

# DEBT POLICY

Policy Owner:	Finance Governance and Risk
Adoption:	16 July 2024
Version:	1617
Link to Corporate Plan:	<a href="#">Accountable Council – We are providing good stewardship built on a foundation of trust.</a> <a href="#">Delivering Value – We work efficiently to deliver value for your rates.</a>
Head of Power:	<a href="#">s192 Local Government Regulation 2012</a>
Review Date:	Annually

## 1 PURPOSE

~~Under section 192 of the Local Government Regulation 2012, Council must prepare and adopt a debt policy for a financial year. This~~ 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.

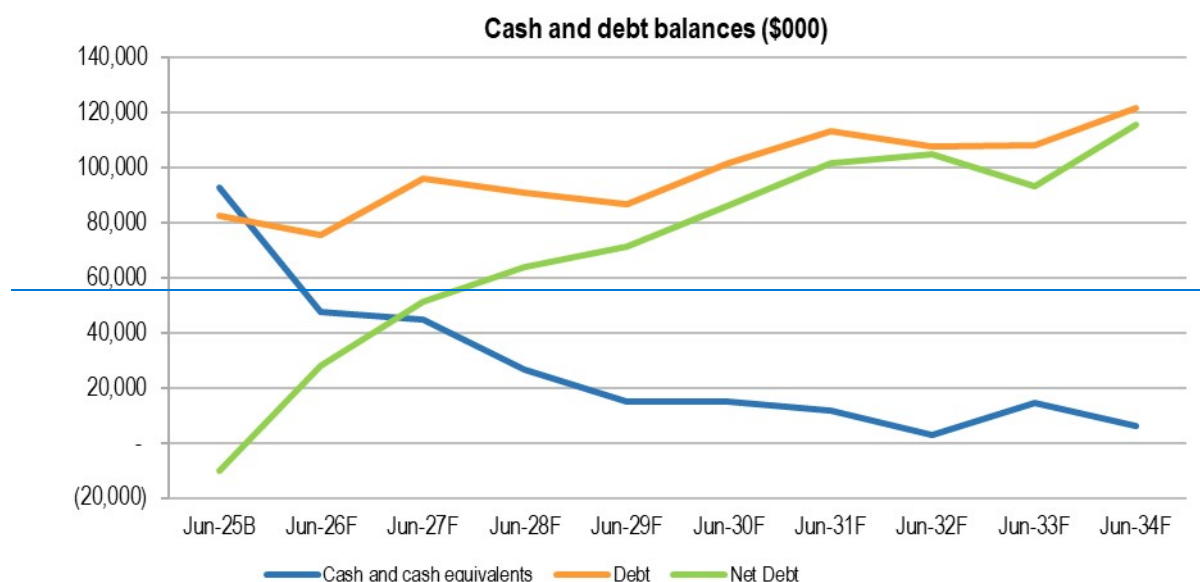
- Council will manage its financial assets, holistically, taking a treasury management approach to the management of its financial assets, and will establish a working capital facility through Queensland Treasury Corporation and manage the facility in accord with the approval parameters set by the Department of Local Government.
- No new borrowings ~~to the amount of \$92.5 million~~ are forecast in the 10-year forecast period, as indicated in Table 1 below:

