

AGENDA

TORRES STRAIT ISLAND REGIONAL COUNCIL

October 2022

Tuesday 11th October 2022, 11:00am – 5:00pm

Wednesday 12th October 2022, 9:00am – 5:00pm

Video Conference

COUNCIL ORDINARY MEETING

Tuesday, 11th October 2022

Agenda Items:

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| 1. | <u>11:00am – 11:05am</u> | <u>Welcome and Opening Remarks</u> |
| 2. | <u>11:05am – 11:10am</u> | <u>Apologies</u> |
| 3. | <u>11:10am – 11:15am</u> | <u>Declaration of Conflict of Interest (COI) (Prescribed and Declarable)</u> |
| 4. | <u>11:15am – 11:20am</u> | <u>Confirmation of Previous Council Ordinary Meeting Minutes</u> <ul style="list-style-type: none">• 20th and 21st September 2022 |
| 5. | <u>11:20am – 11:35am</u> | <u>Outstanding Council Ordinary Meeting Action Items</u> |
| 6. | <u>11:35am – 11:55am</u> | <u>CORPORATE – Funding Acquisition Report</u> |
| 7. | <u>11:55am – 12:15pm</u> | <u>CORPORATE – Community Grants Program – October 2022</u> |
| 8. | <u>12:15pm – 12:30pm</u> | <u>BUILDING – BSU Update</u> |

LUNCH 12:30pm – 1:30pm

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| 9. | <u>1:30pm – 1:50pm</u> | <u>LEGAL – Development Application: Masig Lot 29 on SP277431</u> |
| 10. | <u>1:50pm – 2:15pm</u> | <u>FINANCE – 2021/2022 Financial Statements</u> |
| 11. | <u>2:15pm – 2:40pm</u> | <u>FINANCE – Auditor-General's Observation Report on the audit of the 2021/2022 Torres Strait Island Regional Council Financial Statements</u> |
| 12. | <u>2:40pm – 3:00pm</u> | <u>ENGINEERING – Award Tender No. TSIRC 2022-363 Marine Initiatives Ugar Jetty Remedial Works</u> |

AFTERNOON TEA 3:00PM – 3:15pm

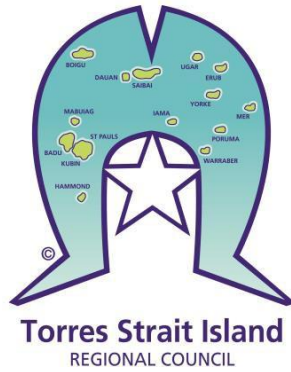
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| 13. | <u>3:15pm – 3:15pm</u> | <u>COUNCIL MOVES INTO CLOSED BUSINESS</u> |
| 14. | <u>3:15pm – 3:45pm</u> | <u>CORPORATE – CB – Satellite Services Network Upgrade</u> |
| 15. | <u>3:45pm – 4:10pm</u> | <u>FINANCE – CB – Financial Dashboard Report - <u>Late</u></u> |
| 16. | <u>4:10pm – 4:30pm</u> | <u>ENGINEERING – CB – TSIRC Fuel Price Update</u> |
| 17. | <u>4:30pm – 4:45pm</u> | <u>ENGINEERING – CB – Marine Infrastructure Funding- <u>Late</u></u> |
| 18. | <u>4:45pm – 5:00pm</u> | <u>ENGINEERING – CB - TSIRC Metal Waste Clean-up Project – Funding Agreement - <u>Late</u></u> |
| 19. | <u>5:00pm – 5:00pm</u> | <u>COUNCIL MOVES OUT OF CLOSED BUSINESS AND RESUMES IN OPEN BUSINESS</u> |
| 20. | <u>5:00pm – 5:00pm</u> | <u>Closing Remarks and Prayer</u> |

COUNCIL ORDINARY MEETING
Wednesday, 12th October 2022
Agenda Items:

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| 21. | <u>9:00am – 9:10am</u> | <u>Welcome and Opening Prayer.</u> |
| 22. | <u>9:10am – 9:40am</u> | <u>CORPORATE – Annual Report 2022</u> |
| 23. | <u>9:40am – 10:00am</u> | <u>COMMUNITY SERVICES – AR – Special Holidays 2023 – Late</u> |

MORNING TEA 10:00am – 10:20am

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| 24. | <u>10:20am – 10:35am</u> | <u>CORPORATE- AR – Change of date for November Ordinary Meeting</u>
<u>2022 – Late</u> |
| 25. | <u>10:35am – 10:45am</u> | <u>Business Arising from Information Reports</u> |
| 26. | <u>10:45am – 10:45am</u> | <u>Next Council Meeting Date – 14th and 15th November 2022</u> |
| 27. | <u>10:45am – 11:00am</u> | <u>Strategic Matters</u> |
| 28. | <u>11:00am – 11:10am</u> | <u>Closing Remarks and Prayer</u> |



Draft Minutes

TORRES STRAIT ISLAND REGIONAL COUNCIL

September 2022

Tuesday 20th September 2022, 10:33am – 5:00pm
Wednesday 21st September 2022, 9:00am – 12:10pm

Division 11, Poruma

PRESENT:

Cr Phillemon Mosby, Mayor
Cr Dimas Toby, Division 1 – Boigu
Cr Torenzo Elisala, Division 2 – Dauan
Cr Conwell Tabuai, Division 3 – Saibai
Cr Keith Fell, Division 4 – Mabuiag
Cr John Levi, Division 7 – Wug (St Pauls), Mua Island
Cr Seriako Dorante, Division 8 – Kirriri (Hammond)
Cr Getano Lui Jnr, Deputy Mayor, Division 9 – Iama (Yam)
Cr Francis Pearson, Division 11 – Poruma (Coconut)
Cr Hilda Mosby, Division 12 – Masig (Yorke)
Cr Rocky Stephen, Division 13 – Ugar (Stephen)
Cr Jimmy Gela, Division 14 – Erub (Darnley)
Cr Aven Noah, Division 15 – Mer (Murray)

STAFF:

Mr James William, Chief Executive Officer (CEO)
Ms Hollie Faithfull, Executive Director, Financial Services (EDFS)
Mr David Baldwin, Executive Director, Engineering Services (EDES)
Mr Wayne Green, Executive Director Building Services (EDBS)
Mr Peter Krebs, Acting Executive Director Corporate Services (A/EDCS)
Mrs Ursula Nai, Senior Executive Assistant to the CEO (SEA)
Ms May Mosby, Acting Secretariat Officer (A/SO)

APOLOGIES:

Cr Kabay Tamu, Division 10 – Warraber (Sue) – Family Cultural Engagement
Cr Lama Trinkoon, Division 6 – Kubin (Arkai), Mua Island
Cr Laurie Nona, Division 5 – Badu – Personal Family Commitment (overseas)
Mr Dawson Sailor, Head of Community Services (HOCS) – Family Cultural Engagement

COUNCIL ORDINARY MEETING

Tuesday, 20th September 2022

Agenda Items:

1. **10:33am – 10:36am** **Welcome and Opening Remarks**

Mayor Phillemon Mosby welcomed everyone back and reconvened the Council Ordinary Meeting for the month of September.

2. **10:36am – 10:38am** **Apologies**

Cr Kabay Tamu – Division 10 – Warraber – Family Cultural Engagement

RESOLUTION:

Moved: Cr Torenzo Elisala; Second: Cr Francis Pearson

That Council accepts the apology of Cr Kabay Tamu for the September 2022 Ordinary meeting.

MOTION CARRIED UNANIMOUS

Cr Lama Trinkoon – Division 6 – Kubin (Arkai) – Sorry Business

RESOLUTION:

Moved: Cr Aven Noah; Second: Cr Conwell Tabuai

That Council accepts the apology of Cr Lama Trinkoon for the September 2022 Ordinary meeting.

MOTION CARRIED UNANIMOUS

Cr Laurie Nona – Division 5 – Badu – Personal Family Commitment (overseas)

RESOLUTION:

Moved: Cr Torenzo Elisala; Second: Cr John Levi

That Council accepts the apology of Cr Laurie Nona for the September 2022 Ordinary meeting.

MOTION CARRIED UNANIMOUS

3. **10:38am – 10:38am** **Declaration of Conflict of Interest (COI) (Prescribed and Declarable)**

Cr Dimas Toby declared a Prescribed Conflict of Interest in Council Meeting Agenda Item 18 – CORPORATE – Community Grant Program as his sister is a member of the Church of the Rock, Boigu and therefore a related party under s150EP. Cr Dimas Toby declared an interest under s150EQ(4).

Cr Dimas Toby proposed to leave and stay away from the place where the meeting is being held while the matters are discussed and voted on.

Cr Jimmy Gela declared a Prescribed Conflict of Interest in Council Meeting Agenda Item 14 – Engineering – CB – Contractual Matter – Variation to contract TSIRC 2021-349 ICCIP Project #53 – Masig Lagoon Cover Replacement as his brother, John Gela is an employee of GDT Lining Systems Pty Ltd and therefore a related party under s150EP. Cr Jimmy Gela declared an interest under s150EQ(4).

Cr Jimmy Gela proposed to leave and stay away from the place where the meeting is being held while the matters are discussed and voted on.

4. **10:38am – 10:39am** **Confirmation of Previous Council Ordinary Meeting Minutes**

- 24th August 2022

RESOLUTION:

Moved: Cr Torenzo Elisala; Second: Cr Jimmy Gela

That Council resolves to accept the minutes of the Ordinary Meeting held on 24th August 2022 to be a true and accurate account of that meeting.

MOTION CARRIED UNANIMOUS

5. **10:39am – 10:40am** **Confirmation of Climate Adaptation and Environment Committee Minutes**

- 16th August 2022

RESOLUTION:

Moved: Cr Hilda Mosby; Second: Cr Seriako Dorante

That Council resolves to accept the minutes of the Housing and Safe and Healthy Communities Committee Meeting held on 16th August 2022, to be a true and accurate account of that meeting.

MOTION CARRIED UNANIMOUS

6. **10:40am – 11:03am** **Outstanding Council Ordinary Meeting Action Items**

Mr James William, Chief Executive Officer provided a verbal update on the action items from August's meeting and gave an opportunity for the relevant Executive Staff to comment on their actions.

7. **11:03am – 11:04am** **COUNCIL MOVES INTO CLOSED BUSINESS**

RESOLUTION:

Moved: Cr Conwell Tabuai; Second: Cr Francis Pearson

That in accordance with Section 254J of the *Local Government Regulation 2012* (Qld) it is resolved for the meeting to go into closed business to discuss matters of the following nature:

(c) local government budget.

(e) legal advice obtained by the local government or legal proceedings involving the local government.

(g) negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government.

MOTION CARRIED UNANIMOUS

8. **FINANCE – CB – Financial Dashboard Report – August 2022**

9. **BUILDING – CB – BSU Update**

10. **ENGINEERING – CB – Rescind resolution for Contract TSIRC 2021-355 Hammond Island DRFA Works**

11. **ENGINEERING – CB – Rescind resolution for Contract TSIRC 2021-356 DRFA Works (Badu Island)**

12. **ENGINEERING – CB – Rescind resolution for Contract TSIRC 2021-357 Various Islands DRFA Works (Kubin, Mabuiag, St Pauls, Iama, Warraber, Erub, Mer, Ugar, Masig & Poruma)**

13. **ENGINEERING – CB – Award Tender No. TSIRC 2021-337 Badu Wells Access Road Culvert Upgrade**

14. **ENGINEERING – CB – Contractual Matter – Variation to contract TSIRC 2021-349 ICCIP Project #53 – Masig Lagoon Cover Replacement**

15. **ENGINEERING – CB – TSIRC Fuel Price Update**

16. **12:09m – 12:09pm** **COUNCIL MOVES OUT OF CLOSED BUSINESS AND RESUMES IN OPEN BUSINESS**

RESOLUTION:

Moved: Cr Torenzo Elisala; Second: Cr Keith Fell

That Council resolves to move out of closed business and resume in open business.

MOTION CARRIED UNANIMOUS

Resolutions and Minutes for noting following closed business:

11:04am – 11:11am

FINANCE – CB – Financial Dashboard Report – August 2022

RESOLUTION:

Moved: Cr John Levi; Second: Cr Conwell Tabuai

That Council receive and endorse the monthly financial statements attached to the officer's report for the 2022-23 year to date, for the period ended 31 August 2022, as required under Section 204 *Local Government Regulation 2012*.

MOTION CARRIED UNANIMOUS

11:11am – 11:27am

BUILDING – CB – BSU Update

RESOLUTION:

Moved: Cr Conwell Tabuai; Second: Cr Torenzo Elisala

Council resolves to note the Building Services Report for August.

MOTION CARRIED UNANIMOUS

11:27am – 11:35am

ENGINEERING – CB – Rescind resolution for Contract TSIRC 2021-355 Hammond Island DRFA Works

RESOLUTION:

Moved: Cr Keith Fell; Second: Cr John Levi

That Council resolves:

1. To rescind the resolution made on 20 April 2022, listed as item 13 relating to Contract TSIRC 2021-355 – Hammond Island DRFA Works to Gulf Civil Pty Ltd for an amount of up to \$538,994.92 excl. GST.

and

2. Pursuant to section 257 of the *Local Government Act 2009*, Council delegates to Chief Executive Officer:

- Power to make, amend or discharge any required approvals and or funding agreements with relevant funding bodies in relation to this project; and
- Power to negotiate, finalise, and execute any and all matters associated with or in relation to this project, contracts and funding including without limitations to any options and/or variations.

MOTION CARRIED UNANIMOUS

11:35am – 11:38am

ENGINEERING - CB – Rescind resolution for Contract TSIRC 2021-356 DRFA Works (Badu Island)

RESOLUTION:

Moved: Cr Keith Fell; Second: Cr Francis Pearson

That Council resolves:

1. To rescind the resolution made on 29 June 2022, listed as item 33 relating to Contract TSIRC 2021-356 – Badu Island DRFA Works, Separable Portion A and B, to McMahon Services Pty Ltd for an amount of up to \$1,587,439.84 excl. GST.

And

2. Pursuant to section 257 of the *Local Government Act 2009*, Council delegates to Chief Executive Officer:

- Power to make, amend or discharge any required approvals and or funding agreements with relevant funding bodies in relation to this project; and
- Power to negotiate, finalise, and execute any and all matters associated with or in relation to this project, contracts and funding including without limitations to any options and/or variations.

MOTION CARRIED UNANIMOUS

11:38pm – 11:42am

ENGINEERING – CB – Rescind resolution for Contract TSIRC 2021-357 Various Islands DRFA Works (Kubin, Mabuiag, St Pauls, Iama, Warraber, Erub, Mer, Ugar, Masiq & Poruma)

RESOLUTION:

Moved: Cr Aven Noah; Second: Cr Jimmy Gela

That Council resolves:

1. To rescind the resolution made on 20 April 2022, listed as item 15 relating to Contract TSIRC 2021-357 – Various Islands DRFA Works to Gulf Civil Pty Ltd for an amount of up to \$1,436,550.63 excl. GST.

and

2. Pursuant to section 257 of the *Local Government Act 2009*, Council delegates to Chief Executive Officer:
 - Power to make, amend or discharge any required approvals and or funding agreements with relevant funding bodies in relation to this project; and
 - Power to negotiate, finalise, and execute any and all matters associated with or in relation to this project, contracts and funding including without limitations to any options and/or variations.

MOTION CARRIED UNANIMOUS

11:42pam – 11:46am

**ENGINEERING – CB – Award Tender No. TSIRC 2021-337
Badu Wells Access Road Culvert Upgrade**

RESOLUTION:

Moved: Cr Dimas Toby; Second: Cr John Levi

That Council resolves to:

1. Subject to funding approval and finalisation, award the Tender No. TSIRC 2021-337 – Badu Island Wells Access Road Culvert Upgrade, to Paul Ware Constructions Pty Ltd for an amount of up to \$524,406.50 excl. GST.

And

2. Pursuant to section 257 of the *Local Government Act 2009*, Council delegates to Chief Executive Officer:
 - Power to make, amend or discharge any required approvals and or funding agreements with relevant funding bodies in relation to this project; and
 - Power to negotiate, finalise, and execute any and all matters associated with or in relation to this project, contracts and funding including without limitations to any options and/or variations as per Council's procurement and ethical sourcing policy.

MOTION CARRIED UNANIMOUS

11:46am - Cr Jimmy Gela left the meeting due to a conflict of Interest as his brother, John Gela is an employee of GDT Lining Systems Pty Ltd.

11:55am - Cr Jimmy Gela re-joined the meeting.

11:46am – 11:55am

**ENGINEERING – CB – Contractual Matter – Variation to
contract TSIRC 2021-349 ICCIP Project #53 – Masig
Lagoon Cover Replacement**

RESOLUTION:

Moved: Cr Francis Pearson; Second: Cr John Levi

Council resolves to:

- Approve variations received up to 17/08/2022 in the amount of \$430,200.00 excl GST for contract TSIRC 2021-349 – ICCIP Project #53 – Masig Lagoon Cover Replacement
- And
- Delegate power to the Chief Executive Officer, pursuant to section 257 of the *Local Government Act 2009* to:
 - power to amend or discharge contract Torres Strait Island Regional Council 2021-349; and
 - negotiate, finalise, and execute any and all matters associated with or in relation to this project, funding and contract including without limitation any options and/or variations.

MOTION CARRIED UNANIMOUS

11:55am –12:09pm

ENGINEERING– CB – TSIRC Fuel Price Update

RESOLUTION:

Moved: Cr Torenzo Elisala; Second: Cr Keith Fell

That the Council notes the report and maintain the fuel prices.

MOTION CARRIED UNANIMOUS

ACTION: That the Chief Executive Officer undertake a proposal with an option to take back to Council to review for the November workshop.

17. **12:18pm – 12:24pm** **CORPORATE – Funding Acquisition Report**

Mr Peter Krebs, Acting Executive Director Corporate Services spoke to the report. The report provides an update on and summary of Council's recent grant acquisition activities.

RESOLUTION:

Moved: Cr Aven Noah; Second: Cr Keith Fell

That Council resolves to note this report and its content.

MOTION CARRIED UNANIMOUS

18. **12:24pm – 12:45pm** **CORPORATE – Community Grants Program Allocation – August 2022**

Mr Peter Krebs, Acting Executive Director Corporate Services spoke to the report. Six (6) Community Grants applications were received for the month of September.

Saamkarem Beizam Rugby League Club

RESOLUTION:

Moved: Cr Aven Noah; Second: Cr Conwell Tabuai

Council resolves to allocate Community Grants Program funding to the following applicant in accordance with the Community Grants Policy:

- Saamkarem Beizam Rugby League Club for the eligible amount of \$4,000.00 exclusive of GST, as per submitted application noting that Saamkarem Beizam Rugby League Club applied for \$6,000.00.

MOTION CARRIED UNANIMOUS

Magun Warriors - event cancelled

Church of the Living God – Mer Island

RESOLUTION:

Moved: Cr Jimmy Gela; Second: Cr Rocky Stephen

Council resolves to allocate Community Grants Program funding to the following applicant in accordance with the Community Grants Policy:

- Church of the Living God – Mer Island for the eligible amount of \$1,500.00 exclusive of GST, as per submitted.

MOTION CARRIED UNANIMOUS

12:42pm - Cr Dimas Toby left the meeting due to a conflict of interest on the below Church of the Rock Ministry.

12:43pm – Cr Dimas Toby re-joined the meeting.

Church of the Rock

RESOLUTION:

Moved: Cr Keith Fell; Second: Cr Torenzo Elisala

Council resolves to allocate Community Grants Program funding to the following applicant in accordance with the Community Grants Policy:

- Church of the Rock for the eligible amount of \$2,000.00 exclusive of GST, as per submitted application noting that Church of the Rock applied for \$3,988.00.

MOTION CARRIED UNANIMOUS

Blood Covenant Ministry

RESOLUTION:

Moved: Cr Torenzo Elisala; Second: Cr Francis Pearson

Council resolves to allocate Community Grants Program funding to the following applicant in accordance with the Community Grants Policy:

- Blood Covenant Ministry for the eligible amount of \$3,000.00 exclusive of GST, as per submitted application.

MOTION CARRIED UNANIMOUS

Deddyal Gammas Rugby League Club – event cancelled

19. **12:45pm – 1:21pm**

**CORPORATE – Policy Matter – Climate Change
POLICY**

Mr Peter Krebs, Acting Executive Director Corporate Services spoke to the report.

It was recommended by Council that Item 5 Objectives of the policy include spirituality.

ACTION: Acting Executive Director Corporate Services to include spirituality to Item No. 5 of Objectives of the Climate Change Policy.

RESOLUTION:

Moved: Cr Francis Pearson; Second: Cr Hilda Mosby

That Council resolve to:

1. endorse the Climate Change Policy in the terms presented to Council at today's Ordinary Meeting
and
2. delegate authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to exercise the functions and powers assigned to the Chief Executive Officer under the endorsed policy, including the power to make any further minor administrative amendments to the policy as they arise.

MOTION CARRIED UNANIMOUS

LUNCH 1:20PM – 2:05PM

20. **2:05pm – 2:27pm**

LEGAL – Complaints Policies and Annual Report

Mr Peter Krebs, Acting Executive Director Corporate Services spoke to the report.

Further discussions were had on this subject.

RESOLUTION:

Moved: Cr Aven Noah; Second: Cr Jimmy Gela

1. That Council endorse the updated Complaint Management Policy, as presented.
2. That Council endorse the updated Complaint (Public Official) Policy, as presented, under section 48A of the *Crime and Corruption Act 2001*.
3. That Council note the Complaints Annual Report.

MOTION CARRIED UNANIMOUS

23. **2:27pm – 2:44pm**

**BUILDING – Contractual Matter – TSIRC 2021-336
Construction Only Dauan Island Multipurpose Court**

Mr Wayne Green, Executive Director Building Services spoke to the report.

RESOLUTION:

Moved: Cr Torenzo Elisala; Second: Cr John Levi

Council resolves:

- To award contract TSIRC-2021-336– Construction Only Dauan Island Multipurpose Court Separable Portion 1 and Separable Portion 2 to Koppen Construction Pty Ltd for the combined amount of \$ 1,057,953.05 excluding GST.
and
- Pursuant to section 257 of the Local Government Act 2009, to delegate to the Chief Executive Officer:
 - o power to make, amend or discharge the TSIRC-2021-336; and
 - o power to negotiate, finalise and execute any and all matters associated with or in relation to this project and contract including without limitation any options and/or variations.

MOTION CARRIED UNANIMOUS

ACTION: Head of Community Services to review the upkeep of the stadiums.

24. **2:44pm – 2:48pm** **CORPORATE – Change of October OM Meeting Date**

Mr Peter Krebs, Acting Executive Director Corporate Services spoke to the report.

Cr Keith Fell raised the possibility of Councillors attending the LGAQ conference. Mayor Phillemon Mosby suggested that Councillors could utilise their professional development to attend.

RESOLUTION:

Moved: Cr Torenzo Elisala; Second Cr Aven Noah

Council resolves to move the October 2022 Ordinary Meeting of Council from 18-19 October 2022 to 11-12 October 2022.

MOTION CARRIED UNANIMOUS

25. **2:48pm – 3:34pm** **Strategic Matters**

Cr Keith Fell enquired on the timeframe of the Masig Statement going out to the communities.

ACTION: Chief Executive Officer to review Act prior to the next Council meeting.

3:34pm – For minutes taking purposes staff were asked to leave the meeting for a closed session.

MEETING ADJOURNED – 4:30PM

COUNCIL ORDINARY MEETING
Wednesday, 21st September 2022

22. 900am – 9:05am Welcome and opening prayer

Mayor Phillemon Mosby welcomed Councillors and Staff to Day 2 of Council meeting and invited Cr Keith Fell to open the meeting in a word of prayer.

Mayor Mosby gave Deputy Mayor Cr Getano Lui an opportunity to provide Council with an update on the border opening next month before meeting with members of the Australian Border Force and Defence. In depth discussions were held on this subject.

26. 10:11am – 11:12am Deputation 2| Australian Border Force and Defence

Mayor Mosby welcomed Mr Andrew Berryman from Department of Foreign Affairs and Trade and members of Border Force and Defence.

Various issues were raised and discussed in regards to the opening of the PNG border next month.

ACTION: Acting Executive Director Corporate Services to follow up with Mr Andrew Berryman of DFAT of a draft letter of entry approvals to be sent to Council to sight before the next Council meeting.

MORNING TEA – 11:12AM – 11:50AM

28. 11:50am – 12:00pm BUSINESS ARISING FROM INFORMATION REPORTS

Mayor Mosby gave an opportunity for Councillors to raise any matters in the Information Reports.

Mayor Phillemon Mosby advised a donation of \$5,000 will be provided to Division 11, Poruma Community for hosting the September Council Meeting. Cr Francis Pearson will consult with the Poruma community to determine how funds will be utilised for their benefit.

The Boundary Project Meeting on Poruma was also raised which will clash with the November Workshop/Meeting.

Mayor Mosby spoke further on the November workshop and to extend an invitation to State and Commonwealth Ministers to attend the workshop.

ACTION: Acting Executive Director Corporate Services to send out invitations to the Housing Minister, Leanne Enoch, Climate Change and Defence Ministers to attend the November workshop.

**29. 11:50am – 11:50am Next Council Meeting Date – 11th and 12th October 2022
via VMR**

30. 12:05am – 12:10pm Closing Remarks and Prayer

A gratitude of thanks were extended to the Chief Executive Officer and the Executive Team for putting the Agenda and Reports together and Cr Francis Pearson and Division 11, Poruma Staff for hosting the September Council Ordinary Meeting. Acknowledgement was also given to Mrs Ursula Nai for her commitment and dedication in her role as Executive Assistant and wished her all the best in her new employment.

Mayor Mosby closed the meeting in a word of prayer.

MEETING CLOSED – 12:10PM

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Mr James William
Chief Executive Officer
Torres Strait Island Regional Council
Date:

.....
Cr Phillemon Mosby
Mayor
Torres Strait Island Regional Council
Date:

STATÉGIC AND OPERATIONAL ACTIONS FROM ORDINARY MEETING AND EXECUTIVE - PLUS OPERATIONAL ACTIONS ONLY FROM SARG TO BE INPUT ONTO THIS DOCUMENT #85075

Date	Month of Meeting	Year	Type of Meeting	Community	Agenda Report	Action	Lead Officer	Lead Officer Comments	ETA
20	September	2022	Ordinary	Poruma	ENGINEERING - CB - Fuel Improvement Program Status Update Report	That the Chief Executive Officer undertake a proposal with an option to take back to Council to review for the November workshop.	Chief Executive Officer		
20	September	2022	Ordinary	Poruma	CORPORATE – Policy Matter – Climate Change Policy	Acting Executive Director Corporate Services to include spirituality to Item No. 5 of Objectives of the Climate Change Policy.	A/Executive Director Corporate Services		
20	September	2022	Ordinary	Poruma	BUILDING – Contractual Matter – TSIRC 2021-336 Construction Only Dauan Island Multipurpose Court	That Head of Community Services to review the upkeep of the stadiums	Head of Community Services		
20	September	2022	Ordinary	Poruma	Strategic Matters - Masig Statement	Chief Executive Officer to review Act prior to the next Council meeting	Chief Executive Officer		
21	September	2022	Ordinary	Poruma	Deputation 1 - ABF and Defence	Acting Executive Director Corporate Services to follow up with Mr Andrew Berryman of DFAT of a draft letter of entry approvals to be sent to Council to sight before the next meeting.	A/Executive Director Corporate Services		
21	September	2022	Ordinary	Poruma	Business Arising from Information Reports	Acting Executive Director Corporate Services to send out invitations to the Housing Minister Leanne Enoch, Climate Change and Defence Ministers to attend the November workshop.	A/Executive Director Corporate Services		



TORRES STRAIT ISLAND REGIONAL COUNCIL

AGENDA REPORT

ORDINARY MEETING:	October 2022
DATE:	11 th & 12 th October 2022
ITEM:	Agenda Report
SUBJECT:	Funding Acquisition Report
AUTHOR:	Melissa Wright - Acting Manager Enterprise Development & Delivery

Recommendation:

That Council resolves to note this report and its content.

Executive Summary:

This report provides an update on and summary of Council's recent grant acquisition activities.

New Agreements/Variations:

The following is a list of all new agreements and/or variations that were executed during the month of September 2022 within the Chief Executive Officer's financial delegation limit of \$1,000,000 as per Council's Strategic External Grant Funding Policy:

- Department of Sport and Recreation
Dauan Island Multipurpose Court Project
Extension of Time Variation

The following is a list of all new agreements that were executed during the month of September 2022, that were outside the Chief Executive Officer's financial delegation limit of \$1,000,000 but had received formal resolution through a Council Ordinary Meeting.

- Department of Communities, Housing and Digital Economy
Forward Remote Capital Program
\$14,427,863

Current Application Status Report:

The following table highlights all funding applied for during this financial year, including details on their outcome and a status report on all unsuccessful and long-term pending applications. Please note, the reporting period is for the fiscal year to align with Council's budget and projected forecasts.

Funding Stream	Value	Project Details	Date of Application	Outcome	Current Status Report
Reporting period - 1 July 2022 – 28 September 2022					
National Australia Bank- NAB Foundation Community Grants	\$10,000	To fund education and awareness activities which promote and encourage sustainable and integrated practices.	31 st August 2022	Pending	The outcome of this funding is expected by October 2022.
Department of Environmental Science-Looking After Country Grant Program	\$75,000	To fund activities outlined in newly developed Feral Horse Management Program 2022/2023. Activities include control and compliance measures, education, and maintenance.	25 th August 2022	Pending	The outcome of this funding is expected by the end of the year (2022)
Department of Justice and Attorney General-Investing in QLD Women Grant Program	\$15,000	To fund activities during International Women's Week 2023. Theme is to be centred around DFV action plan, which is set to be finalised this year.	5 th August 2022	Pending	The outcome of this funding is expected by late October
Department of Children, Youth Justice & Multicultural Affairs - Celebrating Multicultural Qld Program	\$10,000	To fund Mabo Day activities on Mer Island.	13 th July 2022	Pending	The outcome of this funding is expected by October
Department of Children, Youth Justice & Multicultural Affairs - Celebrating Multicultural Qld Program	\$10,000	To fund Coming of the Light Activities on Erub Island.	13 th July 2022	Pending	The outcome of this funding is expected by October
Department of Environment and Science - Illegal Dumping Partnerships Program	\$200,000	Employment of 4x part time waste management officers to carry out education awareness for illegal dumping.	27 th July 2022	Pending	The application is being considered with reduced funding of \$170K. We have returned a formal letter confirming we wish to proceed.

Total Amount Applied for between 1 July 2022 and 28 September 2022
\$320,000.00

Total Amount Successful between 1 July 2022 and 28 September 2022	
Building Services	\$
Engineering	\$
Community Services	\$
Business Services	\$
Executive	\$
Combined Total	\$0

Previous Financial Year Applications Awaiting Outcome:

The following table displays all funding applications that are yet to be determined from the previous financial year.

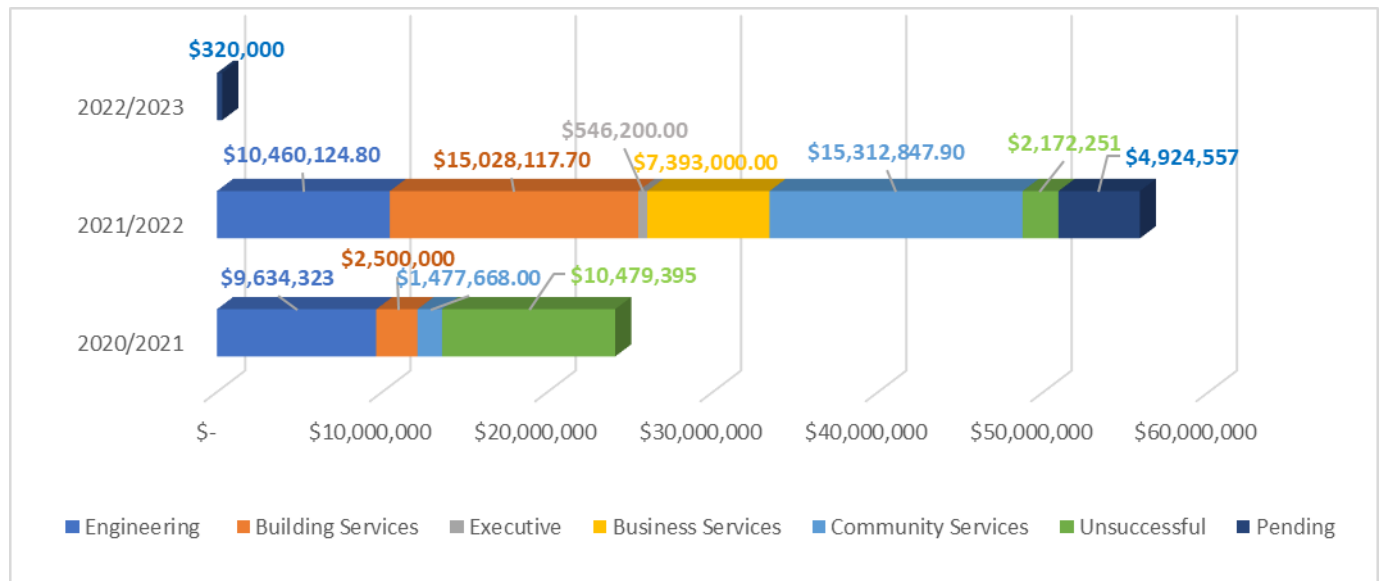
Funding Stream	Value	Project Details	Date of Application	Outcome	Current Status Report
Reporting period - 1 July 2021 – 30 June 2022					
<i>Building our Regions Round 6 – Warraber Sewer Replacement – Formal Application</i>	<i>\$1,875,000</i>	<i>Replacement of sewer Pumpstation 1 on Warraber Island</i>	<i>17th May 2022</i>	<i>Pending</i>	<i>The outcome of this funding is now expected by October 2022</i>
<i>Building our Regions Round 6 – Badu & Mabuiag Water Network Management – Formal Application</i>	<i>\$280,000</i>	<i>Implementation of smartmeters and additional valving into water network</i>	<i>17th May 2022</i>	<i>Pending</i>	<i>The outcome of this funding is now expected by October 2022</i>
<i>Building our Regions Round 6 – Badu Reservoir Main – formal Application</i>	<i>\$500,000</i>	<i>Construction of a new section of water main from the reservoir to the town network – Badu</i>	<i>17th May 2022</i>	<i>Pending</i>	<i>The outcome of this funding is now expected by October 2022</i>
<i>Qld Resilience & Risk Reduction Fund – Formal Application</i>	<i>\$290,000</i>	<i>Employment of a Coastal Hazard Resilience Officer</i>	<i>16th May 2022</i>	<i>Successful</i>	
<i>Enhancing Local Government Biosecurity Capacity in FNQ</i>	<i>\$115,000</i>	<i>Sustainability Biosecurity Project – Employment of 2 FTE Sustainability Biosecurity Officers to implement the Waste and Material Biosecurity Management Plan</i>	<i>14th May 2022</i>	<i>Pending</i>	<i>The outcome of this funding is now expected by October 2022</i>

Total Amount Applied for between 1 July 2021 and 30 June 2022
\$55,837,098.40

Total Amount Successful between 1 July 2021 and 30 June 2022
\$49,303,290.40

Historical Funding Comparison:

The following graph provides a historical comparison of total funding applied for during each financial year, with a breakdown of funding received per internal department, including the value of pending and unsuccessful applications.



