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<b>POLICY NAME:</b>	<b>Debt Policy</b>
<b>POLICY NUMBER:</b>	<b>F024</b>
<b>ADOPTED:</b>	<b>26 June 2024</b>
<b>DIRECTORATE</b>	<b>Corporate and Financial Services</b>
<b>REVIEW DUE</b>	<b>30 June 2025</b>

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## **1 PURPOSE**

To outline Council's plans for new loan borrowings for the next ten years, the purpose of those borrowings and the repayment terms for new and existing borrowings.

## **2 SCOPE**

This policy relates to any form of borrowing undertaken by Barcardine Regional Council.

## **3 HEAD OF POWER**

Section 192 of the *Local Government Regulation 2012* requires Council to prepare a debt policy each financial year and that the policy must state the following:

- a. new borrowings planned for the current financial year and for the next nine financial years; and
- b. The period over which it is planned to repay existing and proposed borrowings.

## **4 POLICY STATEMENT**

- a. Council will utilise borrowings where considered appropriate to fund, projects where there is insufficient revenue or grants available
- b. As a matter of Council process, Council seeks to fund renewal of assets from current cash flows and limit borrowings to projects that are new or significant upgrades
- c. Debt provides a mechanism for sharing the cost of infrastructure between present and future generations
- d. The appropriate mix of debt to internal funding 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
- e. The term of any new loan will not exceed the life of the asset funded up to a maximum term of 20 years
- f. Existing Loans: Council will reduce the level of debt by continuing repayments as per the schedules agreed with Queensland Treasury Corporation
- g. New Loans: Council will restrict the purpose of new loans to funding infrastructure assets. The service provided by infrastructure assets benefits both present and future generations.

BARCALDINE REGIONAL COUNCIL  
POLICY

**4.1 New Borrowings**

- a. Council does not intend to borrow funds in the 2024/2025 financial year
- b. There are no new borrowings planned for the foreseeable future. This will be reviewed in conjunction with the annual budget preparation process and with reference to the long term financial management plan.

**4.2 Loan Balances as at 30 June 2024 and estimated Repayment Periods**

<i>Purpose</i>	<i>Lender</i>	<i>Interest Rate</i>	<i>Loan Balance 30 June 2023</i>	<i>Remaining Term</i>
Alpha Pool	QTC	3.442%	\$115,733.53	1 years
Barcaldine Sewerage	QTC	4.646%	\$188,498.44	3 years
Barcaldine Water	QTC	7.747%	\$339,625.41	3 years
Aramac Pool	QTC	3.212%	\$305,352.97	4 years
Sewerage Treatment Plant	QTC	1.30%	\$1,381,846.95	8 years
<b>TOTAL LOAN BALANCE</b>			<b>\$ 2,331,057.30</b>	

**4.3 Estimated Repayments for 2024/2025**

<i>Purpose</i>	<i>Interest Payment</i>	<i>Principal Repayment</i>	<i>Total Repayment</i>	<i>Balance as at 30 June 2025</i>
Alpha Pool	\$2,500.39	\$115,733.53	\$ 118,233.84	\$-
Barcaldine Sewerage	\$7,723.14	\$59,953.78	\$ 67,676.92	<b>\$128,544.66</b>
Barcaldine Water	\$23,319.41	\$104,641.47	\$ 127,960.88	<b>\$234,983.94</b>
Aramac Pool	\$8,358.98	\$72,945.12	\$ 81,304.11	<b>\$232,407.85</b>
Sewerage Treatment Plant	\$18,498.41	\$196,338.12	\$ 216,000.00	<b>\$1,185,508.83</b>
<b>TOTAL</b>	<b>\$60,400.33</b>	<b>\$549,612.02</b>	<b>\$ 610,012.30</b>	<b>\$1,781,445.28</b>

#### 4.4 Future Expected Loan Balances

Year	Expected Balance
30 June 2026	\$ 1,331,377.50
30 June 2027	\$ 864,213.76
30 June 2028	\$ 579,577.28
30 June 2029	\$ 371,826.68
30 June 2030	\$ 161,120.76
30 June 2031	\$1126.63
30 June 2032	\$0
30 June 2033	\$0
30 June 2034	\$0