

---

<b>POLICY TITLE:</b>	Debt Policy
<b>POLICY NUMBER:</b>	19
<b>REVISION NUMBER:</b>	16
<b>TRIM REFERENCE:</b>	SF14/411 - R24/599
<b>RESOLUTION NUMBER:</b>	3870
<b>POLICY TYPE:</b>	Statutory
<b>APPROVING OFFICER:</b>	Council Adoption (Revised Budget Meeting)
<b>DATE OF ADOPTION:</b>	24 January 2024
<b>TIME PERIOD OF REVIEW:</b>	1 Year
<b>DATE OF NEXT REVIEW:</b>	30 June 2024
<b>RESPONSIBLE DEPARTMENT:</b>	Financial Control
<b>LINK TO CORPORATE PLAN:</b>	A High Performance Council – Financial Sustainability

---

## 1. OBJECTIVE

To ensure compliance with the *Local Government Regulation* 2012, Section 192 as well as ensuring that appropriate forward financial planning is undertaken.

## 2. SCOPE

This policy applies to the use of loan borrowing by Council to fund infrastructure and other capital projects.

## 3. POLICY

### 3.1 Purpose of Borrowings

Loan funds can be raised to finance a range of infrastructure assets over the maximum time frames stated.

The types of projects that are funded by loan borrowings are those that will have a financial impact over a number of years. This method ensures that the shire's ratepayers are not burdened by unrealistic expenditure levels. The repayment for these capital works creates an asset for Council, which can then be repaid over the years relating to the life of the asset, where appropriate.

Council will not use long-term debt to finance operating activities or re-current expenditure of Council.

### 3.2 Repayment Term

When council finances capital projects through borrowings, it will repay the loans in a term not exceeding the useful life of those assets or the terms stated below:

- General - Up to 20 Years
- Water - Up to 20 Years
- Sewerage - Up to 20 Years
- Cleansing - Up to 20 Years

All external borrowings will be raised at the most competitive rates available, in accordance with the requirements of the State Government.

When seeking long-term funding for the construction of infrastructure assets, Council will, wherever possible, avail itself of its own internal reserves (where such utilisation would not cause any financial impediment to the reserves' requirements).

### 3.3 Proposed New Borrowings

**Borrowings Planned for 2023-2024**

As determined and approved by Council

**Borrowings Planned for 2024-2025**

As determined and approved by Council

**Borrowings Planned for 2025-2026**

As determined and approved by Council

**Borrowings Planned for 2026-2027**

As determined and approved by Council

**Borrowings Planned for 2027-2028**

As determined and approved by Council

**Borrowings Planned for 2028-2029**

As determined and approved by Council

**Borrowings Planned for 2029-2030**

As determined and approved by Council

**Borrowings Planned for 2030-2031**

As determined and approved by Council

**Borrowings Planned for 2031-2032**

As determined and approved by Council

**Borrowings Planned for 2032-2033**

As determined and approved by Council

### 3.4 Loan Drawdown's

Queensland Treasury Corporation (QTC) and the Department of State Development, Infrastructure, Local Government and Planning approve proposed borrowings for a particular financial year. In order to minimise finance costs, loan draw-down should be deferred as long as possible after taking into consideration Council's overall cash flow requirements.

### 3.5 Working Capital Facility

QTC's Working Capital Facility combines a low-cost overdraft facility with an interest-earning cash management facility, allowing clients to manage short-term deficit and surplus balances through one account. Funds are easy to access and there are no facility, transaction or establishment fees.

## 4. RELATED LEGISLATION

- Local Government Act 2009
- Local Government Regulation 2012
- Statutory Bodies Financial Arrangements Act 1982

---

## **5. REVIEW TRIGGER**

Policy is to be reviewed annually.

## **6. PRIVACY PROVISION**

Council respects and protects people's privacy and collects, stores, uses and discloses personal information responsibly and transparently when delivering Council services and business.

## **7. APPROVAL**

Adopted at the January 2024 Special Revised Budget Council Meeting - Resolution Number 3870.