

# Debt Policy

<b>Policy Number</b>	KASC-STAT-008
<b>Responsible Manager</b>	Executive Manager Corporate and Financial Services
<b>Legislation</b>	<u>Local Government Act 2009</u> <u>Local Government Regulation 2012</u>
<b>Approval Date</b>	29 March 2022

## 1. Definitions and Terms

1.1 In this policy:

<b>Council</b>	Means Kowanyama Aboriginal Shire Council
<b>Debt</b>	Is also defined as borrowings

## 2. Purpose of this Policy

2.1 To comply with the legislative requirements under the Local Government Regulation 2012 and provide the parameters for Kowanyama Aboriginal Shire Council's debt structure for the next 15 year period.

## 3. Application of this Policy

3.1 This policy applies to all people acting for and on behalf of the Kowanyama Aboriginal Shire Council, including Councillors, employees, consultants, and contractors.

## 4. Policy Provisions

- 4.1 Council will ensure that consideration be given to the long-term financial sustainability of Council before entering into any applications for debt.
- 4.2 Council will consider the interests of the community and external funding providers when making decision regarding establishing debt.
- 4.3 Any applications for debt will only be for non-current assets to deliver essential services, reflect the approved budget for debt, be for a repayment period of no longer than 15 years, and will be made through the most competitive institution.
- 4.4 Effective 1 July 2016, the Working Capital Facility of \$2.150M was converted to a loan borrowing attracting interest at a current rate of 2.803%, and payable over 15 years.
- 4.5 Estimated Debt repayments, based on Queensland Treasury Corporation loan calculation, for the next 11 years for Kowanyama Aboriginal Shire Council are detailed in the QTC Indicative Principal and Interest Schedule.
- 4.6 All loan applications must be endorsed by Council resolution before progressing to the application stage.

## **5. Policy Review**

- 5.1 The policy is to be reviewed in accordance with the Policy Framework Policy – KASC-ADMIN-001.
- 5.2 Kowanyama Aboriginal Shire Council reserves the right to vary, replace, or terminate this policy from time to time.

## **6. Approval**

- 6.1 This policy was duly authorised by Council on 29 March 2022 as the Kowanyama Aboriginal Shire Council's Debt Policy and shall hereby supersede any previous policies of the same intent.

## 7. Attachment 1: QTC Principal and Interest Schedule



### Indicative Principal and Interest Schedule

ACCOUNT ENQUIRIES  
1800 641 057

DATE OF ISSUE  
1 July 2021

REPORTING DATE  
30 June 2021

Current Interest Rate: 2.803%

Client: Kowanyama Aboriginal Shire Council

Account: B1259 - Kowanyama ASC - WCF

Payment Date	Opening Balance \$	Payment \$	Interest \$	Administration \$	Principal \$	Closing Balance \$
15 Sep 2021	1,510,813.56	43,442.15	10,152.67	434.36	32,855.12	1,477,958.44
15 Dec 2021	1,477,958.44	43,442.15	9,931.88	424.91	33,085.36	1,444,873.08
15 Mar 2022	1,444,873.08	43,442.15	9,709.55	415.40	33,317.20	1,411,555.88
15 Jun 2022	1,411,555.88	43,442.15	9,485.66	405.82	33,550.67	1,378,005.21
15 Sep 2022	1,378,005.21	43,442.16	9,260.20	396.18	33,785.78	1,344,219.43
15 Dec 2022	1,344,219.43	43,442.14	9,033.15	386.46	34,022.53	1,310,196.90
15 Mar 2023	1,310,196.90	43,442.15	8,804.52	376.68	34,260.95	1,275,935.95
15 Jun 2023	1,275,935.95	43,442.15	8,574.29	366.83	34,501.03	1,241,434.92
16 Sep 2023	1,241,434.92	43,442.14	8,342.44	356.91	34,742.79	1,206,692.13
15 Dec 2023	1,206,692.13	43,442.14	8,108.97	346.92	34,986.25	1,171,705.88
15 Mar 2024	1,171,705.88	43,442.15	7,873.86	336.87	35,231.42	1,136,474.46
17 Jun 2024	1,136,474.46	43,442.16	7,637.11	326.74	35,478.31	1,100,996.15
16 Sep 2024	1,100,996.15	43,442.15	7,398.69	316.54	35,726.92	1,065,269.23
16 Dec 2024	1,065,269.23	43,442.15	7,158.61	306.26	35,977.28	1,029,291.95
17 Mar 2025	1,029,291.95	43,442.15	6,916.84	295.92	36,229.39	993,062.56
16 Jun 2025	993,062.56	43,442.15	6,673.38	285.51	36,483.26	956,579.30
15 Sep 2025	956,579.30	43,442.15	6,428.21	275.02	36,738.92	919,840.38
15 Dec 2025	919,840.38	43,442.15	6,181.33	264.45	36,996.37	882,844.01
16 Mar 2026	882,844.01	43,442.15	5,932.71	253.82	37,255.62	845,588.39
15 Jun 2026	845,588.39	43,442.15	5,682.35	243.11	37,516.69	808,071.70
15 Sep 2026	808,071.70	43,442.15	5,430.24	232.32	37,779.59	770,292.11
15 Dec 2026	770,292.11	43,442.15	5,176.36	221.46	38,044.33	732,247.78
15 Mar 2027	732,247.78	43,442.15	4,920.71	210.52	38,310.92	693,936.86
15 Jun 2027	693,936.86	43,442.16	4,663.26	199.51	38,579.39	655,357.47
15 Sep 2027	655,357.47	43,442.15	4,404.00	188.42	38,849.73	616,507.74
15 Dec 2027	616,507.74	43,442.15	4,142.93	177.25	39,121.97	577,385.77
15 Mar 2028	577,385.77	43,442.15	3,880.03	166.00	39,396.12	537,989.65
15 Jun 2028	537,989.65	43,442.15	3,615.29	154.67	39,672.19	498,317.46
15 Sep 2028	498,317.46	43,442.15	3,348.69	143.27	39,950.19	458,367.27
15 Dec 2028	458,367.27	43,442.15	3,080.23	131.78	40,230.14	418,137.13

15 Mar 2029	418,137.13	43,442.14	2,809.88	120.21	40,512.05	377,625.08
15 Jun 2029	377,625.08	43,442.15	2,537.64	108.57	40,795.94	336,829.14
17 Sep 2029	336,829.14	43,442.15	2,263.49	96.84	41,081.82	295,747.32
17 Dec 2029	295,747.32	43,442.15	1,987.42	85.03	41,369.70	254,377.62
15 Mar 2030	254,377.62	43,442.15	1,709.42	73.13	41,659.60	212,718.02
17 Jun 2030	212,718.02	43,442.16	1,429.47	61.16	41,951.53	170,766.49
16 Sep 2030	170,766.49	43,442.15	1,147.55	49.10	42,245.50	128,520.99
16 Dec 2030	128,520.99	43,442.15	863.66	36.95	42,541.54	85,979.45
17 Mar 2031	85,979.45	43,442.15	577.78	24.72	42,839.65	43,139.80
16 Jun 2031	43,139.80	43,442.10	289.90	12.40	43,139.80	0.00
<b>TOTALS</b>		<b>1,737,685.95</b>	<b>217,564.37</b>	<b>9,308.02</b>	<b>1,510,813.56</b>	

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