

Document Control	
Policy Title	Debt (Borrowing) Policy
Policy Number	P25/6
Function	Strategic Finance
Responsible Position	Director – Corporate Services
Supersedes	Debt (Borrowing) Policy 2024/2025
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Version	Date Endorsed at ELT Briefing	Council Meeting Date (Date of Adoption / Review)	Resolution Number
1	-	30 June 2022	SMB/06.2022/04
2		26 June 2024	SMB/06.2024/03
3		19 June 2025	SMB/06.2025/02

1. Purpose

The purpose of Borrowings policy is to:

- To comply with the requirements of Chapter 5, Part 4, Section 192 of the *Local Government Regulation 2012*.
- To ensure that borrowings will only be used to finance capital works that will provide services now and into the future.
- To ensure that there will be no borrowings used to finance recurrent expenditure;
- Identify new borrowings.
- The time over which it is planned to repay existing and proposed borrowings to ensure the sound management of any Council debt.

2. Scope

This policy and procedures apply to Borrowings by Council in accordance with *Local Government Act 2009* and *Local Government Regulation 2012*. The policy also provides the option for Council to borrow internally – i.e., to source funds from income producing business units of Council, and then to repay those funds in future years on normal commercial terms.

3. Statement

1.3 INTRODUCTION

Council currently has loans with Queensland Treasury Corporation and may need to seek loans in future years, therefore the following will be considered prior to making any commitments.

To provide a better service to ratepayers, Council will restrict the purpose of loans to asset acquisition and expenditure of a capital nature only. The service that will be provided will benefit present and future generations; therefore, it is the opinion of Council that the cost should be shared between present and future generations.

The appropriate mix of debt to internal funding used is intended to provide the lowest long-term level of rates which does not over commit the future, and which provides adequate flexibility of funding in the short term.

1.4 TERM OF BORROWINGS

The term of debt will generally relate to the life of the asset created but will not exceed twenty years for any individual asset. Current and new borrowings are planned to be repaid within a maximum of a twenty (20) year term.

1.5 OPTION TO BORROW INTERNALLY

Council proposes to implement an internal borrowing policy whereby one Department can borrow from another Department / Business Unit. Loan terms and conditions will be based on commercial terms and will apply QTC's cost of debt to calculate an appropriate rate of (internal) interest.

1.6 PROPOSED AND EXISTING EXTERNAL BORROWINGS

Pursuant to Section 192 *Local Government Regulation 2012*, Council must prepare 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 period over which the local government plans to repay existing and new borrowings.

Existing Borrowings

Note: Pool to be added once approved and amounts known

Year	Sum of Interest	Sum of Admin	Sum of Principal	Sum of Repayments	Loan Balance
2025/2026	333,859	13,795	1,154,826	1,502,480	11,325,213
2026/2027	300,511	12,452	1,189,517	1,502,480	10,135,697
2027/2028	265,981	11,069	1,225,430	1,502,480	8,910,266
2028/2029	230,221	9,643	1,262,615	1,502,480	7,647,651
2029/2030	193,183	8,175	1,301,122	1,502,480	6,346,530
2030/2031	154,739	6,659	1,288,596	1,449,994	5,057,933
2031/2032	120,019	5,323	1,008,033	1,133,375	4,049,901
2032/2033	88,981	4,178	842,721	935,880	3,207,179
2033/2034	70,784	3,341	664,260	738,385	2,542,919
2034/2035	55,595	2,570	680,219	738,385	1,862,700

Proposed Borrowings External

Year	Sewerage	Water	Gas	Pool	Term	Total
2025/26	4,935,000	-	50,000	-	-	-
2026/27	1,345,000	5,090,000	1,645,000	-	10 years	8,080,000
2027/28	-	9,135,000	-	-	10 years	9,135,000
2028/29	1,365,000	2,900,000	115,000	-	10 years	4,380,000
2029/30	-	200,000	200,000	-	short term	400,000
2030/31	-	200,000	200,000	-	short term	400,000
2031/32	-	200,000	200,000	-	short term	400,000
2032/33	-	200,000	200,000	-	short term	400,000
2033/34	-	200,000	200,000	-	short term	400,000
2033/34	0	0	0	0		0
2034/35	-	0	0	0		0

NB. Council intends to review the Asset Management Plan/s and will review and adjust the 2026/27 and forward years proposed borrowings once that review has occurred.

Internal

Year	Sewerage	Water	Gas	Pool	Term	Total
2025/26	-	-	-	-	-	-
2026/27	-	-	-	-	-	-
2027/28	-	-	-	-	-	-
2028/29	-	-	-	-	-	-
2029/30	-	-	-	-	-	-
2030/31	-	-	-	-	-	-
2031/32	-	-	-	-	-	-
2032/33	-	-	-	-	-	-
2033/34	-	-	-	-	-	-
2034/35	-	-	-	-	-	-

1.7 PROPOSED LOAN PAYOUT

Nil

4. Definitions

Council	Maranoa Regional Council
Act	<i>Local Government Act 2009</i>
Regulation	<i>Local Government Regulation 2012</i>
QTC	Queensland Treasury Corporation

All other definitions are as per the *Local Government Act 2009* and the *Local Government Regulation 2012*.

5. Related Policies and Legislation

This policy refers to (include specific section if applicable)

Local Government Act 2009

Local Government Regulation 2012

Statutory Bodies Financial Arrangements Act 1982 *Statutory Bodies Financial Arrangements Regulation 2007*.