



F.06 Debt Policy

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Responsible Officer: Manager Finance & Administration
Policy Owner: Council
Policy No: F.06 **Version:** 14
Council Resolution Number: QSC 117-07-24
Effective Date: 1 July 2024

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1 OBJECTIVE

The purpose of this policy is to comply with the requirements of Chapter 5, Part 4, Section 192 of the *Local Government Regulation 2012* to adopt a policy on borrowings.

2 SCOPE

This policy applies to all borrowings by Council in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

3 STATEMENT

3.1 BORROWING PRINCIPLES

Council currently has no borrowings with Queensland Treasury Corporation (QTC) however may need to seek loans in the future. Council can further review and update the policy at any time during the year.

- 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.
- Borrowings for program areas such as water, sewerage or waste 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.
- 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
2024/2025	No new borrowings	-
2025/2026	No new borrowings	-
2026/2027	No new borrowings	-
2027/2028	No new borrowings	-
2028/2029	No new borrowings	-
2029/2030	No new borrowings	-
2030/2031	No new borrowings	-
2031/2032	No new borrowings	-
2032/2033	No new borrowings	-
2033/2034	No new borrowings	-

4 HUMAN RIGHTS COMPATIBILITY STATEMENT

This Policy has been assessed as compatible with the Human Rights protected under the *Human Rights Act 2019*.

5 DEFINITIONS

Nil

6 RELATED POLICIES | LEGISLATION | OTHER DOCUMENTS

Local Government Act 2009

Local Government Regulation 2012

Statutory Bodies Financial Arrangements Act 1982

Statutory Bodies Financial Arrangements Regulation 2019

IX #	Details

7 VERSION CONTROL

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

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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.
V11	6-Jul-22	Reviewed and adopted
V12	21-Jul-23	Reviewed and adopted
V13	19-Sep-23	New format
V14	16-Jul-24	Reviewed and adopted