

DEBT POLICY

Policy Owner:	Finance Governance and Risk
Adoption:	3 July 2025
Version:	1
Link to Corporate Plan:	Accountable Council – We are providing good stewardship built on a foundation of trust. Delivering Value – We work efficiently to deliver value for your rates.
Head of Power:	s192 Local Government Regulation 2012
Review Date:	Annually

1 PURPOSE

The purpose of this policy is to set out how Council will maintain responsible financial management of the loan funding of infrastructure capital projects by ensuring the level of Council indebtedness is within acceptable limits to Council, its ratepayers, and interested external parties.

Furthermore, this policy demonstrates Council's compliance with section 192 of the *Local Government Regulation 2012* under which Council must prepare and adopt a debt policy for a financial year.

2 SCOPE

This policy applies to the use of loan borrowings to fund infrastructure and other important capital projects.

3 POLICY STATEMENT

- At a minimum Council will annually review its forward projections for reserves, borrowings and major capital funding and any decision to undertake external borrowings taking into account an examination of projected reserves for the fund relative to the works to be financed and the community's ability to service that debt.
- Where possible:
 - external borrowings will be limited to the funding of major items of physical infrastructure whose life will exceed the term of any loans; and
 - will occur where these works cannot be funded by Council's own resources.
- Priority Infrastructure Plans have been developed as part of the Our Place Our Plan Gladstone Regional Council Planning Scheme in addition to the continual review of long term asset management plans for all asset classes.

The outcomes of these plans and reviews are incorporated into Council's Long Term Financial Forecast to identify funding gaps for the construction of new and replacement infrastructure over the life of the financial plan. It is these funding gaps that are considered for funding via debt.

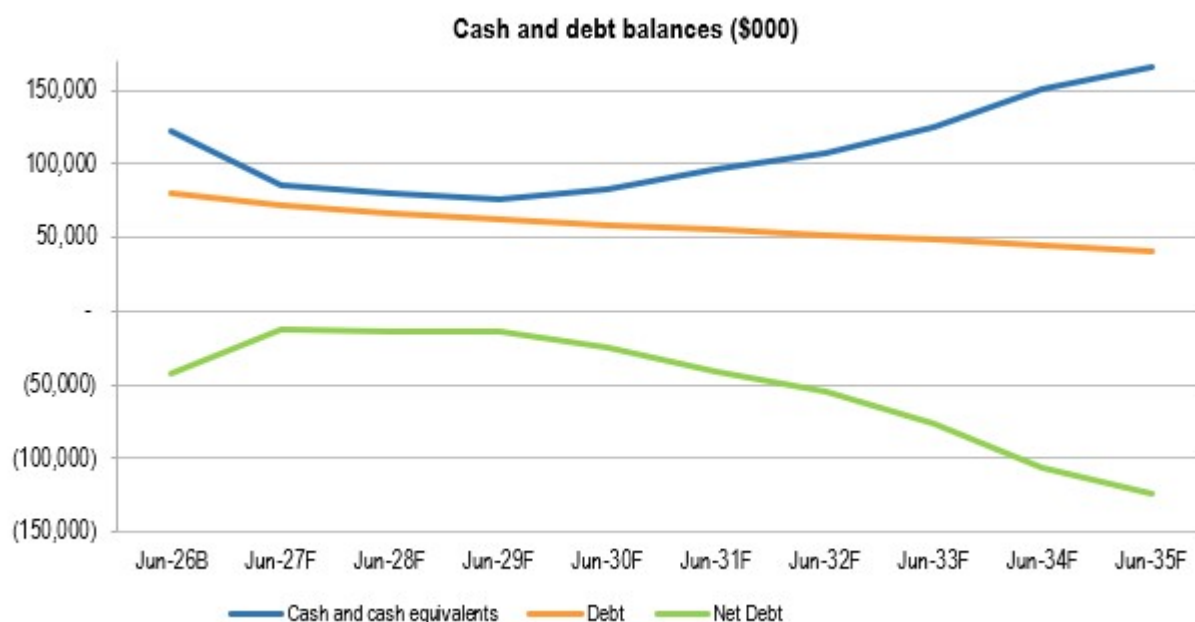
- Council will manage its financial assets, holistically, taking a treasury management approach to the management of its financial assets, and will establish a working capital facility through Queensland Treasury Corporation and manage the facility in accord with the approval parameters set by the Department of Local Government.
- No new borrowings are forecast in the 10-year forecast period, as indicated in Table 1 below:

Table 1:

Financial Year End	Indicative Borrowing (\$)
2025/2026	Nil
2026/2027	Nil
2027/2028	Nil
2028/2029	Nil
2029/2030	Nil
2030/2031	Nil
2031/2032	Nil
2032/2033	Nil
2033/2034	Nil
2034/2035	Nil

- Expected levels of borrowings balances over the 2025/2026 year and the following nine (9) years are set out in Graph 1 below:

Graph 1:



- This policy proposes that long term loans as set out in Attachment 1 will be in place as at 30 June 2026.

