

## Debt Policy

<b>Policy Type:</b>	Statutory
<b>Policy Owner:</b>	Director Finance and Corporate Services
<b>Responsible Manager:</b>	Manager Accounting Services
<b>Corporate Plan link:</b>	Our Engaged Council
<b>Approved By:</b>	Council resolution
<b>Approval Date:</b>	29 May 2024
<b>Review date:</b>	30 June 2025
<b>Version:</b>	2024/2025

### Objective

This policy ensures City of Moreton Bay has a debt management framework based on sound financial management, to undertake borrowings to fund capital expenditure.

It is a requirement under Section 104(5)(c) of the *Local Government Act 2009* (Qld) (the Act) that Council has a Debt Policy.

### Statement

City of Moreton Bay (Council), through its Corporate Plan, is committed to providing services that deliver our community's shared vision: *Our Moreton Bay. Amazing places. Natural spaces.* This policy supports the Organisational Excellence Strategy 2042, particularly Outcome 1: Leadership and Governance: We are leaders in good governance and sustainably manage our finances and assets.

Council is committed to the following:

1. To only borrow monies for purposes within its jurisdiction.
2. Borrowings will be undertaken in accordance with the Queensland Treasury Corporation Guidelines and the *Statutory Bodies Financial Arrangements Act 1982*.
3. Borrowing requirements will be determined on a Council-wide basis, adhering to the following guidelines:
  - i. New borrowings will only be made to fund capital expenditure.
  - ii. Borrowings will be for a period which is less than or equal to the estimated useful life of the related asset(s).
  - iii. Borrowing decisions are to be made in accordance with the appropriate financial ratios as determined by Council.
4. Undertaking periodic reviews of Council's borrowings in order to ensure the amount, terms and interest charged represent the optimum financial position for Council.
5. Borrowings will only be made for expenditure which has been approved through the annual budget cycle. As part of this process, and in accordance with section 192 of the Local Government Regulation 2012, each financial year the debt policy will state:
  - i. the new borrowings planned for the current financial year and the next nine financial years;
  - ii. the period over which it is planned to repay existing and new borrowings.

Details of planned borrowings for the period 1 July 2024 through to 30 June 2034 are indicated in table 1.

Table 1 – Planned Borrowings 2024/25

Loan Purpose	Term (YRS)	24/25 \$m	25/26 \$m	26/27 \$m	27/28 \$m	28/29 \$m	29/30 \$m	30/31 \$m	31/32 \$m	32/33 \$m	33/34 \$m
General	15	50.0	120.0	140.0	130.0	120.0	100.0	70.0	70.0	40.0	10.0
<b>Total</b>		50.0	120.0	140.0	130.0	120.0	100.0	70.0	70.0	40.0	10.0

6. Council has a general approval from Queensland Treasury to borrow funds from the Queensland Treasury Corporation subject to the approval by the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP). A separate approval of the Treasurer is required should the Council wish to borrow from a source other than Queensland Treasury Corporation.
7. Borrowing costs are to be recognised as a capital expense where the criteria of the relevant accounting standard can be met, otherwise they will be expensed as they are incurred.
8. Any new borrowings from 1 July 2024 will be repaid within the term (years) indicated in Table 1 above.
9. All existing borrowings of Council will be repaid by 2035/36.

## Related Documents

### Relevant legislation

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

### Council documents

- Organisational Excellence Strategy 2042

### Other resources

- Queensland Treasury Corporation Guidelines

## Definitions

Term	Definition
<b>Council</b>	City of Moreton Bay / Moreton Bay City Council
<b>Capital Expenditure</b>	Means expenditure on assets, including property, plant and equipment, intangible assets, and inventories.

## Document Control

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Version	Description	Date	Document ID
2010/11	Special General Meeting (P.10/1601) Adoption Budget 2010/11 (A3352705 – P. 92)	1.7.2010	A4534458
2011/12	Coordination (P.10/2963) Adopted as part of the Financial Plan 2010-2020 (A4560943 – P.18)	14.12.2010	A4560943
2012/13	Coordination (P.12/880) Adopted as part of the Financial Plan 2012-2022 (A6792028 – P.15)	5.6.2012	A6792028
2013/14	Coordination (P.13/869) Policy 13-2150-067	28.5.2013	A8182826
2014/15	Coordination (P.14/874) Policy 14-2150-083	20.5.2014	A9499653
2015/16	Coordination (P.15/750)	19.5.2015	A11859735
2016/17	Coordination (P.16/809)	24.5.2016	A13620072
2017/18	Coordination (P. 17/960)	23.5.2017	A15177052

2018/19	Coordination (P. 18/1085)	15.5.2018	A16885878
2019/20	Coordination (P. 19/795)	14.5.2019	A18497168
2020/21	General Meeting (P. 20/1261)	24.6.2020	A20073414
2021/22	General Meeting (P. 21/838)	9.6.2021	62004216
2022/23	General Meeting (MP. 22/964)	1.6.2022	64261218
2023/24	General Meeting (MP. 23/1116)	31.5.2023	66871853
2024/25	General Meeting (MP. 24/253)	29.5.2024	69571829