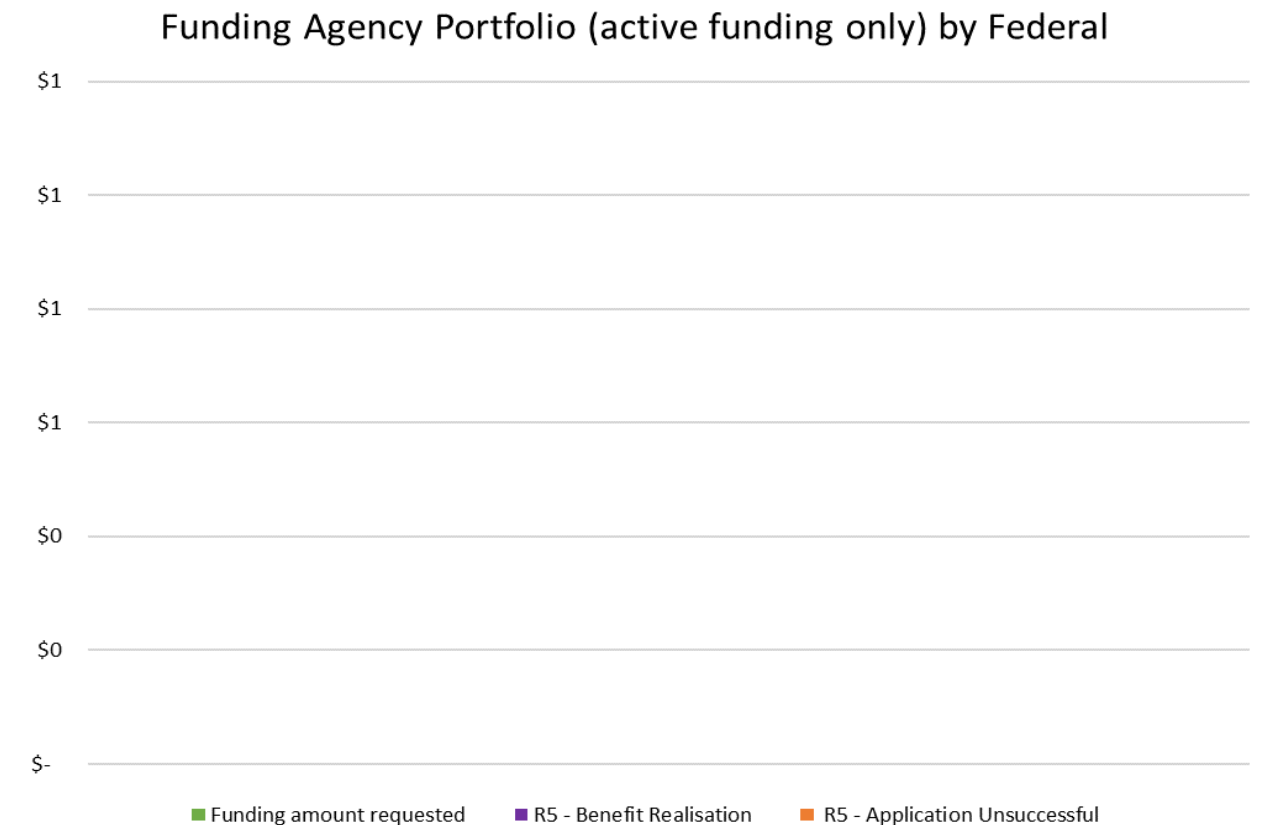
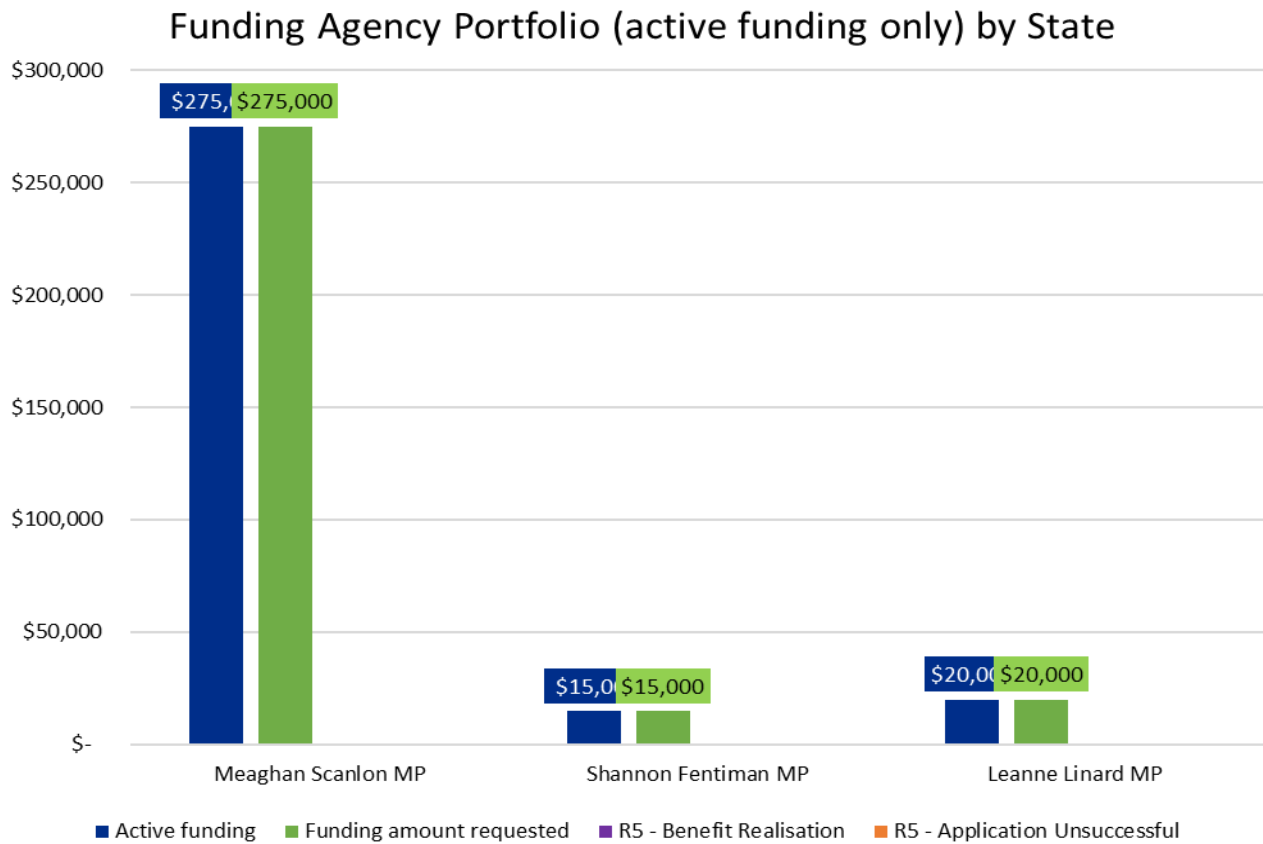
Councillor's Top 5 Priorities Status:

The following table provides an update on the current status of Councillor Top 5 Priority projects. Out of 75 identified projects there are currently 16 projects that have either been completed or are in the process of being completed, and a further 1 project that is in initial application stages. All remaining projects will continue to be matched against potential funding opportunities as they arise.

Priority List	Number of Initiatives	Total Value	%Total	R1 - Identified	R2 - Qualified	R3 - BSA Review	R4 - Submitted	R5 - Benefit Realisation
Priority 1	15	\$22,393,800.00	29%	8	3	0	0	4
Priority 2	15	\$23,071,857.00	30%	10	2	0	0	3
Priority 3	15	\$8,658,857.00	11%	6	4	0	0	5
Priority 4	15	\$11,622,000.00	15%	11	2	0	0	0
Priority 5	15	\$11,467,718.00	15%	9	1	0	0	4
Total	75	\$77,214,232.00	100%	44	12	0	0	16

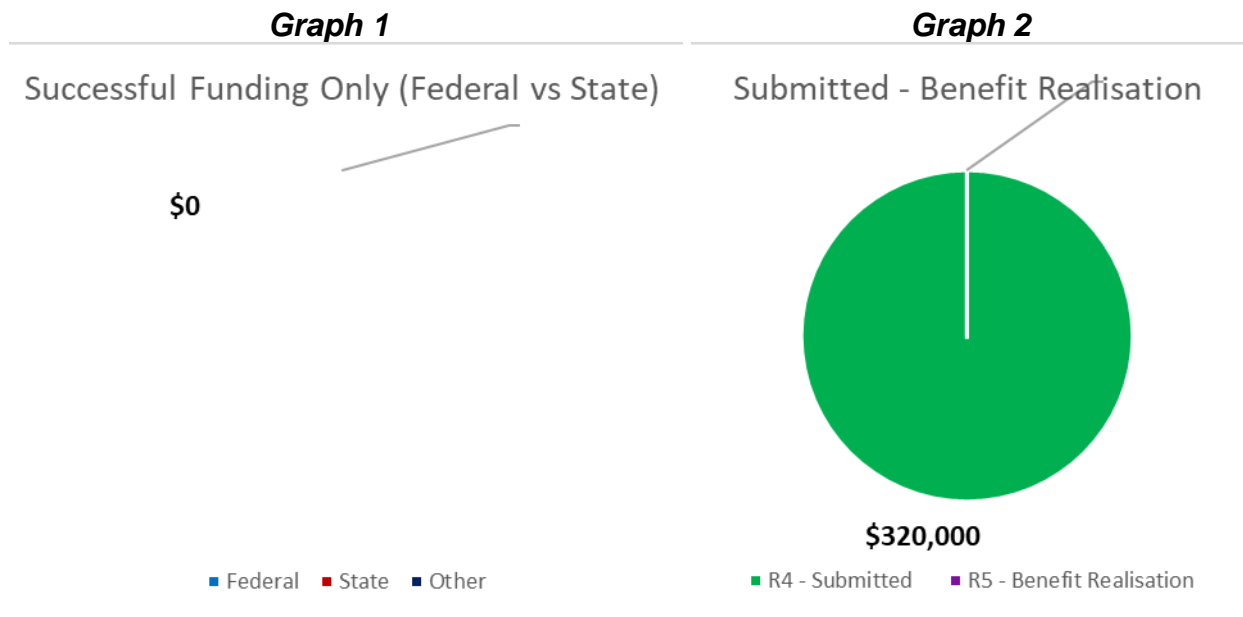
Funding Agency Portfolio Breakdown:

The Funding Agency Portfolio breakdowns show the total value of active funding, requested funding, and successful and unsuccessful applications per State (below) and Federal (overleaf) Ministerial.



Value of Applications by Stage:

The two pie charts displayed below outline the total amount of successful funding broken down into State and Federal Portfolio's (Graph 1) and the total value of funding applications submitted versus the total value of successful applications.



Links to Strategic Plans:

- Corporate Plan 2020-2025:
 - People - Outcome 4: We are a transparent, open and engaging Council.
 - Sustainability - Outcome 8: We manage Council affairs responsibly to the benefit of our communities.
- Operational Plan 2022-2022:
 - Objective 11: Further develop a good governance and risk culture across Council.

Statutory Requirements:

- *Local Government Act 2009*
- *Local Government Regulation 2012*

Conclusion:

That Council resolves to note and provide any necessary feedback to this report.

Recommended:
Peter Krebs
Acting Executive Director of Corporate
Services

Approved:
James William
Chief Executive Officer



TORRES STRAIT ISLAND REGIONAL COUNCIL

AGENDA REPORT

ORDINARY MEETING:	October 2022
DATE:	11 th – 12 th October 2022
ITEM:	Agenda Item for Resolution by Council
SUBJECT:	Community Grants Program Allocation – October 2022
AUTHOR:	Katherine Epseg, Customer Services Officer, Enterprise Development and Delivery Team

Recommendation:

Council resolves to allocate Community Grants Program funding to the following applicants in accordance with the Community Grants Policy:

- Community Entities eligible for the maximum threshold of \$10,000:
 - Malu Kiwai for the eligible amount of \$2,500.00 exclusive of GST, as per the submitted application.
 - Iama Garrkazil (Men's Group) for the eligible amount of \$1,500.00 exclusive of GST, as per the submitted application.
- Regional Grant Applications eligible for the maximum threshold of \$2,500:
 - Malu Kiwai for the eligible amount of \$2,500.00 exclusive of GST, as per the submitted application.

Executive Summary:

In line with Council's Community Grants Policy, endorsed by Council at the December 2021 Ordinary Meeting, and further advice provided by MacDonnells Law, Community Grant applications must be decided upon, on one occasion at any time during the month.

Community Grants Background:

For the month of October, two (2) Community Grant applications meeting the eligibility requirements were received.

An assessment based on eligibility criteria was conducted by Council officers in accordance with the Community Grant Policy. An acknowledgement of each application being received and assessed as compliant was issued to each applicant.

The two (2) applications which meet eligibility requirements are:

Community Entity Applicants	Amount Requested	Project/Event	Amount Supported by Councillor	Location
Malu Kiwai	\$2,500.00	Contributions towards costs associated with participating in the 2022 Dan Ropeyarn Cup in Bamaga, 28-30/10/2022	Supported by Cr Toby for \$2,500.00	Boigu
Iama Garrkazil	\$1,500.00	Contributions towards costs associated with hosting the International Men's Day on Iama Island, 19/11/2022	*awaiting response from Cr Lui	Iama

Out of Cycle – Community Grants Background:

In line with Council's Community Grants Policy, Council recognises that there may be occasions where urgent assessment of Community Grants is required. This is particularly in relation to emergent projects and/or extenuating circumstances. Such requests will be assessed by the Enterprise Development and Delivery Team, at request of the Chief Executive Officer, for eligibility and finally approved or rejected by the Mayor or delegate Councillor and Chief Executive Officer based on assessment.

For this month's reporting period, two (2) Out of Cycle Community Grants applications were approved.

Applicants	Amount Requested	Out of Cycle Project/Event	Location
Isobel Dai	\$2,500.00	Contribution towards travel costs associated with participating in the 2022 Peninsula Girls Rugby League Team in Brisbane, 14-18/09/2022	Saibai
Spirit of Promise Ministry	\$2,000.00	Contribution towards travel costs associated with participating in the Tombstone unveiling of Alfred Sailor of Warraber Island, 21-26/09/2022	St Paul's

Regional Grants Background:

In line with Council's Community Grants Policy, eligible Regional Grants applications are submitted during three (3) funding rounds per financial year. First funding round for Regional Grants Applications opened from 1st September – 22nd September 2022 – to be tabled at Council's October Ordinary meeting for determination. The following application was received:

- Malu Kiwai for the eligible amount of \$2,500.00 exclusive of GST, as per the submitted application for contribution towards accommodation costs associated with participating in the 2022 Dan Ropeyarn Cup in Bamaga, 28-30/10/2022.

Funeral Donations Background:

In line with Council's Community Grants Policy, applications for funeral grants may be made at any time throughout the financial year. Funeral Donation and Funeral Travel Assistance applications are assessed by Council Officers according to the eligibility criteria and endorsed by the Chief Executive Officer for the maximum threshold of \$5,000.00, per community – per funeral.

These applications will be determined by the Chief Executive Officer having regard to the recommendations of the Divisional Councillor, and approvals from the Executive Directors of Building and Community Services, Financials Services, and Corporate Services.

The following table refers to all funeral grants that were received for this month's reporting period:

- Two (2) applications were received and approved.

Applicants	Amount Requested	Description	Amount Approved	Location
Yessie Mosby	\$1592.32	Contribution towards travel-related costs associated with attending the funeral of the Late Mrs May Mosby on Thursday Island, 10/09/2022. This application was approved to cover the travel costs of the applicant, Yessie Mosby and three other family members to travel from Yorke Island to Thursday Island.	\$1592.32 *application was withdrawn as flights were not used	Yorke
David Bosun	\$4,909.86	Contribution towards travel-related costs associated with attending the funeral of the Late Mrs Norah Tom in Townsville, 23/09/2022. This application was approved to cover the travel costs of three family members to travel from Horn Island to Townsville.	\$4,909.86	Kubin
David Ned David	\$3,584.74	Contribution towards travel-related costs associated with attending the funeral of the Late Mrs Anna Billy on Port Hedland, 24/09/2022. This application was approved for the applicant and eleven (11) family members to travel via hire bus to attend funeral in Port Hedland, 24/09/2022	\$3,584.74 *application was withdrawn as the hire cost was covered by family members.	Iama
Thomas Mene	\$1,900.00	Contribution towards funeral-related repatriation expense of the Late Mr Jake Mene of Badu Island, 30/09/2022. This application was approved to cover the repatriation cost of the deceased from Cairns to Badu Island, 30/09/2022	\$1,900.00	Badu

Roseline Day	\$1,500.00	Contribution towards catering-related costs associated with hosting the funeral wake of the Late Mr Joseph Blanco on Mer Island, 24/09/2022	\$2,500.00 *Cr Noah increased total of support.	Mer
Vera Ses	\$2,000.00	Contribution towards travel-related costs associated with attending the funeral of the Late Mr Daniel Bero in Cairns, 07/10/2022. This application was approved to cover the travel costs of the applicant and partner to travel from Mer Island to Cairns.	\$2,000.00	Mer
Noreen Gagai	\$2,000.00	Contribution towards catering-related costs associated with hosting the funeral wake of the Late Mr Jake Mene on Badu Island, 01/10/2022.	\$2,000.00	Badu
Harold Mene	\$2,000.00	Contribution towards funeral-related costs associated with the funeral of the Late Mr Jake Mene of Badu Island. This application was approved to cover the remaining funeral director expenses.	\$2,000.00	St Paul's

In-Kind Assistance Background:

In line with Council's Community Grants Policy, applications for In-Kind Assistance can be made at any time for the use of Council's facilities and/or assets through waiver of fees for the purposes of the project and/or activity. Reasonable applications will be determined by the Chief Executive Officer having regard to the recommendations of the Divisional Councillor, and approvals from the Executive Directors of Building and Community Services, Engineering Services, Financial Services, and Corporate Services.

Approved In-Kind Assistance applications do not impact divisional budget allocations.

In-Kind Assistance will be reported as part of Council's contributions made to the community.

The following table highlights the approved In-Kind Assistance applications received for this month's reporting period.

Applicant	Description	Division	Waiver of Fees
P&C Association – Masig Island	Hire of the Masig Community Hall to host the P&C's special and general meetings, 14/09/2022 – 12/12/2022	Yorke	\$1,092.00
Gainau Marama – Stanley Marama	Hire of the Boigu Community Hall and Vehicle to host the Mina Pawa, Kapu Pawa Language, Heritage & History event, 15/09/2022	Boigu	\$291.00
Dawson Sailor	Hire of the Warraber community bus to assist with the Tombstone Unveiling of the Late Mr Alfred Sailor of Warraber Island, 23/09/2022	Warraber	*Nil fees

George Wosomo	Hire of the Community Hall to host the Mini Volleyball competition, 23-25/09/2022	Saibai	\$468.00
Roseline Day	Hire of the Mer Pool Vehicle & Tables and Chairs for the funeral wake of Late Mr Joseph Blanco, 24/09/2022	Mer	*Nil fees
Pastor Namia Marama	Hire of the Boigu Pool Vehicle to assist with the Family Togetherness community event, 02/10/2022	Boigu	\$135.00

Links to Strategic Plans:

These projects strategically align to specific delivery objectives under the People and Prosperity pillar of Council's Corporate Plan.

Finance & Risk:

No financial risk identified as the allocation is within existing Community Grants budget.

Sustainability:

N/A

Statutory Requirements:

Local Government Act 2009

Conclusion:

That Council resolves to provide Community Grant support to the eligible applicants in accordance with the Community Grants policy.



Recommended:

Peter Krebs
Acting Executive Director,
Corporate Services



Approved:

James William
Chief Executive Officer

Attachment: Fund Balances**Attachment: Fund Balances (after payment of applications endorsed at August 2022 OM)**

Division	Councillor	Budget	Less Approved Funding	Less Pending Out-Of-Cycle Applications	Closing Balance
Boigu	Cr. Toby	\$25,000.00	\$5,000.00	\$8,000.00	\$12,000.00
Hammond	Cr. Dorante	\$25,000.00	\$2,200.00	\$7,500.00	\$15,300.00
St Pauls	Cr. Levi	\$25,000.00	\$4,824.00	\$0	\$20,176.00
Ugar	Cr. Stephen	\$25,000.00	\$5,000.00	\$7,500.00	\$12,500.00
Badu	Cr. Nona	\$25,000.00	\$11,782.00	\$0	\$13,218.00
Dauan	Cr. Elisala	\$25,000.00	\$12,956.52	\$7,500.00	\$4,543.48
Erub	Cr. Gela	\$25,000.00	\$12,500.00	\$12,500.00	\$0
Iama	Cr. Lui	\$25,000.00	\$1,120.50	\$0	\$23,879.50
Kubin	Cr. Trinkoon	\$25,000.00	\$13,168.44	\$0	11,831.56
Mabuiag	Cr. Fell	\$25,000.00	\$17,719.24	\$0	\$7,280.76
Mer	Cr. Noah	\$25,000.00	\$11,546.72	\$0	\$13,453.28
Poruma	Cr. Pearson	\$25,000.00	\$14,068.12	\$7,500.00	\$3,431.88
Saibai	Cr. Tabuai	\$25,000.00	\$20,545.19	\$0	\$4,454.81
Warraber	Cr. Tamu	\$25,000.00	\$7,000.00	\$7,500.00	\$10,500.00
Yorke	Cr. Mosby	\$25,000.00	\$3,356.09	\$0	\$21,643.91
Mayor	Cr. Mosby	\$30,000.00	\$20,000.00	\$0	\$10,000.00
Regional Grant		\$50,000.00	\$0.00	\$0	\$50,000.00
		\$455,000.00	\$162,786.82	\$58,000.00	\$234,213.18



TORRES STRAIT ISLAND REGIONAL COUNCIL

COUNCIL REPORT

ORDINARY MEETING:	October 2022
DATE:	11 - 12 October 2022
ITEM:	Agenda Item for Noting by Council
SUBJECT:	Building Services Update (September 2022)
AUTHOR:	Wayne Green – Executive Director TSIRC BSU

Recommendation:

Council resolves to note the Building Services Report for September 2022

Executive Summary:

This report outlines the current business activities of the Building Services Unit (BSU) for the reporting period of September 2022.

Currently BSU is heavily focussed on the delivery of backlogged Maintenance, Upgrades and Home Ownerships, which is impacting on BSU delivering the 2022-2023 Upgrade program. Current backlog works involves;

Maintenance as of 05 October 2022 (approx \$2.8m)

>366 Days	181-365 Days	121-180 Days	91-120 Days	61-90 Days	30-60 Days
0	186	486	785	358	299

Upgrades & Home Ownerships as of 09 September 2022 (approx \$6.9m)

2019	2020	2021	2022
5	9	36	74

BSU is communicating with relevant service delivery partners within the Torres Straits, and it has been identified the four (4) larger building companies have excessive workloads that have to be delivered and this is impacting on BSU delivery of past and future programs.

BSU has commenced negotiations with sole traders to build their capability and capacity to take on further works and reducing risks to BSU

BSU has met with a supplier to partner with them to have essential material stored at some of the divisions (trailing Badu), list of common items currently being supplied.

There is also further challenges with availability of accommodation and storage for contractors and staff within several divisions, this is closely being reviewed.

Upgrade & HO Program

BSU is currently focussing on the delivery of the backlogged and aged upgrade and HO projects which is currently sitting at approx \$6.9m. The non-delivery of this works was due to multiple factors that included:

- Reduction in Qualified trades
- Availability of storage and accommodation
- Over forecasting of achievable deliverable outcomes
- Over reporting of non-completed works causing backlog of WIP
- Availability of resources (vehicles/plant)

To date BSU continue to meet with key stakeholders to provide updated programs of backlog and uncompleted works.

Strategies currently being implemented to forward plan for the part delivery of 2022/23 NAHA upgrade program. These strategies are not limited but include :

- Bulk tendering of all upgrades at each of the communities
- Ensuring reduced risk to TSIRC (material/freight/flights etc)
- Contractor accountability

Communication and updated programs will continue to be delivered through to Councillors and Housing Officers throughout the planning process.

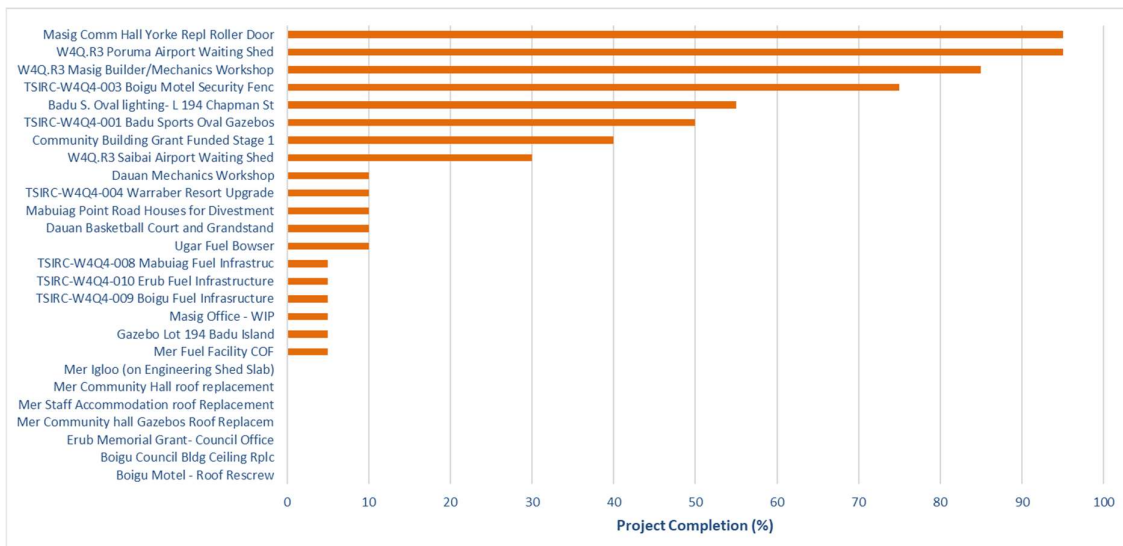
R&M Program

BSU Executive Director has reviewed process's, structure and resources and submitted a business case to the CEO (which was approved 28/09/2022) to improve stream lining and efficiencies within the TIER 1 (maintenance) stream that will improve our service delivery to our customers and most importantly our Communities.

BSU is continuing to work with QBuild to renegotiate TSIRC Maintenance Agreement schedule of rates which was last updated December 2020 (new proposed agreement submitted 15/09/2022).

Capital Works

Capital Works projects are currently tracking as per below graph;



Estimating

Building and Construction costs continue to rise. BSU are meeting with contractors to review hourly rates and discuss their capability of delivering future works.

BSU is currently reviewing internal processes and contract documentation to minimise any future risk to BSU when delivering our services.

Housing Investment Plan (Capital Housing Program) - \$14.4M

Stage 1 funding was released 27/09/2022. BSU and Housing working closely with Councillors and staff in each community to embed and understand delivery requirements and Priorities within each division.

Meeting to be held with CHDE to discuss scope of works and seeking additional funding for works outside of original scope (demolition/OT). Further meeting to be held with CHDE 12/10/2022

Strategies being developed to ensure a Value for Money procurement process.

Business Relationships

BSU have continued to focus on the rectification and close out of defects in partnership with QBuild.

Meetings are now occurring on a weekly basis between BSU and key stakeholders. The quarterly Joint Operations Meeting is next scheduled for November in Cairns.

Logistics

BSU is continuing to monitor its improved workflow for materials logistics, between delivery to Sea Swift Cairns and arrival on ground at the relevant island community.

BSU is currently developing a improved sustainable waste management plan which has identified a legacy of waste within divisions that is to be removed.

Considerations

Risk Management

- Urgent review of tabled works for next financial year to clarify actual projects and financial impact. Current review is 30% of 2022/2023 budget.
- BSU reviewing structure, resourcing and processes within the Department to improve delivery of services at all levels.
- Monitoring of performance regularly being undertaken to manage revenue, expenses, and service delivery and outcomes to community
- Operations working through logistics of stockpiling goods to effectively ease our supply problems. This is paramount to the ongoing success of Repairs and Maintenance and upgrades to our communities.
- Availability of (and lack of) contractors within the Torres Strait and their current workloads.
- Availability of (and lack of) accommodation within each Division across the Torres Straits
- Construction Waste removal from Island Communities is currently establishing a longer-term structure (trial currently be implemented as of 29/09/22 which is to commence at Warraber).

Consultation:

- Building Services Executive Director
- Building Services Management

- Business Services Accountant
- External Project Managers for Capital Works
- Building Services Construction Software
- Procure Published Industry statistical data

Links to Strategic Plans

Corporate Plan 2020-2025

- Operational Plan 2022-2023
- Delivery of Capital Works program

Statutory Requirements:

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *National Construction Code Building Act 1975,*
- *Building Regulation 2006*
- *Queensland Building and Construction Commission Act 1991*
- *Queensland Building and Construction Commission Regulation 2018*

Conclusion:

That Council notes the information contained in this report.



Recommended:

Wayne Green
Executive Director Building Services



Approved:

James William
Chief Executive Officer

AGENDA REPORT

ORDINARY MEETING:	October 2022
DATE:	11 – 12 October 2022
ITEM:	Agenda Item for Resolution by Council
SUBJECT:	Development Application: Masig Lot 29 on SP277431
PRESENTER:	Peter Krebs, Acting Executive Director, Corporate Services

Recommendation:

Council resolves to:

- issue a Development Permit for Development Application DA05-22-12(1) 'Reconfiguration of a Lot' (1 Lot into 2 Lots) for proposed Lot 291 and proposed Lot 292, cancelling Lot 29 on SP277431, with the inclusion of the conditions set out in Part 4 of the Agenda Report for Masig (Yorke Island)*
- and*
- Delegate authority to the Mayor and Chief Executive Officer each in accordance with the Local Government Act 2009 to sign and endorse the survey plan for registration.*

Executive Summary:

This report seeks the Trustee's consent to subdivide Katter lease land at Lot 29 SP277431 so that there is one land parcel for each house on the land (29 & 46 Lowatta Road, Masig).



The Remote Indigenous Land and Infrastructure Program Office (RILIPO) on behalf of the beneficiary of the Deceased Estate of Matilda Gela seeks development approval for Reconfiguration of Lot which will result in two (2) Lots cancelling Lot 29 on SP277431 Lowatta Road, Masig.

The development proposal aims to subdivide Lot 29 SP277431 to create 2 lots:

- Proposed Lot 291 - existing social housing dwelling, No. 29 Lowatta Road
- Proposed Lot 292 - existing social housing dwelling, No.46 Lowatta Road

The application advises the following:

- Lot 29 SP277431 (known as 29 & 46) Lowatta Road Masig is a Land Holding Act Lease – Perpetual Lease (No.715653392) vested to Lessee: Matilda Gela, the beneficiary of whom is requesting ownership of the existing dwelling at 29 Lowatta Road; and
- Home ownership is also sought by entitlement holder Paul Lowatta, the beneficiary of Entitlement MS32/86 for the existing dwelling at 46 Lowatta Road.
- Lot 29 is a large residential lot containing two (2) existing structures.
- A summary of the proposed subdivision & use of the sites is as follows:

Table 1: Proposed Lots 291 & 292			
Proposed Lot	Approx. Lot Size	Existing Use	Proposed Use
291	Approx 1,686m ²	Social Housing Dwelling	Home Ownership for beneficiaries Deceased Estate of the Late Matilda Gela – Perpetual Lease (No.715653391)
292	Approx. 1,739m ²	3 bedroom Social Housing Dwelling (tenanted by Peter Lowatta)	Paul Lowatta holds a Katter lease entitlement to 46 Lowatta Road. This entitlement requires partial surrender by the beneficiaries to enable Entitlement to be granted and home ownership obtained.

Attachments

1. Attach 1 - Proposal Plan - Lot 29-46.pdf
2. Attach 2 - ROL Plan 10358-84-Lot 29.pdf
3. Attach 3 - Concurrence response 2206-29547 SRA Response with conditions.pdf

Background:

The land is subject to a Perpetual Lease and is not funded by TSIRC.

At present, there is a registered Katter lease (715653392) over all of Lot 29 SP277431. The lease commenced on 4 June 1987. The lease is held by the seven beneficiaries of the Deceased Estate of the Late Matilda Gela as published in the Certificate of Entitlement (Beneficiary Certificate) issued on 27 September 2021 under Section 60 of the Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984, all of whom hold an equal interest to the estate: Anna Ruth Kris, Bethelia Nai, Lily Elma Lena Gela, Margaret Tubau Stephen, Robert Gela, Christina Moira Gela and Leonard Francis Gela.

Paul Lowatta holds a Katter lease entitlement to 46 Lowatta Road Masig Island (part of Lot 29 SP277431). Paul Lowatta was identified as the sole beneficiary of the original applicant Dorothy Lowatta on a Certificate of Entitlement dated 24 October 2014. Granting the Katter lease to Paul Lowatta will require partial surrender of the existing registered Katter lease by the above-mentioned seven beneficiaries. This three-bedroom Social Housing Dwelling is tenanted by Peter Lowatta (son of entitlement holder).

The Trustee passed a resolution in March 2022 consenting to this development application:

9. 11:43am – 11:53am LEGAL – Masig Lot 29 – consent to development application

Mr Peter Krebs, Manager Legal Services spoke to this report.

RESOLUTION:

Move: Cr Torenzo Elisala; Second: Cr Francis Pearson

1. That the Trustee grant owner's consent to the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships in support of a development application for a Reconfiguration of Lot (1 into 2 Lots) over Lot 29 on SP277431 (29 & 46 Lowatta Road, Masig Island), on behalf of Anna Ruth Kris, Bethelia Nai, Lily Elma Lena Gela, Margaret Tubau Stephen, Robert Gela, Christina Moira Gela and Leonard Francis Gela (the beneficiaries of Land Holding Act Lease No. 715653392) and Paul Lowatta (lease entitlement holder); and

2. Authorise the Chief Executive Officer to sign the owner's consent form and, subject to local government approval, the resulting survey plans.

MOTION CARRIED UNANIMOUS

This development application is only the subdivision (new survey lines on a map), to separate the land title into two parcels with one house on each land parcel. The partial surrender of the existing Katter lease, to allow a Katter lease to be granted to Paul Lowatta, will be done through a separate process with the ATSIP Home Ownership Team, after the subdivision is finalised.

Comment:

1. REFERRAL AGENCY

The application was referred to the State Assessment and Referral Agency (SARA) for coastal purposes and the Concurrence conditions are attached.

2. ZENADTH KES TOWN PLANNING SCHEME 2016

The proposed development is reflected below:

Strategic	Township
Zone	Township
Local Plan	Masig Island
Environmental Values	Low Environmental Value area;
Potential Acid Sulphate Soils	Yes land below 5m AHD
Landslide Risk	No
Bushfire Risk	No
Coastal Management District	Yes
Erosion Prone Area	Yes
Storm Tide Inundation	Yes
Flood Hazard Area	No

Within the TSIRC Zenadth Kes Planning Scheme, the proposed development is located within the Township Zone and is subject to Code Assessment. The proposed development has been assessed against the applicable Codes:

- Township zone code
- Masig Island Local Plan Code
- Reconfiguring a Lot Code
- Infrastructure Works Code
- Water Quality and Acid Sulfate Soils Code

The subject site is zoned for urban purposes and minimises impacts upon areas identified as having Environmental Value.

3. PLANNING ISSUES

The Reconfiguration of a Lot requires planning approval.

The lots are well above the required minimum road frontage of 10m and the required minimum lot size of 300m² (where reticulated sewerage is available).

4. RECOMMENDATIONS

Based on the above, the recommendation is as follows:

That Council issue a Development Permit for 'Reconfiguration of a Lot' with the inclusion of the following conditions:

Approved Plans

1. The proposed development is to be undertaken in accordance with the following approved drawings

<i>Plan/Document Number</i>	<i>Plan/Document Name</i>	<i>Date</i>
RPS PR10358-84	Reconfiguration of a Lot - Lot 29 on SP277431 subdivided into two new lots 291 & 292 Masig (Yorke Island) Masig 1 into 2 ROL - Locality Plan	2-6-2022

subject to any alterations:

- a) found necessary by Chief Executive Officer at the time of examination of drawings or during construction of the works because of particular financial, engineering or cultural requirements and to ensure the works comply in all respects with the requirements of FNQROC Development Manual and good engineering practice; and
 - b) to comply with project specific conditions.
2. All works must be carried out in accordance with the approved plans, conditions and specifications, to the requirements and satisfaction of the Chief Executive Officer.

Potential Damage

3. Any existing Council infrastructure or private property (including but not limited to, services, kerb, concrete structures, pits, channel, pavement, footpath, RCP, RCBC, etc.) damaged due to the proposed works is to be rectified or replaced at the applicant's expense prior to the commencement of use. The applicant must notify Council immediately of the affected infrastructure.

Services

4. The applicant is responsible for the cost of any alteration to public utilities as a result of complying with conditions of this Development Permit.

Cultural Heritage

5. Torres Strait Islander cultural heritage is protected under the *Torres Strait Islander Cultural Heritage Act 2003*. This Act establishes a cultural heritage duty of care and in section 23(1) mandates that a person who carries out an activity must take all reasonable and practicable measures for ensuring activities are managed to avoid or minimise harm to Torres Strait Islander cultural heritage. The Duty of Care Guidelines gazetted pursuant to the *Aboriginal Cultural Heritage Act 2003* provide guidance on identifying and protecting cultural heritage to fulfil the duty of care.

Currency

6. This approval is valid for four (4) years. A plan of survey must be lodged with Council for endorsement within this time, otherwise the approval will lapse.

Referral Agency Conditions

7. The development must be carried out in accordance with the Referral Agency response SARA reference: 2206-29547 SRA Response with conditions dated 1 August 2022.

Report Prepared By: *RPS (Cairns) – Ian Doust*
Date Prepared: *8 August 2022*
Application reference number: *DA05-22-12(1)*

Considerations

Risk Management

Compliance: assessed as compliant.

Reputational

Nil

Council Finance

No Council funding applicable to project.

Consultation:

- Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (DSDATSIP)
- State Assessment and Referral Agency (SARA)
- Ian Doust, RPS (planning consultant)
- Supported by Cr Hilda Mosby. Cr Mosby has advised that the beneficiaries and Paul Lowatta are members of her extended family.

Links to Strategic Plans:

TSIRC Corporate Plan 2020–2025

Delivery Pillar: Sustainability

Outcome 5: We plan effectively for the future of our individual communities and region.

- 5.1: Ensure a clear and transparent Town and Master Planning process.

Operational Plan:

- LHA (Katter) lease resolution

Statutory Requirements:

Local Government Act 2009

Local Government Regulation 2012

Planning Act 2016

Aboriginal and Torres Strait Islander Land Holding Act 2013 (Qld)

Conclusion:

It is recommended that Council issue a Development Permit for Development Application DA05-22-12(1), and delegate authority to the Mayor and Chief Executive Officer each in accordance with the *Local Government Act 2009* to sign and endorse the survey plan for registration.

**Recommended & Endorsed:**

Peter Krebs

Acting Executive Director, Corporate
Services

Endorsed:

James William

Chief Executive Officer



Proposed Lots 29 and 46 – Lowatta Road, Masig Island on Lot 29 SP277431

Source: Queensland Globe

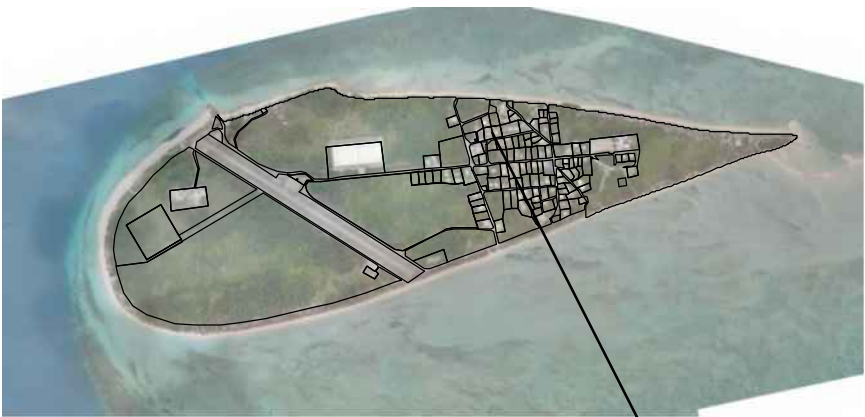
ALL DIMENSIONS, AREAS & EASEMENT LOCATIONS ARE SUBJECT TO FINAL SURVEY.

