

Debt Policy

Policy Details

Policy Category	Council Policy
Date Adopted	20 th June 2024
Resolution Number	064/005
Approval Authority	Council
Effective Date	1 st July 2024
Policy Version Number	7.0.0
Policy Owner	Director of Corporate Services
Contact Officer	Manager Finance and Administration

Supporting documentation

Legislation	<ul style="list-style-type: none"> • <i>Local Government Act 2009</i> • <i>Local government Regulation 2012</i>
Policies	<ul style="list-style-type: none"> • Nil
Delegations	<ul style="list-style-type: none"> • Nil
Forms	<ul style="list-style-type: none"> • Nil
Supporting Documents	<ul style="list-style-type: none"> • Corporate Plan 2021 - 2025

Version History:

Version	Adopted	Comment	eDRMS #
7.0.0	01/08/2024	Council Resolution 0624/005	
6.0.0	22/06/2023	Council Resolution BM0623/005	
5.0.0	16/6/2022	Council Resolution BM0622/003	
4.0.0	30/6/2021	Council Resolution SM0621/003	
3.0.0	15/7/2020	Council Resolution SM0720/004	POL_E_C SF_004

Contents

INTENT	3
REPEAL	3
PRINCIPLES	3
SCOPE	3
RESPONSIBILITIES	3
POLICY	3
EXISTING AND PLANNED BORROWINGS	4

Intent

The Debt Policy is intended to set out the planned borrowings for Council over the next ten (10) years. The relevant legislation is:

- Local Government Act 2009, Chapter 4, Part 3, Sections 104(5); and
- Local Government Regulation 2012, Chapter 5, Part 4, Section 192.

Repeal

This Policy repeals all previous versions of policies relating to the Debt Policy.

Principles

To provide Council with a debt management strategy based on sound financial management guidelines.

To establish a framework for new borrowings planned for the next financial year and the following nine (9) financial years; and the period over which Council plans to repay existing and new borrowings.

Scope

This policy applies to the debt raising and redemption functions of Council.

Responsibilities

This Policy is to be implemented by all Elected Members and Officers; and the responsible officer for this Policy is the Director Corporate Services who is required to ensure that the annual budget conforms to this policy.

Policy

It is Council's intention that, in order to provide a better service and value for money 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 by long term capital assets 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 and internal funding is intended to provide the lowest long-term level of rates which does not over-commit future generations, but which provides adequate flexibility of funding in the short term. The total debt will depend on the outlook for growth in the region. The term of the debt will relate to the life of the asset created but will not exceed twenty (20) years for any individual asset.

Council will not use long-term debt to finance operating activities or recurrent expenditure of Council. Council will raise all external borrowings from the Queensland Treasury Corporation.

The following table shows Existing and Planned Future Borrowings, including estimates of annual repayments and remaining loan terms.

Existing and Planned Borrowings

Loan Description	Balance as at 30/06/24	Forecast Balance as at 30/06/25	Est. Annual Loan Payments 2023/2025	Estimated Remaining Term of Loan (Years)
Current Carpentaria Shire Borrowings				
Karumba Sewerage	1,309,460	1,124,247	264,396	5.96
Normanton Water Supply	745,171	653,437	136,128	6.73
Raise Glenore Weir	3,844,851	3,553,791	441,649	10.74
Total Current Carpentaria Shire Borrowings	5,899,482	5,331,475	842,173	
Planned "New" Carpentaria Shire Borrowings				
FY 2024/2025	0	0	0	0
FY 2025/2026	0	0	0	0
FY 2026/2027	0	0	0	0
FY 2027/2028	0	0	0	0
FY 2028/2029	0	0	0	0
FY 2029/2030	0	0	0	0
FY 2030/2031	0	0	0	0
FY 2031/2032	0	0	0	0
FY 2032/2033	0	0	0	0
FY 2033/2034	0	0	0	0
Total Planned "New" Carpentaria Shire Borrowings	0	0	0	0

**Council intends to fully fund its capital program for the next ten years from Government subsidies, funded depreciation, asset sales and capital reserves.*

No new borrowings are forecast over the next ten years, however this policy is required to be reviewed annually and updated to reflect any changes.

Adopted by Council by Resolution.

Mark Crawley
Chief Executive Officer