

# F.06 Debt Policy

---

- 1 OBJECTIVE ..... 1**
- 2 SCOPE ..... 1**
- 3 STATEMENT..... 1**
  - 3.1 Borrowing Principles .....1
  - 3.2 Ten Year Loan Program .....1
- 4 DEFINITIONS..... 2**
- 5 RELATED POLICIES | LEGISLATION | OTHER DOCUMENTS..... 2**

Date Adopted by Council	22 June 2018		Council Resolution No.	09-06-18
Effective Date	01 July 2017		Review Date	14 June 2019
Policy Owner	Council		Responsible Officer	CEO
Policy Number	F.06		IX Reference	91113
Version Number	V1	22-Jan-13	Developed and adopted	
	V2	01-Jul-13	Reviewed and adopted	
	V3	10-Jun-14	Reviewed and adopted	
	V4	16-Jun-15	Reviewed and adopted	
	V5	08-Jul-16	Reviewed and adopted	
	V6	14-Jul-17	Reviewed and adopted	
	V7	22-Jun-18	Reviewed and adopted	

- CEO            Chief Executive Officer
- MCCS        Manager Corporate & Community Services
- MES         Manager Engineering Services
- MFS         Manager Financial Services

## 1 OBJECTIVE

To adopt a policy on borrowings that provides for responsible financial management on the loan funding of infrastructure and other capital projects by ensuring the level of Council indebtedness is within limits acceptable to Council, its ratepayers and interested external parties.

## 2 SCOPE

This policy applies to all borrowings of Council.

## 3 STATEMENT

### 3.1 BORROWING PRINCIPLES

- Council will in general, seek to minimise its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges.
- Council will only borrow funds for the purpose of acquiring assets, improving facilities, services or infrastructure and/or substantially extending their useful life. In no circumstances should funds be borrowed for recurrent expenditure.
- Council may borrow to meet strategic needs or to take advantage of opportunities for development providing there is a demonstrably good return in economic and/or social terms.
- Redemption and interest charges on borrowings, excluding those relating to water and sewerage will not exceed twenty percent of predicted general rates revenue.
- Borrowing's in program areas such as water, sewerage or cleansing are to be repaid from revenue and depreciation generated in those areas and the full costs are to be taken to account in these areas.
- Where borrowings are to be repaid by special rates, the revenue and repayments will be matched as far as is practical. Borrowings will only be repaid early should revenue exceed scheduled repayments and there is a demonstrable benefit to Council.
- Borrowings will only be from Queensland Treasury Corporation (QTC).
- Borrowings will be for a maximum period of twenty years and the term of any loan will not exceed the expected life of the asset being funded. Shorter borrowing periods and earlier repayments will be taken where possible and appropriate.

### 3.2 TEN YEAR LOAN PROGRAM

Financial Year	Debt Details	Loan Term
2017/2018	No New Borrowings	-
2018/2019	No New Borrowings	-
2019/2020	No New Borrowings	-
2020/2021	No New Borrowings	-
2021/2022	No New Borrowings	-
2022/2023	No New Borrowings	-
2023/2024	No New Borrowings	-
2023/2024	\$3,000,000 – New pool complex Quilpie	20 years
2025/2026	No New Borrowings	-
2026/2027	\$1,000,000 – new STP Quilpie	20 years
2027/2028	\$2,000,000 – New STP Quilpie	20 years

## 4 DEFINITIONS

Nil

## 5 RELATED POLICIES | LEGISLATION | OTHER DOCUMENTS

*Local Government Act 2009*

*Local Government Regulation 2012*

IX #	Details