IMPORTANT NOTE

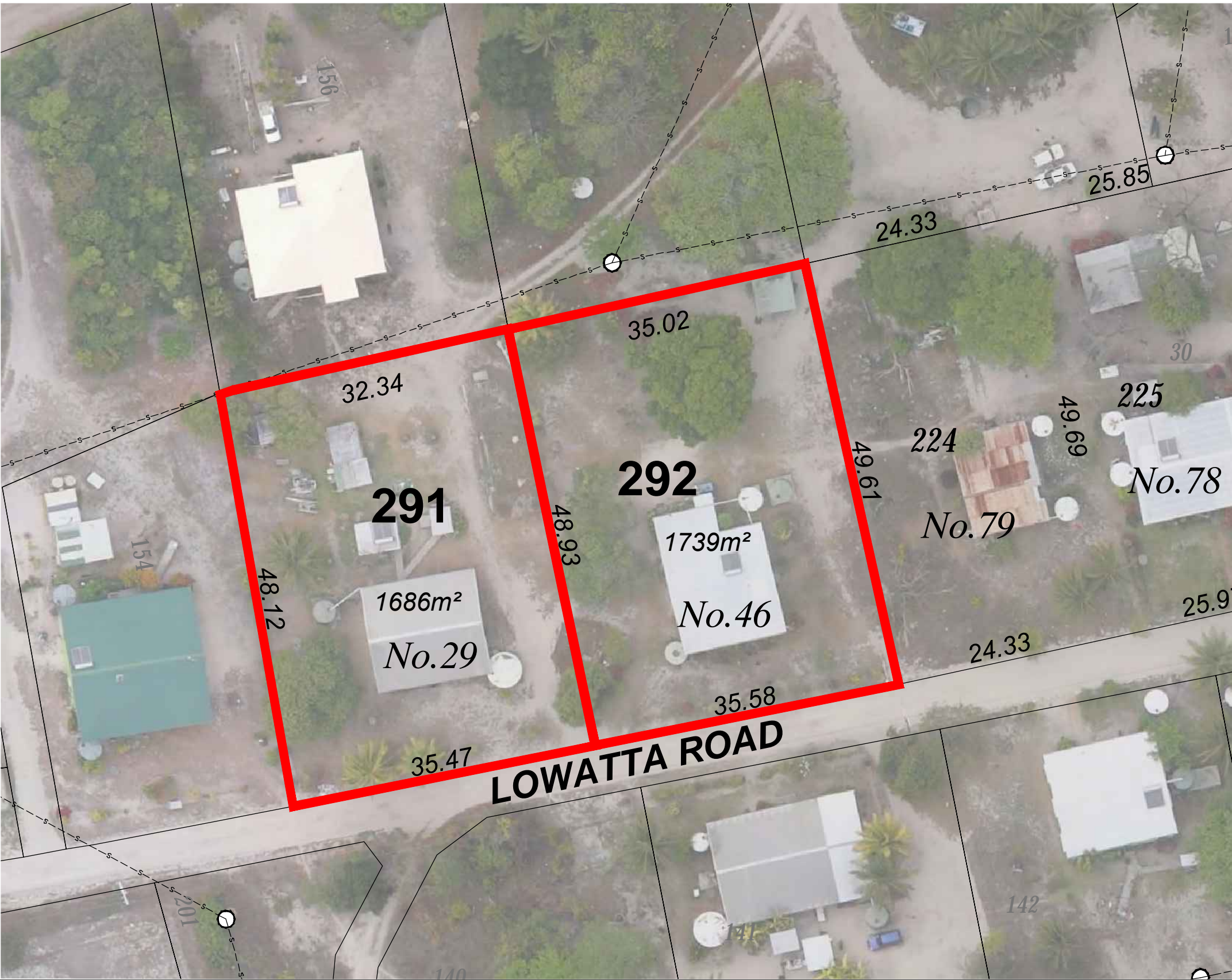
This plan was prepared as a concept plan only and accuracy of all aspects of the plan have not been verified. No reliance should be placed on the plan and RPS Australia East Pty Ltd accepts no responsibility for any loss or damage suffered howsoever arising to any person who may use or rely on this plan.

**DNRM DCDB.
DNRM AERIAL PHOTOGRAPHY.**

Based on or contains data provided by the State of Queensland (Department of Natural Resource & Mines) [2017]. In consideration of the State permitting use of this data you acknowledge and agree that the State gives no warranty in relation to the data (including accuracy, reliability, completeness, currency or suitability) and accepts no liability (including without limitation, liability in negligence) for any loss, damage or costs (including consequential damage) relating to any use of the data. Data must not be used for direct marketing or be used in breach of the privacy laws.
The aerial photography used in this plan has not been rectified. The image has been overlaid as a best fit on the boundaries shown and position is approximate only.
Photography publish date: Qld Globe 2018
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Site



MASIG DA05-22-12(1) Lot 29-46 SP277431
ROL 1 into 2 Location Plan
proposed Lots 291 & 292 cancelling Lot 29 SP277431



PRELIMINARY - FOR DISCUSSION PURPOSES ONLY

Datum: MGA94 Z55 | Scale: 1:500 @ A3 | Date: 02-06-2022 | Drawing: 10358-84

RPS Australia East Pty Ltd
ACN 140 292 762
135 Abbott St
PO Box 1949
CAIRNS QLD 4870
T +61 7 4031 1336
F +61 7 4031 2942
W rpsgroup.com





SARA reference: 2206-29547 SRA
Council reference: DA05-22-12(1) Masig Lot 29-46
Applicant reference: DA2021_031

1 August 2022

Chief Executive Officer
Torres Strait Island Regional Council
PO Box 7336
Cairns Qld 4870
info@tsirc.qld.gov.au

Attention: Ian Doust

Dear Sir/Madam

SARA response—29 and 46 Lowatta Road, Masig Island

(Referral agency response given under section 56 of the *Planning Act 2016*)

The development application described below was confirmed as properly referred by the State Assessment and Referral Agency on 27 June 2022.

Response

Outcome:	Referral agency response – with conditions.
Date of response:	1 August 2022
Conditions:	The conditions in Attachment 1 must be attached to any development approval.
Advice:	Advice to the applicant is in Attachment 2 .
Reasons:	The reasons for the referral agency response are in Attachment 3 .

Development details

Description:	Development permit	Reconfiguring a lot (1 into 2 lots)
SARA role:	Referral Agency	
SARA trigger:	Schedule 10, Part 17, Division 3, Table 5 (Planning Regulation 2017)	
	Development application for a reconfiguration of a lot (1 lot into 2 lots) within a coastal management district and erosion prone area	
SARA reference:	2206-29547 SRA	

Assessment Manager: Torres Strait Island Regional Council
Street address: 29 and 46 Lowatta Road, Masig Island
Real property description: Lot 29 on SP277431
Applicant name: Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships on behalf of the beneficiaries to the deceased estate of the late Matilda Gela being perpetual lease No: 715653392
Applicant contact details: PO Box 5461, Level 9, Cairns Corporate Tower, 15 Lake Street
Cairns QLD 4870
Gerhard.Visser@atsip.qld.gov.au

Representations

An applicant may make representations to a concurrence agency, at any time before the application is decided, about changing a matter in the referral agency response (s.30 Development Assessment Rules) Copies of the relevant provisions are in **Attachment 4**.

A copy of this response has been sent to the applicant for their information.

For further information please contact Sue Lockwood, Senior Planning Officer, on 40373214 or via email CairnsSARA@dsdilgp.qld.gov.au who will be pleased to assist.

Yours sincerely



Brett Nancarrow
A/Regional Director (North)

cc Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships,
Gerhard.Visser@atsip.qld.gov.au

enc Attachment 1 - Referral agency conditions
Attachment 2 - Advice to the applicant
Attachment 3 - Reasons for referral agency response
Attachment 4 - Representations provisions
Attachment 5 - Approved plans and specifications

Attachment 1—Referral agency conditions

(Under section 56(1)(b)(i) of the *Planning Act 2016* the following conditions must be attached to any development approval relating to this application) (Copies of the plans and specifications referenced below are found at Attachment 5)

No.	Conditions	Condition timing
Reconfiguring a lot		
Schedule 10, Part 17, Division 3, Table 5 — The chief executive administering the <i>Planning Act 2016</i> nominates the Director-General of the Department of Environment and Science to be the enforcement authority for the development to which this development approval relates for the administration and enforcement of any matter relating to the following condition(s):		
1.	<p>The reconfiguration must be undertaken generally in accordance with the following plans:</p> <ul style="list-style-type: none"> MASIG DA05-22-12(1) Lot 29-46 SP277431 ROL, 1 into 2 Location Plan proposed Lots 291 & 292 cancelling Lot 29 SP277431, prepared by RPS Australia East Pty Ltd, dated 02/06/22, Drawing Number 10358-84. 	Prior to submitting the Plan of Survey to the local government for approval.

Attachment 2—Advice to the applicant

General advice	
1.	Terms and phrases used in this document are defined in the <i>Planning Act 2016</i> its regulation or the State Development Assessment Provisions (SDAP) v3.0. If a word remains undefined it has its ordinary meaning.

Attachment 3—Reasons for referral agency response

(Given under section 56(7) of the *Planning Act 2016*)

The reasons for the department's decision are:

- The proposed development is over existing infrastructure and does not include further works.
- The proposed development maintains coastal processes and does not increase risk or impacts from coastal erosion.

Material used in the assessment of the application:

- The development application material and submitted plans
- *Planning Act 2016*
- Planning Regulation 2017
- The *State Development Assessment Provisions* (version 3.0), as published by the department
- The Development Assessment Rules
- SARA DA Mapping system
- State Planning Policy mapping system

Attachment 4—Change representation provisions

(page left intentionally blank – attached separately)

Attachment 5—Approved plans and specifications

(page left intentionally blank – attached separately)



TORRES STRAIT ISLAND REGIONAL COUNCIL

AGENDA REPORT

ORDINARY MEETING:	October 2022
DATE:	11-12 October 2022
ITEM:	Agenda Item for Resolution by Council
SUBJECT:	2021/2022 Financial Statements
AUTHOR:	Hollie Faithfull, Executive Director Financial Services

RESOLUTION

That Annual Financial Statements for the year ended 30 June 2022 be received and adopted.

PURPOSE

The purpose of this report is to present to Council the Annual Financial Statements for the year ended 30 June 2022.

BACKGROUND

Each financial year Council's financial statements must be audited per section 212 of the *Local Government Regulation 2012*. The purpose of the audit is to express opinions on the financial statements and the current year financial sustainability statement.

OFFICER COMMENT

The financial statements for the year ended 30 June 2022 have been finalised, the following points are worthy of note:

- The final net result is a deficit of \$23,481,234. Included in the final audited position is other comprehensive income of \$111,047,830 relating to the increase in asset revaluation surplus. Taking this into account the total comprehensive income for the year totals a surplus of \$87,566,596;
- In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the reporting period:
- Clearance of the Financial Statements has been received by BDO (as contract auditors for the Queensland Audit Office (QAO)) who have issued an unmodified audit opinion; and
- Audit Committee have reviewed the statements and provided their endorsement.

CONSULTATION

- External Audit
- Audit Committee
- Executive Team
- Finance Team

LINKS WITH STRATEGIC PLANS

Corporate Plan 2020-2025

- Accountability: We are reliable, honest and ethical in all that we do.
- Sustainability: We manage council affairs responsibly to the benefit of our communities.

STATUTORY REQUIREMENTS

Local Government Act 2009

Local Government Regulation 2012

CONCLUSION

Recommended that Council receives and adopted the Annual Financial Statements for the year ended 30 June 2021.

Recommended:

Hollie Faithfull

Executive Director Financial Services



Approved:

James Willam

Chief Executive Officer



ATTACHMENTS:

1. *Annual Financial Statements for the period Ended 30 June 2022*

Torres Strait Island Regional Council
Financial Statements
For the year ended 30 June 2022

Torres Strait Island Regional Council

Financial statements

For the year ended 30 June 2022

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Torres Strait Island Regional Council

Statement of Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Recurrent revenue			
Community levies, rates and charges	3(a)	1,646,091	1,408,588
Fees and charges	3(b)	4,530,560	4,456,201
Sales revenue	3(c)	18,237,100	16,061,240
Grants, subsidies, contributions and donations	3(d)	30,357,337	23,534,368
Total recurrent revenue		<u>54,771,088</u>	<u>45,460,397</u>
Capital revenue			
Grants, subsidies, contributions and donations	3(d)	34,522,666	38,526,936
Total capital revenue		<u>34,522,666</u>	<u>38,526,936</u>
Interest received	4(a)	194,259	343,374
Other income	4(b)	893,574	943,109
Rental income	4(c)	4,768,317	4,855,144
Total income		<u>95,149,904</u>	<u>90,128,960</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(26,371,018)	(26,202,353)
Materials and services	7	(31,511,033)	(32,030,242)
Finance costs	8	(3,344,130)	(2,579,252)
Depreciation and amortisation			
Property, plant and equipment	11	(46,870,661)	(46,381,515)
Intangible assets		-	(6,822)
Right of use assets	13	(658,803)	(634,424)
Total recurrent expenses		<u>(108,755,645)</u>	<u>(107,834,608)</u>
Capital expenses	5	(9,875,493)	(8,014,407)
Total expenses		<u>(118,631,138)</u>	<u>(115,849,015)</u>
Net result		<u>(23,481,234)</u>	<u>(25,720,055)</u>
Other comprehensive income			
Increase in asset revaluation surplus	11	111,047,830	32,259,079
Total other comprehensive income for the year		<u>111,047,830</u>	<u>32,259,079</u>
Total comprehensive income for the year		<u>87,566,596</u>	<u>6,539,023</u>

Torres Strait Island Regional Council

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	9	33,267,131	45,179,212
Short term deposit		66,277	66,077
Receivables	10	7,552,768	9,681,523
Inventories		322,930	257,825
Contract assets	12	11,918,277	7,787,466
Lease receivables	13	399,599	376,956
Total current assets		<u>53,526,982</u>	<u>63,349,059</u>
Non-current assets			
Lease receivables	13	10,525,433	13,143,290
Property, plant and equipment	11	993,379,581	902,394,258
Right of use assets	13	1,800,817	698,349
Total non-current assets		<u>1,005,705,831</u>	<u>916,235,897</u>
Total assets		<u>1,059,232,813</u>	<u>979,584,956</u>
Current liabilities			
Payables	14	8,290,124	10,202,651
Borrowings		-	36,210
Provisions	15	8,699,940	6,954,834
Contract liabilities	12	13,358,149	21,304,105
Lease liabilities	13	621,912	649,789
Total current liabilities		<u>30,970,125</u>	<u>39,147,589</u>
Non-current liabilities			
Provisions	15	3,788,675	4,706,798
Lease liabilities	13	1,237,832	60,985
Total non-current liabilities		<u>5,026,507</u>	<u>4,767,783</u>
Total liabilities		<u>35,996,632</u>	<u>43,915,372</u>
Net community assets		<u>1,023,236,180</u>	<u>935,669,584</u>
Community equity			
Asset revaluation surplus	11	625,628,853	514,581,023
Retained surplus		397,607,327	421,088,561
Total community equity		<u>1,023,236,180</u>	<u>935,669,584</u>

The above statement should be read in conjunction with the accompanying notes.

Torres Strait Island Regional Council
Statement of Changes in Equity
For the year ended 30 June 2022

	Asset revaluation surplus	Retained surplus	Total
	\$	\$	\$
Balance as at 1 July 2021	514,581,023	421,088,561	935,669,584
Net result	-	(23,481,234)	(23,481,234)
Other comprehensive income for the year			
Increase in asset revaluation surplus	111,047,830	-	111,047,830
Total comprehensive income for the year	111,047,830	(23,481,234)	87,566,596
Balance as at 30 June 2022	625,628,853	397,607,327	1,023,236,180
Balance as at 1 July 2020	482,321,944	446,808,616	929,130,560
Net result	-	(25,720,055)	(25,720,055)
Other comprehensive income for the year			
Increase in asset revaluation surplus	32,259,079	-	32,259,079
Total comprehensive income for the year	32,259,079	(25,720,055)	6,539,023
Balance as at 30 June 2021	514,581,023	421,088,561	935,669,584

The above statement should be read in conjunction with the accompanying notes.

Torres Strait Island Regional Council

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		32,377,041	22,778,944
Payments to suppliers and employees		(62,016,834)	(55,206,959)
		(29,639,793)	(32,428,015)
Interest received		179,171	343,374
Recurrent grants and contributions		31,866,346	23,534,368
Borrowing costs		(22,020)	(104,851)
Net cash inflow (outflow) from operating activities	19	<u>2,383,705</u>	<u>(8,655,123)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(35,176,782)	(32,870,961)
Proceeds from sale of property, plant and equipment		-	1,559
Proceeds from insurance claims		-	7,596
Finance lease receipts		376,956	370,578
Capital grants, subsidies, contributions and donations		21,182,346	34,263,728
Net cash inflow (outflow) from investing activities		<u>(13,617,480)</u>	<u>1,772,500</u>
Cash flows from financing activities			
Repayment of borrowings		(36,210)	(68,539)
Repayments made on leases (principal only)		(642,095)	(632,701)
Net cash inflow (outflow) from financing activities		<u>(678,305)</u>	<u>(701,240)</u>
Net increase (decrease) in cash and cash equivalents held		(11,912,080)	(7,583,863)
Cash and cash equivalents at the beginning of the financial year		45,179,212	52,763,075
Cash and cash equivalents at the end of the financial year	9	<u>33,267,132</u>	<u>45,179,212</u>

The above statement should be read in conjunction with the accompanying notes.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

1 Information about the financial statements

1.A Basis of preparation

The Torres Strait Island Regional Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2021 to 30 June 2022 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment. The Council uses the Australian dollar as its functional currency, its presentation currency and rounds to the nearest dollar.

The income of local government and public authorities is exempt from income tax. However Council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST'). The net amount of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and interpretations as applicable to not-for-profit entities.

Comparative information is prepared on the same basis as the prior financial year.

1.B Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.C New and revised Accounting Standards adopted during the year

Council has adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021. The standards did not have a material impact on reported position, performance and cash flows of Council.

1.D Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022. These standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a material impact for Council then further information has been provided in this note.

No standard issued by the AASB which is not yet effective is expected to have a material impact for Council.

1.E Critical accounting judgements and key sources of estimation uncertainty

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

- Revenue recognition - Note 3
- Valuation and depreciation of property, plant and equipment - Note 11
- Leases - Note 13
- Provisions - Note 15
- Contingent liabilities - Note 17
- Financial instruments and financial risk management - Note 22

1.F Impact of COVID-19 on the financial statements as at 30 June 2022

Council has performed an assessment of the impact of COVID-19 on its operations and results for the financial year and assessed that it has not had a material impact. The impacts identified are considered limited to some additional cleaning costs and some minor delays in completion of capital and maintenance works due to the impact of lockdowns and travel restrictions in place at different points during the financial year however the cumulative impact is not considered material to the financial statements. Council has some anecdotal evidence that the cost of various materials and services has increased as a result of the pandemic however it is not considered possible to quantify this impact.

Given the evolving circumstances of the pandemic within Australia, the ongoing impact on Council cannot be reliably estimated for future financial periods.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

2 Analysis of results by function

(a) Components of Council functions

The activities relating to the Council's components reported in Note 2(b) are as follows :

Executive Services

The core functions of Executive Services include management of the Office of the Mayor and Office of the CEO, facilitations of Council and Committee meetings, executive administration and internal audit.

Engineering Services

Engineering Services provides a high level of services in integrated infrastructure management which ensures environmental protection and meets community expectations. The outcomes achieved by Engineering Services are linked with Council's commitment to public health, transport, water and wastewater infrastructure. The core functions include water services, wastewater services, civil works services, waste services and fuel and fleet.

Health and Community Services

The objective of the Health and Community Services function is to develop, manage and deliver community and public health services that meet the needs of all sectors of the community. The core functions includes community services, housing services, environmental health services, health and wellbeing services and divisional administrative services.

Building Services

The objective of the Building Services function is to provide repairs and maintenance on social housing and new construction on behalf of the State and Federal Government.

Financial Services

Financial Services (previously known as business services) provides professional financial management and advisory services to Council. The core functions include financial accounting, management accounting, procurement and strategic asset management services.

Corporate Services

Corporate Services is responsible for the provision of Council-wide services. The core functions include legal services, governance, strategic (corporate) planning, human resources, WH&S, information technology services, corporate risk and insurance, media, engagement and advocacy and enterprise development.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

2 Analysis of results by function (continued)

(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2022

Functions	Gross program income						Total Income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent			Capital				Recurrent	Capital					
	Grants	Other	\$	\$	\$	\$								
Executive Services	546,200	-	-	-	-	546,200	2,978,319	-	32,488	3,010,807	(2,432,119)	(2,464,607)	2,623,552	
Health and Community Services	3,779,576	9,089,785	4,586,071	-	-	17,455,432	34,317,210	-	3,826,540	38,143,749	(21,447,849)	(20,688,318)	401,048,628	
Engineering Services	1,963,704	5,177,558	29,353,579	-	-	36,494,841	42,386,856	-	406,697	42,793,553	(35,245,594)	(6,298,712)	589,707,401	
Building Services	-	15,660,783	428,308	-	-	16,089,091	13,152,441	-	(491,302)	12,661,139	2,508,342	3,427,951	-	
Corporate Services	48,567	135,041	-	-	-	183,608	4,975,544	-	(105,012)	4,870,532	(4,791,936)	(4,686,924)	-	
Financial Services*	24,019,290	206,734	154,708	-	-	24,380,733	10,945,275	9,875,493	(3,669,410)	17,151,358	13,280,750	7,229,375	65,853,232	
Total Council	30,357,337	30,269,901	34,522,666	-	-	95,149,904	108,755,645	9,875,493	-	118,631,138	(48,128,407)	(23,481,234)	1,059,232,813	

Year ended 30 June 2021

Functions	Gross program income					Total income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent		Capital				Recurrent	Capital					
	Grants	Other	Grants	Other	Grants								
Executive Services	546,200	312,789	413,450	-	-	1,272,439	7,510,065	-	133,941	7,644,006	(6,651,076)	(6,371,567)	2,559,563
Health and Community Services	3,893,070	10,617,193	4,379,685	-	-	18,889,949	35,213,663	-	3,648,845	38,862,507	(20,703,399)	(19,972,559)	355,230,886
Engineering Services	895,545	3,223,404	25,531,621	-	-	29,650,570	37,499,934	-	764,242	38,264,176	(33,380,984)	(8,613,606)	524,872,497
Building Services	-	13,477,041	3,324,658	-	-	16,801,698	14,085,841	-	(925,806)	13,160,034	(608,800)	3,641,664	-
Corporate Services	200,647	6,000	47,006	-	-	253,653	1,332,236	-	7,639	1,339,875	(1,125,589)	(1,086,222)	-
Financial Services*	17,998,906	431,227	4,830,517	-	-	23,260,650	12,192,868	8,014,407	(3,628,860)	16,578,415	6,237,265	6,682,234	96,922,011
Total Council	23,534,368	28,067,654	38,526,936	-	-	90,128,959	107,834,806	8,014,407	-	115,849,013	(56,232,584)	(25,720,055)	979,584,956

*Business Services was renamed to Financial Services

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

3 Revenue

(a) Community levies, rates and charges

Community levies, rates and annual charges are recognised as revenue when Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

	2022 \$	2021 \$
Water charges commercial	354,682	327,581
Sewerage charges commercial	999,872	853,517
Garbage charges commercial	226,785	168,453
Rates from 40 year leases	64,752	59,037
	<u>1,646,091</u>	<u>1,408,588</u>

(b) Fees and charges

Council provides a range of goods and services to the community and other third parties for a fee. These fees are set in a fees and charges register adopted by Council at the annual budget meeting. Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods or services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

	2022 \$	2021 \$
Airport landing fees	463,621	396,927
Commercial property rental	2,360,925	2,522,658
Maritime fees	1,549,008	1,350,855
Hire of Council buildings	85,500	88,840
Other fees and charges	71,506	96,921
	<u>4,530,560</u>	<u>4,456,201</u>

Timing of revenue recognition for fees and charges

	2022		2021	
	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time
Fees and charges	2,360,925	2,169,635	2,522,658	1,933,543
	<u>2,360,925</u>	<u>2,169,635</u>	<u>2,522,658</u>	<u>1,933,543</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

3 Revenue (continued)

(c) Sales revenue

Council provides a range of goods and services to the community and other third parties for a fee. These fees are set in a fees and charges register adopted by Council at the annual budget meeting. Revenue is recognised at a point in time when the customer obtains control of the goods or services, generally when the customer has taken undisputed delivery of the goods or provision of service.

Revenue from contract and recoverable works generally comprises a recoupment of material costs together with an hourly charge for the use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end.

	2022	2021
	\$	\$
Contract and recoverable works	15,643,151	13,477,040
Plant and equipment hire	95,440	68,897
Childcare services	114,068	141,084
Accommodation	776,496	787,527
Sale of fuel and gas	1,330,121	1,283,743
Sale of powercards	277,824	302,948
	<u>18,237,100</u>	<u>16,061,240</u>

Timing of revenue recognition for sales

	2022		2021	
	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time
Sales revenue	16,629,154	1,607,946	14,474,548	1,586,692
	<u>16,629,154</u>	<u>1,607,946</u>	<u>14,474,548</u>	<u>1,586,692</u>

(d) Grants, subsidies, contributions and donations

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

The performance obligations vary in each agreement but include salaried positions and specific travel in relation to those positions. Payment terms vary depending on the terms of the grant. Cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be performance obligations where control transfers at a point in time and others where there is continuous transfer of control over the life of the contract.

Where control is transferred over time, revenue is recognised using either costs or time incurred.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

3 Revenue (continued)

(d) Grants, subsidies, contributions and donations (continued)

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the fair value when the assets are received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which are enforceable are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Donations and contributions

When assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the Council.

Donations and contributions are generally recognised on receipt of the assets since there are no performance obligations.

	2022	2021
	\$	\$
Operating		
General purpose grants	17,037,694	11,030,037
State Government subsidies and grants	11,293,883	10,630,254
Commonwealth Government subsidies and grants	2,025,760	1,874,077
	<u>30,357,337</u>	<u>23,534,368</u>

Capital

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets.

State Government subsidies and grants	34,130,779	30,579,614
Commonwealth Government subsidies and grants	391,887	3,363,949
Contributed assets	-	4,583,373
	<u>34,522,666</u>	<u>38,526,936</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

3 Revenue (continued)

(d) Grants, subsidies, contributions and donations (continued)

Timing of revenue recognition for grants, subsidies, contributions and donations

	2022		2021	
	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time
	\$	\$	\$	\$
Grants and subsidies	35,619,940	29,260,062	35,317,719	22,160,214
Contributions	-	-	-	4,583,373
	<u>35,619,940</u>	<u>29,260,062</u>	<u>35,317,719</u>	<u>26,743,587</u>

4 Interest and other income

Note

2022

2021

\$

\$

(a) Interest received

Interest received from bank and term deposits is accrued over the term of the investment.

Interest received from financial institutions

194,259

343,374

194,259

343,374

(b) Other income

Other income is recognised on receipt. Gains (losses) on revaluation of finance leases is a non-cash adjustment.

Insurance claims received

530

66,318

Commission income

514,256

470,240

Other revenue

377,783

406,551

Gain on disposal of finance lease

1,005

-

893,574

943,109

(c) Rental income

Rental revenue from community housing is recognised as income as rent is received.

Residential property rental income

4,768,317

4,855,144

4,768,317

4,855,144

Council currently holds a social welfare housing portfolio and these buildings are held to meet service delivery objectives, rather than to earn rental income or for capital appreciation purposes.

As the buildings held by Council do not meet the definition of investment property, these buildings are accounted for in accordance with AASB 16 *Property, Plant and Equipment*.

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2022

5 Capital expenses	Note	2022	2021
		\$	\$
Loss on disposal of non-current assets			
Book value of property, plant and equipment disposed		3,953,820	3,509,132
Less: Proceeds from the sale of property, plant and equipment		-	(1,559)
Less: Proceeds from insurance claims		-	(7,596)
		<u>3,953,820</u>	<u>3,499,977</u>
Loss on disposal of registered <i>Land Holding Act</i> leases			
Book value of property, plant and equipment		5,921,673	4,514,430
		<u>5,921,673</u>	<u>4,514,430</u>
		<u>9,875,493</u>	<u>8,014,407</u>
6 Employee benefits			
Employee benefit expenses are recorded when the service has been provided by the employee.			
Staff wages and salaries		19,237,121	19,322,848
Councillors' remuneration		1,040,209	1,016,537
Annual, sick and long service leave entitlements		4,022,360	4,137,760
Superannuation	18	2,547,323	2,507,633
		<u>26,847,013</u>	<u>26,984,777</u>
Other employee related expenses		254,841	220,077
		<u>27,101,854</u>	<u>27,204,855</u>
Less: Capitalised employee expenses		(730,836)	(1,002,502)
		<u>26,371,018</u>	<u>26,202,353</u>
Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.			
		2022	2021
Total Council employees at the reporting date:			
Elected members		16	16
Administration staff		324	335
Total full time equivalent employees		<u>340</u>	<u>351</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

7 Materials and services	Note	2022 \$	2021 \$
Expenses are recorded on an accruals basis as Council receives the goods or services.			
Advertising and marketing		38,543	50,785
Audit services		194,500	222,344
Communications and IT		1,588,484	1,723,207
Consultants		993,289	871,809
Contractors		7,063,232	9,717,528
Donations paid		325,678	274,415
Freight		1,180,572	798,556
Insurance		4,455,059	4,174,281
Legal fees		281,178	594,862
Materials - carpentry, plumbing, electrical		1,759,336	791,328
Motor vehicle expenses		2,194,819	986,982
Other materials and services		1,686,323	2,170,972
Power		984,779	1,406,172
Powercards, fuel and gas for resale		2,605,103	2,647,069
Rent paid		148,606	79,525
Repairs and maintenance		3,575,103	1,932,126
Subscriptions and registrations		98,664	175,988
Supplies and consumables		329,094	566,335
Temporary staff costs		464,281	444,276
Travel		1,810,973	2,527,145
Less: Expenses capitalised		(266,583)	(125,462)
		<u>31,511,033</u>	<u>32,030,242</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$194,500 (2020-21: \$194,500)

8 Finance costs

Finance costs charged by Queensland Treasury Corporation		674	6,286
Bank charges		91,144	113,156
Impairment of receivables / (reversal) of impairment		377,198	(722,042)
Refuse restoration		626,058	1,966,316
Interest on leases	13	30,798	20,514
Loss on revaluation of of finance leases	13	2,218,258	1,195,022
		<u>3,344,130</u>	<u>2,579,252</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

9 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Council's cash at bank and term deposits are held with National Australia Bank on normal terms. The bank currently has a short term credit rating of A-1+ and long term rating of AA-. Deposits at call are held with the Queensland Treasury Corporation.

	Note	2022 \$	2021 \$
Cash at bank		5,433,366	5,853,960
Deposits at call		27,833,765	39,325,252
Balance per Statement of Cash Flows		<u>33,267,131</u>	<u>45,179,212</u>

(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent government grants and subsidies	13,358,148	21,476,396
Total externally imposed restrictions on cash assets	<u>13,358,148</u>	<u>21,476,396</u>

(ii) Internal allocations of cash at the reporting date:

Funds set aside and held in reserves for DOGIT land	2,236,034	1,740,241
Total internally allocated cash assets	<u>2,236,034</u>	<u>1,740,241</u>

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities:

Island funeral funds	246,598	254,003
Church funds	9,781	9,780
Other community funds	51,989	51,732
	<u>308,368</u>	<u>315,515</u>

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds relating to island funeral funds, church funds and other community funds. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

Funds held in trust by outside parties

DFK Kidsons holding funds for the Major Infrastructure and Other Program	26,660,691	33,588,348
	<u>26,660,691</u>	<u>33,588,348</u>

The Major Infrastructure and Other Program is jointly funded by the Australian and Queensland Governments to deliver and upgrade major infrastructure capital works in the Torres Strait. DFK Kidsons holds funds for multiple councils in regards to the Major Infrastructure and Other Program. The amount disclosed above relates to Torres Strait Island Regional Council's portion of the funds. Infrastructure assets are not recognised by the Council until they have reached completion.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

10 Receivables

Receivables are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. Council actively pursues outstanding housing debts from both current and former tenants as per its Rental Debt Policy. Recovery action is undertaken for tenants who are more than 14 days in arrears. Housing Officers review rent accounts fortnightly and make contact with tenants in person to negotiate affordable rent and arrears payment plans. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

	2022	2021
	\$	\$
Current		
Receivable - Housing	13,087,441	13,350,660
Less impairment	(12,604,082)	(12,552,822)
Receivable - Rates	567,020	470,816
Less impairment	(323,108)	(235,408)
Receivable - Other	3,227,173	3,139,750
Less impairment	(180,023)	(213,415)
	<u>3,774,421</u>	<u>3,959,581</u>
Accrued revenue	2,881,054	5,095,702
Prepayments	469,927	225,303
GST receivable	427,366	400,936
	<u>7,552,768</u>	<u>9,681,522</u>

Movement in accumulated impairment losses is as follows.

Opening balance at 1 July	13,001,646	13,694,388
Less: Debts written off during the year	(271,630)	(107,351)
Reverse prior year debts offset against receivables	-	136,652
Additional impairments recognised	377,198	669,323
Less: Impairments reversed	-	(1,391,366)
Closing balance at 30 June	<u>13,107,213</u>	<u>13,001,646</u>

Council assesses credit risk before providing goods or services and applies normal business credit protection to minimise the risk.

Council does not require collateral in respect of trade and other receivables. Council does not have trade receivables for which no loss allowance is recognised because of collateral.

The exposure to credit risk for trade receivables by type of counterparty was as follows:

Housing charges	13,087,441	13,350,660
Government entities	2,510,807	2,329,891
Utility charges	567,020	470,816
Other	716,366	1,253,134
Total	<u>16,881,634</u>	<u>17,404,501</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

10 Receivables (continued)

Expected credit loss assessment

Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Loss rates are based on actual credit loss experience over the past ten years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Council's view of economic conditions over the expected lives of the receivables.

For housing receivables this rate ranges from 10% - 97% depending on the aging of the debt (2020/21: 10% - 95%). In relation to other receivables, this rate ranges from 0.28% - 51% depending on the aging of the debt (2020/21: 0.31% - 80%)

2022

Aging	Closing Balance 30 June 2022 \$	Historical Probability of default	Loss given default	Lifetime Expected Credit Loss \$
Housing				
Current	120,072	10.00%	100%	12,007
1-30 days	48,165	96.00%	100%	46,238
31-60 days	46,117	96.00%	100%	44,272
61+ days	12,873,088	97.11%	100%	12,501,565
	<u>13,087,441</u>			<u>12,604,082</u>

Other Debtors

Current	2,242,553	0.28%	100%	6,389
1-30 days	302,933	3.82%	100%	11,586
31-60 days	312,988	2.04%	100%	6,399
61+ days	935,719	51.16%	100%	478,757
	<u>3,794,194</u>			<u>503,131</u>

2021

Aging	Closing Balance 30 June 2021 \$	Historical Probability of default	Loss given default	Lifetime Expected Credit Loss \$
Housing				
Current	153,300	10.00%	100%	15,330
1-30 days	60,348	95.00%	100%	57,330
31-60 days	71,614	95.00%	100%	68,034
61+ days	13,065,397	95.00%	100%	12,412,128
	<u>13,350,660</u>			<u>12,552,822</u>

Other Debtors

Current	2,144,609	0.31%	100%	6,728
1-30 days	333,816	1.83%	100%	6,117
31-60 days	16,298	80.20%	100%	13,072
61+ days	1,115,843	37.90%	100%	422,907
	<u>3,610,566</u>			<u>448,823</u>

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2022

11 Property, plant and equipment

Council - 30 June 2022

Basis of measurement

Asset values
Opening gross value as at 1 July 2021
Additions
Assets capitalised from work in progress
Disposals
Revaluation adjustment to asset revaluation surplus
Closing gross value as at 30 June 2022

	Buildings (Communities)	Buildings (Corporate)	Recreational Facilities	Transport Network	Stormwater Drainage Network	Flood Mitigation Network	Water	Wastewater	Marine Infrastructure	Waste	Land	Plant & Equipment	Work in progress	Total
	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	580,834,044	111,387,246	27,371,220	289,420,578	14,301,419	37,645,329	246,868,617	207,501,593	50,860,398	2,761,752	2,559,563	8,948,492	36,430,143	1,675,916,394
														36,683,646
														(13,252,165)
														(377,099)
														(956,831)
														552,350
														63,989
														288,278,971
														54,831,028
														3,314,102
														2,623,552
														9,325,591
														59,861,625
														1,809,840,109
														(27,621,318)
														224,659,387
														1,909,840,109

Accumulated depreciation and impairment

Opening balance as at 1 July 2021
Depreciation provided in period
Revaluation adjustment to asset revaluation surplus
Depreciation/impairment on disposals
Accumulated depreciation as at 30 June 2022

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Book value as at 30 June 2022

Range of estimated useful life in years

Additions comprise:

Renewals
Other additions
Total additions

	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
3,798,059	754,080	-	110,702	-	-	1,330,073	2,108,624	782,458	-	-	-	-	-	8,884,006
1,185,478	241,719	70,515	487,900	-	-	2,034,207	-	-	-	-	-	377,099	-	4,369,158
4,984,477	895,810	70,815	578,602	-	-	3,354,280	2,108,624	782,458	-	-	-	377,099	-	13,252,165

Asset revaluation surplus

Opening balance as at 1 July 2021
Movements - Revaluation
Movements - Impairments
Closing balance as at 30 June 2022

	Buildings (Communities)	Buildings (Corporate)	Recreational Facilities	Transport Network	Stormwater Drainage Network	Flood Mitigation Network	Water	Wastewater	Marine Infrastructure	Waste	Land	Plant & Equipment	Work in progress	Total
	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost	\$
155,466,097	24,316,623	7,112,361	133,085,777	3,892,607	3,053,543	70,096,797	101,062,170	16,144,051	242,868	117,428	-	-	-	514,561,023
53,678,777	9,102,380	2,016,480	14,032,307	699,236	2,345,765	11,602,381	13,845,210	3,222,862	238,443	63,989	-	-	-	111,047,890
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
209,344,874	33,419,003	9,128,841	147,118,085	4,591,843	5,398,308	81,699,178	114,897,380	19,367,513	481,411	181,417	-	-	-	626,628,853

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2022

11 Property, plant and equipment (continued)

Council - 30 June 2021

Basis of measurement	Buildings (Communities)	Buildings (Corporate)	Recreational Facilities	Road / Transport Network	Stormwater Drainage Network	Flood Mitigation Network	Water Supply Network	Sewerage Network	Wharves, Piers, Jettye & Pontoons	Waste Landfill	Land Assets	Plant & Equipment	Work in progress	Total
	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost	\$
Asset values	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2020	566,467,014	107,007,405	28,337,950	277,703,600	13,784,500	36,284,654	235,788,764	258,369,240	46,022,070	2,664,300	2,497,135	8,747,774	14,242,014	1,886,866,640
Additions	-	-	-	-	-	-	-	914,932	-	-	-	-	32,870,109	32,870,109
Capital contributions	4,675,294	542,085	-	1,195,944	-	-	3,668,441	296,642	-	-	-	478,424	(10,661,980)	4,583,373
Assets capitalised from work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment from work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	(12,538,451)	(467,569)	-	(761,230)	-	-	(5,095,911)	(1,947,743)	-	-	-	(277,706)	-	(21,108,600)
Revaluation adjustment to asset revaluation surplus	22,230,187	4,235,335	1,033,270	10,302,084	516,919	1,360,675	9,081,892	9,868,522	1,838,328	97,452	62,428	-	-	60,606,870
Closing gross value as at 30 June 2021	580,834,044	111,387,246	27,371,220	288,420,578	14,301,419	37,645,329	246,896,611	267,501,593	50,860,398	2,761,752	2,559,563	8,948,492	36,430,143	1,875,818,384

Accumulated depreciation and impairment

Opening balance as at 1 July 2020	264,161,082	54,698,440	14,732,450	109,817,883	5,288,780	7,933,205	116,310,329	112,008,689	19,538,617	1,232,037	-	6,220,486	-	711,880,018
Depreciation provided in period	18,567,384	4,156,475	951,061	5,005,352	278,375	875,851	7,473,017	7,123,718	1,071,968	159,197	-	718,457	-	46,361,515
Revaluation adjustment to asset revaluation surplus	11,022,502	2,302,757	607,516	4,167,488	209,143	330,340	4,569,578	4,269,028	772,897	46,529	-	-	-	26,347,791
Impairment adjustment to asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment previously recorded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation/impairment on disposals	(6,507,138)	(253,505)	-	(714,131)	-	-	(3,381,081)	(1,837,783)	-	-	-	(275,569)	-	(13,085,186)
Accumulated depreciation as at 30 June 2021	287,223,830	60,835,167	16,301,627	118,266,502	5,786,298	9,130,395	124,961,844	121,493,743	21,393,482	1,437,763	-	6,663,384	-	773,524,138

Book value as at 30 June 2021

Range of estimated useful life in years	15 - 50	10 - 60	5 - 50	10 - 100	47 - 53	10 - 50	3 - 60	5 - 100	10 - 50	15 - 25	Land Not Depreciated	1 - 25	WIP Not Depreciated	
	293,610,214	50,551,079	11,088,593	170,123,976	8,515,121	28,505,933	121,934,773	146,007,550	29,476,916	1,323,989	2,559,693	2,285,108	36,430,143	902,394,258

Additions comprise:

Renewals	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other additions	3,578,705	514,005	-	761,230	-	-	6,700,539	1,211,574	-	-	-	280,355	-	13,158,408
Total additions	1,098,989	25,050	-	474,714	-	-	371,513	-	-	-	-	198,069	-	2,108,945
	4,675,294	542,055	-	1,195,944	-	-	7,192,052	1,211,574	-	-	-	478,424	-	15,265,353

Asset revaluation surplus

Opening balance as at 1 July 2020	144,258,411	22,384,046	6,888,607	126,971,212	3,584,832	2,023,208	85,904,694	95,482,678	15,078,220	182,046	55,000	-	-	482,321,944
Movements - Revaluation	11,207,685	1,932,578	425,754	6,114,565	307,775	1,030,335	4,582,113	5,569,492	1,065,431	50,823	62,428	-	-	32,259,079
Movements - Impairments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June 2021	155,466,097	24,316,623	7,112,361	133,085,777	3,892,607	3,053,543	10,096,797	101,052,170	16,144,651	242,968	117,428	-	-	514,581,023

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(a) Recognition

Each class of property, plant and equipment is stated at cost or fair value, less where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment, infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

By operation of the *Local Government Act 2009*, *Torres Strait Islander Land Act 1991* and *Land Act 1994*, Council retains ownership of the below classes of property, plant and equipment. This includes leasehold and licensed assets on Mer Island and Badu Island.

Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Property, plant and equipment received in the form of contributions are recognised as assets and revenues at cost as supplied by the contributor entity, where that value exceeds the recognition threshold for the respective asset class.

Capital and operating expenditure

Wages, materials expenditure and an appropriate portion of direct costs for the acquisition or construction of assets is treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset are expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

(b) Measurement

All asset classes excluding plant and equipment and work in progress (WIP) are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. Plant and equipment and WIP are measured at amortised cost.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(c) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Depreciation methods and estimated useful lives of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the 5 yearly full valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in the tables earlier in this note.

(d) Land under roads

Torres Strait Island Regional Council does not control any land under roads. Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. This land is not recognised in these financial statements.

(e) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(f) Deed of Grant in Trust land

The Council is located on land assigned to it under various Deeds of Grant in Trust (DOGIT) held under the *Torres Strait Islander Land Act 1991* (Qld) (TSILA), *Aboriginal Land Act 1991* (Qld) and the *Land Act 1994* (Qld). The land comprises an area of approximately 483.6 square kilometres, across the following Islands:

- Boigu Island
- Dauan Island
- Erub Island
- Hammond Island
- Iama Island
- Moa Island (comprising two DOGITs of St Paul's and Kubin communities)
- Mabuiag Island
- Poruma Island
- Saibai Island
- Ugar Island
- Warraber Island
- Masig Island

The land is administered by the Department of Natural Resources, Mines and Energy and the Council has restricted use of this land for the benefit of islander inhabitants. The DOGIT land has not been taken up in Council's asset register as it cannot be reliably measured.

The reserve land for Mer Island was managed by the Department of Communities, Child Safety and Disabilities Services until 14 December 2012. On 14 December 2012 Mer Gedkem Le (Torres Strait Islanders) Corporation RNTBC became the trustee of Torres Strait Islander land under the TSILA in communal freehold of Mer Island. The Corporation is trustee for the Native Title Holders.

The DOGIT land for Badu Island was administered by Council in the capacity as trustee until 1 February 2014. On 1 February 2014, Mura Badulgal (Torres Strait Islanders) Corporation RNTBC became the trustee of Torres Strait Islander land under the TSILA in communal freehold of Badu Island. The Corporation is trustee for the Native Title Holders.

Essential service buildings and infrastructure on Badu Island and Mer Island are leased by Council for the terms of 5 years, 30 years and 99 years at agreed values.

The relevant leased assets are still reported as assets of the Council; land is not reported; nominal rental is paid for the majority of assets and they have not been classified as leases as assets were originally constructed by Council, and recorded as such prior to the change in land arrangements. No lease liability has been recognised in the financial statements for the leases, with the exception of the former child care centre, one staff residence and one contractor camp on Badu Island, for which future commitments are \$77,410 over two years.

Pursuant to the terms and conditions of the respective leases, it is intended that the Council continue to maintain these assets for the benefit of the community, as Council possesses the necessary skills and knowledge to best utilise these assets.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(g) Valuation

(i) Valuation processes

In accordance with AASB 13, fair value measurements are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets (level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset (level 2)
- Fair value based on unobservable inputs for the asset (level 3)

All of Council's property, plant and equipment measured at fair value at reporting date is categorised at level 2 or 3. Council does not have any assets measured at fair value which meet the criteria for categorisation as level 1.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

Council measures and recognises assets in all asset classes relating to property plant and equipment, other than plant and equipment and WIP, at fair value on a recurring basis.

All asset classes carried at fair value were last comprehensively valued as at 30 June 2020.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of assets does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council engages independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, disposals and changes in methodology such as useful life and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes. These indices are then reviewed by Asset Class Managers and Executives to ensure accuracy of these indices for Council.

Council's property, plant and equipment valuation policies and procedures are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Management prepares a report for the Audit Committee's review and endorsement.

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(g) Valuation (continued)

(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	FV hierarchy	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Interim valuation approach
Buildings (Communities)	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates developed from building projects completed in the Torres Strait and supplemented by published cost guides including the Rawlinsons Construction Cost Guide and Cordell Cost Guide. Allowances are made for the remote locality of the assets. Accumulated depreciation Componentisation - Structure, Site Improvements, Roof, and Fixtures and Fittings Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 20% index which when applied increased fair value by \$53,878,777
Buildings (Corporate) 2022: \$1,910,265 2021: \$1,692,585	Market approach	Level 2	30/06/2020	Jones Lang Lasalle	Comparable transactions of industrial properties within the Cairns market, adjusted for differences in key attributes such as size of improvements, functionality and condition.	Desktop valuation performed in 2022 resulting in a 20% index which when applied increased fair value by \$285,509
Buildings (Corporate) 2022: \$53,765,386 2021: \$48,568,495	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates developed from building projects completed in the Torres Strait and benchmarked against cost estimate publication. Allowances are made for the remote locality of the assets Accumulated depreciation Componentisation - Substructure, superstructure, roof, internal fabric, internal service, external services, site improvements, and furniture and fittings. Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 20% index which when applied increased fair value by \$8,616,871
Recreational Facilities	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates developed from building projects completed in the Torres Strait and benchmarked against cost estimate publications. Allowances are made for the remote locality of the assets Accumulated depreciation Componentisation - Substructure, superstructure, roof, internal fabric, internal service, external services, site improvements, and furniture and fittings. Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 20% index which when applied increased fair value by \$2,016,480
Transport Network	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based on in-house project costs, sub-contractor and head contractor project costs and benchmarked against cost estimate publications. Locality adjustments are also applied. Accumulated depreciation Segmentation - high level, between intersections Componentisation - formation, pavement, seal and kerb and channel Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 8.5% index which when applied increased fair value by \$14,032,307

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(g) Valuation (continued)

(ii) Valuation techniques used to derive fair values (continued)

Asset class and fair value hierarchy	Valuation approach	FV hierarchy	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Interim valuation approach
Stormwater Drainage Network	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based cost estimate publications including Rawlinsons Construction Cost Guide and Cordell Cost Guide. Locality adjustments are also applied. Accumulated depreciation Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 8.5% index which when applied increased fair value by \$699,236
Flood Mitigation Network	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based cost estimate publications including Rawlinsons Construction Cost Guide and Cordell Cost Guide. Locality adjustments are also applied. Accumulated depreciation Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 8.5% index which when applied increased fair value by \$2,345,765
Water	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based on in-house project costs, sub-contractor and head contractor project costs and benchmarked against cost estimate publications. Locality adjustments are also applied. Accumulated depreciation Componentisation - electrical, mechanical and civil. Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 10% index which when applied increased fair value by \$11,602,381
Wastewater	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based on in-house project costs, sub-contractor and head contractor project costs and benchmarked against cost estimate publications. Locality adjustments are also applied. Accumulated depreciation Componentisation - electrical, mechanical and civil. Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 10% index which when applied increased fair value by \$13,845,210
Marine Infrastructure	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based on in-house project costs, sub-contractor and head contractor project costs and benchmarked against cost estimate publications. Locality adjustments are also applied. Accumulated depreciation Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 8.5% index which when applied increased fair value by \$3,222,862

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(g) Valuation (continued)

(iii) Valuation techniques used to derive fair values (continued)

Asset class and fair value hierarchy	Valuation approach	FV hierarchy	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Interim valuation approach
Waste	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates developed from projects completed in the Torres Strait and benchmarked against cost estimate publications. Allowances are made for the remote locality of the assets Accumulated depreciation Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 20% index which when applied increased fair value by \$238,443
Land assets 2022: \$2,019,443 2021: \$1,970,188	Market approach	Level 2	30/06/2020	Jones Lang Lasalle	Comparable transactions of industrial properties within the Cairns market, adjusted for differences in key attributes such as size, topography and location.	Desktop valuation performed in 2022 resulting in a 2.5% index which when applied increased fair value by \$48,295
Land assets 2022: \$604,109 2021: \$589,375	Market approach	Level 3	30/06/2020	Jones Lang Lasalle	Transactions of properties within Thursday Island market, adjusted for differences in key attributes such as size, topography and location. Professional judgement given the thinly traded nature of the Thursday Island property market.	Desktop valuation performed in 2022 resulting in a 2.5% index which when applied increased fair value by \$14,734

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

12 Contract balances

Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor in excess of the costs incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

	Note	2022 \$	2021 \$
Contract assets		11,918,277	7,787,466
Contract liabilities			
Funds received upfront to construct Council controlled assets		12,905,103	20,839,893
Non-capital performance obligations not yet satisfied		453,046	464,212
		13,358,149	21,304,105
Revenue recognised that was included in the contract liability balance at the beginning of the year:			
Funds to construct Council controlled assets		13,847,285	4,118,566
Non-capital performance obligations		385,782	164,122
		14,233,067	4,282,688

13 Leases

Council as a lessee

Council has leases in place over buildings. Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Exceptions to lease accounting:

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Terms and conditions of leases:

Buildings

Council leases two buildings which are used for offices and accommodation. The leases are for periods of two and four years and include details of any renewal options if applicable, and contain extensions and termination options.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

13 Leases (continued)

Right of use assets	Note	2022 \$	2021 \$
Balance at 1 July		698,349	1,330,000
Additions to right of use assets		1,760,207	-
Re-measurement of lease liability		42,253	2,773
Derecognition of right of use assets		(41,189)	-
Amortisation charge		(658,803)	(634,424)
Closing balance		1,800,817	698,349
Lease liabilities			
Balance at 1 July		710,774	1,340,702
Additions to lease liabilities		1,760,207	-
Re-measurement of lease liability		42,253	2,773
Derecognition of lease liabilities		(42,194)	-
Lease payments		(642,095)	(653,215)
Interest expense		30,798	20,514
Closing balance		1,859,743	710,774
Current			
Lease liability		621,912	649,789
		621,912	649,789
Non-current			
Lease liability		1,237,832	60,985
		1,237,832	60,985
Total lease liabilities		1,859,744	710,774

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

2022	< 1 year	1-5 years	> 5 years	Total	Total per statement of financial position
	\$	\$	\$	\$	\$
Buildings	652,500	1,247,435	-	1,899,935	1,859,743
2021	< 1 year	1-5 years	> 5 years	Total	Total per statement of financial position
	\$	\$	\$	\$	\$
Buildings	662,563	66,564	-	729,127	710,774

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

13 Leases (continued)

Amounts included in the statement of comprehensive income related to leases

	Note	2022 \$	2021 \$
Interest on lease liabilities		30,798	20,514
Gain on derecognition of leases		1,005	-
Amortisation of right of use assets		658,803	634,424
Expenses relating to short-term		46,555	61,662
		<u>737,160</u>	<u>716,599</u>
Total cash outflows for leases		<u>688,650</u>	<u>714,877</u>

Leases at significantly below market value - Concessionary/peppercorn leases

Council has a number of leases at significantly below market value for land.

The leases are on 99 year arrangements and require the payment of \$1 per annum. The use of the right of use asset is restricted by the lessors to specified community uses which Council must provide.

Council does not believe that any of the leases in place are individually material.

Council as a lessor

Council has leased the following dwellings and vacant sites as lessor to the Queensland Government for 40 years:

- 51 dwellings located on Moa Island (Kubin)
- 6 dwellings and 3 vacant site on Saibai Island
- 6 dwellings and 4 vacant sites on Boigu Island
- 21 vacant sites on Kirirri Island
- 25 vacant sites on Moa Island (St Pauls)
- 6 vacant sites on Iama Island
- 2 vacant sites on Ugar Island
- 5 vacant sites on Poruma Island
- 10 vacant sites on Masig Island
- 8 vacant sites on Warraber Island
- 7 vacant sites on Erub Island
- 6 vacant sites on Mabuiag Island
- 3 vacant sites on Dauan Island

The total lease payment per dwelling in the current year ranged between \$2,074 and \$2,277 (\$2,038 to \$2,238 for 2020/21). These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups). As the gross lease payments are insufficient to cover the fair value (current replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are recognised at the present value of the expected future lease payments receivable (fair value). Gains or losses on revaluation of finance lease assets are recognised as other income annually.

The Queensland Government has the right to surrender any part of the lease at any time by giving Council three months' written notice. Per the lease agreement any improvements to the property transfer to Council when the lease terminates. No leases were surrendered between 1 July 2021 and 30 June 2022 (2020/21, nil).

Current

Lease receivable	399,599	376,956
	<u>399,599</u>	<u>376,956</u>

Non-current

Lease receivable	10,525,433	13,143,290
	<u>10,525,433</u>	<u>13,143,290</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

13 Leases (continued)

	Note	2022 \$	2021 \$
A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:			
Gross minimum lease payments receivable:			
Not later than one year		399,599	376,956
Later than one year but not later than five years		1,598,397	1,507,826
Later than five years		11,409,578	11,516,978
		<u>13,407,574</u>	<u>13,401,760</u>
Add: Estimated contingent rent		7,247,858	6,987,475
Less: Present value adjustment		<u>(9,730,400)</u>	<u>(6,868,989)</u>
Fair value of lease payments		<u>10,925,032</u>	<u>13,520,246</u>
The fair value of lease payments is receivable as follows:			
Not later than one year		399,599	376,956
Later than one year but not later than five years		1,547,307	1,516,137
Later than five years		8,978,126	11,627,153
		<u>10,925,032</u>	<u>13,520,246</u>
Movements in finance leases were as follows:			
Opening balance		13,520,246	15,085,846
Less: Lease receipts		(376,956)	(370,578)
Add: Gain on revaluation	8	<u>(2,218,258)</u>	<u>(1,195,022)</u>
Closing balance		<u>10,925,032</u>	<u>13,520,246</u>

The calculation of fair value has included an estimate of average annual CPI increases of 2.5% (2.5%: 2020/21) and a discount rate of 3.85% (2.28%: 2020/21).

14 Payables

Trade creditors are recognised as a liability at the time the amount owed can be measured reliably and when it is probable the amount will have to be paid, when the goods are received or the service is performed. Amounts are unsecured and normally settled within 30 days.

	2022 \$	2021 \$
Current		
Creditors	2,060,156	834,856
Accrued wages and salaries	831,394	929,610
Refundable bonds	2,000	2,000
Accrued expenses	4,628,212	7,739,141
Retention	561,340	640,760
Revenue in advance	207,022	56,285
	<u>8,290,124</u>	<u>10,202,651</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

15 Provisions

Annual leave

Annual leave represents the amount which Council has a present obligation to pay resulting from employees' services provided up to balance date. The accrual is based on present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the balance date, annual leave is classified as a current liability.

Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made by Council resulting from employees' services provided up to balance date. The accrual is based on present value of remuneration rates that will be paid when the liability is expected to be settled including related on-costs and adjusted for the probability of employees remaining in the Council's employment.

The long service leave provision has been discounted using the Commonwealth bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

Where employees have met the pre-requisite length of service and Council does not have an unconditional right to defer this liability beyond 12 months long service leave is classified as a current liability. Otherwise it is classified as non-current.

Landfill restoration and rehabilitation

A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable Council will be liable, or required, to incur costs on the cessation of use of these facilities. The provision represents the present value of the anticipated future costs associated with the closure and aftercare management of landfill sites.

The calculation of this provision requires assumptions such as site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the 15 sites will close between 2023 and 2024

As landfill sites are on state reserves / DOGIT land which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

	Current		Non-Current	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current				
Annual leave	2,382,872	2,339,429	-	-
Long service leave	1,428,508	1,135,418	570,509	706,115
Provision for landfill restoration	4,888,560	3,479,986	3,218,166	4,000,683
	<u>8,699,940</u>	<u>6,954,834</u>	<u>3,788,675</u>	<u>4,706,798</u>

Details of movements in non-employee provisions:

	2022	2021
	\$	\$
Landfill restoration		
Balance at beginning of financial year	7,480,669	5,514,352
Increase due to unwinding of discount	21,346	17,985
Additional provisions	728,479	1,178,324
Increase/(decrease) due to change in discount rate and price	(123,768)	770,008
Balance at end of financial year	<u>8,106,726</u>	<u>7,480,669</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

16 Commitments for expenditure

Contractual commitments

Contractual commitments at the end of the financial year but not recognised in the financial statements are as follows:

	2022 \$	2021 \$
Consultancy	653,604	959,459
Other	1,163,663	2,061,172
Contractors	1,609,685	371,411
Recoverable work contractors	7,724,799	2,987,981
Freight	188,039	949,725
Contract employees	133,231	35,970
	<u>11,473,021</u>	<u>7,365,719</u>

Capital Commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

Capital assets		
Buildings	2,074,001	1,957,396
Water and wastewater	9,720,860	13,445,823
Seawalls	1,591,970	1,354,610
Other	1,008,100	7,004,296
	<u>14,394,931</u>	<u>23,762,125</u>

17 Contingent liabilities and assets

Details and estimates of the maximum amounts of contingent liabilities and assets are as follows:

Contingent Liabilities

Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2022 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there were insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$413,103

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

17 Contingent liabilities and assets (continued)

Native Title Compensation Liability

The *Native Title Act 1993* (Cth) requires "future acts", such as the construction of major and minor Council infrastructure, housing, signage and the granting of leases to proponents such as government and individuals, to be conducted using prescribed processes listing under it. In many cases, in order to be valid, a notice process or a registered Indigenous Land Use Agreement under the *Native Title Act 1993* (Cth) is required before conducting a future act. Prior to amalgamation of the Island Councils in 2008, infrastructure and leases were likely to have been progressed without complying with these requirements of the *Native Title Act 1993* (Cth). This infrastructure and leases are termed invalid future acts, for which compensation is payable by Council.

It is difficult to estimate the likely compensation payable because jurisprudence in this area has only recently started emerging. A native title compensation case was decided by the High Court of Australia on 13 March 2019 (*Northern Territory v Griffiths* [2019] HCA 7) that sets out legal principles for determining the quantum of native title compensation payable. That case provides some guidance in relation to a compensation formula. However, the principles in that case cannot be applied to Council's contingent liabilities without making allowances for the differing circumstances in the Torres Strait context. For example, the High Court case involved extinguishment of non-exclusive native title rights, whereas invalid future acts in Torres Strait may not involve extinguishment and are likely to concern exclusive native title rights rather than non-exclusive native title rights. Further, the economic loss component of native title compensation is to be calculated with reference to the freehold value of the land affected, and in Council's local government area there are no land valuations at present.

At this point there are no applications for compensation claims against Council. Numerous compensation claims for alleged invalid future acts are likely to be made in coming years. Council is making deputations to the State of Queensland about the assistance that Council will require in the future to address these claims, should Council's insurance cover be inadequate.

Land Holding Act Lease

Under the *Aboriginal and Torres Strait Islander Land Holding Act 1985* (repealed and replaced with the *Aboriginal and Torres Strait Islander Land Holding Act 2013*), Island Councils across Torres Strait received 354 applications for perpetual leases of land held in trust by those Island Councils. Of the 354 lease applications received by the Island Councils, 116 applications were invalid due to incomplete information or procedural non-compliance. For the remaining 238 applications, the applicant has a legal right to a perpetual lease for the land stated in the application. Due to law reform in 1991, it is no longer possible to apply for a *Land Holding Act* lease. When the Island Councils amalgamated in 2008, TSIRC assumed trustee legal interests in the land subject to Land Holding Act leases and lease entitlements.

The perpetual leases were not all granted in the 1980s with only 61 being granted by 2013. For the 61 leases originally granted, in some cases only the land was leased while the house on the land remained a Council social housing asset. Council and the State are working together to transfer ownership of remaining 23 social houses to the respective Land holding Act leaseholders for \$1 each. When the ownership of any of these houses is transferred, the asset will be removed from Council's asset register and social housing register. The fair value as at 30 June 2022 relating to the potential divestment of these 23 social houses currently under 'land only' leases totals \$7,974,294 (2020/21 not disclosed). However, at this time, it is uncertain whether all of these 23 houses will be divested because a lease entitlement may be surrendered or partially surrendered with the result that the house remains a Council asset.

Council and the State are working together to grant all remaining valid lease entitlements either to the original applicant or to the applicant's beneficiaries. Where there is a valid lease entitlement, the lease can be granted without the consent of the native title party because the lease entitlement is a legal right that pre-existed the recognition of native title rights in Australia. This was confirmed by the Supreme Court of Queensland in February 2018. Between then and 30 June 2022, 122 LHA leases have been registered in Torres Strait communities and 14 lease entitlements have been surrendered, with 41 valid lease entitlements remaining to be resolved.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

17 Contingent liabilities (continued)

Land Holding Act Lease (continued)

The purpose of the lease under the Land Holding Act was to provide home ownership. If each of the outstanding 41 lease entitlements becomes a registered lease, Council will divest the social housing asset (if applicable) to the perpetual leaseholder for \$1.00. The fair value as at 30 June 2022 for social housing assets relating to the outstanding 41 lease entitlements totals \$15,838,917 (2020/21: \$17,036,328). However, at this time, it is uncertain whether all of the outstanding 41 lease entitlements will be granted and all of the associated social housing assets divested (a lease entitlement may be surrendered or partially surrendered with the result that the house remains a Council asset). On registration of any of the leases, the asset will be removed from Council's asset register and social housing register.

18 Superannuation

Council contributes to LGIASuper previously known as the Local Government Superannuation Scheme (Qld) (the Scheme). LGIASuper is a Multi-employer Plan as defined in Australian Accounting Standard AASB 119 *Employee Benefits*. The Scheme has a number of elements including defined benefit funds and an accumulation benefit fund. Council does not have any employees who are members of the defined benefits funds and so is not exposed to the obligations, assets or costs associated with these funds. Council has employees who are members of the accumulation benefits fund.

	Note	2022 \$	2021 \$
Superannuation contributions made to the LGIA Super Accumulation Benefits Fund		2,154,914	1,926,961
Other superannuation contributions for employees		392,409	580,672
Total superannuation contributions paid by Council for employees:	6	<u>2,547,323</u>	<u>2,507,633</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

19 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

	2022 \$	2021 \$
Net result	(23,481,234)	(25,720,055)
Non-cash items:		
Depreciation and amortisation	47,529,464	47,022,761
Asset contributions in capital income	-	(4,583,373)
(Gain)/loss on revaluation of finance lease	2,218,258	1,195,022
(Gain)/loss on derecognition of finance lease	(1,005)	-
Unwinding discount on provisions	21,346	-
	<u>49,768,063</u>	<u>43,634,410</u>
Investing and development activities:		
Loss on disposal of non-current assets	9,875,493	8,014,407
Capital grants and contributions	(34,522,666)	(33,943,563)
	<u>(24,647,173)</u>	<u>(25,929,156)</u>
Financing activities:		
Interest expense on finance leases	30,598	-
	<u>30,598</u>	<u>-</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	2,134,089	(6,016,400)
(Increase)/decrease in inventory	(65,104)	(8,325)
(Increase)/decrease in contract assets	(546,462)	-
Increase/(decrease) in payables	(3,381,167)	2,863,444
Increase/(decrease) in other provisions	767,416	2,520,958
Increase/(decrease) in contract liabilities	1,804,678	-
	<u>713,451</u>	<u>(640,322)</u>
Net cash inflow from operating activities	<u>2,383,705</u>	<u>(8,655,124)</u>

20 Reconciliation of liabilities arising from financing activities

2022	As at 30 June 2021	Cash flows	Non-cash changes	As at 30 June 2022
Loans	36,210	(36,210)	-	-
Lease liability	710,774	(642,095)	1,791,064	1,859,743
	<u>746,984</u>	<u>(678,305)</u>	<u>1,791,064</u>	<u>1,859,743</u>
2021	As at 30 June 2020	Cash flows	Non-cash changes	As at 30 June 2021
Loans	104,748	(68,539)	-	36,210
Lease liability	1,340,702	(632,701)	2,773	710,774
	<u>1,445,450</u>	<u>(701,240)</u>	<u>2,773</u>	<u>746,984</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

21 Events after the reporting period

There were no material adjusting events after the balance date.

22 Financial instruments and financial risk management

Financial risk management

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies. Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

The Council's audit committee oversees how management monitors compliance with the Council's financial risk management policies and procedures, and reviews the adequacy of the framework in relation to the risks faced by the Council. The Council audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. The Council does not invest in derivatives or other high risk investments.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Torres Strait Island Regional Council.

The carrying amount of financial assets at the end of the reporting period represent the maximum exposure to credit risk.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

22 Financial instruments and financial risk management (continued)

Liquidity risk

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and other financial institutions.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities) held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2022					
Payables	8,290,124	-	-	8,290,124	8,290,124
	8,290,124	-	-	8,290,124	8,290,124
2021					
Payables	10,202,651	-	-	10,202,651	10,202,651
Loans - QTC	36,210	-	-	36,210	36,210
	10,238,861	-	-	10,238,861	10,238,861

The outflows in the above table are not expected to occur significantly earlier or for significantly different amounts than indicated in the table.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

Council is exposed to interest rate risk through investments and borrowings with QTC and other financial institutions. Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Based on the carrying value of Council's financial instruments at balance date, any fluctuation in interest rates would not have a material impact on the financial position or performance of Council.

Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

23 Transactions with related parties

(a) Transactions with key management personnel (KMP)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Council, directly or indirectly.

KMPs include the Mayor, Councillors, Council's Chief Executive Officer and the Executive Management team. Effective 20 July 2021, Council resolved to amend the organisational structure which resulted in changes to the Executive Management Team. The amended Executive Management team consists of the Executive Director Engineering Services, Executive Director Financial Services, Executive Director Building & Community Services and Executive Director Corporate Services. Prior to this change to the organisation structure, the Executive Management team consisted of the Chief Operating Officer, Chief Engineer and Chief Financial Officer. Acting KMPs are included in these figures.

Compensation paid to KMPs for 2021/22:

	2022	2021
	\$	\$
Short-term employee benefits	2,170,208	2,197,266
Post-employment benefits	105,044	104,934
Termination benefits	100,769	297,752
Long-term employee benefits	30,697	(24,922)
	<u>2,406,718</u>	<u>2,575,030</u>

Detailed remuneration disclosures are provided in Council's Annual Report.

During the year an Executive Director was engaged through Peak services on a short term contract for three months before being engaged directly as an employee of Council. The total value paid for these services was \$86,575 (2021: nil).

(b) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, parent, child and dependant of a KMP or their spouse. Per Ailan Kastom, an Uncle, Aunt or sibling who represents one of those roles to a KMP has been considered to be a related party.

Details of transactions between Council and other related parties are disclosed below:

Details of transactions

Employee expenses for close family members of KMPs	(i)	192,439	335,713
Purchase of materials and services from entities controlled by KMPs	(ii)	10,800	11,600
Grants and donations for entities controlled by KMPs	(iii)	1,998	5,416
Fees and charges charged to entities controlled by KMPs	(iv)	-	4,202

(i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with Council's Certified Agreement for the job they perform. Council employs 351 staff (324 full time equivalent staff) of which 3 are close family members of key management personnel and 1 close family member ceased employment during the financial year.

(ii) Council purchased the following materials and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of Council operations:

Accommodation	10,800	10,800
Contractor	-	800
	<u>10,800</u>	<u>11,600</u>

Included in the above is \$10,800 of accommodation charges relating to the usage of a house on Masig from Councillor Hilda Mosby. All purchases were at arm's length, on normal terms and conditions and were in the normal course of Council's operations.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

23 Transactions with related parties (continued)

(b) Transactions with other related parties (continued)

(iii) Grants and donations totalling \$1,998 (2021: \$5,416) were made during the reporting period to related parties of KMPs as community members under Council's Grants and Donations Procedure.

(iv) The fees and charges to entities controlled by KMPs was nil (2021: \$4,202 which included ordinary citizen transactions that are normally excluded from disclosure as per 23(g)).

(c) Commitments to/from related parties

Council does not have any commitments for the provision of goods and services for related party entities.

(d) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(e) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Receivables	Current \$	Over 30 Days \$	Over 60 Days \$	Over 90 Days \$	Total \$
2022					
Rates and charges	2,797	-	-	108,515	111,312
Social housing	1,335	1,365	1,608	186,133	190,440
Other fees and charges	3,499	-	-	967	4,465
Total	7,631	1,365	1,608	295,615	306,218
2021					
Rates and charges	-	-	-	95,753	95,753
Social housing	476	1,042	900	187,949	190,367
Other fees and charges	-	-	-	524	524
Total	476	1,042	900	284,226	286,644

\$234,815 has been recognised in current and prior years for the allowance for bad or doubtful debts owed by related parties.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

23 Transactions with related parties (continued)

(e) Outstanding balances (continued)

The table below details related party outstanding balances at the end of the reporting period which are over 90 days:

2022

Related party	Relationship	Customer	Nature of transactions	Over 90 Days \$
Laurie Nona	Manager	Badu Art Centre	Rates and charges	98,378
Torenzo Elisala	Father	Tenny Elisala	Social housing	32,226
Jimmy Gela	Councillor	Jimmy Gela	Social Housing	22,955
Adeah Kabai	Mother	Joyce Kabai	Social housing	25,603
Rocky Stephen	Director	Kos & Abob Fisheries (TSI)	Rates and charges	10,137
Getano Lui (Jnr)	Councillor	Getano Lui (Jnr)	Social Housing	64,933
Francis Pearson	Defacto	Alice Pearson	Social housing	7,820
Rocky Stephen	Councillor	Rocky Stephen	Social housing	1,322
Dimas Toby	Spouse	Telita Banu	Social housing	1,922
Dimas Toby	Councillor	Dimas Toby	Social housing	1,063
Lama Trinkoon	Spouse	Ivy Trinkoon	Social housing	27,879
Amounts less than \$1,000				1,377
				<u>295,615</u>

2021

Related party	Relationship	Customer	Nature of transactions	Over 90 Days \$
Laurie Nona	Manager	Badu Art Centre	Rates and charges	85,615
Getano Lui (Jnr)	Councillor	Getano Lui (Jnr)	Social housing	57,133
Adeah Kabai	Mother	Joyce Kabai	Social Housing	30,463
Lama Trinkoon	Spouse	Ivy Trinkoon	Social housing	27,879
Torenzo Elisala	Father	Tenny Elisala	Social Housing	27,521
Jimmy Gela	Councillor	Jimmy Gela	Social Housing	25,405
Rocky Stephen	Director	Kos & Abob Fisheries (TSI)	Rates and charges	10,137
Francis Pearson	Defacto	Alice Pearson	Social housing	9,619
Dimas Toby	Spouse	Telita Banu	Social housing	4,665
Rocky Stephen	Councillor	Rocky Stephen	Social housing	1,322
Dimas Toby	Councillor	Dimas Toby	Social housing	1,063
Total of balances less than \$1,000				3,404
				<u>284,226</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2022

23 Transactions with related parties (continued)

(f) Debt balances written off during the period as statute barred debt

The below debts were written off during the period as statute barred debt, being debt older than 6 years of age and pursuant to the *Limitation of Actions Act 1974* (Qld) and cannot be legally enforced in a Court of competent jurisdiction.

Council first attempted to write off statute-barred debts in 2015 however a quorum could not be established due to a number of Councillors declaring a material personal interest or conflict of interest and excluding themselves from voting. Following the March 2016 local government election, Council tabled the write off again however was still unable to reach a quorum.

In August 2016, Council presented two separate write off resolutions for Council's consideration, one addressing commercial debts and the other addressing housing debt. Again a quorum could not be established for consideration of either resolution.

On 5 October 2016, Council engaged King & Company Solicitors to address the question of how Council may act to write off statute barred debt while ensuring statutory compliance. King & Company provided several options to Council to address the issue. The option adopted by Council was to delegate the write off power to the CEO. The issue of material personal interest or conflict of interest does not arise in respect of a Council decision to delegate the matter to the CEO for decision, provided Council merely delegates the CEO power to make the decision and does not in any way direct the CEO to make any particular decision about the matter.

The resolution was made at the October 2016 Ordinary Council Meeting adopting the revised Fiscal Governance Policy granting the CEO delegation to write off statute barred debt.

2022

Related party	Relationship	Customer	Nature of transactions	Debt balance written off \$
No debt balances were written off during the period as statute barred debt				-

2021

Related party	Relationship	Customer	Nature of transactions	Debt balance written off \$
No debt balances were written off during the period as statute barred debt				-

(g) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the Torres Strait Island Region. Therefore, on a regular basis ordinary citizen transactions occur between council and its related parties. Some examples include:

- Residential rental charges
- Utility and other fees and charges
- Sales of gas, fuel and power cards
- Hire of council buildings and equipment
- Accommodation hire

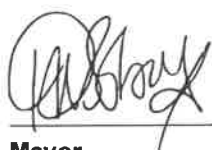
Torres Strait Island Regional Council
Financial statements
For the year ended 30 June 2022

Management Certificate
For the year ended 30 June 2022

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Phillemon Mosby

Date: 16 / 09 / 2022



Chief Executive Officer
James William

Date: 16 / 09 / 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Torres Strait Island Regional Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Torres Strait Island Regional Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2022, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Torres Strait Island Regional Council's annual report for the year ended 30 June 2022 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the council.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the council's transactions and account balances to enable the preparation of a true and fair financial report.



19 September 2022

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Torres Strait Island Regional Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2022

Measures of Financial Sustainability

	How the measure is calculated	Target	30 June 2022 Result
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	-79%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	19%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-29%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements For the year ended 30 June 2022.

Certificate of Accuracy
For the year ended 30 June 2022

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.



Mayor
Phillemos Mosby

Date: 16 / 09 / 2022



Chief Executive Officer
James William

Date: 16 / 09 / 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Torres Strait Island Regional Council

Report on the current-year financial sustainability statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Torres Strait Island Regional Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Torres Strait Island Regional Council for the year ended 30 June 2022 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current-year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Torres Strait Island Regional Council's annual report for the year ended 30 June 2022 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current-year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current-year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors' responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current-year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current-year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sri Narasimhan
as delegate of the Auditor-General

19 September 2022

Queensland Audit Office
Brisbane

Torres Strait Island Regional Council
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2022

Measures of Financial Sustainability

	Measure	Target	Actuals at 30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-79%	-96%	-92%	-82%	-76%	-70%	-65%	-59%	-54%	-48%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	19%	6%	0%	0%	0%	0%	0%	0%	0%	0%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-29%	6%	15%	20%	24%	28%	31%	34%	36%	37%

Council's Financial Management Strategy


Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

The above ratios have been calculated using Council's most recently adopted original budget. Council bases its asset sustainability ratio on confirmed renewal program funding. Council's forecasting ability has a dependency on donor program lifecycles, traditionally occurring in four to five year intervals.


Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2022

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.


Mayor
Phillemon Mosby

Date: 16 / 09 / 2022


Chief Executive Officer
James William

Date: 16 / 09 / 2022



TORRES STRAIT ISLAND REGIONAL COUNCIL

AGENDA REPORT

ORDINARY MEETING:	October 2022
DATE:	11-12 October 2022
ITEM:	Agenda Item for Resolution by Council
SUBJECT:	Auditor-General's Observation Report on the audit of the 2021/2022 Torres Strait Island Regional Council Financial Statements
AUTHOR:	Hollie Faithfull, Executive Director Financial Services

RESOLUTION

That Council note the Auditor-General's Observation Report on the audit of the 2021/2022 Torres Strait Island Regional Council Financial Statements.

PURPOSE

The purpose of this report is to present to Council the Annual Financial Statements for the year ended 30 June 2022.

BACKGROUND

Each financial year Council's financial statements must be audited per section 212 of the *Local Government Regulation 2012*. The purpose of the audit is to express opinions on the financial statements and the current year financial sustainability statement.

Section 54 of the *Auditor-General Act 2009* enables the Queensland Audit Office (QAO) to prepare an audit report containing observations and suggestions about anything arising out of the audit. Per section 213 of the *Local Government Regulation 2012* this report must be presented at the next ordinary meeting of the Council after its receipt from QAO.

The Audit Committee has considered this report.

OFFICER COMMENT

No significant matters were identified by QAO whilst completing their audit procedures during the final visit, with only three minor internal control issues and three other matters. Management has provided formal responses to QAO on the issues raised, these have been presented to and supported by Council's Audit Committee. These responses have also been accepted by QAO, with one already resolved pending audit clearance.

CONSULTATION

- External Audit
- Audit Committee
- Executive Team
- Finance Team

LINKS WITH STRATEGIC PLANS

Corporate Plan 2020-2025

- Accountability: We are reliable, honest and ethical in all that we do.
- Sustainability: We manage council affairs responsibly to the benefit of our communities.