4 RELATED LEGISLATION

Local Government Act 2009

5 RELATED DOCUMENTS

Financial Management (Sustainability) Guideline 2024
Our Place, Our Plan Gladstone Regional Council Planning Scheme

6 CONSIDERATION OF HUMAN RIGHTS

Gladstone Regional Council has considered the human rights protected under the *Human Rights Act 2019 (Qld)* when adopting and/or amendment this policy. When applying this policy, Council will act and make decisions in a way that is compatible with human rights and give proper consideration to any human rights relevant to the decision.

7 ATTACHMENTS

1. External Loan Summary 2025/2026.

8 EVALUATION OF POLICY

Success of this policy will be borrowing decisions are transparent, accountable, affordable, and are within the benchmarks set by the Queensland Treasury Corporation and the Department of Local Government, Water, and Volunteers.

9 DEFINITIONS

Nil.

10 REVIEW

This policy is to be reviewed upon the earlier of:

1. Annually as part of budget adoption;
2. Any relevant statutory review periods;
3. The related legislation or governing documents are amended or repealed; or
4. A request from the Chief Executive Officer or Council.

11 DOCUMENT CONTROL

Version	Reason/Change	Date	Council Resolution
1	Adoption. Policy applies to 2025/2026.	3/07/2025	S/25/5493

ATTACHMENT 1 – EXTERNAL LOAN SUMMARY 2025/2026

EXTERNAL LOAN SUMMARY

LOAN	OPENING BALANCE	NEW BORROWINGS	DEBT SERVICE PAYMENT	FINANCE COSTS	PRINCIPAL REPAID	LOAN BALANCE
	1/07/2025	2025-26	2025-26	2025-26	2025-26	30/06/2026
General	\$ 629,892	\$ -	\$ 47,078	\$ 14,019	\$ 33,059	\$ 596,833
(General) GEC Flat Floor 2012-13	\$ 7,055,019	\$ -	\$ 527,286	\$ 157,387	\$ 369,900	\$ 6,685,119
General Total	\$ 7,684,911	\$ -	\$ 574,364	\$ 171,406	\$ 402,958	\$ 7,281,952
Airport	\$ 30,745,636	\$ -	\$ 2,297,904	\$ 686,286	\$ 1,611,618	\$ 29,134,018
Interest Only - Airport	\$ 13,700,000	\$ -	\$ 377,435	\$ 377,435	\$ -	\$ 13,700,000
Airport Total	\$ 44,445,636	\$ -	\$ 2,675,339	\$ 1,063,721	\$ 1,611,618	\$ 42,834,018
Water Lake Awoonga	\$ 252,957	\$ -	\$ 18,906	\$ 5,643	\$ 13,263	\$ 239,694
Water - Lake Awoonga Total	\$ 252,957	\$ -	\$ 18,906	\$ 5,643	\$ 13,263	\$ 239,694
Water Miriam Vale	\$ 525,623	\$ -	\$ 39,285	\$ 11,726	\$ 27,559	\$ 498,064
Water - Miriam Vale Total	\$ 525,623	\$ -	\$ 39,285	\$ 11,726	\$ 27,559	\$ 498,064
Water - Agnes Water	\$ 6,985,640	\$ -	\$ 522,101	\$ 156,178	\$ 365,923	\$ 6,619,717
*Interest Free - Agnes Water Integrated Water and Sewerage	\$ 2,475,797	\$ -	\$ 606,060	\$ -	\$ 606,060	\$ 1,869,737
Water - Agnes/1770	\$ 9,461,437	\$ -	\$ 1,128,161	\$ 156,178	\$ 971,983	\$ 8,489,453
Calliope Refuse	\$ 376,366	\$ -	\$ 28,129	\$ 8,396	\$ 19,733	\$ 356,633
Sewerage - Calliope Refuse Total	\$ 376,366	\$ -	\$ 28,129	\$ 8,396	\$ 19,733	\$ 356,633
Sewerage Agnes 1770	\$ 2,914,391	\$ -	\$ 217,819	\$ 65,016	\$ 152,804	\$ 2,761,588
Sewerage - Agnes/ 1770 Total	\$ 2,914,391	\$ -	\$ 217,819	\$ 65,016	\$ 152,804	\$ 2,761,588
Sewerage BITS	\$ 6,763,699	\$ -	\$ 505,513	\$ 150,888	\$ 354,626	\$ 6,409,073
Sewerage - BITS Total	\$ 6,763,699	\$ -	\$ 505,513	\$ 150,888	\$ 354,626	\$ 6,409,073
Regional Landfill	\$ 939,507	\$ -	\$ 70,218	\$ 20,959	\$ 49,259	\$ 890,248
Regional Landfill Total	\$ 939,507	\$ -	\$ 70,218	\$ 20,959	\$ 49,259	\$ 890,248
Sewerage Pipeline and Infrastructure	\$ 9,770,449	\$ -	\$ 3,838,759	\$ 440,818	\$ 3,397,941	\$ 6,372,508
Sewerage - Curtis Island	\$ 9,770,449	\$ -	\$ 3,838,759	\$ 440,818	\$ 3,397,941	\$ 6,372,508
Grand Total	\$ 83,134,976	\$ -	\$ 9,096,493	\$ 2,094,749	\$ 7,001,744	\$ 76,133,232