

## F.06 Debt Policy

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Policy Owner	Council	Responsible Officer	CEO
Policy Number	F.06	IX Reference	91113
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	V3	10-Jun-14	Reviewed and adopted
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	V5	08-Jul-16	Reviewed and adopted
	V6	14-Jul-17	Reviewed and adopted
	V7	22-Jun-18	Reviewed and adopted
	V8	14-Jun-19	Reviewed and adopted
	V9	12-Jun-20	Reviewed and adopted. Ten year loan program adjusted.
	V10	16-Jul-21	Reviewed and adopted. Ten year loan program adjusted.

CEO Chief Executive Officer  
DCCS Director Corporate & Community Services  
DES Director 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
2021/2022	No new borrowings	-
2022/2023	No new borrowings	-
2023/2024	\$4,000,000 – new pool complex Quilpie	20 years
2024/2025	No new borrowings	-
2025/2026	No new borrowings	-
2026/2027	\$3,000,000 – new sewage treatment plant Quilpie	20 years
2027/2028	No new borrowings	-
2028/2029	No new borrowings	-
2029/2030	No new borrowings	-
2030/2031	No new borrowings	-

## 4 DEFINITIONS

Nil

## 5 RELATED POLICIES | LEGISLATION | OTHER DOCUMENTS

*Local Government Act 2009*

*Local Government Regulation 2012*

IX #	Details