STATUTORY REQUIREMENTS

Local Government Act 2009

Local Government Regulation 2012

CONCLUSION

That Council note the Auditor-General's Observation Report on the audit of the 2021/2022 Torres Strait Island Council Financial Statements

Recommended:

Hollie Faithfull

Executive Director Financial Services



Approved:

James Willam

Chief Executive Officer



ATTACHMENTS:

1. ***Auditor-General's Observation Report***



2022 FINAL MANAGEMENT LETTER

Torres Strait Island Regional Council

21 September 2022

21 September 2022

Cr Mosby
Mayor
Torres Strait Island Regional Council
Level 3, 111-115 Grafton Street
CAIRNS QLD 4870

Dear Cr Mosby

Final management report for Torres Strait Island Regional Council

We have completed our 2022 financial audit for Torres Strait Island Regional Council. The Auditor-General issued an unmodified audit opinion on your financial statements.

The purpose of this letter is to update you on any matters that have arisen since we presented our closing report to the audit committee on 16 September 2022.

Reporting on issues identified after the closing report

I can confirm that we have not identified significant issues since the presentation of our closing report. The issues and other matters we have formally reported to management and an update on management's actions taken to resolve these issues is included as Appendix A1.

Report to parliament

Each year we report the results of all financial audits and significant issues to parliament.

We intend to include the results of our audit of Torres Strait Island Regional Council in our report to parliament on the results of Local Government Sector. We will comment on the results of our audit of your financial report, any significant internal control issues we identified, and the overall results of the sector, including major transactions and events. We will discuss the proposed content of our report with your Executive Director of Financial Services and continue to consult as we draft our report. Formally, you will have an opportunity to comment on our report, and for these comments to be included in the final version tabled in parliament.

Audit fee

The final audit fee for this year is \$194,500 exclusive of GST (2021: \$194,500). This fee is in line with the fee estimated in our external audit plan.

We would like to thank you and your staff for their engagement in the audit this year and look forward to working with your team again next year.

If you have any questions about this letter or would like to discuss any matters regarding our services and engagement, please do not hesitate to contact me on 4046 0051 or Sri Narasimhan, Director on 3149 6000.

Yours sincerely



Margaret Dewhurst

Partner

CC: James William, Chief Executive Officer
Paul Shipperley, Acting Chair of Audit Committee

Appendix A1 – Status of issues

This section provides an update on the control deficiencies and financial reporting issues we have identified since our interim management letter dated 16 June 2022. It includes a response from management.

Our risk ratings are as follows. For more information and detail on our rating definitions, please see the webpage here: www.qao.qld.gov.au/information-internal-controls or scan the QR code.



Deficiency

22CR-1 Non-compliance with procurement policy and Local Government Regulations

Control activities

Observation

We identified the following examples of non-compliance with Council's own policies, which are based on the requirements in the Local Government Regulation, paragraphs 224 to 237.

- We identified one example of a purchase order being raised after a supplier invoice had been presented to the Council. Council's own analytics have identified other instances of this occurring throughout the financial year. The purpose of purchase orders is to evidence that expenditure has been approved before it is incurred.
- Arrangements that we consider would meet the definition of a large contract under section 224(3) were not disclosed on Council's website. Contractual arrangements over \$200,000 are required to be disclosed. This includes where the total expected value of all contracts with a supplier for goods or services of a similar type under the arrangement are worth over \$200,000. It is noted that the disclosure of large contracts on the website had not been updated for at least four months.
- A large contractual arrangement was entered into without public tenders being sought, as the supplier was a pre-qualified supplier who was also registered with Local Buy. Section 232 and 234 provide exemptions from seeking tenders for contracts with these suppliers. However, we noted that the contractual arrangement continued for approximately one month after the supplier's status as a pre-qualified supplier and its registration with Local Buy lapsed.

Implication

Council has not complied with its own policies or the Local Government Regulation, which means that sound contracting principles have not been followed. This could result in contracts being entered into that do not provide the highest quality goods or services or best value for money.

Appendix A1 – Status of issues (cont.)



Deficiency (cont.)

22CR-1 Non-compliance with procurement policy and Local Government Regulations (cont.)

QAO recommendation

We recommend that you regularly remind all staff of procurement policies and procedures, in particular what purchases require a purchase order and when the purchase order should be obtained. We also recommend you contact your suppliers and advise them of the need to obtain a purchase order before providing goods and services. We recommend that the Council internal analytics are utilised to track trends in failure to raise purchase orders prior to goods and services being provided.

We recommend that Council review its processes for capturing all arrangements that would require disclosure on the website.

We recommend that procedures are developed to trigger a warning when suppliers are approaching the end of their term as a preferred or pre-qualified supplier.

Management response

Management will be sending an “all staff” email reminding staff of their requirements/responsibility to abide by Council’s Procurement and Ethical Sourcing Policy. With the recruitment of the Procurement Administration Officer, staff training will be developed and rolled out within the organisation. To further ensure compliance with the policy, Council’s Learning and Development Officer is working with Procurement to develop a “Take 5” online training program centring around the Procurement and Ethical Sourcing Policy and employees’ responsibilities.

Management has designed a report identifying purchase requisitions and purchase orders raised after the supplier invoice date. This report will initially be run on a weekly basis to identify non-compliance. Once the report is at an acceptable level determined by Management, this report will revert to a monthly basis. Targeted training will be provided to particular staff members if trends are identified.

Management to undertake a review of procedures regarding its processes for capturing all arrangements that would require disclosure on the website, and development of a process to trigger a warning when suppliers are approaching the end of their term as a preferred or pre-qualified supplier.

Responsible officer: Executive Director Financial Services

Status: Work in progress

Action date: 31 December 2022

Appendix A1 – Status of issues (cont.)



Deficiency

22CR-2 Error in payment to staff

Control activities

Observation

We identified two instances where employees had been underpaid by 58 hours and 41 hours respectively over two fortnights. The hours were worked outside of the employee's regular hours, but the employee was only paid for regular hours worked. The Council's review of payroll did not identify this error. However, the employees were subsequently paid the shortfall after they raised the variance with the Council payroll staff.

Implication

Underpayment of staff can result in significant penalties and loss of reputation to Council, as well as possible turnover in staff. Cash flow issues can also arise when the underpayment is found and corrected.

QAO recommendation

We recommend that Council review its procedures for capturing hours worked, particularly when outside of regular work patterns or rosters. We also recommend Council strengthen its review of hours paid vs hours worked for every pay. Lastly, we recommend Council consider a retrospective review of payroll transactions, particularly where hours outside of regular hours have been worked, to identify if any other staff have been underpaid.

Management response

Management has implemented amendments to timesheets to include a tick box to confirm additional hours have been worked over their normal work pattern. In addition, Managers of work pattern employees have been reminded of their responsibilities to review their payroll validation report in more detail to ensure that their employees are being paid correctly.

Further procedural changes to strengthen their review processes include the creation of a list that is visible on each of the payroll officer's desks so that they know which employees are on a work pattern. The payroll officer will review the sheet before entering the employee to check if the employee is on a work pattern and enter any additional hours accordingly. When an employee work pattern changes or there is a new employee on a work pattern, an email is sent to payroll officers advising and the list updated.

Responsible officer: Executive Director Financial Services

Status: Resolved pending audit clearance

Appendix A1 – Status of issues (cont.)



Deficiency

22CR-3 Employee Certified Agreement

Control activities

Observation

Council is in the process of transitioning to a new certified agreement. We are of the understanding that the certified agreement has been ratified in July 2021 with an effective date of September 2021, but Council has not yet completed the implementation of the agreement into its payroll processing. Council staff are still being paid based on existing awards, with comparison against the certified agreement to ensure staff are not being under paid.

Implication

While comparison is being made between the certified agreement and relevant awards, there is still a risk that employees could be under paid, particularly when non-standard working arrangements apply. There is also the risk that any change in payroll staff could result in confusion over rates that staff should be paid, or that applicable pay increases might not be applied.

QAO recommendation

We recommend that Council prioritise implementing the certified agreement as soon as possible to limit the chance of any employees being underpaid.

Management response

Management will prioritise implementing the certified agreement into its payroll system.

Responsible officer: Executive Director Corporate Services

Status: Work in progress

Action date: 31 January 2023

Appendix A1 – Status of issues (cont.)

Other matter

22CR-4 Non-compliance with Local Government Act Section 150

Observation

Section 150EK(1) of the Local Government Act 2009 states that where a prescribed or declarable conflict has been identified, the Councillor must not participate in a decision relating to the matter. Section 150FA(2)(e) states that where a matter is voted on by Council after a prescribed or declarable conflict has been identified, the name of each eligible Councillor and how they voted should be recorded in the minutes of the meeting. We noted in the minutes of the May 2022 Ordinary Council meeting, that declarable conflicts had been identified in relation to community grant applications, but it was not disclosed whether the conflicted Councillors left the room for the vote. The vote for each resolution related to the conflict raised was documented as carried unanimously.

QAO recommendation

We recommend that if a conflict is declared, the minutes record the action the Councillor took, such as leaving the meeting while the matter was discussed and voted on. We recommend the names of Councillors and how they voted should be disclosed in meeting minutes where a prescribed or declarable conflict has been identified.

Management response

Management will reiterate to the secretariat team the requirement of section 150FA, and moving forward, all minutes will disclose the names of Councillors and how they voted when prescribed or declarable conflicts have been identified. In addition, Management will reiterate to the Manager, Governance and Compliance and Senior Legal Counsel the above audit finding to ensure Council is compliant with section 150FA requirements as part of their review process.

Responsible officer: Chief Executive Officer

Status: Work in progress

Action date: 30 September 2022

Appendix A1 – Status of issues (cont.)

Other matter

22CR-5 Credit card policy not finalised and reconciliation of credit card not timely

Observation

Some Council Executives have access to a Council credit card to use for certain transactions. At present there is no adopted policy describing when it is acceptable to pay for goods or services with credit cards rather than through normal procurement channels.

We also identified that during the year, it was taking up to three months before credit card transactions were reconciled and recorded in the accounting records.

QAO recommendation

We recommend that a policy is completed, adopted and communicated to staff. The policy should cover as a minimum: who can have access to credit cards; where they should be stored; what type of transactions can be paid for with credit cards; any specific transactions that must not be paid for; what supporting documentation is required to be retained; that any accidental personal use must be reimbursed by the cardholder; transaction and balance limits (and when to review the appropriateness of these); how the credit card policy interacts with existing procurement policies; what level of review of transactions is required; who is responsible for reconciling and paying outstanding balances; and what to do if fraud is suspected.

We also recommend that reconciliation of credit card and recording of transactions occurs at least monthly.

Management response

Management has drafted a Corporate Credit Card Policy which was tabled at the 16 September 2022 Audit Committee Meeting. Audit Committee Members have recommended that the policy be tabled at the next Council Ordinary Meeting for adoption. Policy will be presented at the October Ordinary Meeting for Council consideration.

Responsible officer: Executive Director Financial Services

Status: Work in progress

Action date: 31 October 2022

Appendix A1 – Status of issues (cont.)

Other matter

22CR-6 Register of interest declarations for Executives not obtained in a timely manner

Observation

The Chief Executive Officer commenced employment in March 2022, but by August 2022 had not provided the Mayor with a register of interests.

We also noted that one employee who carried out a role as an Acting Executive for one month during the year had not provided the Chief Executive Officer with a register of interests.

QAO recommendation

We recommend that as part of the induction of any new Council Executive, the Executive is provided with blank register of interest forms to complete and return as soon as possible, and these should be followed up regularly until they are received.

We also recommend that any staff who take an Acting Executive role are asked to complete a register of interest declaration form.

Management response

Management will ensure that as part of the induction of any new Council Executive, the Executive is provided with blank register of interest forms to complete and return as soon as possible, and these will be followed up regularly until they are received.












Responsible officer: Executive Director Corporate Services

Status: Work in progress

Action date: 31 December 2022

Appendix A2 – Matters previously reported

The following table summarises all control deficiencies, financial reporting issues and other matters that have previously been raised but were not resolved. The listing includes issues from our reports this year and those issues raised in prior years.

Internal control issues				Financial reporting issues		
						
Significant deficiency	Deficiency	Other matter		High	Medium	Low
Ref.	Rating	Issue		Status and comment		
22IR-1		Lack of independent verification of employee bank account change request The payroll team actioned a fraudulent request for a change of employee bank account, resulting in payment of an employee's wages into a fraudulent bank account.		Resolved – Verification procedures are enhanced to require a copy of bank statement, signed payroll authority form and documentation of verification in person or by phone.		
21CR-2		No formal policy for information technology (IT) change requests Council does not have a documented policy for managing IT change requests.		Work in progress – Testing is being carried out. Responsible officer: Executive Director Corporate Services Original action date: 30 November 21 New action date: 31 December 2022		
21CR-5		Cost to Council of providing fuel to residents Any fluctuations in the cost of purchasing fuel during the year are not passed on to customers. The cost to purchase fuel in drums is approximately three times the price of purchasing in bulk, plus Council also bears the cost of disposing of the drums after they are used.		Resolved Council has put methods in place to increase the fuel sales price and has begun work on improving infrastructure to allow the storage and sale of fuel in bulk storage rather than drums. Live electronic record keeping is also being trialled.		
21CR-6		Policies to be updated A number of Council policies and related procedures are past the date of review or have not been updated. Examples include the Equal Opportunity Policy, Abandoned Properties Policy and the Rental Debt Policy.		Resolved Out of date policies have been updated during the year		
21IR-4		Not all material balances reconciled during the year AASB16 lease accounting and AASB15/1058 grant accounting not updated throughout the financial year, they are only updated at balance date.		Work in progress – Due to staff issues, Council has not been able to implement accounting for these items during the financial year. Responsible officer: Executive Director Corporate Services Original action date: 30 November 21 New action date: 30 June 2023		



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TORRES STRAIT ISLAND REGIONAL COUNCIL

AGENDA REPORT

ORDINARY MEETING:	October 2022
DATE:	11 th & 12 th October 2022
ITEM:	Agenda Item for <u>Resolution</u> by Council
SUBJECT:	Award Tender No. TSIRC 2022-363 Marine Initiatives – Ugar Jetty Remedial Works
AUTHOR:	Peter Price – Acting Senior Project Engineer

Recommendation:

That Council resolves to:

1. Award the Tender No. TSIRC 2022-363 Marine Initiatives – Ugar Jetty Remedial Works, to Paul Ware Constructions Pty Ltd for an amount of up to \$225,324.00 excl. GST.

And

2. Pursuant to section 257 of the *Local Government Act 2009*, Council delegates to Chief Executive Officer:
 - Power to make, amend or discharge any required approvals and or funding agreements with relevant funding bodies in relation to this project; and
 - Power to negotiate, finalise, and execute any and all matters associated with or in relation to this project, contracts and funding including without limitations to any options and/or variations as per Council's procurement and ethical sourcing policy.

Purpose:

The purpose of this Agenda Report is to provide Council with a recommendation to award Tender No. TSIRC 2022-363 Marine Initiatives – Ugar Jetty Remedial Works to Paul Ware Constructions Pty Ltd, for an amount of up to \$225,324.00 excl. GST.

Background:

The Ugar Island Jetty has sustained damage from a combination of weather events and general wear and tear, which has resulted in the structure requiring urgent remedial works to extend and maintain the structures design life.

The Ugar Jetty is critical infrastructure to the community as the only means of access are via private marine vessels and charter helicopter noting Ugar does not have a aerodrome like other TSIRC communities.

TSIRC has previously been allocated funding from Torres Strait Regional Authority (TSRA) for the Marine Initiatives project for quick repairs and design life extensions on aging Marine Infrastructure in the Torres Strait Island Communities as identified in the Marine Infrastructure Condition Assessment and Audit Project.

Scope of Works:

The primary scope of works includes remedial works on Ugar Jetty. Works include but not limited to:

- Site establishment and disestablishment,
- Documentation, project management and compliance with all regulations,
- Environmental Management (Marine),

- Cleaning, Surface Preparation, and Repainting (Marine Epoxy Paint – Black) of the steel marine structure (piles and beams),
- Supply and Installation of the required longitudinal beams (If ordered),
- Rust removal and treatment,
- Removal of damaged mooring hooks,
- Supply and Installation of new mooring cleats,
- Remediation of the undermined jetty access slab involving concrete works,
- Remediation rock abutment at access slab (If ordered), and
- Any other item included in the contract documents and not detailed above.

The following images outline the severity of the defects requiring remedial works on the Ugar Jetty.



Figure 1: Mooring Hook completely rusted off

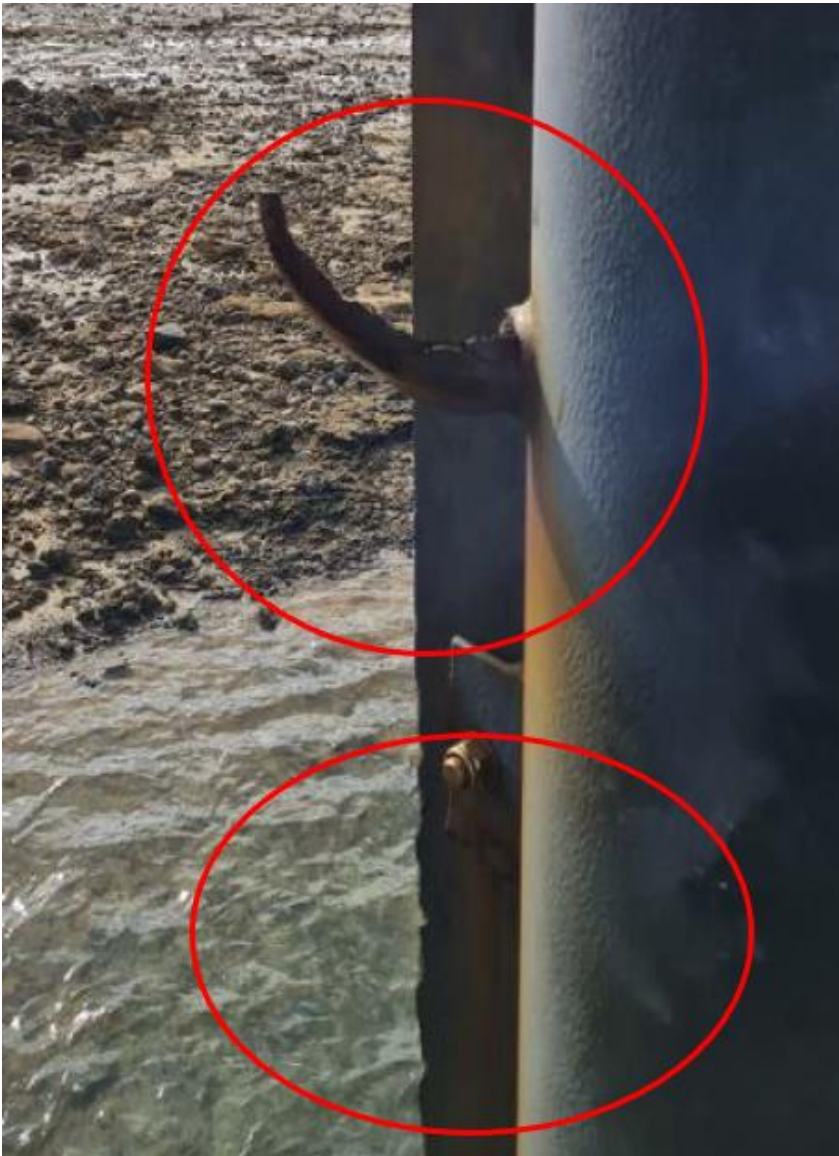


Figure 2: Rusting of Mooring Hook



Figure 3: Undermined jetty access slab



Figure 4: Longitudinal Beam requiring replacement



Figure 5: Rust blistering on marine pile

Funding:

- TSRA – Marine Initiatives Grant.

The purpose of the Marine initiatives grant is for provisions of marine infrastructure projects for the Torres Strait communities within the TSIRC jurisdiction which have been identified through the completion of the Marine Infrastructure Audit.

This grant is in line with the TSRA Safe Communities (Infrastructure) Programme aim to improve the standards of services such as emergency response, safe and accessible community infrastructure supporting land and sea systems.

The delivery of the marine infrastructure projects has a due date of 30th June 2023.

Procurement Process:

In accordance with Council's procurement policy and the Local Government regulations 2012, tenders were sought through VendorPanel for Tender No TSIRC 2022-363 Marine Initiatives – Ugar Jetty Remedial Works.

Table 1 below outlines the tendering process undertaken.

Description	Details
Advertising	VendorPanel Portal (Select Tender Process)
Advertised Date	22 nd August 2022
Tenders Due	5:00pm 9 th September 2022
Tender Period	3 weeks
Tenders received	Zero (0) tenders received through VendorPanel

Table 1: Details of the tendering and procurement process.

At the close of the select public tender process on 6th September 2022, Council received zero (0) tender responses through VendorPanel.

An identical Tender request was then sent to Paul Ware Constructions Pty Ltd, a Local Company based in the Torres Straits which returned a conforming submission. As the received tender value is inline of the proposed cost estimate outline in the Marine Audit, completed by Haskoning Australia Pty Ltd, and as Paul Ware Construction Pty Ltd has completed previous Marine Infrastructure projects (jetty upgrades at Badu, Kubin & St Pauls and deconstruction of the lower finger jetty at Saibai) for TSIRC with a high standard of product delivery, is a pre-qualified supplier with Council, is locally owned and based on Mua Island (St Pauls Community), employs local indigenous persons, and has proven value for money on past project engagements, it is recommended as the preferred supplier.

Note: Paul Ware Constructions Pty Ltd are a pre-qualified supplier with Council and are recommended to be engaged under the contract for Trade Services TSIRC 2019-208. In accordance with Council's procurement policy and the Local Government regulations 2012, Paul Ware Constructions Pty Ltd can be engaged directly with Council Resolution for works over \$200,000.00

TSIRC's Acting Senior Project Engineer (Peter Price) and Manager Capital Works (Adeah Kabai) have also assessed the tender submission against pre-defined tender criterion weighting as outlined in the table below:

Criteria	Weighting
Value for Money	40%
Relevant Skills and Experience	20%
Demonstrated Understanding	20%
Program of Works	10%
Local Content	10%

Table 2: Evaluation Criteria

Considerations:
Risk Management

Funding

- TSRA – Safe Communities (Infrastructure) Programme, Marine Initiatives Grant has an funding end date of 30th June 2023. All works under this grant must be completed by this date and finalised.

Council Finance

There is no financial risk to Council as the project is to be fully funded by the following external grant:

- TSRA – Safe Communities (Infrastructure) Programme, Marine Initiatives Grant.

Consultation:

- Divisional Councillor
- TSIRC Engineering Management
- TSRA Funding body
- External Consultants

Links to Strategic Plans:

- Corporate Plan 2020-2025 Outcome 4: We are transparent, open and engaging Council, and
- Corporate Plan 2020-2025 Outcome 5.4: Advocate for the upgrade of essential marine, airport and associated infrastructure.

Statutory Requirements:

- *Local Government Act 2009*
- *Local Government Regulation 2012*

Conclusion

It is recommended that Council:

Award the Contract No. TSIRC 2022-363 Marine Initiatives – Ugar Jetty Remedial Works to Paul Ware Constructions Pty Ltd, for an amount of up to \$225,324.00 excl. GST and delegate power to the Chief Executive Officer.



Author:

Peter Price
Acting Senior Project Engineer



Reviewed:

Adeah Kabai
Manager, Capital Works



Recommended:

David Baldwin
Executive Director, Engineering Services



Approved

James William
Chief Executive Officer



TORRES STRAIT ISLAND REGIONAL COUNCIL

AGENDA REPORT

ORDINARY MEETING:	October 2022
DATE:	11-12 October 2022
ITEM:	Agenda Item for Resolution by Council
SUBJECT:	Annual Report 2022
AUTHOR:	Mette Nordling, Manager of Governance and Compliance

Recommendation:

Council resolves to:

1. Adopt the Annual Report for the period of 1 July 2021 to 30 June 2022 for the Torres Strait Island Regional Council in accordance with the requirements of the *Local Government Act 2009* and associated regulation, subject to Audit review and approval.
2. Delegate authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to make minor administrative amendments and finalise all matters associated with publishing this report.

Comment:

Council is required by section 182 of the *Local Government Regulation 2012* to prepare and adopt an annual report. Adoption of the annual report is required within one (1) month after the day the auditor-general gives the auditor-general's audit report about the local government's financial statements for the financial year to the local government. This year, the audit report was received from the Auditor-General on 19 September 2022.

Council's Annual Report 2022 (inclusive of the Financial Statements) is provided for consideration and adoption.

The annual report provides an assessment of operations of Council for the 2021-22 financial year. This report satisfies Council's annual reporting legislative requirements

In accordance with section 182 of the *Local Government Regulation*, the local government must publish its annual report on its website within two (2) weeks of adopting the annual report. The annual report will be made available to the community through the website.

Consultation:

All Council departments.

Links to Strategic Plans:

The delivery and adoption of the Annual Report strategically align to specific delivery objectives under all 3 pillars of Council's Corporate Plan, being *People*, *Sustainability* and *Prosperity* and Council's performance against each pillar.

Risk:

Failure to deliver an Annual Report is a breach of the *Local Government Regulation 2012* and compliance requirement of Council's key funding bodies.

Statutory Requirements:

Local Government Act 2009 (Qld)

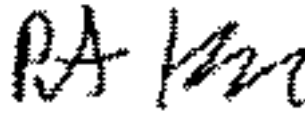
Local Government Regulation 2012 (Qld)

Conclusion:

That Council resolves to adopt the Annual Report for the 2021/22 financial year and delegate to the Chief Executive Officer to finalise matters for publishing.

**Endorsed:**

Mette Nordling
Manager Governance and Compliance

**Recommended:**

Peter Krebs
Acting Executive Director, Corporate Services

**Approved:**

James William
Chief Executive Officer

Attachments:

- Annual Report 2022

2022

Annual Report

Diving into
our future
Celebrating
our history



Torres Strait Island
REGIONAL COUNCIL

Acknowledgement

Torres Strait Island Regional Council acknowledges Native Title Holders, Elders past and present, and all members of the Communities that we serve within the five clusters of Zenadth Kes: the Gudaw Maluligal Nation of the top western islands, the Maluligal Nation of the western islands, the Kemer Kemer Meriam Nation of the eastern islands, the Kulgalgal Nation of the central islands, and the Kaiwalagal Kaurareg Aboriginal Nation of the inner islands.

We recognise their continuing connection to land and sea, and the strength of a cultural heritage and belief system that spans past, present, and future generations.

Disclaimer:

Disclaimer: Torres Strait Islander and Aboriginal peoples should be aware that this publication may contain images or names of people who have since passed away. Council respects the right of families and communities to request the removal from subsequent publications of any image or name that causes distress.

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Welcome to the report

Torres Strait Island Regional Council is proud to present the annual report for the financial year to 30 June 2022. This report outlines Council's financial and operational performance for the year against the key objectives, strategies and priorities of our Corporate Plan / Bisnis Plan 2020-2025, the 2021-22 Operational Plan and the endorsed annual budget. Overall, this has been a challenging year for Council emerging from COVID-19 which has continuously impacted on Council in different ways throughout the year.

The goals of this report

- Meet our legislative obligations under the *Local Government Act 2009* and the *Local Government Regulation 2012*.
- Communicate our vision, operational direction, and work to the communities we serve.
- Demonstrate our commitment to accountability and transparency.
- Promote the distinctiveness of our region domestically and internationally.
- Build community and stakeholder confidence in Council's projects and partnerships.
- Recognise the achievements of our employees and our organisation.

Council aims to go beyond statutory requirements by producing a report that is comprehensive and engaging, detailing a wide range of activities undertaken and projects delivered, striving towards excellence in reporting. We view this report as an important tool to inform key stakeholders – residents, local businesses, nongovernment organisations, and other government departments and agencies – about our achievements and challenges as well as our plans.

The report also provides a platform to inform and engage our employees with information on how we have performed over the year and how their efforts have contributed to achieving our vision.

This report is divided into the following main sections:

- Welcome to the report – review of the year by the Mayor and Chief Executive Officer
- Our highlights – summary of performance and finance for the 2021/22 financial year
- Our region – gives an overview our region and history
- Democratic governance – provides details of our Elected Members, their meeting attendance and remuneration.
- Corporate plan performance – reports on our progress toward achieving the goals and objectives of the Corporate Plan / Bisnis Plan 2020-2025.
- Administrative governance – details the structure of Council, our employee demographics and offers a summary of the mechanisms that support accountability and leadership.
- Financial overview is comprised of the comprehensive audited financial statements for the 2021/22 year.

We hope this report helps you understand our operations. Your feedback is appreciated to help us improve our reporting to be even better in the future. For further information and to provide feedback, please contact our Corporate Affairs department at corporate.affairs@tsirc.qld.gov.au

Key terms, notations and abbreviations are explained as they are introduced and are listed at the back of this report, page 179.

As part of our environmental commitment to reducing waste we encourage you to download a copy of this report at tsirc.qld.gov.au. You can request a printed copy or provide feedback by contacting Council on (07) 4034 5700 or by email to corporate.affairs@tsirc.qld.gov.au.



Our youth leading the way

Mayor's message

2021/22 was another challenging year where we continued working towards our strategic goals through rising costs and the continued impacts of the global pandemic.

Kapu goeyga nithamunka mura, kulay kidh ngay koeyma eso a apapudh ngoelmun koey Awgadh inab kayne goeyga gasaman ngay lak gudwoeydhika mura Zenadth Kes baradhawraw mabaygal, kuyku mabaygal, a koey mabaygal, kaybaypa kulay, kayb goeyga a soeypa ngapa bungul.

I acknowledge Papa God, Traditional Owners, Elders and Community Leaders throughout our region. I also acknowledge all community members of the five Nations we serve throughout Zenadth Kes - from where the sun rises on Mer in the East to where it sets on Boigu in the West. I acknowledge all First Nations people throughout Australia and recognise our shared connection to culture, kustom, and belief systems that span thousands of years.

Continued challenges

Council continues to refine the strategic direction and vision for our organisation and region while working through various challenges. There are still issues to resolve following the amalgamation of Council in 2008, such as adequate funding and resources for the region, and limited opportunity to generate own-source revenue.

Despite the impacts of COVID-19 on our region this year, we have been able to continue to deliver essential infrastructure within budget and on time. Our commitment to delivering and maintaining quality services extends to ensuring our community members have adequate access to these.

I acknowledge the consistent efforts of our Elected Members and Council employees, who work tirelessly to improve the liveability of our region.

One

As a Council, we are working towards redefining our identity and controlling our narrative, a journey that started with the first Councillors Conference in 1937. We are looking inwards to realise the strength and potential we have as an organisation and a region. We should be proud of what we have accomplished and celebrate our achievements.

This year we have reaffirmed and restructured our values to vocalise that we are one Council, one organisation, and one region. We want to ensure that we celebrate and promote unity and cohesiveness while recognising the complexities we face by aligning our strategic vision to our operational challenges.

Future aspirations

We recognise the changing political landscape and welcome the opportunity to renegotiate old agreements to ensure the best opportunities for our region. Throughout the year, we advocated for our communities with State and Federal members, making it clear, that we strive to be the regional partner of choice for both state and federal governments in the delivery of services and infrastructure.

Our Council supports the Uluru Statement of the Heart and the Path

to Treaty and will work closely with all levels of government to ensure the voice of our region is heard. We believe this is an opportune time to discuss our strategic and operational challenges to achieve our long-term aspirational goals and ensure the longevity of our region.

I look forward to working alongside our newly appointed Chief Executive Officer, James William, the Elected Members and our employees to continue the delivery of our Bisnis Plan/ Corporate Plan 2020-2025. We will continue to partner with all our stakeholders to achieve our vision of an autonomous, prosperous, and sustainable Council and communities

Koeyma eso, au esoau to you all.

God bless.

Phillemon Mosby
Mayor



CEO's message

The Torres Strait Island Regional Council 2021/22 Annual Report celebrates our progress towards the 2025 vision for our region while remembering and celebrating our history.

I acknowledge members of the communities we serve throughout our region: the Gudaw Maluligal Nation of the top western islands, the Maluligal Nation of the western islands, the Kemer Kemer Meriam Nation of the eastern islands, the Kulkalgal Nation of the central islands, and the Kaiwalagal Kaurareg Aboriginal Nation of the inner islands. I pay my respects to Elders past and present.

I am proud to deliver my first Annual Report as Council's Chief Executive Officer and it allows me to reflect on and share our achievements over the past financial year. It has been an exciting first four months in the role and I am honoured to be welcomed into the organisation and back to the region where I grew up.

Our Performance

This year we maintained focus through rising costs of materials, freight and labour and a continuing pandemic. We delivered **\$34.8M** in **capital works** during the year, which is an impressive achievement for an organisation of our size within such a unique local government area.

Due to internal and external circumstances we haven't performed as well against our Operational Plan as anticipated, with 14 of the 60 objectives completed this year. However, many objectives are multi-year objectives, and we will continue to deliver on those. A comprehensive report on progress against the year's objectives is provided on pages 85 to 102 of this

report. I extend genuine thanks and acknowledgement to all Council employees for their individual and collective efforts to pursue our objectives - we are doing great work for our communities.

We continued to support our local businesses with several contracts awarded to local suppliers. We aim to continue to increase these numbers to ensure the viability of local businesses and keep money in the region.

Construction on the Seawalls Project reached a significant milestone with completion of the **\$15M Boigu Seawall**, which is part of the Commonwealth and State Government jointly funded **\$40M Seawalls Project Stage 2**. Work also commenced on the construction of coastal defence works on Poruma, which is due for completion in late 2022.

Looking ahead and thank you

During the coming year, we will increase our strategic efforts and reassess where we as an organisation need to focus our efforts to ensure the best outcome for our organisation and our communities.

We will continue to work on being the largest employer in the region and an employer of choice by focusing on building skills and capacity in our communities. I appreciate our workforce who continue to go "above and beyond the call of duty" for the benefit of our communities, despite the often challenging nature of our work. I

also extend my gratitude to the Executive Team, several of whom have taken on the role of acting Chief Executive Officer at different times, during the previous 20 months.

It is an honour to be the Chief Executive Officer and I wish to thank the Mayor and Elected Members for their support during my first few months in the role.

I am confident that Council can look forward to a positive future as we build upon our work to create an autonomous, prosperous, and sustainable Council and communities.

James William
Chief Executive Officer



Youmpla vision & mission

Youmpla values

Our vision & mission

Vision

For youmpla ples ene Council for meke something youmpla self sor long we can gad fruit them thing we mekem e praper ene las long time.

For our communities and council to be autonomous, prosperous and sustainable.

AUTONOMOUS:

We achieve autonomy when we empower our people and community through rigorous engagement, consultation and participation. An autonomous Council fuels both local and regional self-sufficiency.

PROSPEROUS:

We are prosperous when we are flourishing, thriving, or have success: this can be in our faith, culture, traditions, happiness, fortune or health and wellbeing.

SUSTAINABLE:

We are sustainable when we deliver social, economic or environmental solutions that enhance current community needs and long-term aspirations.

Mission

For youmpla for street ples blo youmpla ene weis kaine youmpla stap lor pless blo youmpla.

To improve our communities' liveability in all we do.

LIVEABILITY:

Liveability is the sum of the factors that add up to a community's quality of life - including the built and natural environments, economic prosperity, social stability and equity, educational opportunity, and cultural, entertainment and recreational possibilities.

Our values

Council's values are the foundation on which our work rests. They exemplify the core principles of Council and guide our strategic descision-making.



ONE

Youmpla matha one and youmi make e ol something matha one.

We are one team who achieves together.



RESPECT

Youmpla respect one another and ples blo youmpla, youmpla ya for serve.

We have respect for each other and the communities we serve.



ACCOUNTABILITY

We meke ol something proper for good name por aol pipol we wok por especially por ples blo youmi.

We are accountable and responsive to our communities.



COURAGE

Youmpla aol strong leader and we think about proper good weis kaine youmpla gor meke something lor ples por pipol blo youmpla.

We are courageous leaders who think innovatively.



RESILIENCE

Youmpla buildi strong region blo youmpla ene meke something were ya e las long time.

We are builders of a sustainable and resilient region.

Towards autonomy, prosperity and sustainability

Planning for 2025

A summary of Council's strategic planning and operational performance as we work towards achieving our vision for our communities and Council to be autonomous, prosperous, and sustainable.

This Annual Report includes the third year of growing towards the objectives set out in the Corporate Plan / Bisnis Plan 2020-2025. The plan sets out the vision for our communities and Council to be autonomous, prosperous, and sustainable.

The below framework outlines how the Annual Report contributes to Council's wider integrated planning and reporting framework. A summary of Council's performance on the 2021/22 Operational Plan can be found on pages 15 and 16 and full reporting on pages 85 to 102.

Our planning framework

Progress towards our vision is coordinated and assessed through our integrated planning and reporting framework. The framework consists of our Corporate Plan / Bisnis Plan, our annual Operational Plan, and our reporting requirements, which sit within and contribute to the wider planning process.



Figure 1: Council's integrated planning framework

Council's Corporate Plan / Bisnis Plan was adopted in 2019 and sets out a framework to help achieve our vision 'for communities and Council to be autonomous, prosperous, and sustainable', and our mission to improve our communities' liveability in all we do'. Three strategic pillars were identified as essential to achieving these goals: **Pipol / People**, **Mekem las long / Sustainability**, and **Pruitpul / Prosperity**. 12 outcomes were aligned within the strategic pillars to form a robust framework that guides operational objectives.



Pipol
People

Outcome 1: We preserve cultural heritage, history and place.

Outcome 2: Our communities are safe, healthy and active.

Outcome 3: We ensure accessibility to community support services.

Outcome 4: We are a transparent, open and engaging Council.



Mekem las long
Sustainability

Outcome 5: We plan effectively for the future of our individual communities and region.

Outcome 6: Our communities remain resilient to the effects of climate change and natural disasters.

Outcome 7: Our communities are consulted around liveable places, aligned to lifestyle and environmental suitability.

Outcome 8: We manage Council affairs responsibly to the benefit of our communities.

Outcome 9: We actively reduce our environmental footprint and manage our resources sustainably.



Pruitpul
Prosperity

Outcome 10: We advocate and foster regional prosperity through enterprise development.

Outcome 11: We invest in the retention of key skills within our region.

Outcome 12: We bring opportunity to our region and put our culture on the world stage.



Wanem council
be mekem

Our highlights



In expert hands, boat racing on Erub

Performance summary

Council develops key performance indicators as part of the annual Operational Plan.

Sixty objectives were developed for delivery in our Operational Plan for the 2021/22 financial year. These were all drafted based on the three pillars and outcomes identified in our 2020/25 Corporate Plan. The objectives are actionable targets that move us closer to our vision for Council and our communities.

