



# COUNCIL POLICY 2.3

## Debt Policy

Version: V1

### PURPOSE

Section 192 of the *Local Government Regulation 2012* requires Local Governments to adopt a debt policy each year.

The debt policy must state:

- (a) The new borrowings planned for the current financial year and the next 9 financial years; and
- (b) The time over which the local government plans to repay existing and new borrowings.

Council's policy is to:

Only borrow loan monies for new, or upgrades to, major capital assets and to repay those loans prior to the end of the useful life of the asset. Ensure that Council's total commitment in respect of loan redemption (principal and interest) shall not annually exceed 60% of its total anticipated annual income from rates and utility charges and the Financial Assistance Grant.

Borrowings will only be undertaken if:

- All alternative options for undertaking the project without borrowing have been investigated and proved less advantageous to Council;
- The benefit received from undertaking the borrowing is greater, over the life of the borrowing, than the costs of borrowing;
- Repayments will be met from project income or other untied income of Council (not grant funding);
- Only those projects identified in strategic planning documents or other approved plans shall be eligible for funding through borrowings.

### SUMMARY OF OUTSTANDING BALANCES

Council has no outstanding loan payable to Queensland Treasury Corporation (QTC).

### PROPOSED BORROWINGS

No new borrowing is planned from 2025/26 to 2034/35 financial years.

### RELEVANT LEGISLATION

- *Local Government Act 2009*
- *Local Government Regulation 2012*

### DOCUMENT CONTROL

Version	Resolution Date	Resolution No.	Policy Author
V1	20 May 2025	25/5/26	Financial Consultant

Review Frequency: Yearly