrowings, purpose and term of any borrowing.
- POLICY:**
- Long-term debt is only to be used for income producing assets or those assets that can be matched with a revenue stream.
  - Debt is not to be used to finance recurrent/operating budget activities.
  - Capital projects are to have undergone a thorough process of evaluation (including risk assessment), prioritisation and review.
  - The maximum term of any new debt is to be ten (10) years or matched with the useful life of the asset, whichever is shorter.
  - The Council will engage in Public/Private Partnerships to provide services/assets where such an arrangement provides value for money and meets legislative requirements.
  - Council shall monitor its capacity to pay, to ensure the Community is not burdened with unnecessary risk.
  - Only those projects identified in strategic planning documents or other plans shall be eligible for funding.
- DELEGATION:** Authority in respect of this Policy is hereby delegated to the Chief Executive Officer.

**RESOLUTION DATED:** May 2010