The process of setting objectives is aligned with the budget process to ensure that each objective has

an appropriate budget and other relevant resources allocated to its delivery. Each objective also has a delivery target to ensure performance can be measured.

Quarterly reports on the progress of these objectives are provided to Council to ensure transparent performance updates.

The figure shows the 21/22 Operational Plan objectives per Corporate Plan pillar.

Pillar	Number of Objectives
People	12
Sustainability	41
Prosperity	7
Grand total	60

Figure 2: 2021/22 Operational Plan objectives per Corporate Plan pillar

The performance status

The figure below shows the performance status of the 2021/22 Operational Plan objectives as at 30 June 2021 comparative to the 20/21 Operational Plan objectives.

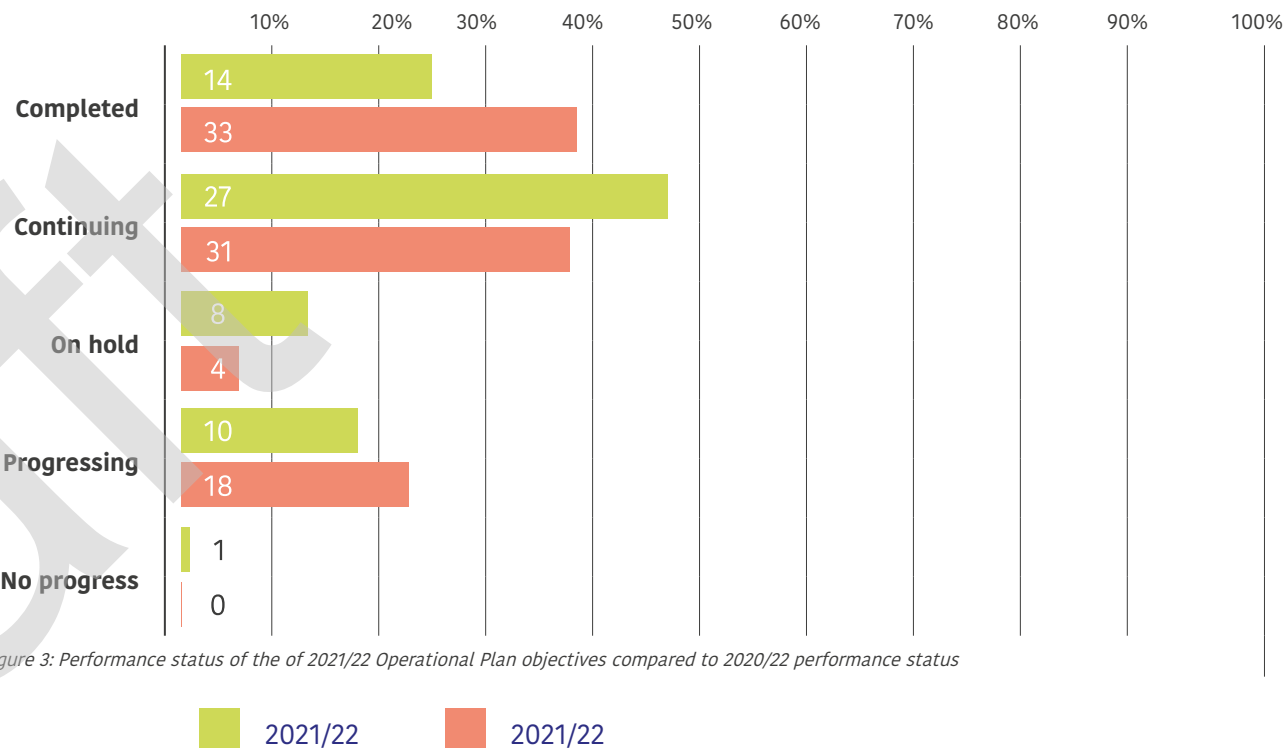


Figure 3: Performance status of the of 2021/22 Operational Plan objectives compared to 2020/22 performance status

The performance status as at 30 June was 85% (51 of the 60 objectives) a decrease of 10% from the 95% (82 of the 86 objectives) last year. The 85% result represents the initiatives with the status of completed, on track or continuing.

Relaxing after a hard day at the office

How we spend our money

To ensure our organisation is operational, we need to generate income and develop a budget to manage expenditure

It might surprise you to learn how much it costs us to keep the organisation running, so our community can continue to enjoy our great services and facilities and we can improve the liveability for our communities.

From keeping the garbage collection going, to providing clean water, we keep things running so you can enjoy the main services and facilities that make our region a great place to live. As well as the construction, upkeep and maintenance of our infrastructure such as roads, jetties, community halls and sports grounds, incoming funds also help fund the many community services we provide such as, youth and seniors programs through our IKCs and delivery of child and aged care services.

Revenue: Where did the money come from?

Council received \$95.1 million in revenue split between operating revenue (\$60.6 million) and capital revenue (\$34.5 million). The largest contribution was from grants, subsidies, contributions and donations, which totalled \$64.9 million for both operating grants (\$30.4 million) and capital grants (\$34.5 million). Total revenue increased by \$5 million from the previous year primarily due to receipt of grant funding in advance.

Expenditure: Where was the money spent?

Council spent \$155.3 million between operating expenses (\$108.7 million), capital expenses (\$9.9 million) and capital projects (\$36.7 million) in 2021-22.

Operating expenses component include:

- materials and services
- employee costs
- depreciation and amortisation
- finance costs
- other expenses.
- Capital expenses component include:
- loss on disposal of property, plant and equipment

Assets: What do we own?

As at 30 June 2022, Council's assets were valued at \$1.06 billion. This includes \$993.4 million in property, plant and equipment primarily made up of:

- Buildings (Communities) \$326 million
- Buildings (Corporate) \$55.7 million
- Recreational facilities \$12.2 million
- Transport network \$179.7 million
- Stormwater drainage network \$8.9 million
- Flood mitigation network \$29.9 million
- Water \$129.1 million
- Wastewater \$153.6 million
- Marine infrastructure \$32.3 million
- Land \$2.6 million
- Plant and equipment \$2 million
- Capital works in progress \$59.9 million

Liabilities: What do we owe?

At 30 June 2022, Council's liabilities totalled \$36 million. This was principally made up of:

- Lease liabilities
- Contract liabilities
- Amounts owed to suppliers
- Employee leave entitlements
- Provisions for landfill restoration



Revenue
\$95.1 Million



Expenditure
\$155.3 Million



Liabilities
\$36 Million



Assets
\$1.06 Billion



Community Equity
\$1.02 Billion

To improve our communities' liveability in all we do.

where our money comes from

where we spent our money

Operational and capital revenue	
Community levies, rates and charges	1,646,091
Fees and charges	4,530,560
Sales revenue	18,237,100
Grant, subsidies, contributions and donations	64,880,003
Interest received	194,259
Other income	893,574
Rental income	4,768,317
Total	\$95,149,904

Table 1 Operational and capital revenue

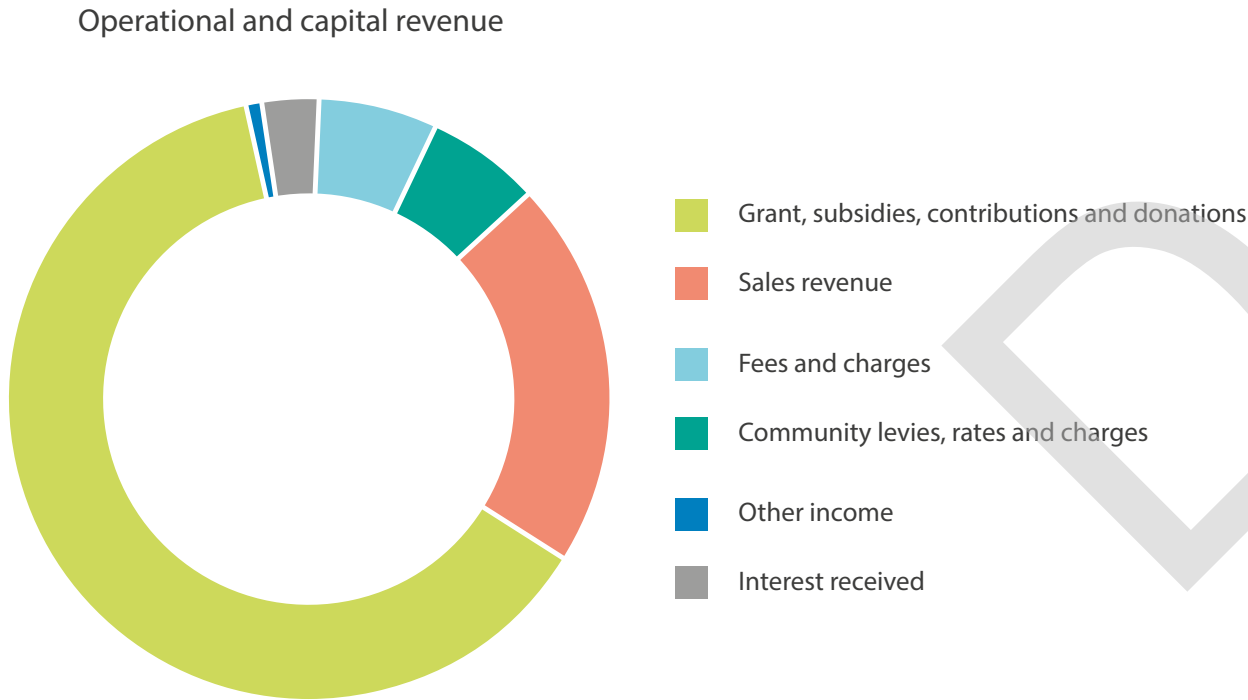


Figure 4: Operational and capital revenue

Operational expenses	
Materials and Services	26,371,018
Employee benefits	31,511,033
Depreciation and amortisation	47,529,464
Finance Costs	3,344,130
Total	\$108,755,645

Table 2 Operational expenses

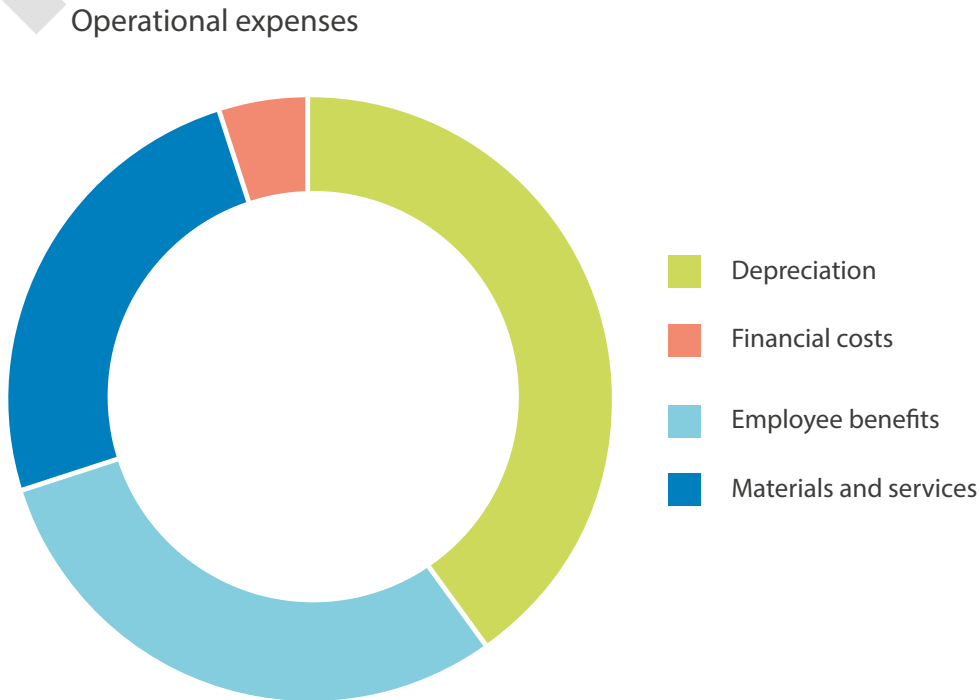


Figure 5: Operational expenses

Financial Performance Summary

capital expenditure

Council's Financial Statements were completed within the statutory timeframe set out in the *Local Government Act 2009* and the *Local Government Regulation 2012*. The audit report was unqualified.

Council had an operating deficit of \$48.1 million in 2021/22. This deficit is lower than the previous year's deficit of \$56.2 million.

There was an increase in both revenue (+\$10.2 million) and expenses (+\$0.9 million).

Increased revenue was due to an overall increase in all revenue items with grants (+\$6.8 million) and sales (+\$2.2 million) revenues being the most significant. Grants that contributed to the increase were the early part-payment of the 2022/23 financial assistance grant and funding for the waste metal program under the Indigenous Councils Critical Infrastructure Program.

Sales revenue is mostly related to Council's Building Services Unit which was able to deliver more repairs and maintenance works due to efficiencies created in processes (systems) and resource allocation (employees). Costs mainly increased due to the loss on revaluation of Council's 40-year leases which have been affected by the increase in interest rates.

Council's total assets are valued at \$1,059.2 million with the most significant component being property, plant, and equipment \$993.4 million. Total liabilities are \$36 million with the most significant amount relating to contract liabilities at \$13.4 million. Contract liabilities relate to funds received where Council is not yet entitled to recognise the funding due the non-performance of its obligations.

Council is required to perform a comprehensive valuation at least every five years and a desktop valuation every other year. For the current year, a desktop valuation was undertaken which revealed an \$111 million net increase of assets with the revenue being recognised as a revaluation surplus in comprehensive income.

The following snapshot summarises the financial results for 2021/22 against the 2021/22 results.

- Operating deficit decreased by 14.4% (\$8.1m) to \$48.1 million
- Operating revenues increased by 17.5% (\$9.1m) to \$60.6 million
- Sales revenue (30.1% of operating revenues) increased by 13.6% (\$2.2m) to \$18.2 million
- Grants and subsidies (50.1% of operating revenues) increased by 29% (\$6.8m) to \$30.4 million
- Operating expenses increased by 0.9% (\$0.9m) to \$108.8 million
- Net assets increased by 8.1% (\$79.6m) to \$1,059.2 million
- Cash and investments decreased by 26.3% (\$11.9m) to \$33.3 million
- Capital projects expenditure increased by 11.6% (\$3.8m) to \$36.7 million

Council has a large capital works program that address the need for new infrastructure against the need to maintain, renew, upgrade, and replace existing assets. In 2021/22, capital expenditure was \$36.7M.

Key capital works completed during the year include:

- **\$13.7M** Boigu Seawall
- **\$8.8M** Saibai Sewerage Treatment Plant Upgrade and Replacement
- **\$3.6M** Erub Sewerage Treatment Plant Renewal
- **\$2M** Mer Sewerage Treatment Plant Renewal
- **\$950K** Smart Water Meters
- **\$780K** Warraber Reservoir Renewal
- **\$375K** Mer Aerodrome Fencing Replacement
- **\$260K** Mer, Badu and St Pauls Water Network

Capital expenditure four-year comparison

2021/22	2020/21	2019/20	2018/19
\$36.7M	\$32.9M	\$22.4M	\$25.3M

Table 3: Capital expenditure four-year comparison

*Budget figure excludes contributed assets.

Financial sustainability ratios

Financial sustainability measures indicate whether Council is operating in a financially sustainable manner. As shown below, for 2021/22 Council is within range for one of the three financial sustainability ratios.

In accordance with section 178 of the *Local Government Regulation 2012*, Council tracks three measures of financial sustainability. These measures are:

Operating surplus ratio: indicates the extent to which revenues raised cover operational expenses only, or are available for capital funding.

Asset sustainability ratio: approximates the extent to which infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.

Net financial liabilities ratio: Indicates the extent to which the net financial liabilities of Council can be serviced by its operating revenues.

The target range for the financial ratios is set in accordance with the Department of Infrastructure, Local Government and Planning Financial Management (Sustainability) Guidelines 2013.

The following tables show actual historical ratio values for the last three financial years. Forecast ratios for the next nine years are included in the Long-term Financial Sustainability Statement in the Financial Statements included in this report.

Operating surplus ratio

Target	2021/22	2021/22	2019/20	2018/19	Explanation of 2021/22 result
0% - 10%	-79%	-112%	-87%	-55%	There has been an increase in sales for contracts and total recoverable works and an increase in operating grants revenue received. Depreciation and amortisation is a non-cash allocation of asset consumption of \$47.5M.

Table 4: Operating surplus ratio historical four-year performance trend

Asset sustainability ratio

Target	2021/22	2021/22	2019/20	2018/19	Explanation of 2021/22 result
> 90%	19%	28%	27%	30%	Council is dependent on State and Federal Government funding for renewal of infrastructure assets. The timing of renewal programs does not coincide with the annual allocation of depreciation expense.

Table 52 : Asset sustainability ratio historical four-year performance trend

Net financial liabilities ratio

Target	2021/22	2021/22	2019/20	2018/19	Explanation of 2021/22 result
< 60%	-29%	-39%	-45%	-69%	Council has minimal liabilities as a percentage of total operating revenue.

Table 5: Net financial liabilities ratio historical four-year performance trend

Financial management strategy

Torres Strait Island Regional Council has put in place several long-term financial planning initiatives since its amalgamation in 2008. These include:

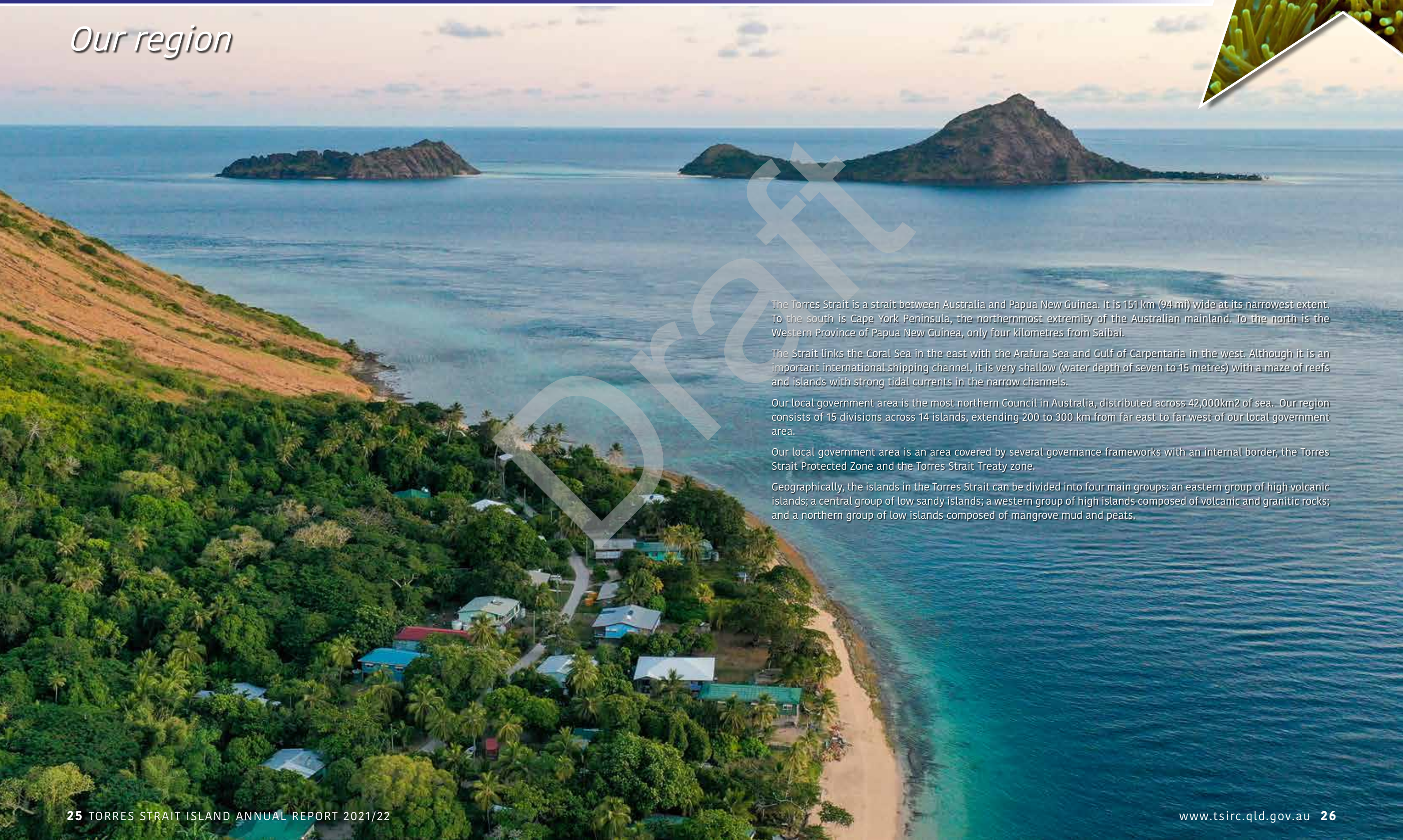
- Development and regular update of Council’s Long-term Financial Model including scenario based and sensitivity analysis;
- Divestment of non-core Local Government Services to the Community;
- Implementation of a rigorous Debt Management Policy;
- Identification and valuation of all Council assets;
- Development of Asset Management Plans for all asset classes;
- Implementation of cashless divisional offices.

The Long-Term Financial Plan and subsequent strategy for Council is to:

- Maximise own-source revenue initiatives including strengthening the Debt Recovery process;
- Concentrate on delivering a surplus budget (before depreciation);
- Deliver on Asset Management Plan strategies and goals where funding allows Council to do so; and
- Continue to lobby Federal and State Governments to free up funds for further Asset Management Plan initiatives.

Younipla ples

Our region



The Torres Strait is a strait between Australia and Papua New Guinea. It is 151 km (94 mi) wide at its narrowest extent. To the south is Cape York Peninsula, the northernmost extremity of the Australian mainland. To the north is the Western Province of Papua New Guinea, only four kilometres from Saibai.

The Strait links the Coral Sea in the east with the Arafura Sea and Gulf of Carpentaria in the west. Although it is an important international shipping channel, it is very shallow (water depth of seven to 15 metres) with a maze of reefs and islands with strong tidal currents in the narrow channels.

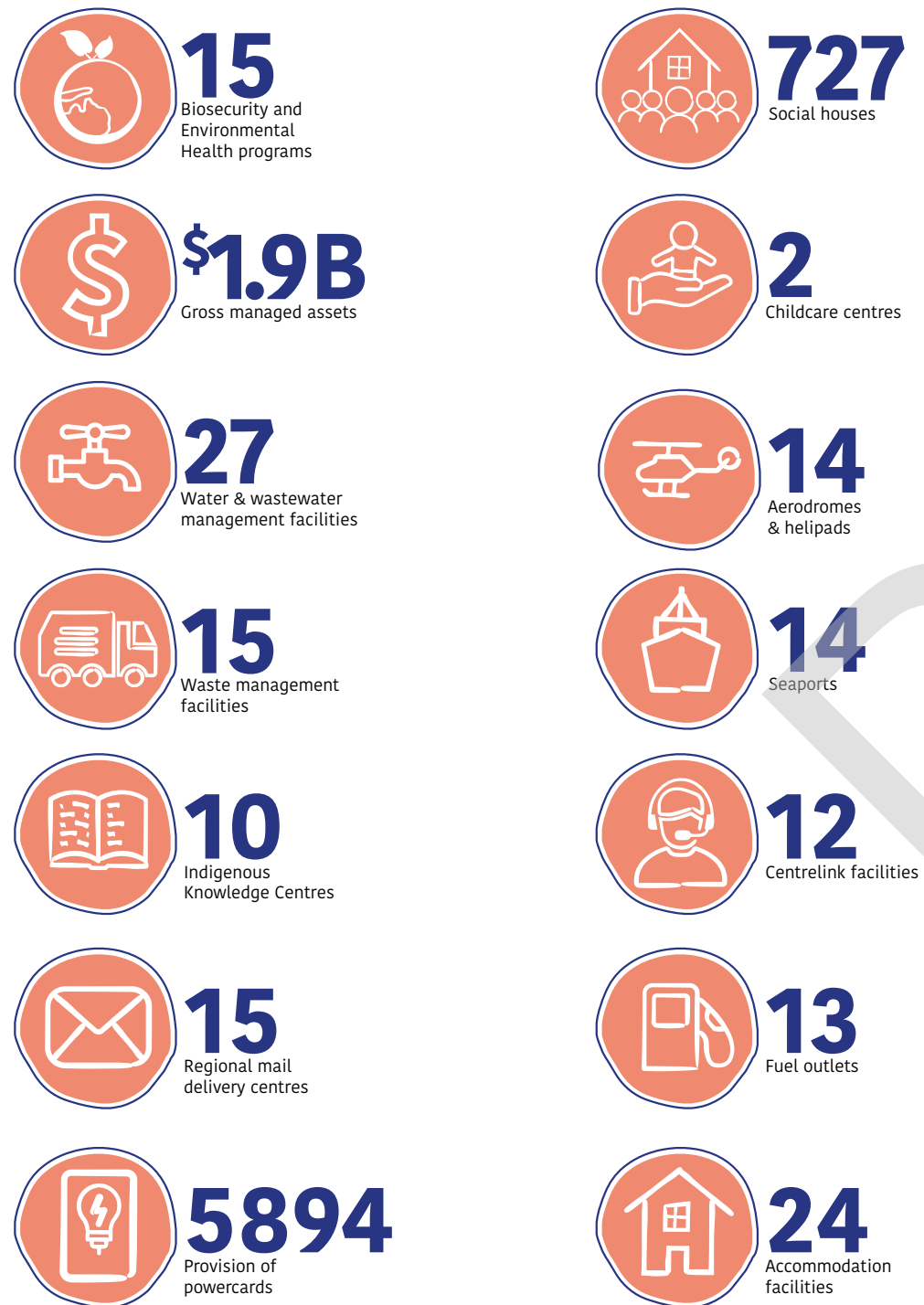
Our local government area is the most northern Council in Australia, distributed across 42,000km² of sea. Our region consists of 15 divisions across 14 islands, extending 200 to 300 km from far east to far west of our local government area.

Our local government area is an area covered by several governance frameworks with an internal border, the Torres Strait Protected Zone and the Torres Strait Treaty zone.

Geographically, the islands in the Torres Strait can be divided into four main groups: an eastern group of high volcanic islands; a central group of low sandy islands; a western group of high islands composed of volcanic and granitic rocks; and a northern group of low islands composed of mangrove mud and peats.

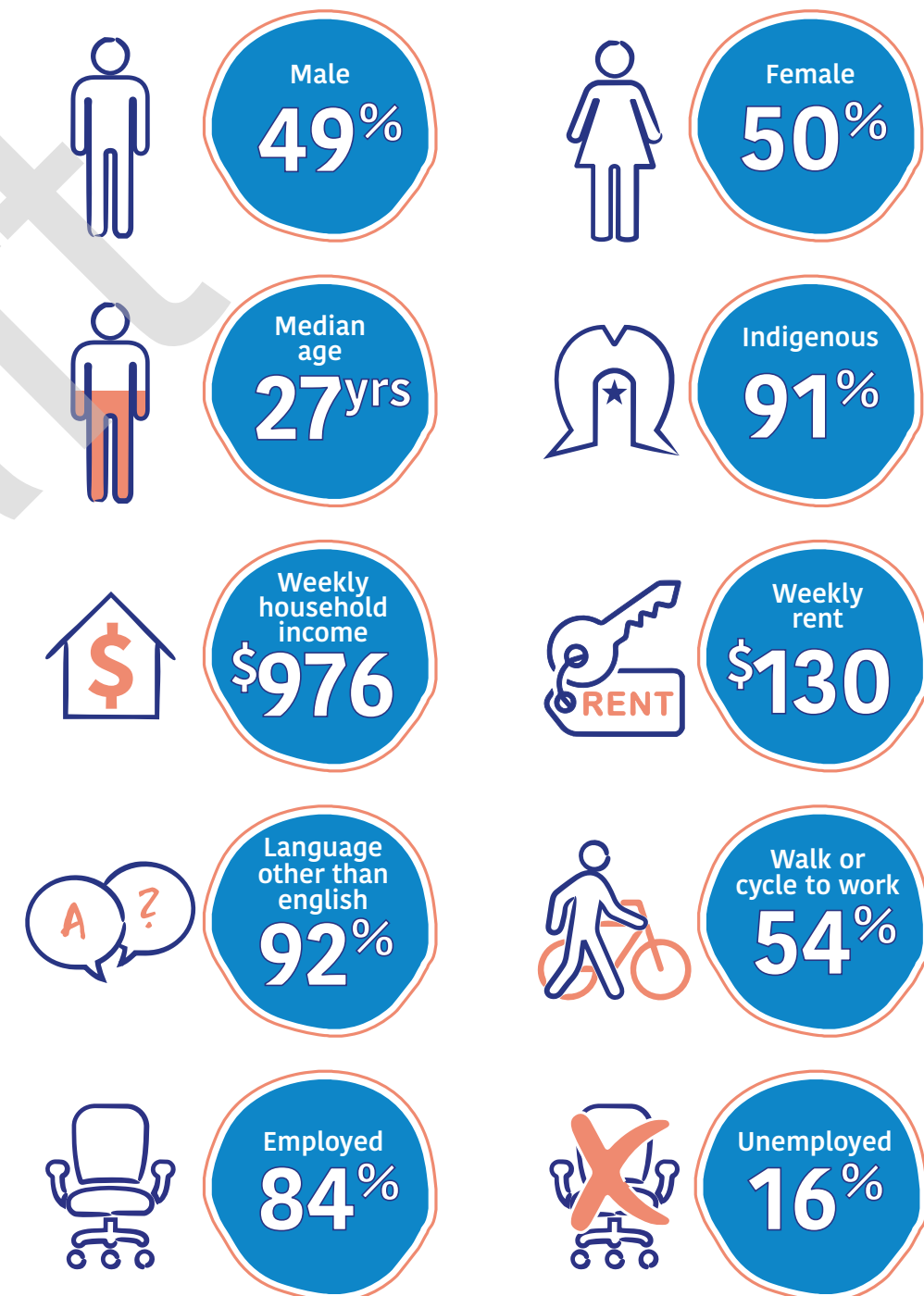
Regional features

Council's portfolio of responsibilities extends beyond the standard remit of local government. Our operations are spread across 42,000km² and include the provision of 75 home support services and the management of regional transport infrastructure.



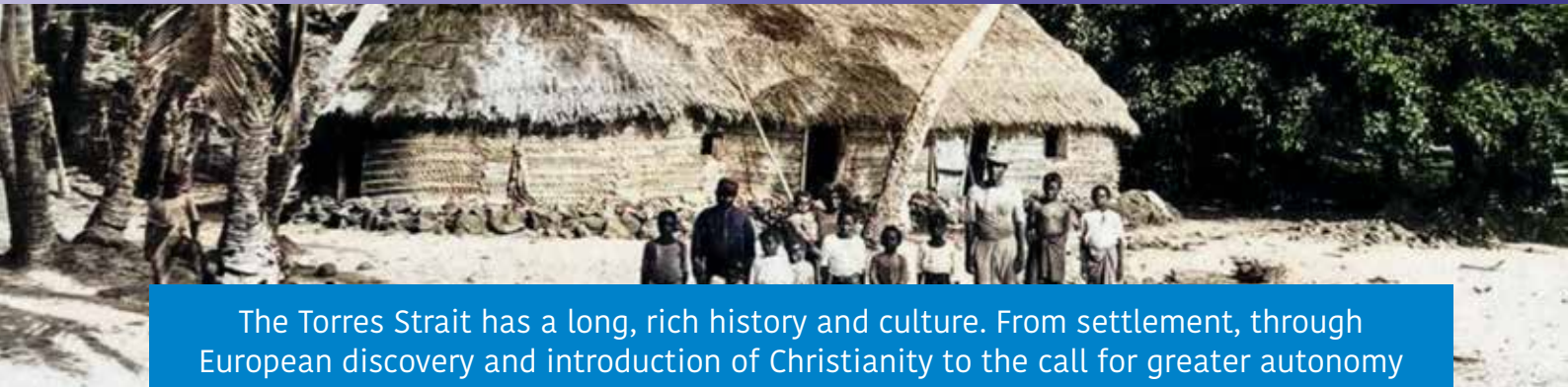
Regional demographics*

Council's local government area is rich in culture with two traditional languages and six dialects, as well as Youmpla Tok (Torres Strait Creole) and English spoken across the region.



* Data sourced from the 2021 census. Weekly household income and weekly rent amounts are given as the median.

Our history



The Torres Strait has a long, rich history and culture. From settlement, through European discovery and introduction of Christianity to the call for greater autonomy and self-governance, the history and culture, Sea, Land and Lore is still strong.

It is believed that the first inhabitants of the Torres Strait migrated from the Indonesian archipelago 70,000 years ago when Papua New Guinea was still attached to the Australian continent. In the last 25 years, archaeologists have found evidence of human settlement dating back 2,500 years. Evidence dating back further is inconclusive due to the formation of the sea between Papua New Guinea and mainland Australia, and world sea levels being approximately 100-metres lower 8000 years ago.

European discovery

The Torres Strait is named after Spaniard Louis Vaez de Torres who is credited with discovering the region when he sailed through in 1606 on his way to Manila in the Philippines.

Explorer James Cook claimed British sovereignty over the eastern part of Australia in 1770 at Possession Island in the Torres Strait, which is now part of Torres Shire. After this, other explorers travelled through the Torres Strait in the late 1700s and early 1800s. Ship traffic also commenced from Brisbane and Sydney via the Torres Strait to ports in India and Asia. Some of these ships stopped in the Strait to trade or carry out repairs, but many ran

aground on the numerous reefs.

Coming of the Light

On 1 July 1871, the London Missionary Society led by Rev. Samuel MacFarlane arrived on Erub. This is recognised as the “Coming of the Light” and is celebrated annually by all Island communities on 1 July. 2021 was the 150th anniversary of Coming of the Light, for more information on this celebration, see page 31.

Industry

Pearling played a large role in the Torres Strait for approximately 100 years. By 1850 vessels were working all over the Southwest Pacific trading goods and exploiting resources that could fetch a profit at a mainland port. This included timber and beche-de-mer until a patch of pearls shells were discovered. In a very short time, approximately 500 Pacific Islanders were working in the Torres Strait on pearling boats. Torres Strait Islanders also participated in the activity and by 1870 several Torres Strait Islanders had been to Sydney and were able to speak a little English – the beginnings of the Torres Strait Creole.

The pearling industry employed up to 700 people and there were more than 100 pearl luggers until trade

stopped at the end of World War II.

Governance

The Torres Strait Islands within a 60 nautical mile radius of the coast of Queensland were annexed in 1872 by Queensland, becoming part of the British colony of Queensland. The remaining islands of Boigu, Erub, Mer and Saibai were annexed in 1879. After 1901, the Islands became part of the Australian State of Queensland.

In 1899 - John Douglas instituted a system of island councils to replace the previous system of “mamooses” (island leaders), making Torres Strait Islanders responsible for their own councils, police, and courts, empowering leaders to deal with minor crimes through imprisonment or fines. A courthouse and a gaol were built in every community, along with a church, school, and store.

In 1904 following the death of John Douglas, the Queensland government placed Torres Strait Islanders under the Aborigines Protection and Restriction of the Sale of Opium Acts, known as “the dog act”. Over the coming years, Island ‘reserves’ were gazetted, superintendent teachers appointed, and curfews and other controls introduced.

Even though the Island councils remained, their authority was greatly restricted.

In 1936 a major strike took place against the protector and his agents’ rule over the Torres Strait. This led to the first conference of Torres Strait Islander Councillors in 1937, demanding that the Queensland Government improve service, end the unpopular regulations and transfer power from superintendent-teachers back to local councils.

A second conference took place in 1939 which led to the development of a new act, repealing the previous Protection legislation and passing the Torres Strait Islanders Act, which legally recognised Islanders as a separate people.

The Torres Strait Islander Act was repealed in 1965 and replaced by the Aborigines and Torres Strait Islander Affairs Act. The majority of restrictive clauses under the previous act were removed, including the old restrictions which prohibited travel to the mainland.

In 1978 the Australian and Papua New Guinea governments signed the Torres Strait Treaty, which defines boundaries and use of sea between the two countries. This Treaty is still in place and signifies the historic relationship between the inhabitants of the Torres Strait and the Papua New Guinea treaty villages.

Steps to autonomy

In May 1982, Eddie Koiki Mabo, Celuia Mapo Salee, Deacon Sam Passi, James Rice and Reverend David Passi lodged a Native Title claim for Mer in the court system. This led to a ten-year court battle eventuating in the historic High Court Mabo decision in 1992, which overturned the legal doctrine of Terra Nullius.

Mabo Day is celebrated annually by all Island communities on 3 June. 2022 marked the 30th anniversary of the Mabo decision, for more information on this celebration, see page 33.

In 1984 the Community Services (Torres Strait) this act came into force, establishing the Island Coordinating Council. This Act was to provide support, administrative services and assistance for communities’ residents in the Torres Strait. The act focused on the Island Council and assistance provided by the State. This was also the year that the Deed of Grant in Trust (DOGIT) was introduced.

Four years later, the Torres Strait Leaders’ Forum was conducted, calling for greater self-determination.

The Torres Strait Regional Authority (TSRA) was established by the Commonwealth Government in 1994 to formulate, coordinate and implement programs for Torres Strait Islander and Aboriginal people living within the region.

In 1997 the Torres Strait Islanders: A new deal – A Report on Greater Autonomy for Torres Strait Islanders report to House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs was delivered. This report provided 25 recommendations to ensure greater autonomy for the residents of the Torres Strait. The Queensland and Commonwealth Governments endorsed in principle the establishment of a Regional Assembly in 1997.

This was followed by the establishment of the TSRA Greater Autonomy Task Force which handed down the Bamaga Accord in 2001 with a vision to allow the region to manage its own affairs, improve

recognition of culture, rights, and identity through full participation in the decision-making and economy of the region.

In 2008 as part of the local government reform in Queensland Torres Strait Island Regional Council and Northern Peninsula Area Regional Council were established and the old Island Councils were abolished. This reform resulted in Torres Strait Island and Aboriginal communities for the first time being subjected to the same legislation as the mainstream Council’s.

This did not stop the call for greater autonomy and self-determination with the creation of the TSNPA Regional Plan 2009-2029, a collaboration between TSRA, Torres Strait Island Regional Council, Torres Shire Council and Northern Peninsula Area Regional Council. In 2011, the Queensland Premier called for the Prime Minister to support the move to greater regional autonomy in the Torres Strait.

In 2014 the Joint Leaders’ Forum Coalition Executive meeting called for a new governance model named ‘One Boat’. From this has followed advocacy to both State and Federal Governments and Ministers to seek support for a regional assembly as was first proposed in 1997.

In 2021 another Leaders Forum was held on Thursday Island with the call for the Zenadth Kes Regional Assembly and Secretariat continuing under the three Councils who started the work in 1937.

coming of the light



On 1 July 2021 Torres Strait Island communities gathered on Erub to celebrate the 150th Anniversary of Coming of the Light or 'Keriba Lagaw Buiya'.