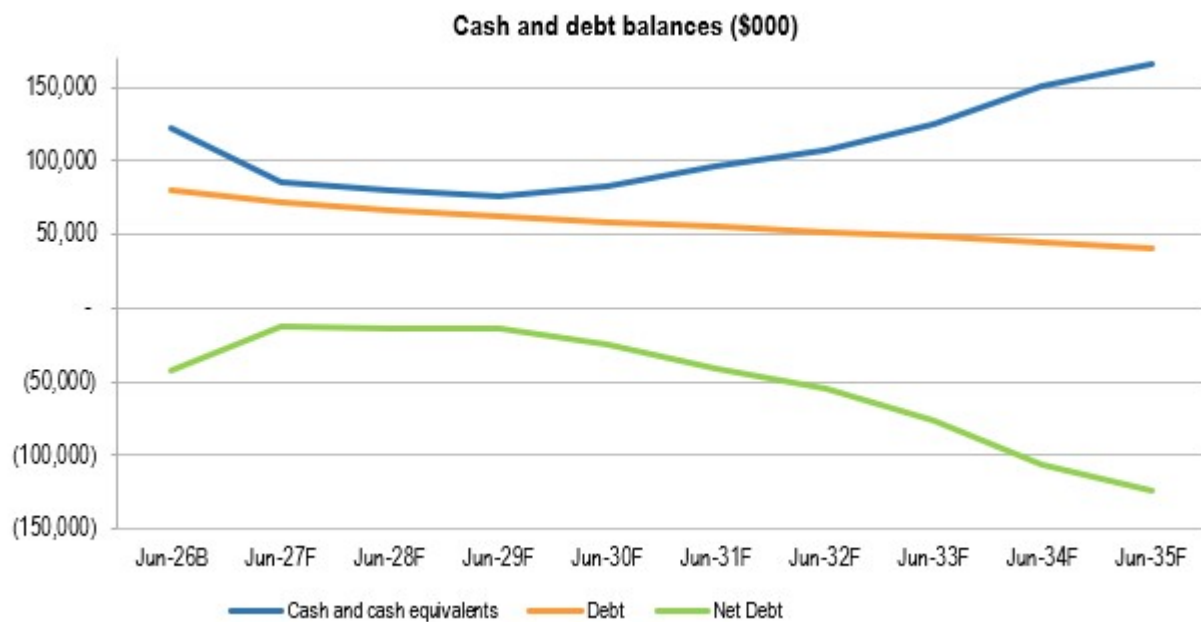
**Table 1:**

Financial Year End	Indicative Borrowing (\$)
<del>2024/2025</del>	<del>Nil</del>
2025/2026	Nil
2026/2027	<u>Nil</u> 28,000,000
2027/2028	<u>Nil</u> 2,000,000
2028/2029	Nil
2029/2030	<u>Nil</u> 19,500,000
2030/2031	<u>Nil</u> 17,000,000
2031/2032	Nil
2032/2033	<u>Nil</u> 6,000,000
2033/2034	<u>Nil</u> 20,000,000
<del>2034/2035</del>	<u>Nil</u>

- Expected levels of borrowings balances over the ~~2024/2025~~/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 ~~2025~~2026.

#### 4 RELATED LEGISLATION

Local Government Act 2009  
Local Government Regulation 2012

#### 5 RELATED DOCUMENTS

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

#### 76 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.

#### 87 ATTACHMENTS

1. External Loan Summary ~~2024~~2025/20252026.

#### 98 EVALUATION OF POLICY

~~Succinctly describe what success looks like for this policy. How could it be measured.~~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.

#### 109 DEFINITIONS

Nil.

## 1110 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.

## 1211 DOCUMENT CONTROL

Version	Reason/Change	Date	Council Resolution
<del>01</del>	Adoption. <u>Policy applies to 2025/2026.</u>	<del>6/07/2010</del>	<del>10/123</del>
<del>1</del>		<del>5/07/2011</del>	<del>G/11/596</del>
<del>2</del>		<del>6/12/2011</del>	<del>G/11/80</del>
<del>3</del>		<del>18/09/2012</del>	<del>G/12/1238</del>
<del>4</del>		<del>1/07/2013</del>	<del>S/13/1606</del>
<del>5</del>		<del>2/07/2014</del>	<del>G/14/2060</del>
<del>6</del>		<del>6/07/2015</del>	<del>S/15/2465</del>
<del>7</del>		<del>5/07/2016</del>	<del>S/16/2830</del>
<del>8</del>		<del>4/07/2017</del>	<del>S/17/3090</del>
<del>9</del>		<del>24/07/2018</del>	<del>S/18/3481</del>
<del>10</del>	<del>Formerly P-2018-15</del>	<del>17/07/2019</del>	<del>S/19/3865</del>
<del>11</del>	<del>Formerly P-2019-17</del>	<del>7/07/2020</del>	<del>S/20/4227</del>
<del>12</del>	<del>Formerly P-2020-11. Amendment made in response to Local Government Debt Refinancing Initiative.</del>	<del>16/02/2021</del>	<del>GM/21/4441</del>
<del>13</del>	<del>Formerly P-2021-03.</del>	<del>15/06/2021</del>	<del>S/21/4520</del>
<del>14</del>	<del>Formerly P-2021-17.</del>	<del>25/07/2022</del>	<del>S/22/4793</del>
<del>15</del>	<del>Formerly P-2022-06.</del>	<del>20/06/2023</del>	<del>S/23/5013</del>
<del>16</del>	<del>Formerly P-2023-09.</del>	<del>16/07/2024</del>	<del>S/24/5263</del>
<del>17</del>	<del>Amendment to</del>		

