

Intent

The Debt Policy details the principles upon which Council bases its decisions when considering the type of expenditure to be funded by borrowing for the financial years 2025–26 to 2034–35, the total current and projected borrowings and the ranges of periods over which they will be repaid.

Scope

This Policy applies to all borrowings of Council.

Policy statement

As a general principle, Council recognises that loan borrowings for capital works are an important funding source for Local Government and that the full cost of infrastructure should not be borne entirely by present-day ratepayers but be contributed to by future ratepayers who will also derive benefits (i.e. intergenerational equity). Whilst recognising the importance of loan borrowings, Council should not place undue reliance upon loans as a source of capital works funding.

Council will not use long-term debt to finance current operations.

The basis for determination of the utilisation of loan funds will be as follows:

- a. Borrowings are considered to be a tool to be used in a strategic perspective to achieve the provision of services to the community.
- b. Long term debt should only be used for income producing assets or those assets that can be matched to a revenue stream. Consequently, repayments for the borrowing will be funded from revenue streams generated by the asset acquisition.
- c. Council will utilise long-term borrowing only for capital projects that cannot be financed from existing sources.
- d. Capital projects are to only be undertaken after a thorough process of evaluation including whole of life costing, sustainability and risk assessment, prioritisation and review.
- e. Borrowings for infrastructure that provides a return on assets will take priority over borrowing for other assets. Where a capital project for a service that is funded by utility or user charges such as water, sewer or waste services, is determined to be funded by way of loans, the user charge will reflect the cost of providing the service including the loan servicing costs.
- f. Other specific capital projects, not funded by user charges, should only be considered for loan funding where the project has a long-term benefit to the community.
- g. The term of any loan should not exceed the expected life of the asset being funded. When Council finances capital projects through borrowings, it will generally pay back the loans over a term not exceeding 20 years. However, in certain circumstances particularly for assets with very long useful lives, borrowings may be for a longer period whereby repayments would match the income stream of the asset. Existing loans will be paid back within the fixed term provided in the loan agreement.
- h. Council will continue to ensure repayment schedules are well within Council's operating capability so as to ensure the community is not burdened with unnecessary risk.
- i. All borrowings will be considered in line with Council's long-term financial forecast.

Borrowings

No borrowings are planned for the 2025-26 financial year. Prior year borrowings continue to be paid down. The expected balance of existing loans as of 30 June 2025 is \$ 22,512,804.

The following table outlines the existing and forecast borrowings anticipated for the next ten years.

Loan Description	Loan Commencement Date	Loan Finalisation Date	Balance of Prior year Borrowings	Future Planned Borrowings
Existing Borrowings				
Buildings – Lakeside Caravan Park	June 2007	June 2027	17,325	
Malanda Falls Caravan Park	June 2009	June 2029	177,650	
Malanda Sewerage Treatment Plant	June 2011	March 2031	2,083,041	
Ravenshoe Sewerage Treatment Plant	May 2017	March 2037	1,665,131	
Ravenshoe Water Reservoir and Pipeline	May 2024	March 2044	10,625,979	
Malanda Davies Creek Water Pipeline	June 2025	June 2045	7,943,678	
Total Existing Borrowings as at 30 June 2025			\$22,512,804	

Future Planned Borrowings				
Atherton Sewerage Treatment Plant	March 2028	March 2048		30,000,000
Atherton Water Security Phase 1 - Bore field and Pipelines	June 2029	June 2049		10,000,000
Yungaburra Sewerage Treatment Plant	March 2031	March 2051		15,000,000
Total Future Planned Borrowings				\$55,000,000

Context

Alignment to Risk Register

This policy mitigates the following corporate risks:

- COR2 - Fraud
- COR4 - Poor operational management
- COR5 - Poor governance
- COR8 - Legislative non-compliance
- COR9 - Lack of capacity, skills or capabilities to meet emerging needs and impacts service delivery
- COR10 - Poor relationships with other Councils, State and/or Federal governments
- COR15 - Infrastructure planning and delivery fail to meet community and service standards
- COR19 - Breach of council systems or information
- COR20 - Poor decision making

Relevant Legislation

- *Local Government Act 2009*
- Local Government Regulation 2012
- *Statutory Bodies Financial Arrangements Act 1982*

Related Documents

- Code of Conduct
- Revenue Policy

Corporate Plan Links

This policy aligns with the following Corporate Plan 2025-30 strategic themes:

- Our Economy
- Governance & Financial Sustainability

Human Rights Commitment

Tablelands Regional Council has considered the human rights protected under the *Human Rights Act 2019* (Qld) when adopting and/or amending this policy. When applying this policy, TRC will act and make decisions in a way that is compatible with human rights.

Responsibility

Council is responsible for the adoption, amendment and repeal of this policy and the Chief Executive Officer is responsible for the development and amendment of any associated procedures and guidelines relevant to the policy.

This Policy will be reviewed when any of the following occur:

- As required by legislation – this Policy is to be reviewed at least annually in conjunction with the budget
- Other circumstances as determined from time to time by Council.
- This policy is to remain in force until otherwise amended or repealed by resolution of Council.

Adopted By	Council	Responsible Officer	Manager Finance
Adopted Date	26 June 2025	Review Date	30 June 2026
Version	10	This policy repeals any previous versions.	