On 1 July 2021 Torres Strait Island communities gathered on Erub to celebrate the 150th Anniversary of Coming of the Light or 'Keriba Lagaw Buiya'. Coming of the Light is an important event of regional and national significance and is celebrated on 1 July each year. This event recognises the introduction and adoption of Christianity throughout the Torres Strait. Council was honoured to support the week-long celebration of this historical event.

On 1 July 1871 Reverend Samuel MacFarlane of the London Missionary Society and Reverend Archibald W Murray, along with South Sea Islander evangelists and teachers, landed at Kemus Cove on Erub on the boat Surprise. Their arrival introduced the Bible and Christianity to the Torres Strait. They were met by Dabad, an Erubian warrior chief who turned his back on tribal ways by welcoming them, leading to a shift in the path of Torres Strait Islanders'

spiritual beliefs. A prominent Erub monument bears the inscription, In loving memory of Dabad. A Clan Elder who defied his Tribal Law and accepted the Words of God from the London Missionary Society on 1st July 1871 at Erub.

The week-long celebrations included a procession and church services at the Kemus Monument and Dabad Medigee Village, conducted by the Anglican Bishop of North Queensland, the Right Reverend Keith Joseph and Deacons and Priests from across Torres Strait Island Communities. Federal Member for Leichhardt, Warren Entsch also attended the celebrations.

Traditional spear-making, weaving and tie-dyeing activities were held at Beulah Muud. Model sailing boats were raced on the beach and traditional feasting, singing and colourful island warrior dancing completed the festivities.

The occasion was also marked

by the opening of an exhibition at Erub Arts and the launch of its publication, Erub Commemorating the Light 150th Anniversary, 1871 – 2021, the result of several years of research, expanding on the Erub history and the significance of the first landing of missionaries at Kemus Bay.

The heritage-listed All Saints Church on Erub, constructed in 1898, plays a central role in the annual celebrations and was repainted in preparation for the anniversary.

Christianity remains strong in Torres Strait Island Communities today, while Communities also continue to uphold their age-old connection to land, sea and sky, practising their traditional customs, and cultural identity referred to as 'Ailan Kastom'.



Families and dignitaries at the Kemus Beach service



Bishop and community priest at the Dabad Memorial service

Mabo Day



On 3 June 1992, the High Court of Australia ruled in favour of the Mabo plaintiffs, the late Eddie Koiki Mabo, Celuia Mapo Salee, Deacon Sam Passi, James Rice and Reverend Dave Passi, who filed in the courts for recognition of Indigenous land rights.

Mabo Day on 3 June 2022 marked the 30th anniversary of the High Court Mabo Decision. Week-long celebrations to commemorate this significant milestone for all Torres Strait Islander and Aboriginal people were held on Mer, the home of native title.

On 3 June 1992, the High Court of Australia ruled in favour of the Mabo plaintiffs, the late Eddie Koiki Mabo, Celuia Mapo Salee, Deacon Sam Passi, James Rice and Reverend Dave Passi, who filed in the courts for recognition of Indigenous land rights.

The Mabo Decision recognised for the first time in Australian law, the rights of Torres Strait Islander and Aboriginal peoples to their land, based on the traditional connection to and occupation of Country. The decision overturned the notion that Australia was 'terra nullius' or land belonging to no one. The following year the Australian Parliament passed the *Native Title Act 1993*

to create a system for Torres Strait Islander and Aboriginal peoples to claim native title over their lands.

Mayor Mosby and Cr Hilda Mosby attended the Mabo Day celebrations on Mer, which began by honouring the plaintiffs at their final resting place.

A procession took place in the eight tribal groups of Mer and the Dauareb tribe to the Mabo Day Cultural Village and was followed by a ceremony raising the tribal flags and the Mer flag, to the Mer national anthem.

Elder Ron Day said in his speech: 'Koiki Mabo is a product of Mer' and with the same zeal the plaintiffs had to squash the British Empire's notion of 'terra nullius' and turn native title from lore to law almost four decades ago. The people of Mabo launched the Mabo Statement affirming their sovereign title to individual parcels of land and territorial waters of the Murray Islands, to finish what Koiki Mabo

and the plaintiffs started.

Traditional feast and island dancing completed this historic milestone.



Patty Mills signing autographs
Images courtesy of Justin McManus



Young future leader
Images courtesy of Justin McManus

Seawalls program



The Torres Strait Seawalls Program Stage 2 continues to deliver tidal inundation mitigation and protection from coastal erosion for our communities.

Boigu Seawall

Boigu Seawall and bund wall construction was successfully completed in March 2022, providing 1022 metres of rock and wave return wall and 450 metres of bund wall preventing tidal inundation and flooding of the Boigu Community.

The project was delivered within its allocated budget of \$15 million and forms part of Stage 2 of the \$40 million Seawalls Program jointly funded by the Queensland and Commonwealth Governments for coastal defence works on five low lying Torres Strait Island communities, Boigu, Poruma, Ima, Warraber and Masig.

Council resolved to award the contract for construction to Koppens Development in February 2020, with onsite works delayed until August 2020 due to the COVID-19 pandemic. The project exceeded the Indigenous Economic and Employment requirements for local employment and training, with local operators trained in civil construction and plant operations,

and materials sourced locally from Badu Island Quarry.

Community impacts were a key consideration of the build, with access to the boat ramp, wharf, and other marine access and culturally significant sites maintained for the duration of the construction. Traditional turtle and dugong processing slabs and shoreline huts known as 'Zar Zars' were removed to enable the construction and were re-established following project completion.

Poruma Seawall

The Poruma Seawall is designed in five stages. Stage 1 was completed in November 2018 by Council's Civil Construction Crew, under the Torres Strait Seawalls Stage 1 Program, and stages 2-5 commenced in 2021 forming part of the Torres Strait Seawalls Stage 2 Program jointly funded by the Queensland and Commonwealth Governments.

Council's Civil Crew is undertaking the construction of stages 2 – 5 of the Poruma seawalls, consisting

of installation of 1055 metres of geobag seawalls to combat coastal erosion and tidal inundation. The geobags are engineered synthetic bags made to meet durability and environmental requirements with a smaller footprint and impact on the environment than hard structures, such as rock and concrete.

Council has worked closely with the Porumagal Registered Native Title Body Corporate and Traditional Owners and have received great feedback from the community regarding the project. Two Poruma locals have been employed on the project as casuals and the sand used to fill the geobags was sourced locally. The project is forecasted to reach completion in November 2022.

What's next?

The Poruma Seawall is forecasted to be completed in November 2022. But this is not the end of the Seawalls Program with Masig, Ima and Warraber seawalls forecasted to commence in 2023 as part of the currently funded Program.

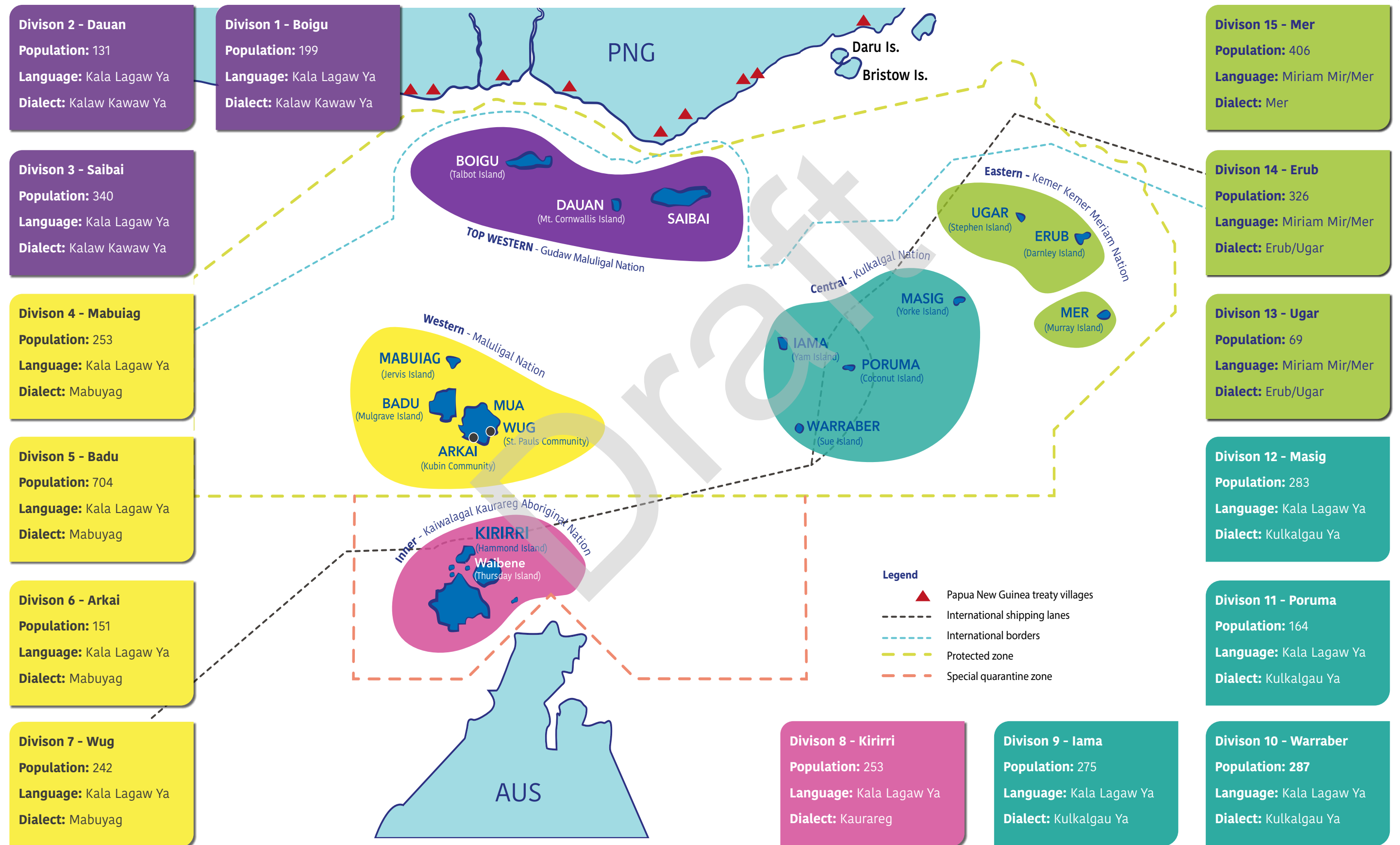


Beating the tide.
Construction of the Geobag wall, Poruma



Laying the foundations for a more secure future, Boigu Seawall

Our divisional footprint



* Population data sourced from the 2021 census.

Important role blo counsel

Democratic Governance



Roles and functions of council

There are three levels of government in Australia. Each carries out distinct and important roles to provide Australians with the services they need. These services may overlap in some areas.

Local government plays an important role in community governance. As a forum for local decision-making, it helps deliver the Queensland Government priorities locally and regionally.

A local government or council provides a wide range of services and activities, and for our Council this is even wider and more important than most.

Councils are part of the economic, social, and cultural development of the local government area and represent and play an important role in community governance by enforcing various federal, state, and local laws for its communities.

The powers of local governments in Queensland are defined in the *Local Government Act 2009* and the *Local Government Regulation 2012*.

The services Torres Strait Island Regional Council provides include the following:

Maintenance and construction of local roads and infrastructure

- Provision of water and sewerage
- Provision of waste collection
- Provision of animal management
- Provision of planning services
- Management of local laws
- Provision of community facilities such as community halls and Indigenous Knowledge Centres
- Provision of child- and aged care
- Provision of postal services
- Provision of Centrelink services
- Provision of fuel and gas
- Social housing management including repairs, maintenance, and newbuilds

Some of these services differ from your normal local government due to the nature of our location. Often, we are the only organisation in the region able to provide these services.

Role of Elected Members

Council is committed to effective, transparent, and accountable governance. Council and its Elected Members continue to fulfil their roles and responsibilities in accordance with legislative requirements.

Section 12 of the *Local Government Act 2009* states that the role of elected members is to:

- represent the current and future interests of residents in the local government area,
- provide high-quality leadership to the region and Council,
- participate in Council meetings, policy development, and decisions making,
- ensure that the Council acts responsibly, achieves the goals set out in the Corporate Plan, and adheres to all laws that apply to local governments.

The Mayor and Elected Members perform their roles by attending and participating in Council meetings, engaging with residents, and participating in policy development and decision-making processes. The Mayor has additional responsibilities to those listed above, which include chairing Council meetings, leading and advising Council's Chief Executive Officer, and representing Council at ceremonial or civic functions.

Our local government area is the most northerly Council in Australia. Our region is distributed across 42,000km² of sea and consists of 15 divisions across 14 islands. Mayor and Elected Members are elected democratically by the community to represent the current and future interests of the entire local government area, with each division electing a Councillor and the Mayor elected for the region. One Councillor is elected Deputy Mayor by their fellow Councillors.

The Elected Council conduct monthly Ordinary Meetings to consider and decide on strategic matters regarding Council's local government area and operation. In addition to Ordinary Meetings, Special Meetings are held when required to discuss and decide upon urgent strategic matters.

Council is also the trustee for the Deed of Grant in Trust land. As trustee, Council is responsible for managing and protecting the land for its Traditional Owners. Separate meetings are held to deal with matters relating to trust land and Council's role as trustee.

Our councillors

Elected members of the 4th Torres Strait Island Regional Council took their declaration of office in April 2020.



Councillor Dimas Toby
Boigu, Division 1
P: 4083 2000
E: Cr.Dimas.Toby@tsirc.qld.gov.au



Councillor Torenzo Elisala
Dauan, Division 2
P: 4083 2200
E: Cr.Torenzo.Elisala@tsirc.qld.gov.au



Councillor Conwell Tabuai
Saibai, Division 3
P: 4083 2800
E: Cr.Conwell.Tabuai@tsirc.qld.gov.au



Mayor Phillemon Mosby
P: 4034 5775
E: Mayor@tsirc.qld.gov.au



Councillor Keith Fell
Mabuiag, Division 4
P: 4083 2500
E: Cr.Keith.Fell@tsirc.qld.gov.au



Councillor Laurie Nona
Badu, Division 5
P: 4083 2800
E: Cr.Laurie.Nona@tsirc.qld.gov.au



Councillor Lama Trinkoon
Arkai (Kubin Community) on Mua,
Division 6
P: 4083 2400
E: Cr.Lama.Trinkoon@tsirc.qld.gov.au



Councillor Kabay Tamu
Warraber, Division 10
P: 4083 2550
E: Cr.Kabay.Tamu@tsirc.qld.gov.au



Councillor Francis Pearson
Poruma, Division 11
P: 4083 2700
E: Cr.Francis.Pearson@tsirc.qld.gov.au



Councillor Hilda Mosby
Masig, Division 12
P: 4083 2753
E: Cr.Hilda.Mosby@tsirc.qld.gov.au



Councillor John Levi
Wug (St Pauls Community) on Mua,
Division 7
P: 4083 2900
E: Cr.John.Levi@tsirc.qld.gov.au



Councillor Seriako Dorante
Kirirri, Division 8
P: 4048 6009
E: Cr.Seriako.Dorante@tsirc.qld.gov.au



Councillor Getano Lui
Deputy Mayor
Iama, Division 9
P: 4083 2650
E: Cr.Getano.Lui@tsirc.qld.gov.au



Councillor Rocky Stephen
Ugar, Division 13
P: 4083 2452
E: Cr.Rocky.Stephen@tsirc.qld.gov.au



Councillor Jimmy Gela*
Erub, Division 14
P: 4083 2300
E: Cr.Jimmy.Gela@tsirc.qld.gov.au



Councillor Aven S. Noah
Mer, Division 15
P: 4083 2600
E: Cr.Aven.Noah@tsirc.qld.gov.au

Elected member meeting frequency & attendance

Council prefers face-to-face meetings in community however, in the interests of protecting the safety of residents from COVID-19, some meetings may be conducted remotely.

Meeting type	Number of meetings
Ordinary meetings	12
Special meetings	5
Strategic Advisory Reference Group meetings (SARG)	11
Culture, Arts, Land and Heritage Committee	3
Economic Growth Committee	3
Governance and Leadership Committee	3
Housing, and Safe and Healthy Communities Committee	4
Climate Change Adaptation and Environment Committee	4

Table 7: Number of Council meetings by meeting type

Note: No SARG meeting in May 2022.

Please note for SARG meeting in September 2021:

- *Cr Lama Trinkoon attended as proxy for Cr Getano Lui (apologies)
- *Cr Jimmy Gela attended as proxy for Cr Rocky Stephen (apologies)

Please note for SARG meeting in April 2022:

- *Cr Lama Trinkoon attended as proxy for Cr Getano Lui (apologies)
- *Cr Francis Pearson attended as proxy for Cr Keith Fell (apologies)
- *Cr Jimmy Gela attended as proxy for Cr Rocky Stephen (apologies)

SARG – June 2022:

- *Cr Conwell Tabuai attended as proxy for Cr Rocky Stephen (apologies)



Legend

Meeting attended Meeting not attended

Councillor	Proportion of total meetings attended	
Mayor Mosby	28/28	
Ordinary meetings	12/12	
Special meetings	2/5	
SARG meeting	11/11	

Figure 6 Mayor Mosby Council meeting attendance

Elected member meeting frequency & attendance

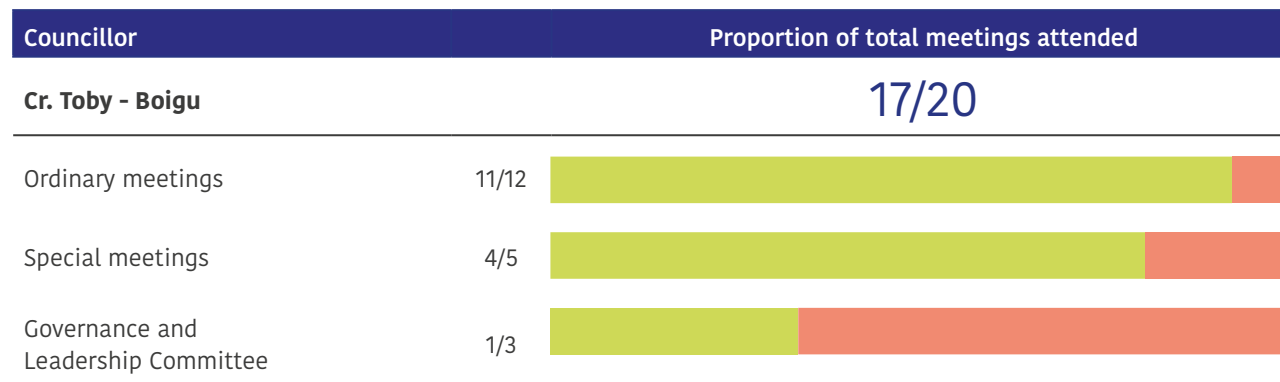


Figure 7: Councillor Toby Council meeting attendance

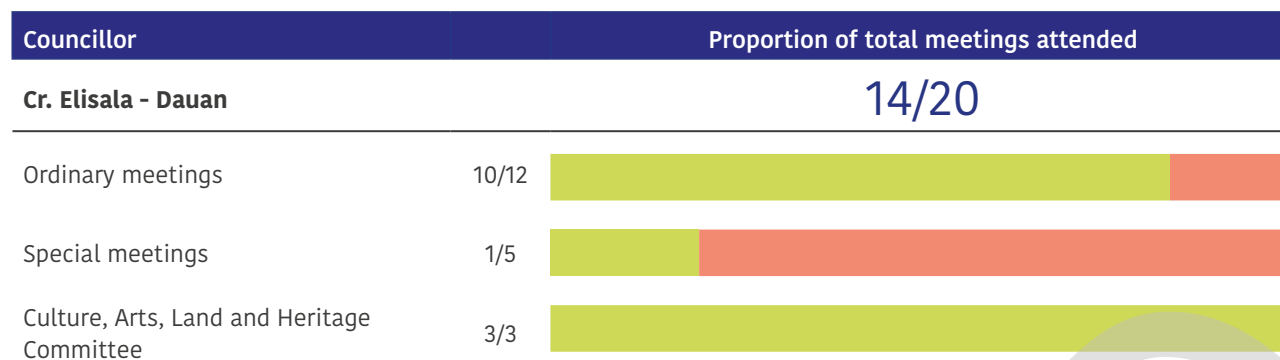


Figure 8: Councillor Elisala Council meeting attendance

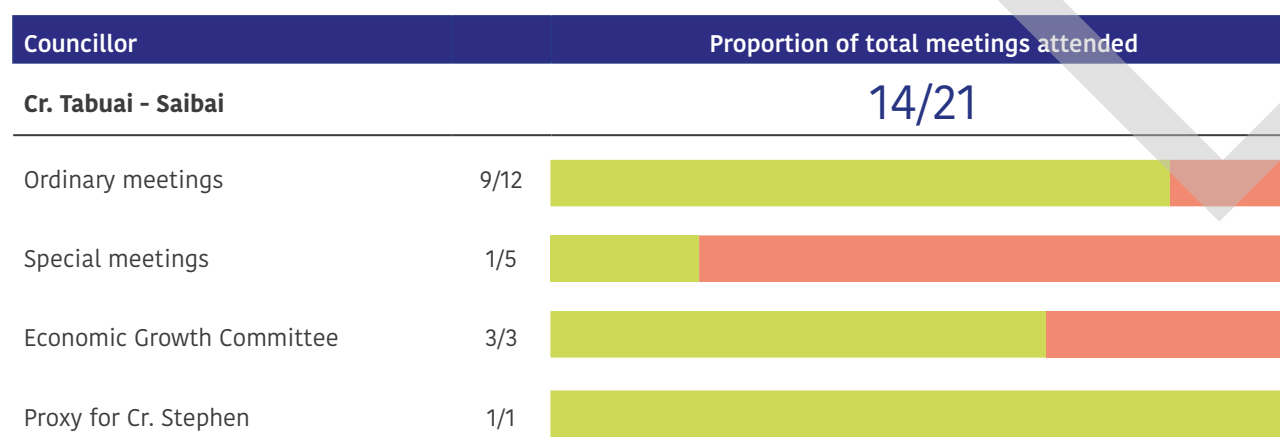


Figure 9: Councillor Tabuai Council meeting attendance

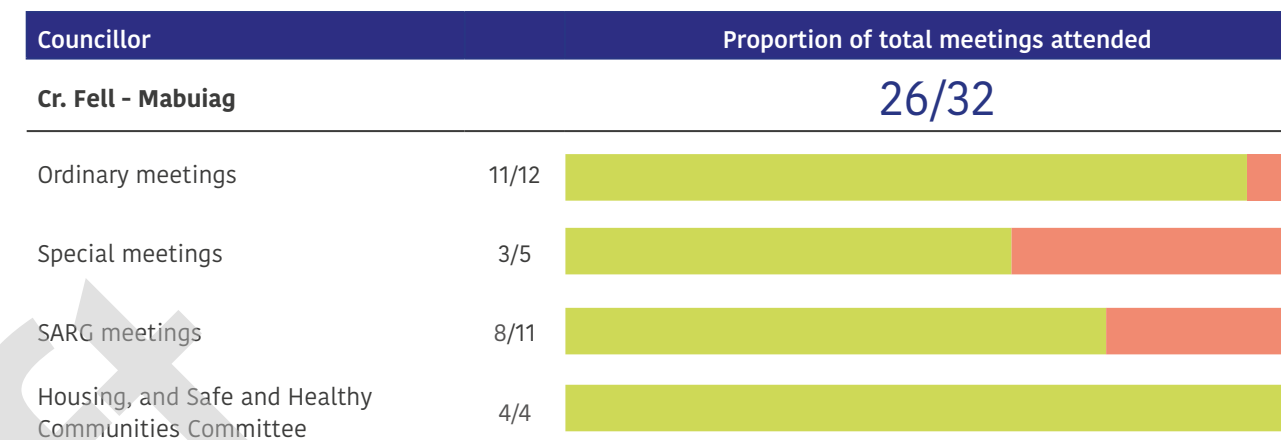


Figure 10: Councillor Fell Council meeting attendance

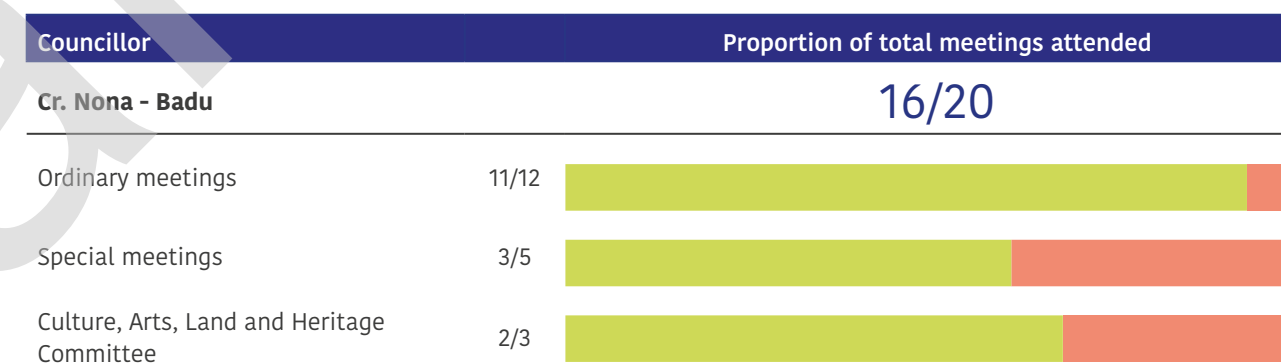


Figure 11: Councillor Nona Council meeting attendance

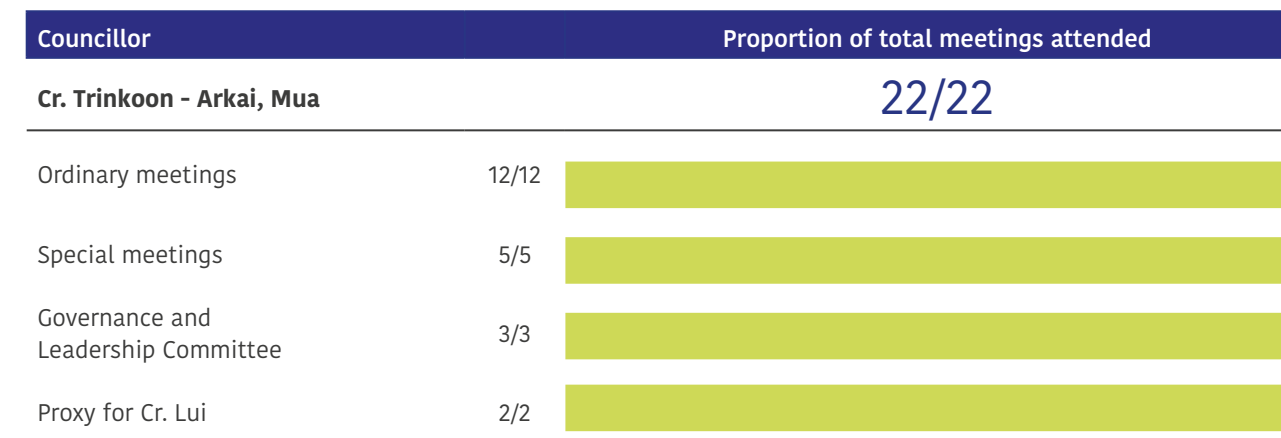


Figure 12: Councillor Trinkoon Council meeting attendance

Elected member meeting frequency & attendance

Councillor	Proportion of total meetings attended	
Cr. Levi - Wug, Mua	20/21	
Ordinary meetings	12/12	<div><div></div></div>
Special meetings	5/5	<div><div></div></div>
Housing, and Safe and Healthy Communities Committee	3/4	<div><div></div><div></div></div>

Figure 13: Councillor Levi Council meeting attendance

Councillor	Proportion of total meetings attended	
Cr. Dorante - Kirirri	18/21	
Ordinary meetings	12/12	<div><div></div></div>
Special meetings	4/5	<div><div></div><div></div></div>
Climate Change Adaptation and Environment Committee	2/4	<div><div></div><div></div></div>

Figure 14: Councillor Dorante Council meeting attendance

Councillor	Proportion of total meetings attended	
Cr. Lui - Iama	27/30	
Ordinary meetings	12/12	<div><div></div></div>
Special meetings	4/4	<div><div></div></div>
SARG meetings	9/11	<div><div></div><div></div></div>
Governance and Leadership Committee	2/3	<div><div></div><div></div></div>

Figure 15: Councillor Lui Council meeting attendance

Councillor	Proportion of total meetings attended	
Cr. Tamu - Warraber	14/21	
Ordinary meetings	10/12	<div><div></div></div>
Special meetings	3/5	<div><div></div><div></div></div>
Climate Change Adaptation and Environment Committee	1/4	<div><div></div><div></div></div>

Figure 16: Councillor Tamu Council meeting attendance

Councillor	Proportion of total meetings attended	
Cr. Pearson - Poruma	21/22	
Ordinary meetings	12/12	<div><div></div></div>
Special meetings	5/5	<div><div></div></div>
Housing, and Safe and Healthy Communities Committee	3/4	<div><div></div><div></div></div>
Proxy for Cr. Fell	1/1	<div><div></div></div>

Figure 17: Councillor Pearson Council meeting attendance

Councillor	Proportion of total meetings attended	
Cr. Mosby - Masig	26/32	
Ordinary meetings	10/12	<div><div></div><div></div></div>
Special meetings	3/5	<div><div></div><div></div></div>
SARG meetings	10/11	<div><div></div><div></div></div>
Climate Change Adaptation and Environment Committee	3/4	<div><div></div><div></div></div>

Figure 18: Councillor Mosby Council meeting attendance

Elected member meeting frequency & attendance

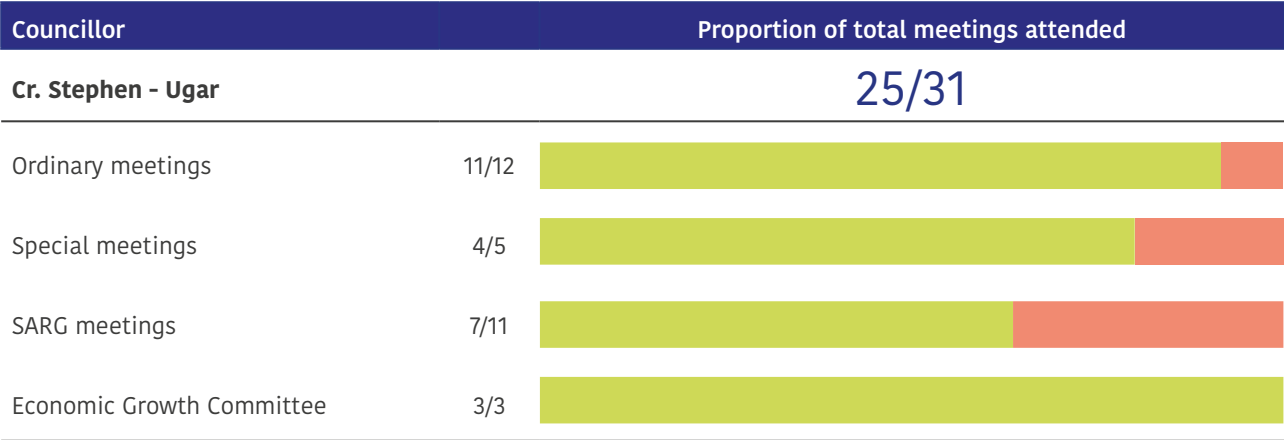


Figure 19: Councillor Stephen Council meeting attendance

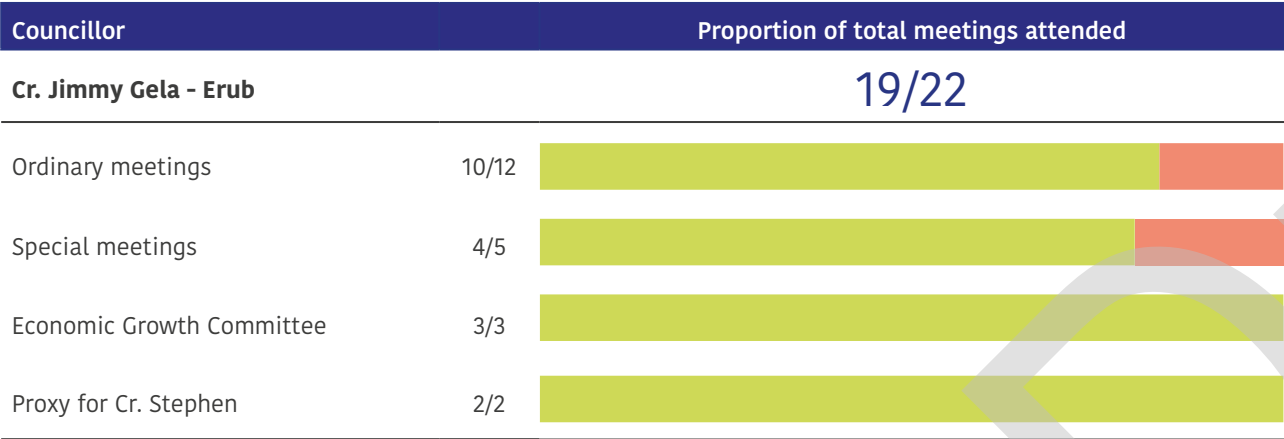


Figure 20: Councillor Jimmy Gela Council meeting attendance

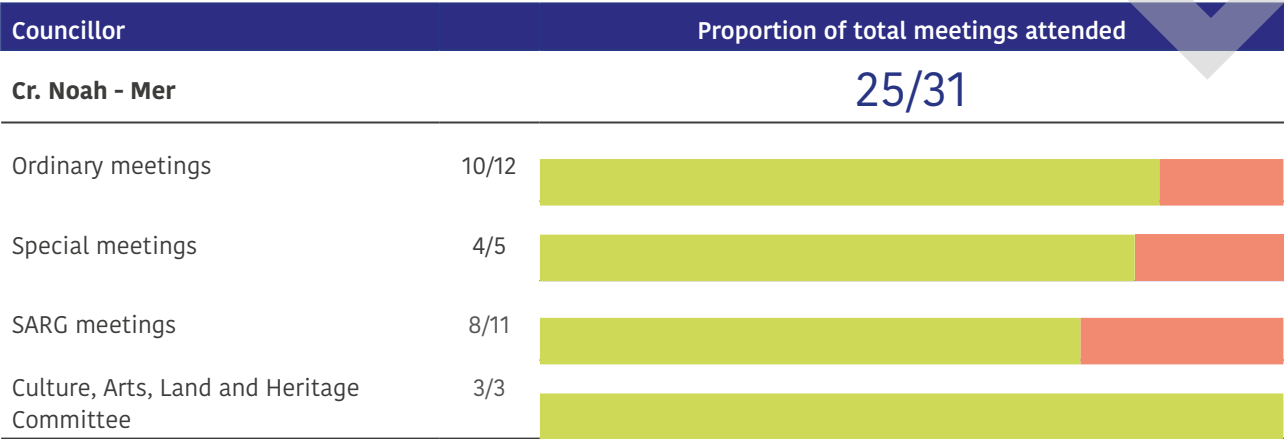


Figure 21: Councillor Noah Council meeting attendance



CEO, James William presenting at one of Council's workshops

standing committees

Standing Committees give Councillors the opportunity to work closely on matters of special interest or specialised skill. Each Councillor is a member of one committee and is elected by their peers, with the Mayor sitting on all committees.

The five subject committees meet three to four times a year to discuss and make recommendations on matters within the committee's portfolio. The chairs of these committees, along with the Mayor, form the Strategic Advisory Reference Group Committee. This committee meet monthly and progress matters which are dealt with at subject committee level, review draft policies and make recommendations on strategic matters.



Cultural, Arts, Land & Heritage

This committee has a portfolio including:

- Alian Kastom
- Cultural Heritage Advisory Committee
- Language & Arts Advisory Committee
- Regional Events
- Reconciliation Action Plan (RAP)
- Native Title
- Deeds of Grant in Trust
- Land transfer

Members: Councillor Noah (Chair), Mayor Mosby, Councillor Elisala, Councillor Nona.

Executive Sponsor: Executive Director, Community and Building Services.

This year the Culture, Arts, Land and Heritage Committee worked closely with officers to develop Council's Corporate Identity Document, 'Wan Mak', which discusses matters pertaining to the Torres Strait Flag.



Governance and Leadership Committee

This committee has a portfolio including

- Regional Assembly
- Transition Action Plan (TAP)
- Torres Strait Treaty
- Local Government Boundaries

Members: Councillor Lui (Chair), Mayor Mosby, Councillor Trinkoon, Councillor Toby.

Executive Sponsor: Executive Director, Community and Building Services.

This year the Governance and Leadership Committee worked on progressing the local government boundary review.



Economic Growth Committee

This committee has a portfolio including:

- Divestment of Enterprises
- Regional Stimulus Projects
- Industry Development
- Torres Strait Procurement Policy
- Connectivity & Tele-communication
- Employment
- Training

Members: Councillor Stephen (Chair), Mayor Mosby, Councillor Tabuai, Councillor Gela.

Executive Sponsor: Executive Director, Financial Services.

This year the Economic Growth Committee worked on progressing Council's Enterprise Development Strategy, Indigenous Procurement Policy and the Ugar and Dauan Sea and Air Access Business Plan.



Housing, and Safe and Healthy Communities Committee

This committee has a portfolio including

- Housing
- Water and Wastewater
- Access and transport
- Health
- Master Planning
- Youth
- Women
- Employment

Members: Councillor Fell (Chair), Mayor Mosby, Councillor Levi, Councillor Pearson

Executive Sponsor: Executive Director, Engineering Services and Executive Director, Community and Building Services.

This year the Housing and Safe and Healthy Communities Committee worked on all matters within the portfolio with a special focus on housing and regional impacts of COVID-19.

standing committees



Climate Change adaptation and Environment Committee

This committee has a portfolio including:

- Torres Strait Climate Change Strategy
- Torres Strait Sea Wall Program/Project
- Torres Strait and North Peninsula Area Biosecurity Plan
- Renewable Energy Productions
- Waste Management
- Land & Sea Management

Members: Councillor Mosby (Chair), Mayor Mosby, Councillor Tamu, Councillor Dorante.

Executive Sponsor: Executive Director, Engineering Services.

This year the Climate Change Adaptation and Environment Committee on the Coastal Hazard Adaptation Strategy, Waste Management and Climate Change.