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# EXTERNAL LOAN SUMMARY

LOAN	OPENING BALANCE	NEW BORROWINGS	DEBT SERVICE PAYMENT	FINANCE COSTS	PRINCIPAL REPAID	LOAN BALANCE
	1/07/2024	2024/2025	2024/2025	2024/2025	2024/2025	30/06/2025
General	\$ 662,179	\$ -	\$ 47,078	\$ 14,837	\$ 32,241	\$ 629,938
(General) GEC Flat Floor 2012-13	\$ 7,416,647	\$ -	\$ 527,286	\$ 165,364	\$ 361,922	\$ 7,054,725
<b>General Total</b>	<b>\$ 8,078,826</b>	<b>\$ -</b>	<b>\$ 574,364</b>	<b>\$ 180,201</b>	<b>\$ 394,163</b>	<b>\$ 7,684,663</b>
Airport	\$ 32,321,605	\$ -	\$ 2,297,904	\$ 723,022	\$ 1,574,882	\$ 30,746,723
Interest Only - Airport	\$ 13,700,000	\$ -	\$ 377,435	\$ 377,435	\$ -	\$ 13,700,000
<b>Airport Total</b>	<b>\$ 46,021,605</b>	<b>\$ -</b>	<b>\$ 2,675,339</b>	<b>\$ 1,100,457</b>	<b>\$ 1,574,882</b>	<b>\$ 44,446,723</b>
Water Lake Awoonga	\$ 265,923	\$ -	\$ 18,906	\$ 5,929	\$ 12,977	\$ 252,946
<b>Water - Lake Awoonga Total</b>	<b>\$ 265,923</b>	<b>\$ -</b>	<b>\$ 18,906</b>	<b>\$ 5,929</b>	<b>\$ 12,977</b>	<b>\$ 252,946</b>
Water Miriam Vale	\$ 552,565	\$ -	\$ 39,285	\$ 12,353	\$ 26,932	\$ 525,634
<b>Water - Miriam Vale Total</b>	<b>\$ 552,565</b>	<b>\$ -</b>	<b>\$ 39,285</b>	<b>\$ 12,353</b>	<b>\$ 26,932</b>	<b>\$ 525,634</b>
Water - Agnes Water	\$ 7,343,712	\$ -	\$ 522,101	\$ 164,175	\$ 357,926	\$ 6,985,786
*Interest Free - Agnes Water Integrated Water and Sewerage	\$ 2,475,797	\$ -	\$ 606,060	\$ -	\$ 606,060	\$ 1,869,737
<b>Water - Agnes/1770</b>	<b>\$ 9,819,508</b>	<b>\$ -</b>	<b>\$ 1,128,161</b>	<b>\$ 164,175</b>	<b>\$ 963,986</b>	<b>\$ 8,855,522</b>
Calliope Refuse	\$ 395,658	\$ -	\$ 28,129	\$ 8,825	\$ 19,304	\$ 376,354
<b>Sewerage - Calliope Refuse Total</b>	<b>\$ 395,658</b>	<b>\$ -</b>	<b>\$ 28,129</b>	<b>\$ 8,825</b>	<b>\$ 19,304</b>	<b>\$ 376,354</b>
Sewerage Agnes 1770	\$ 3,063,778	\$ -	\$ 217,819	\$ 68,495	\$ 149,324	\$ 2,914,454
<b>Sewerage - Agnes/ 1770 Total</b>	<b>\$ 3,063,778</b>	<b>\$ -</b>	<b>\$ 217,819</b>	<b>\$ 68,495</b>	<b>\$ 149,324</b>	<b>\$ 2,914,454</b>
Sewerage BITS	\$ 7,110,394	\$ -	\$ 505,513	\$ 158,959	\$ 346,555	\$ 6,763,840
<b>Sewerage - BITS Total</b>	<b>\$ 7,110,394</b>	<b>\$ -</b>	<b>\$ 505,513</b>	<b>\$ 158,959</b>	<b>\$ 346,555</b>	<b>\$ 6,763,840</b>
Regional Landfill	\$ 987,665	\$ -	\$ 70,218	\$ 22,021	\$ 48,197	\$ 939,468
<b>Regional Landfill Total</b>	<b>\$ 987,665</b>	<b>\$ -</b>	<b>\$ 70,218</b>	<b>\$ 22,021</b>	<b>\$ 48,197</b>	<b>\$ 939,468</b>
Sewerage Pipeline and Infrastructure	\$ 12,989,932	\$ -	\$ 3,838,759	\$ 614,649	\$ 3,224,110	\$ 9,765,822
<b>Sewerage - Curtis Island</b>	<b>\$ 12,989,932</b>	<b>\$ -</b>	<b>\$ 3,838,759</b>	<b>\$ 614,649</b>	<b>\$ 3,224,110</b>	<b>\$ 9,765,822</b>
<b>Grand Total</b>	<b>\$ 89,285,855</b>	<b>\$ -</b>	<b>\$ 9,096,493</b>	<b>\$ 2,336,064</b>	<b>\$ 6,760,430</b>	<b>\$ 82,525,426</b>

