DELIVERING FOR QUEENSLAND

Queensland Government



2026-27 Local Government Borrowing Program

Application Guideline

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Acknowledgement of Country

The Department of Local Government, Water and Volunteers respectfully acknowledges the Traditional Custodians of Country. We recognise the ongoing spiritual and cultural connection Aboriginal Peoples and Torres Strait Islander Peoples have with land, water, sea and sky. We pay our deep respects to their Elders past and present, support future leaders and acknowledge First Nations People's right to self-determination.

This publication has been compiled by Local Government Division of Department of Local Government, Water and Volunteers.

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Purpose

This content is to advise local governments of the procedure for submitting borrowings, Working Capital Facility (WCF), and/or refinancing applications for the 2026-27 financial year.

Key Dates

Submission Date	Submission Requirements
COB **31 August 2026**	Long-term financial forecasts Completed 10-year financial forecast (with FY2026-27 as the budget year) is to be submitted electronically to QTC via QTC's Financial Forecasting Tool (FFT). Please contact **clients@qtc.com.au** if you require access to the tool.
From 1 July 2026 to 26 February 2027	Borrowing applications Completed borrowing / WCF / refinancing applications and supporting documentations can be submitted via the online borrowing application form, located on the department's website. **Note**, that the department has access to your long- term financial forecast previously submitted to QTC. If your long-term financial forecast has changed, please update your forecast in QTC's FFT.
COB **26 February 2027**	**Final Submission Date**: This is the final date for submission of borrowing / WCF / refinancing applications for 2026-27 to ensure the timely assessment of requests and drawdown of any approved borrowings.
30 June 2027	Final date for drawdown of any approved borrowings for 2026-27 financial year. Please advise QTC in advance to ensure timely access to any approved funds.

2026-27 Online Applications

Applications for borrowings, WCF and refinancing will be received by the department through an online Borrowing Application form. The form will be available on the department's website from 1 July 2026.

Local government's completing a borrowing, WCF or refinancing application will be required to confirm that council's Mayor and Chief Executive Officer (CEO) have endorsed the application prior to submitting the form. Individual councils will be responsible for retaining records of Mayor and CEO endorsement.

For assistance completing the application form please contact lgborrowings@dlgwv.qld.gov.au

Establishing Financing Needs

To promote the sustainable management of assets and financial resources, a local government should establish its need for both short-term and long-term funding arrangements before applying for any type of financing from QTC. **Please note:** The department will only approve long-term borrowings for capital purposes.

Before considering its funding arrangements, a local government should review its long-term asset management plan, its long-term financial forecasts, and its surplus cash to identify any funding shortfalls. The nature and timing of these funding shortfalls should inform the type of financial arrangement being sought i.e., short-term operating liquidity or long-term debt for capital purposes.

Balance Sheet Management

As part of its ongoing commitment to improving the financial sustainability of the local government sector, the department encourages local governments to exercise good financial management practices when determining how best to fund their capital expenditure programs. This includes considering the use of surplus cash, i.e. cash that is significantly above what is required to be held to meet minimum liquidity requirements (including forecast operating cycle and estimated contingency buffers), to fund planned capital projects in lieu of new borrowings.

Other options to improve balance sheet management include using surplus cash to reduce existing debt, providing internal loans to business units, and/or applying for a temporary or ongoing WCF to manage operating liquidity requirements. For those local governments with large capital expenditure programs over the next one to three years and where there are significant intended borrowings, it is recommended to retain allocated and surplus cash in a suitable investment.

Submitting your Financial Forecast

Your Local Government's 10-year financial forecast should be submitted electronically using QTC's Financial Forecasting Tool (FFT). Benefits of this tool include:

- a Financial Forecast Template (in excel format) that includes data validation and other user-focused enhancements to help with your forecasting, and
- online, secure submission with status updates as QTC progresses with reviewing your Forecast.

Your long-term financial forecast should include five years of historical values as well as ten years of forecast values beginning from the current budget year. To register for access to the QTC's FFT, please email QTC at clients@qtc.com.au.

The department encourages local governments to work closely with QTC in using or updating the QTC FFT.

Applying for Borrowings

Application

A local government applying for borrowings must select this option in the Financial Options section of the online Borrowings Application form. The person completing the online form will affirm on behalf of the Mayor and CEO that the borrowings will be used for lawful, capital purposes and a native title risk assessment has been conducted on any relevant land. Please ensure that all appropriate fields are completed, and all required information is included.

Upon submission, an email will be sent to the CEO with a link to review and approve the application. Once approved the application will be forwarded to the department for processing.

Borrowing Application Assessment Process

Borrowing applications will be reviewed and assessed on a case-by-case basis, including the consideration of the following:

- the capacity of the local government to repay its existing and forecast borrowings,
- the consistency of the local government's long-term asset management plans with its long-term financial forecasts (see further detail below),
- the availability of surplus cash (if any) that could be used to fund the local government's capital projects. In assessing the level of surplus cash, consideration will be given to the local government's minimum liquidity requirements (that is, the level of cash required to meet its immediate and short- term financial obligations), externally restricted cash and other planned capital expenditure over the forecast period,
- the amount of equity being contributed by the local government to fund its capital expenditure program, and
- the purpose for which the borrowing has been requested.

Examination of a local government's long-term asset management plans and future capital infrastructure investment requirements will be undertaken to assist the department make an informed decision about the borrowing request. If there is no asset management plan, or the asset management plan does not provide enough information to support the department's assessment, the department will hold discussions with the local government to obtain additional supporting information.

