

DEBT POLICY

Policy Owner:	Finance Governance and Risk
Adoption:	3 July 2025
Version:	1 Draft
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

3.1. 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.

3.2. 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.

3.3. 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.

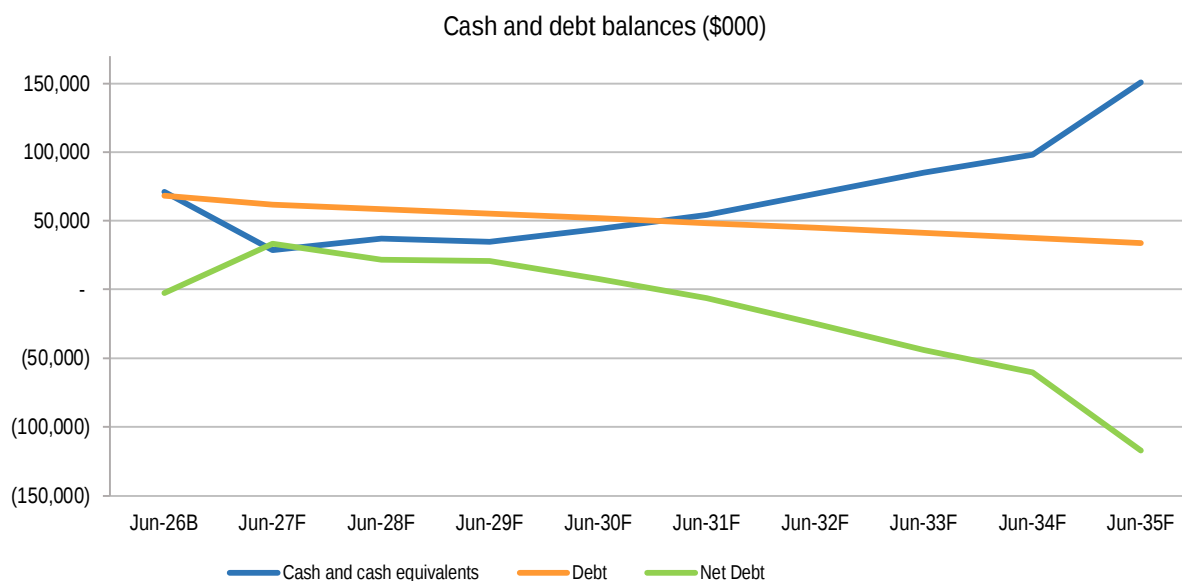
- 3.4. Council will manage its financial assets, holistically, taking a treasury management approach to the management of its financial assets, and will establish a working capital facility through Queensland Treasury Corporation and manage the facility in accord with the approval parameters set by the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

Table 1:

Financial Year End	Indicative Borrowing (\$)
<u>2025/2026</u>	<u>Nil</u>
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
<u>2035/2036</u>	<u>Nil</u>

- 3.6. Expected levels of borrowings balances over the 20265/20276 year and the following nine (9) years are set out in Graph 1 below:

Graph 1:



- 3.7. The period over which Council plans to repay its existing borrowings is matched, as best as possible, to the life of the asset the subject of each loan set out in Attachment 1, up to the maximum term imposed by Queensland Treasury Corporation (QTC) for each loan.

3.7.3.8. This policy proposes that long term loans as set out in Attachment 1 will be in place as at 30 June 2027~~6~~.

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

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 amending ~~ingment~~ 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 2026~~5~~/2027~~6~~.

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
<u>2</u>	<u>Amendment for the 2026/27 financial year</u>		

ATTACHMENT 1 – EXTERNAL LOAN SUMMARY 2026~~5~~/2027~~6~~

EXTERNAL LOAN SUMMARY

LOAN	OPENING BALANCE	NEW BORROWINGS	DEBT SERVICE PAYMENT	FINANCE COSTS	PRINCIPAL REPAYD	LOAN BALANCE
	1/07/2026	2026-27	2026-27	2026-27	2026-27	30/06/2027
General	\$ 596,864	\$ -	\$ 47,078	\$ 13,260	\$ 33,817	\$ 563,047
(General) GEC Flat Floor 2012-13	\$ 6,685,093	\$ -	\$ 527,286	\$ 148,522	\$ 378,764	\$ 6,306,329
General Total	\$ 7,281,957	\$ -	\$ 574,364	\$ 161,782	\$ 412,582	\$ 6,869,375
Airport	\$ 29,133,507	\$ -	\$ 2,297,904	\$ 647,255	\$ 1,650,648	\$ 27,482,859
Interest Only - Airport	\$ 13,700,000	\$ -	\$ 377,435	\$ 377,435	\$ -	\$ 13,700,000
Airport Total	\$ 42,833,507	\$ -	\$ 2,675,339	\$ 1,024,690	\$ 1,650,648	\$ 41,182,859
Water Lake Awoonga	\$ 239,693	\$ -	\$ 18,906	\$ 5,325	\$ 13,581	\$ 226,113
Water - Lake Awoonga Total	\$ 239,693	\$ -	\$ 18,906	\$ 5,325	\$ 13,581	\$ 226,113
Water Miriam Vale	\$ 498,062	\$ -	\$ 39,285	\$ 11,065	\$ 28,219	\$ 469,843
Water - Miriam Vale Total	\$ 498,062	\$ -	\$ 39,285	\$ 11,065	\$ 28,219	\$ 469,843
Water - Agnes Water	\$ 6,619,352	\$ -	\$ 522,101	\$ 147,061	\$ 375,040	\$ 6,244,312
* Interest Free - Agnes Water Integrated Water and Sewerage	\$ 1,443,021	\$ -	\$ 606,060	\$ -	\$ 606,060	\$ 836,961
Water - Agnes/1770	\$ 8,062,373	\$ -	\$ 1,128,161	\$ 147,061	\$ 981,100	\$ 7,081,273
Calliope Refuse	\$ 356,632	\$ -	\$ 28,129	\$ 7,923	\$ 20,206	\$ 336,426
Sewerage - Calliope Refuse Total	\$ 356,632	\$ -	\$ 28,129	\$ 7,923	\$ 20,206	\$ 336,426
Sewerage Agnes 1770	\$ 2,761,577	\$ -	\$ 217,819	\$ 61,354	\$ 156,466	\$ 2,605,111
Sewerage - Agnes/ 1770 Total	\$ 2,761,577	\$ -	\$ 217,819	\$ 61,354	\$ 156,466	\$ 2,605,111
Sewerage BITS	\$ 6,409,048	\$ -	\$ 505,513	\$ 142,389	\$ 363,124	\$ 6,045,924
Sewerage - BITS Total	\$ 6,409,048	\$ -	\$ 505,513	\$ 142,389	\$ 363,124	\$ 6,045,924
Regional Landfill	\$ 890,245	\$ -	\$ 70,218	\$ 19,778	\$ 50,440	\$ 839,805
Regional Landfill Total	\$ 890,245	\$ -	\$ 70,218	\$ 19,778	\$ 50,440	\$ 839,805
Sewerage Pipeline and Infrastructure	\$ 6,378,587	\$ -	\$ 3,838,759	\$ 257,640	\$ 3,581,119	\$ 2,797,468
Sewerage - Curtis Island	\$ 6,378,587	\$ -	\$ 3,838,759	\$ 257,640	\$ 3,581,119	\$ 2,797,468
Grand Total	\$ 75,711,681	\$ -	\$ 9,096,493	\$ 1,839,010	\$ 7,257,484	\$ 68,454,197