
2017/2018 DEBT POLICY

Adopted on 20/07/2017 by Council Resolution No.0717/003

1. POLICY STATEMENT

- 1.1 The Debt Policy is intended to set out the planned borrowings for Council over the next ten (10) years.
- 1.2 The legislative authority for the Debt Policy are:
 - (a) *Local Government Act 2009*, Chapter 4, Part 3, Sections 104(5); and
 - (b) *Local Government Regulation 2012*, Chapter 5, Part 4, Section 192.

2. REPEAL

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

3. PRINCIPLES

- 3.1 To provide Council with a debt management strategy based on sound financial management guidelines.
- 3.2 To establish a framework for:
 - 3.2.1 The new borrowings planned for the next financial year and the following nine (9) financial years;
and
 - 3.2.2 The period over which Council plans to repay existing and new borrowings.

4. SCOPE

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

5. RESPONSIBILITIES

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

6. POLICY

- 6.1 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.
- 6.2 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 future 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.
- 6.3 Council will not use long-term debt to finance operating activities or recurrent expenditure of Council.
- 6.4 Council will raise all external borrowings from the Queensland Treasury Corporation.

Existing and Planned Future Borrowings, including annual repayments and remaining loan terms.

Loan Description	Balance as at 30/06/17	Balance as at 30/06/18	Est. Annual Loan Payments 2017/2018	Est. Remaining Term of Loan (Years)
Current Carpentaria Shire Borrowings				
Normanton Sewerage	211,435	94,231	130,725	0.45
Karumba Sewerage	2,324,003	2,205,094	264,396	10.96
Normanton Water Supply	1,250,245	1,190,784	136,128	11.73
Raise Glenore Weir	5,585,269	5,365,594	441,649	15.74
Total Current Carpentaria Shire Borrowings	9,370,953	8,855,704	972,897	
Planned "New" Carpentaria Shire Borrowings				
FY 2017/2018				
FY 2018/2019				
FY 2019/2020				
FY 2020/2021				
FY 2021/2022				
FY 2022/2023				
FY 2023/2024				
FY 2024/2025				
FY 2025/2026				
FY 2026/2027				
Total Planned "New" Carpentaria Shire Borrowings	0.00	0.00	0.00	

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

7. REVIEW

The *Local Government Act 2009* and *Local Government Regulation 2012* require Council to prepare a new Debt Policy for each financial year.

8. RESOLUTION

Adopted by Council on the 20 July 2017 by Council Resolution 0717/003



 Chief Executive Officer

17.11.17

 Date