Conditions

Key conditions attached to any borrowings approved in the 2026-27 financial year include:

- a borrowing term of up to 20 years (however a shorter term may be chosen),
- borrowings must be drawn down prior to 30 June 2027, and
- approval does not carry forward to subsequent financial years and will lapse on 30 June 2027.

Should any non-standard approval conditions be requested by a local government for the borrowings requested, supporting documents should be included with the application clearly specifying the terms requested. Any undrawn approved borrowings will be forfeited, and a new borrowing application will need to be submitted and re-assessed for future borrowing requirements.

Applying for a Working Capital Facility

Application

A local government applying for a new, extended, or increased WCF must select this option in the Financial Options section and select the facility type from the options provided, on the online Borrowings Application form. The person completing the online form will affirm on behalf of the Mayor and CEO that the WCF will be used for liquidity management purposes only, and any temporary facility will have a zero balance by the expiry date. Please ensure that all appropriate fields are completed, and all required information is included.

Upon submission, an email will be sent to the CEO with a link to review and approve the application. Once approved the application will be forwarded to the department for processing.

Conditions

Key conditions attached to any WCF approved in the 2026-27 financial year include:

- the balance of the facility must be always contained within the approved facility limit, including all drawn down amounts, capitalised interest costs and fees and charges incurred therein,
- for those facilities with an expiry date, the balance of the facility must be nil at that date, and
- any other conditions imposed by QTC and/or the department.

Should the local government become aware of any reason which may affect its ability to comply with the above conditions, it must immediately inform the department.

Applying for Refinancing of Existing Borrowings

Application

A local government applying to refinance some or all its existing QTC borrowings must select this option under the Financial Options section of the online Borrowings Application form. The person completing the online form will affirm on behalf of the Mayor and CEO that the new borrowings requested will be used solely for the purpose of refinancing the council's existing QTC debt. Please ensure that all appropriate fields are completed, and all required information is included.

Upon submission, an email will be sent to the CEO with a link to review and approve the application. Once approved the application will be forwarded to the department for processing.

Conditions

Key conditions attached to any Loan Refinance approved in the 2026-27 financial year include:

- reinvestment of any operational savings from refinancing must be used to improve financial sustainability, service delivery, capital investment and/or job creation for the benefit of the local community; and
- any other conditions imposed by QTC and/or the department.

Should the local government become aware of any reason which may affect its ability to comply with the above conditions, it must immediately inform the department.

The department's standard approval for refinancing includes a maximum borrowing term of 20 years and an option to negotiate an interest-only period with QTC of up to six months. Should a local government require different approval terms, this must be clearly specified on the application checklist.

Application Submission Process

For the 2026-27 Local Government Borrowing Program, applications will open from 1 July 2026, subject to Queensland Treasurer's approval of the Global Borrowing Limit for local governments. The **final submission date** for all applications is close of business on **Friday, 26 February 2027**. Applications will not be accepted after this date, except for extraordinary circumstances.

The department encourages local governments to submit applications for borrowings, WCFs and/or refinancing prior to this date to allow for the early assessment and timely drawdown of any approved funds prior to 30 June 2027.

Local Governments are required to submit completed online borrowing application forms and upload the required attachments (excluding your long-term financial forecast which has previously been submitted to QTC) electronically. Please note, that the department has access to your long-term financial forecast previously submitted to QTC, therefore you do not need to resubmit this. If your long-term financial forecast has changes that you want considered with your application, please update your forecast in QTC's Financial Forecasting Tool.

Applicants will receive an electronic acknowledgement from the department to confirm receipt of the application.

Assessment and Approval Process

Applications for borrowings, WCFs, and refinancing will be assessed in order of receipt by the department after the assessment period commences on 2 November 2026. All assessments will be subject to QTC's borrowing recommendations.

Selected local governments will be required to participate in a detailed QTC credit review in the 2026-27 financial year, which may impact the assessment timeframe of any submitted borrowing, WCF, and/or refinancing application. As part of its review, QTC may request information from a local government about how previously approved borrowings were allocated.

The department will assess applications for borrowings, WCFs, and refinancing for completeness and reasonableness to determine whether the local government has adequate financial capacity to maintain and service its proposed financing arrangements. In undertaking its assessment, the department will consider the advice provided by QTC and may also request further information from the local government.

The quality and defensibility of the forecasts supplied by a local government may impact on the turnaround time for processing applications. Local governments are strongly encouraged

to work with the department and QTC in developing and submitting their forecasts and applications for borrowings, WCFs, and/or refinancing in advance of submission dates.

Following assessment and determination of the outcome of a borrowing, WCF, or refinancing application, if the application is approved by the department, the local government may work with QTC to determine an appropriate timeframe for the drawdown of any approved borrowings. There is no requirement for approved borrowings to be drawn down immediately (noting borrowing approvals granted in 2026-27 financial year will lapse on 30 June 2027).

Customer Feedback

The department welcomes feedback from local governments and other stakeholders to inform its ongoing program development and improvement processes.

Any feedback about this program should be directed to lgborrowings@dlgwv.qld.gov.au in the first instance, with the department providing an electronic acknowledgement of receipt.

Further Information

Any further enquiries on this matter should be addressed to:

Local Government Division
Department of Local Government, Water and Volunteers

Email address: lgborrowings@dlgwv.qld.gov.au

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