# 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
<b>General Total</b>	<b>\$ 7,684,911</b>	<b>\$ -</b>	<b>\$ 574,364</b>	<b>\$ 171,406</b>	<b>\$ 402,958</b>	<b>\$ 7,281,952</b>
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
<b>Airport Total</b>	<b>\$ 44,445,636</b>	<b>\$ -</b>	<b>\$ 2,675,339</b>	<b>\$ 1,063,721</b>	<b>\$ 1,611,618</b>	<b>\$ 42,834,018</b>
Water Lake Awoonga	\$ 252,957	\$ -	\$ 18,906	\$ 5,643	\$ 13,263	\$ 239,694
<b>Water - Lake Awoonga Total</b>	<b>\$ 252,957</b>	<b>\$ -</b>	<b>\$ 18,906</b>	<b>\$ 5,643</b>	<b>\$ 13,263</b>	<b>\$ 239,694</b>
Water Miriam Vale	\$ 525,623	\$ -	\$ 39,285	\$ 11,726	\$ 27,559	\$ 498,064
<b>Water - Miriam Vale Total</b>	<b>\$ 525,623</b>	<b>\$ -</b>	<b>\$ 39,285</b>	<b>\$ 11,726</b>	<b>\$ 27,559</b>	<b>\$ 498,064</b>
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
<b>Water - Agnes/1770</b>	<b>\$ 9,461,437</b>	<b>\$ -</b>	<b>\$ 1,128,161</b>	<b>\$ 156,178</b>	<b>\$ 971,983</b>	<b>\$ 8,489,453</b>
Calliope Refuse	\$ 376,366	\$ -	\$ 28,129	\$ 8,396	\$ 19,733	\$ 356,633
<b>Sewerage - Calliope Refuse Total</b>	<b>\$ 376,366</b>	<b>\$ -</b>	<b>\$ 28,129</b>	<b>\$ 8,396</b>	<b>\$ 19,733</b>	<b>\$ 356,633</b>
Sewerage Agnes 1770	\$ 2,914,391	\$ -	\$ 217,819	\$ 65,016	\$ 152,804	\$ 2,761,588
<b>Sewerage - Agnes/ 1770 Total</b>	<b>\$ 2,914,391</b>	<b>\$ -</b>	<b>\$ 217,819</b>	<b>\$ 65,016</b>	<b>\$ 152,804</b>	<b>\$ 2,761,588</b>
Sewerage BITS	\$ 6,763,699	\$ -	\$ 505,513	\$ 150,888	\$ 354,626	\$ 6,409,073
<b>Sewerage - BITS Total</b>	<b>\$ 6,763,699</b>	<b>\$ -</b>	<b>\$ 505,513</b>	<b>\$ 150,888</b>	<b>\$ 354,626</b>	<b>\$ 6,409,073</b>
Regional Landfill	\$ 939,507	\$ -	\$ 70,218	\$ 20,959	\$ 49,259	\$ 890,248
<b>Regional Landfill Total</b>	<b>\$ 939,507</b>	<b>\$ -</b>	<b>\$ 70,218</b>	<b>\$ 20,959</b>	<b>\$ 49,259</b>	<b>\$ 890,248</b>
Sewerage Pipeline and Infrastructure	\$ 9,770,449	\$ -	\$ 3,838,759	\$ 440,818	\$ 3,397,941	\$ 6,372,508
<b>Sewerage - Curtis Island</b>	<b>\$ 9,770,449</b>	<b>\$ -</b>	<b>\$ 3,838,759</b>	<b>\$ 440,818</b>	<b>\$ 3,397,941</b>	<b>\$ 6,372,508</b>
<b>Grand Total</b>	<b>\$ 83,134,976</b>	<b>\$ -</b>	<b>\$ 9,096,493</b>	<b>\$ 2,094,749</b>	<b>\$ 7,001,744</b>	<b>\$ 76,133,232</b>