Strategic Advisory Reference Group Committee

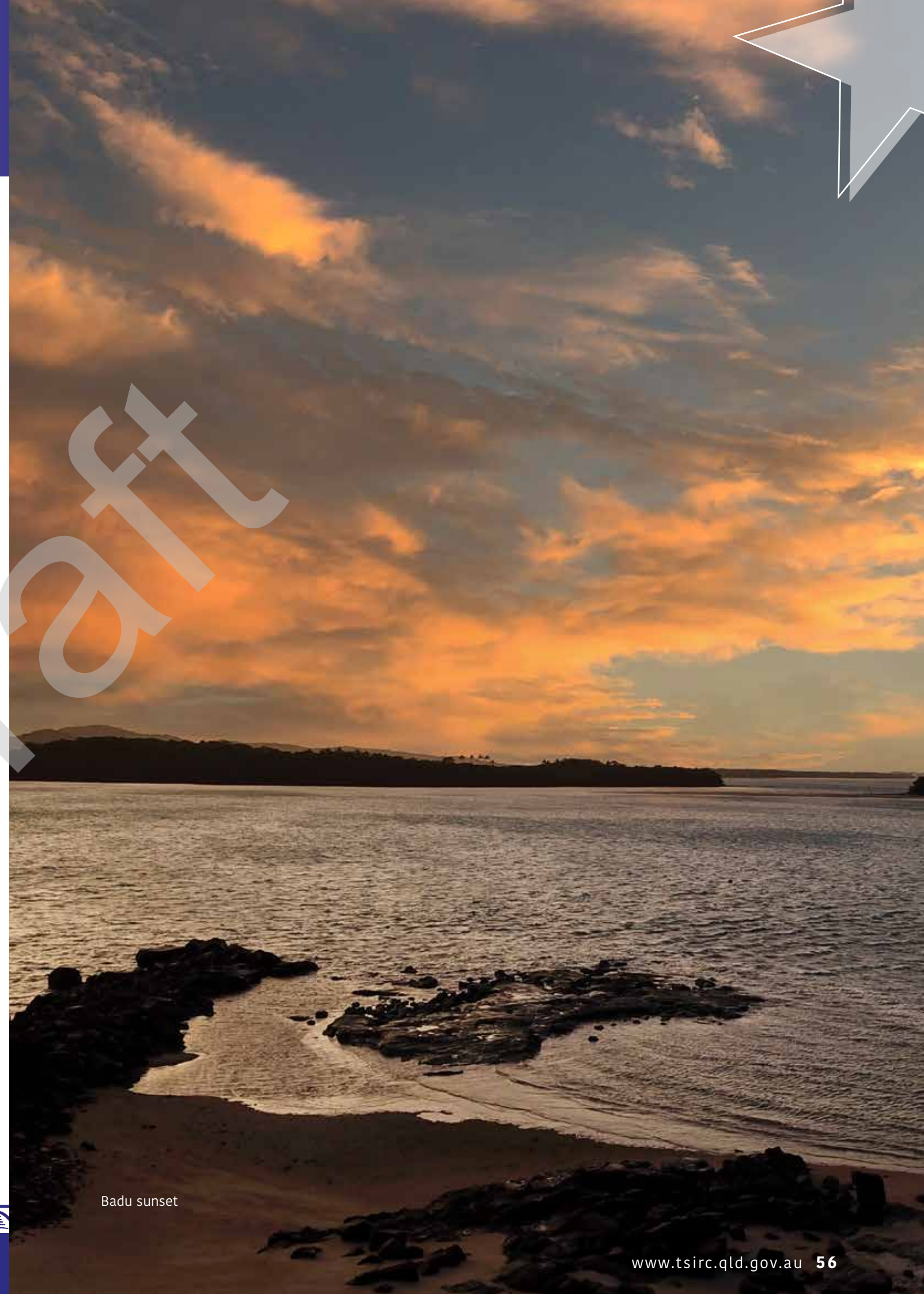
This committee has a portfolio including

- Strategic direction
- Council strategic plans and policies
- Long-term Financial Forecasts
- Council Performance Management, Measurement, Benchmarking
- Strategic Staffing Initiatives
- Strategic Asset Management
- Facilities including office and residential accommodations

Members: Mayor Mosby (Chair), Councillor Mosby, Councillor Noah, Councillor Stephen, Councillor Lui and Councillor Fell.

Executive Sponsor: ExChief Executive Officer.

This year the Strategic Advisory Reference Group Committee worked on Council's strategic direction, Council's advocacy priorities as well as other matters referred by the five specialist standing committees.



Badu sunset

Council is committed to ensuring its internal and external accountability requirements are met as outlined in the *Local Government Act 2009* and *Local Government Regulation 2012*.

Audit committee

In addition to the five specialist standing committees and the Strategic Advisory Reference Group Committee, Council also has an Audit Committee.

In accordance with the requirements of the *Local Government Act 2009* and *Local Government Regulation 2012*, Council's Audit Committee meets quarterly to monitor, review, and make recommendations for action or improvement to Council.

To maintain compliance with the legislative requirements, Council's Audit Committee consists of two Councillors and two external members, with one of the external members holding the chair position.

the 2021/22 year the Audit Committee members were:

- Eric Muir (Chair)
- Paul Shipperly
- Mayor Mosby
- Councillor Fell

This year the Audit Committee focused on policies and procedures, financial sustainability, and risk and governance.

Internal audit

Council's internal audit function provides independent and objective assurance of organisational operations. It brings a systematic and disciplined approach to the evaluation and management of our risk management controls and governance processes. The internal audit function works collaboratively with Council's executive leadership team and management to recommend improvements to systems, processes, work practices, compliance, and business effectiveness. The internal audit function is outsourced to Pacifica Chartered Accountants.

The Internal Audit Plan sets out the objectives for the financial year. The Plan is reviewed annually by Council's executive leadership team and Audit Committee to ensure it continues to align with organisational needs and our Corporate Risk Register.

Council's 2021/22 Internal Audit Plan included the following components:

Capital works program development, delivery and reporting

Review of childcare operations – financial and operational

Review of aged care services

Audit issues register review

The commencement of these projects was delayed due to COVID-19 and associated travel restrictions. They will be continuing into the 2022/23 financial year.



Council's land record lists every block of land in the local government area along with its current use, owner and occupier.

Council does not levy general rates, but land record data is used to levy utility charges and as a reference point for land lease interests and Council assets.

This year, Council's database was updated to ensure it matched current land titles records. The land record had not been updated consistently since 2019, and in that time numerous Land Holding Act ("Katter") leases had been registered. When a new Katter lease is registered, all improvements on the land (including any house) become privately owned by the new leaseholder. Any Council-owned social housing on the land must therefore be removed from Council's asset database from the commencement date of the Katter lease, as Council is no longer responsible for the management and insurance of the house. Council must update its housing register to ensure that rental charges stop when the house becomes privately owned.

In addition, over 50 Katter leases registered in the 1980s were "land-only" leases, meaning that the land is under a perpetual residential lease, but the house has remained Council-managed social housing. Some of these houses are now being divested to the leaseholder, with houses becoming privately owned and removed from Council's asset and housing registers.

Details of NPARIH (social housing) leases held by the State have been updated, which allows rates and rent

information to be cross-checked and accurately invoiced. By ensuring that Council's records are accurate, Council is less likely to receive a qualified audit.

Updating Council's land record was a complex process that involved reconciling state land title records and departmental lease data against Council's lease database, asset register and housing register. Before the land record was updated, the database listed 73 private homes across the local government area. Once updated, there were 158 residential utility charges flagged, with all 187 registered Katter leases, nine additional NPARIH leases, and one additional commercial lease listed. There were 43 social houses flagged for disposal from the asset register.

Asset disposals have been completed to ensure that Council does not pay insurance for the houses it no longer owns.

Updating the land record has allowed Council to levy residential utility charges for the first time, being for the year ending 30 June 2021. Completing this process has resulted in improved internal and inter-agency communication about land interests, which will streamline Council administration in the future.

Elected member remuneration

Each year the Local Government Remuneration Commission sets the remuneration rates for Elected Members across Queensland. Torres Strait Island Regional Council’s Elected Members are paid in accordance with the levels set by the Commission.

The remuneration for Elected Members of the Torres Strait Island Regional Council in the 2021/22 financial year was:

- Mayor \$108,222
- Deputy Mayor \$62,435
- Councillor \$54,110

The remuneration for Councillors consists of two apportionments: the base rate and a meeting fee.

In 2021/22 the annual base payment was \$36,073.28 and the meeting fee was \$1,503.06 per calendar month (or fortnightly equivalent). The meeting fee is payable for attendance and participation at scheduled meetings of the Council, subject to certification by the Mayor and/or Chief Executive Officer.

In addition to remuneration, Councillors are entitled to the provision of facilities that enable them to fulfil their duties and responsibilities. Provisions under this entitlement are set out in Council’s Councillor

Remuneration, Reimbursement and Facilities Provision Policy.

In accordance with the Policy, Elected Members are provided with an office in their respective division, a laptop, a mobile phone for Council use, and meeting and administrative support as required. Elected Members can hire a car from Council, which can be used for Council and personal business, at a rate of \$25 per week. Councillors are also provided travel and accommodation when travelling for Council business, including when travelling to attend conferences, workshops, forums, and other relevant meetings. Councillors are covered by Council’s insurance policies.



Dancers performing for dignitaries

	Remuneration	Travel allowance	Travel airfares	Travel accommodation	Ground transport	Provision of car in community	Total
Mayor Mosby	108,221.88	32,774.75	39,871.68	39,639.97	24,010.06	6,477.00	250,995.34
Cr. Toby	51,103.78	6,354.90	4,177.91	687.27	2,370.65	6,477.00	71,171.51
Cr. Elisala	52,606.84	2,130.15	15,995.22	870.00	270.67	6,477.00	78,349.88
Cr. Tabuai	51,103.78	2,697.20	5,953.88	2,970.00	2,457.33	6,477.00	71,659.19
Cr. Fell	54,109.90	12,006.60	8,368.82	2,409.09	4,951.38	6,477.00	88,322.79
Cr. Nona	52,606.84	3,766.30	4,174.53	4,100.00	2,821.93	0.00	67,469.60
Cr. Trinkoon	54,109.90	3,742.10	5,429.27	6,126.27	2,949.18	0.00	72,356.72
Cr. Levi	54,109.90	4,336.30	5,872.57	4,008.55	3,029.38	6,477.00	77,833.70
Cr. Dorante	54,109.90	2,524.40	1,754.44	4,686.09	7,10.39	6,477.00	70,262.22
Cr. Lui	62,435.10	7,334.40	11,171.87	13,487.15	6,686.09	6,477.00	107,591.61
Cr. Tamu	52,491.21	3,898.65	7,554.63	4,410.45	2,868.11	0.00	71,223.05
Cr. Pearson	54,109.90	4,102.75	4,474.75	5,049.29	2,957.02	6,477.00	77,170.71
Cr. Mosby	54,109.90	4,539.40	9,110.88	4,791.36	2,546.84	6,477.00	81,575.38
Cr. Stephen	54,109.90	4,998.25	9,118.78	4,724.82	3,935.47	0.00	76,887.22
Cr. J Gela	52,606.84	4,373.85	8,011.24	3,760.46	2,276.48	6,477.00	77,505.87
Cr. Noah	51,103.78	4,190.40	14,341.85	6,300.45	4,089.30	6,477.00	86,502.78
Total	\$ 913,049.35	\$ 103,770.40	\$ 155,382.32	\$ 108,021.22	\$ 68,930.28	\$ 77,724.00	\$ 1,426,877.57

Table 8: Councillor remuneration by category

Administrative facilities, including engagement of Executive Assistant, provided to Mayor \$80,353.38.

councillor conduct matters

In line with the *Local Government Act 2009*, all Councillor conduct matters raised during the 2021/22 year are documented and reported.

<i>Local Government Act 2009</i>	Number	Details
Orders made by the chairperson to deal with unsuitable meeting conduct (section 150I(2))	Nil	N/A
Orders made by Council as disciplinary action against a councillor for inappropriate conduct (section 150AH(1))	Nil	N/A
Decisions, orders and recommendations made by the conduct tribunal against a councillor for misconduct (section 150AR(1))	Nil	N/A
Councillor conduct complaints referred by Council to the Office of the Independent Assessor (section 150P(2)(a))	2	1 complaint was accepted for investigation and is ongoing. 1 complaint is awaiting the Assessor's response.
Councillor conduct complaints referred by Council to the Crime and Corruption Commission (section 150P(3))	Nil	N/A
Notices given by Council to the Office of the Independent Assessor about particular conduct that would otherwise be considered inappropriate conduct or misconduct (section 150R(2))	Nil	N/A
Notices given by Council to the Office of the Independent Assessor about particular conduct amounting to misconduct (section 150S(2)(a))	Nil	N/A

<i>Local Government Act 2009</i>	Number	Details
Decisions made by the Office of the Independent Assessor about councillor conduct (section 150W(1) (a), (b) and (e))	Nil	N/A
Referrals of councillor conduct matters from the Office of the Independent Assessor to Council (section 150AC(3)(a))	Nil	N/A
Information (obtained during an investigation of suspected inappropriate conduct) given by Council to the Office of the Independent Assessor that indicates a councillor may have engaged in misconduct (section 150AF(4)(a))	Nil	N/A
Number of occasions where Council asked another entity to investigate the suspected inappropriate conduct of a councillor (chapter 5A, part 3, division 5)	Nil	N/A
Number of applications heard by the conduct tribunal about the alleged misconduct of a councillor	Nil	N/A

Table 9: Record of councillor conduct matters

Particular resolutions

Section 185 of the *Local Government Regulation 2012* requires Council to list any resolutions made under sections 206(2)

Section 206(2)

No resolutions were made by Council under section 206(2) in the 2021/22 financial year.

Section 250(1) - Expense reimbursement policy or amendment

Council made a resolution relating to its Councillor Remuneration, Reimbursement and Facilities Provision Policy at the June 2022 Ordinary Meeting as follows:

Resolution

Moved: Cr Noah; *Second:* Cr Stephen

Council resolves to:

1. amend the following Torres Strait Island Regional Council's Councillor Remuneration, Reimbursement and Facilities Provision Policy, previously endorsed by Council at its Ordinary Meeting on 30 June 2021, in the terms presented to Council.

and

2. delegate authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to exercise the functions and powers assigned to the Chief Executive Officer under the amended and endorsed policies, including the power to make any further minor administrative amendments to the policy as they arise.

MOTION CARRIED

Human rights

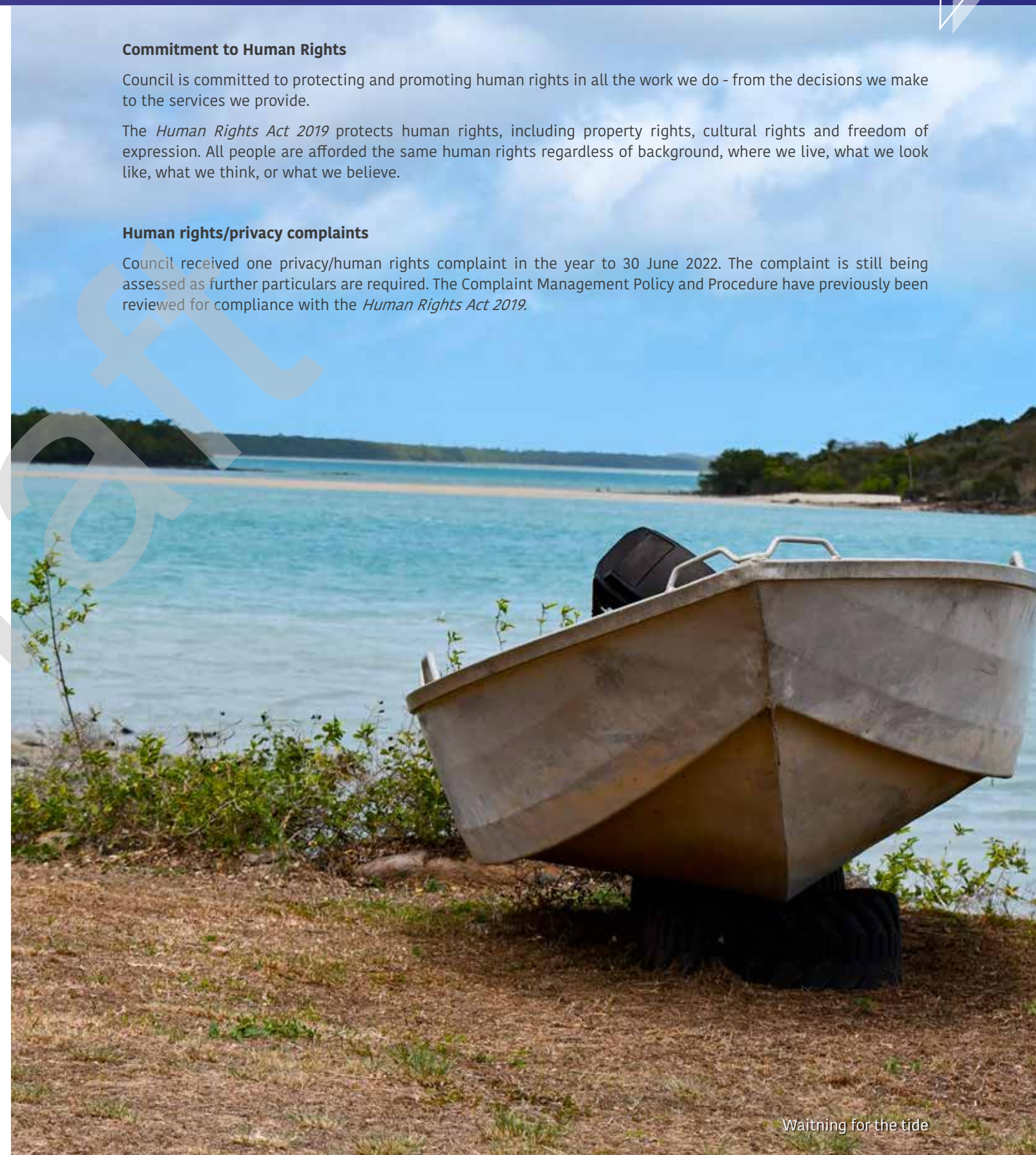
Commitment to Human Rights

Council is committed to protecting and promoting human rights in all the work we do - from the decisions we make to the services we provide.

The *Human Rights Act 2019* protects human rights, including property rights, cultural rights and freedom of expression. All people are afforded the same human rights regardless of background, where we live, what we look like, what we think, or what we believe.

Human rights/privacy complaints

Council received one privacy/human rights complaint in the year to 30 June 2022. The complaint is still being assessed as further particulars are required. The Complaint Management Policy and Procedure have previously been reviewed for compliance with the *Human Rights Act 2019*.



Waiting for the tide

Our year in review

July 2021

- 150th anniversary of Coming of the Light
- NAIDOC week
- Iama Community Information Session
- 2021/22 Budget adopted
- 2021/22 Operational Plan adopted
- Commissioner Meriba Omasker Kaziw Kaziwa appointed
- Building Services Unit received training at Poruma to complete compliance training for Confined Space Entry, Work Safely at Heights, and Asbestos Awareness

August 2021

- Anniversary of first Councillors conference Masig



September 2021

- Regional grants round one opened
- Commencement of Poruma Seawall stage 2
- R U OK Day celebrations
- Infrastructure Project Innovation Award (Regional) awarded for the Mer Water Network Management Program at the Australian Water Association Queensland Water Awards.
- Great Northern Clean-up, Iama Poruma, Badu, and St Pauls.

October 2021

- Great Northern Clean-up – Mer and Masig
- Vet visit
- Annual report released
- Council attendance at 125th Local Government Association Queensland (LGAQ) Conference “TOGETHER” in Mackay

November 2021

- Two-week Councillor workshop in Cairns
- 2021/22 deputation priority areas published
- Council delegation attends State Government Deputations

December 2021

- Budget review adopted
- Regional grant round two opened



February 2022

- Anniversary of the National Apology

January 2022



March 2022

- Chief Executive Officer, James William, commenced
- International Women's Day celebrations
- Boigu Seawalls reached practical completion
- Vet visit
- Clean-up Australia on Poruma

April 2022

- Regional grants round three opened
- Junior Rugby League camps on Iama and Mabuiag supported by Council
- ANZAC Day commemorations

May 2022

- 30th anniversary of Torres Strait Islander Flag Day
- National Sorry Day
- Two-week Councillor workshop in Cairns



June 2022

- 30th anniversary of Mabo High Court decision
- Mayor attending Canberra offering full support of Constitutional recognition for Aboriginal and Torres Strait Islander people by endorsing the Uluru Statement from the Heart – meeting with Ministers
- Meeting with Ministers and Senators on Thursday Island to discuss climate and energy matters.

stakeholders

Council is committed to engaging with its community and residents to provide leadership, services and facilities.

A stakeholder is defined as 'an individual, group, organisation, business or government entity that has an interest in or who may be affected by a specific project or service within Council's local government area'. Council is committed to engaging with its communities and residents to deliver on the objectives aspired to in our Bisnis / Corporate Plan.

Our key stakeholders are:

- Community members and visitors
- Special interest groups
- Industry associations, peak bodies and community interest groups
- Businesses within the local government area
- Commonwealth, State, and local governments
- Media

Each group of stakeholders are important to Council in different ways, the community members that we serve, and the governments who provide funding for the delivery of these services.

Advocacy

Council has undertaken numerous advocacy activities at both state and federal levels throughout the year.

Every year Council determines the advocacy priorities for the year. These priorities are based on what is required for our communities to enhance liveability. The priorities range from funding for housing, connectivity and protection from climate change to support for greater autonomy and self-governance.

During the 2021/22 financial year, the Mayor and other Councillors met with members of both the State and Federal Parliament and undertook a three-day advocacy visit to Brisbane, meeting with ministers and other members of the Queensland Parliament.



Mayor Mosby and Deputy Mayor Lui presenting Minister Enoch (Minister for Innovation, Science and Digital Economy) with a copy of the Deputations document.

community engagement

Council is dedicated to serving the people of our region. In the 2021/22 financial year, a variety of community engagement activities were undertaken. These activities include community education, community information sessions and financial support for community groups.

Community grants

Council's community grants program offers support to the local community by providing funding assistance. This assistance supports the promotion of social, cultural, sporting, and recreational activities. The program aims to improve the professional development of community members, the capacity for community entities to provide valuable services, and the increased delivery of social services and activities within our region.

Decision-making for grant and donation funding is guided by Council's Community Grants Policy and Procedure.

Grant applications are competitively assessed against the criteria fairly and equitably and allocated by Council. There are three funding types available:

- Regional grants are distributed via three funding rounds per year, plus an additional scholarship allocation during round two.
- Community grants are open for application year-round and are assessed at Councils' monthly ordinary meetings.
- Funeral donations are open for application year-round.

Each community is allocated \$25,000 per year for the Community Grants Program. Unspent funds are not rolled over to the next financial year.

DIVISION 1 - BOIGU

Organisation/Individual	Purpose of Grant or Donation	Amount
Glory of the Cross Tabernacle	Contribution towards costs associated with hosting a Church Conference	9,175.38
Malu Kiwai	Contribution towards accommodation and catering costs to participate in the Dan Ropeyarn Cup	2,462.18
Goshen Ministry Outreach	Contribution towards musical instruments and equipment for the Goshen Ministry Outreach	2,500.00
Kathleen Pabai	Contribution towards catering costs for Carols by Candlelight & Christmas Lights Event	2,492.89
Church of the Rock Ministry	Contribution towards musical instruments for the Church of the Rock Ministry's church services	326.07
Melora Noah (Mer Island)	Donation towards Mer funeral-related catering costs due to insufficient funds	326.07
Stanley Marama	Contribution towards funeral-related costs	3,972.60
Larissa Bani (On behalf of Suzanne Anau)	Contribution towards funeral-related travel costs	2,386.00
Total		\$24,815.12

Table 10: Community grants awarded to Boigu

DIVISION 2 - DAUAN

Organisation/Individual	Purpose of Grant or Donation	Amount
Dauan Island Under 12's Rugby League Team	Contributions towards costs associated with participating in the 2022 Junior Rugby League Camp	10,000.00
Harry Lui (Warraber Island)	Donation towards Warraber Island's community grants application due to insufficient funds	1,500.00
Australian Christian Churches - Dauan Island	Contribution towards musical instruments and equipment for the Dauan Christian Church	2,500.00
Annette Fell	Contribution towards travel and accommodation costs for Peninsula School Sports for Rugby League	2,259.55
Dauan Youth Group	Contribution towards catering costs associated with hosting the 2022 Volleyball competition on Dauan Island	2,074.00
Dauan Work Group Committee	Contribution towards fuels costs associated with catering for the 2022 Volleyball Competition on Dauan Island	316.68
Dauan Work Group Committee	Contribution towards travel costs associated with participating in the 2022 Volleyball competition on Dauan Island	5216.76
Total		\$23,866.99

Table 11: Community grants awarded to Dauan



Luke Sabatino
Project Supervisor Operations
Cairns Office

"I really like serving my community, overcoming the challenges faced in my role and working with the team at Council."

Luke joined Council in January 2022 after completing his four-year carpentry apprenticeship with QBuild in 2013 and working between Thursday Island and Cairns in foreman and supervisory roles.

In his current role as Project Supervisor Operations, Luke manages the upgrade works to social housing, education, and health facilities in the Central, Eastern and Top Western communities of the Torres Strait.

Luke engages contractors and identifies any required contract variations after consultation with tenants and QBuild to understand the needs. Upon completion of projects, he also conducts quality control checks, identifies any defects, and arranges for rectification.

community engagement

DIVISION 3 - SAIBAI

Organisation/Individual	Purpose of Grant or Donation	Amount
Thugerr Warriors Rugby League Club	Contribution towards travel costs associated with participating in the 2021 Zenadth Kes Cup	4,000.00
Annexation Committee	Contribution towards catering costs for the Saibai Island annexation celebration	999.61
Muyngu Koekaper Dance Team	Contribution towards travel costs associated with attending tombstone unveiling on Boigu	2,500.00
Restoration Revival Ministries	Contribution towards costs associated with purchasing equipment to maintenance of the Saibai community	1,448.00
Badu Island Under 12's Rugby League Team	Donation towards Badu community grants application due to insufficient funds	2,000.00
Saibai Island Under 12's Rugby League Team	Contribution towards travel costs associated with participating in the 2022 Junior Rugby League Camp on Mabuiag	4,574.00
Harry Lui (Warraber Island)	Donation towards Warraber community grants application due to insufficient funds	500.00
Nellie Enosa	Contribution towards funeral-related catering costs	1,997.92
Norah Tabuai	Contribution towards funeral-related catering costs	1,999.44
Polly Akiba	Contribution towards funeral-related travel costs	1,440.00
Clara Maggie Menegi	Contribution towards funeral-related travel costs	1,440.00
Manino Nona (Badu Island)	Donation towards Badu funeral-related catering costs due to insufficient funds	249.36
Total		\$22,007.33

Table 12: Community grants awarded to Saibai

DIVISION 4 - MABUIAG

Organisation/Individual	Purpose of Grant or Donation	Amount
Mabuiag Men's Group	Contribution towards costs associated with hosting Junior Rugby League Camp on Mabuiag	4,875.04
Mabuygiw Garkaziw Kupay TSI Corporation	Contribution towards costs associated with celebrating the 2022 Torres Strait Flag Day and Mabo Day	700.00
Mabuygiw Garkaziw Kupay TSI Corporation	Contribution towards costs associated with purchase of safety equipment for Mabuiag community transport service vehicle	1,443.91
Solema Luffman	Contribution towards funeral-related costs	4,067.78
Josh Saylor	Contribution towards funeral-related travel costs	3,000.00
Melora Noah (Mer Island)	Donation towards Mer funeral-related catering costs due to insufficient funds	1,000.00
Manino Nona (Badu Island)	Donation towards Badu funeral-related catering costs due to insufficient funds	1,000.00
Total		\$16,086.73

Table 13: Community grants awarded to Mabuiag



Matilda Billy
Debtors Officer
Masig, Division 12

"I love helping people. I'm glad we can be there for them, and that they can count on us."

Matilda has been with Council since 1991 (with the then Yorke Island Community Council) and has worked in many areas from Divisional Manager to Housing, Payroll, Human Resources and now Debtors.

In her current role, Matilda prepares invoices, processes receipts and refunds, and supports divisional staff with EFTPOS and other debtor-related enquiries. She particularly enjoys the invoicing and collection of maritime fees.

community engagement

DIVISION 5 - BADU

Organisation/Individual	Purpose of Grant or Donation	Amount
Badu Committee Justice Group	Contribution towards catering costs associated with the Outer Island Circuit Court	159.90
Mulga Juniors	Contribution towards costs associated with hosting the Badu Junior Rugby League Competition	2,500.00
Kulpiyam Rugby League Team	Contribution towards travel and accommodation costs associated with participating in the 2021 Dan Ropeyarn Cup in Bamaga	2,500.00
Badu Island Fitness Team	Contribution towards accommodation costs associated with participating in the Steel Fitness Challenge in Bamaga	1,920.00
Mulga Team	Contribution towards costs associated with participating in the 2021 Torres Strait Cup	3,960.00
Tilona Ahmat	Contribution towards costs associated with purchasing educational supplies to commence tertiary study in Rockhampton	500.00
Waru Kazil	Contribution towards costs catering costs associated with participating in the 2022 Kuki Carnival on Badu	1,733.89
Kulpiyam Youth & Sport Inc	Contribution towards costs associated with hosting the 2022 Kuki Carnival on Badu	6,935.57
Individual Kuki Touch Team	Contribution towards travel costs associated with participating in the Junior Rugby League Camp on Mabuiag	1,546.85
Geiza Stow	Contribution towards funeral-related catering costs	319.34
Total		\$22,075.55

Table 14: Community grants awarded to Badu

DIVISION 6 - ARKAI

Organisation/Individual	Purpose of Grant or Donation	Amount
Kubin Ladies Touch Football Team	Contribution towards costs associated with participating in the 2022 Kuki Carnival on Badu	1,924.55
Arkai Brothers Rugby League	Contribution towards travel costs associated with participating in the Junior Rugby League Camp on Mabuiag	4,144.00
Wug Sporting Association (St Paul's Community)	Donation towards St Paul's community grants application due to limited funds	2,200.00
Full Gospel Church (Erub Island)	Donation towards Erub's community grants application due to limited funds	600.00
Louise Manas	Contribution towards funeral-related travel costs	2,641.27
Lilly Billy	Contribution towards funeral-related travel costs	1,266.00
Gertie Tomsana	Contribution towards funeral-related travel costs	489.26
Melora Noah (Mer Island)	Donation towards Mer funeral-related catering costs due to insufficient funds	600.00
Manino Nona (Badu Island)	Donation towards Badu funeral-related catering costs due to insufficient funds	999.89
Total		\$16,514.01

Table 15: Community grants awarded to Arkai



Annie Zaro
Housing Officer
Mer, Division 15

"I love my job. It's my passion. I want to help my people and my community, raise their children without overcrowding. I love being the go-between, the voice for my tenants."

Annie started working with Council in 2012 as a Multi-Skilled Administration Officer and moved on to the role of Housing Officer in 2013.

Annie manages the tenancies of 79 social houses on Mer, signing up new tenants, reviewing housing applications, conducting rent reviews, and supporting tenants with their repairs and maintenance. She also monitors revenue daily and follows up on any rental arrears.

In March this year, Annie had the opportunity to build on her existing skills and knowledge by completing her Certificate IV in Social Housing at Queensland TAFE with Council's other Housing Officers.

community engagement

DIVISION 7 - WUG

Organisation/Individual	Purpose of Grant or Donation	Amount
Deddeyal Gammaz WRL	Contribution towards catering and travel costs associated with participating in the 2021 Zenadth Kes Cup on Thursday Island	9,164.00
St Pauls – Tagai Campus	Contribution towards costs associated with hosting the 2021 NAIDOC	1,500.00
St Paul's Community Dance Team	Contribution towards travel costs associated with attending a tombstone unveiling on Boigu	4,843.00
St Paul's Anglican Church	Contribution towards catering costs associated with celebrating the St Paul's Anglican Church Day	1,579.46
Wug Sporting Association	Contribution towards travel costs associated with participating in the 2022 Junior Rugby League Camp on Mabuiag	1,944.00
Edith Anna Kris	Contribution towards funeral-related travel costs	1,997.88
Patrine Saunders	Contribution towards funeral-related travel costs	1,147.89
Manino Nona (Badu Island)	Donation towards Badu funeral-related catering costs due to insufficient funds	457.97
Wagie Ware	Contribution towards funeral-related travel costs	551.85
Robert Ware	Contribution towards funeral-related travel costs	695.56
Melora Noah (Mer Island)	Donation towards Mer funera- related catering costs due to insufficient funds	326.07
Total		\$24,207.68

Table 16: Community grants awarded to Wug

DIVISION 8 - KIRIRRI

Organisation/Individual	Purpose of Grant or Donation	Amount
Evelyn Cowley	Contribution towards costs associated with hosting the Council Ordinary September meeting	2,160.94
Georgina Dorante	Contribution towards funera- related travel costs	2,000.00
Bernard Dorante	Contribution towards costs associated with purchasing goods to celebrate the 2022 Mabo Day	2,500.00
Motulu Nai	Contribution towards funeral-related travel costs	1,310.20
Total		\$7,971.14

Table 17: Community grants awarded to Kirirri

DIVISION 9 - IAMA

Organisation/Individual	Purpose of Grant or Donation	Amount
Magun Warriors	Contribution towards travel and accommodation associated with participating in the 2021 Zenadth Kes Cup on Thursday Island	10,000.00
Yam Island Dance Group	Contribution towards travel costs associated with attending a wedding on St Paul's community	5,982.00
Yam Island Under 12's Rugby League Team	Contribution towards costs associated with hosting the Junior Rugby League Camp on Iama	5,000.00
Basana Gimini	Contribution towards-funeral related travel costs	1,782.00
Louise Larry	Contribution towards-funeral related travel costs	1,999.16
Melora Noah (Mer Island)	Contribution towards Mer funeral-related catering costs due to insufficient funds	326.08
Total		\$25,089.24

Table 18: Community grants awarded to Iama

community engagement

DIVISION 10 - WARRABER

Organisation/Individual	Purpose of Grant or Donation	Amount
Wakeyama Women's Rugby League	Contribution towards catering, accommodation and travel costs associated with participating in the 2021 Zenadth Kes Cup on Thursday Island	6,500.00
Surumau Gladiators	Contribution towards catering, accommodation and travel costs associated with participating in the 2021 Zenadth Kes Cup on Thursday Island	6,500.00
Isaac Harry	Contribution towards travel costs associated with participating in a Darts competition on Badu	2,000.00
Helga Nona	Contribution towards travel costs associated with participating in the 2022 Kuki Carnival on Badu	2,000.00
Warraber Island Under 12's Rugby League Team	Contribution towards travel costs associated with participating in the Junior Rugby League Camp on Iama	2,000.00
Iris Billy	Contribution towards funeral-related travel costs	2,000.00
Daniel Billy	Contribution towards funeral-related travel costs	2,000.00
Harold Pearson	Contribution towards funeral-related travel costs	2,000.00
Total		\$25,000.00

Table 19 Community grants awarded to Warraber



Niki Mackie
IKC Coordinator
Poruma, Division 11

"I love doing programs for my community and working with the Elders to develop language activities"

Niki commenced employment with Council in 2018 as a Healthy Lifestyle Officer, and in 2021 moved on to become the Indigenous Knowledge Centre (IKC) Coordinator on Poruma. His role includes coordinating the IKC activity programs and performing librarian duties.

Niki's favourite thing to do is to help create language activities with Elders, for his community and for other groups who attend the IKC. This is an important contribution to the protection and preservation of Indigenous languages and culture for future generations.

DIVISION 11 - PORUMA

Organisation/Individual	Purpose of Grant or Donation	Amount
New Day Torres Strait Islander Corporation	Contribution towards travel costs associated with participating in the 2022 Junior Rugby League Camp on Iama	5,732.00
Maryanne Mosby	Contribution towards catering costs associated with hosting community information session	1,338.31
Tagai State College - Poruma Campus	Contribution towards costs associated with celebrating the Poruma Campus's 100 Years of Education event	2,000.00
New Day Torres Strait Islander Corporation	Contribution towards costs associated with purchasing equipment for the Kulkalgai-Kulkalgaw Ya Recording Project	4,268.00
Freddie David	Contribution towards funeral-related travel costs	1,867.12
Melora Noah (Mer Island)	Donation towards Mer funeral-related catering costs due to insufficient funds	326.07
Manino Nona (Badu Island)	Donation towards Badu funeral-related catering costs due to insufficient funds	500.00
Total		\$17,981.50

Table 20: Community grants awarded to Poruma



Georgina Thaiday
Senior Housing Officer
Erub, Division 14

"I've learned a lot since I started in my role as Housing Officer, and it has helped me to grow professionally. Learning about housing policies and procedures and seeing how local governments manage social housing has given me a better understanding of the process. I love working with my community and being their voice."

Georgina has worked with Council since 2010, starting in the role of Purchasing Officer, before moving on to a Multi-Skilled Administration Officer position. In 2014 she accepted the position of Housing Officer and progressed to Senior Housing Officer in 2018.

In her role as Senior Housing Officer, Georgina focuses on assessing housing applications, allocation of housing, and management of tenancies. She supports tenants with repairs and maintenance reporting, and home modification referrals. She also supports Housing Officers throughout the Eastern cluster, and reports on housing activities monthly.

Georgina has gained further experience this year by acting in two higher duty roles and completing her Certificate IV in Social Housing.

community engagement

DIVISION 12 - MASIG

Organisation/Individual	Purpose of Grant or Donation	Amount
Jack Pearson	Contribution towards travel costs associated with participating in a Darts competition on Badu	315.00
The Ark of Transfiguration Church	Donation towards Ugar priest ordination	5,000.00
Masig Mix Under 12's Rugby League Team	Contribution towards travel costs associated with participating in the 2022 Junior Rugby League Camp on Iama	2,296.00
Elma Mosby	Contribution towards funeral-related travel costs	1,990.00
Flora Enosa	Contribution towards funeral-related travel costs	1,794.05
Surum Lowatta	Contribution towards funeral-related travel costs	2,000.00
Thelma Billy	Contribution towards funeral-related catering costs	2,000.00
Mowe Billy	Contribution towards funeral-related travel costs	1,595.88
Ned Mosby	Contribution towards funeral-related travel costs	1,176.66
Paul Lowatta	Contribution towards funeral-related travel costs	3,582.00
Collin Messa	Contribution towards funeral-related travel costs	2,474.07
Melora Noah (Mer Island)	Donation towards Mer funeral-related catering costs due to insufficient funds	327.60
Total		\$24,551.26

Table 21: Community grants awarded to Masig

DIVISION 13 - UGAR

Organisation/Individual	Purpose of Grant or Donation	Amount
The Ark of Transfiguration Church	Contribution towards costs associated with Ugar priest ordination	10,000.00
Daniel Stephen	Contribution towards funeral-related travel costs	1176.66
Victor Morris	Contribution towards funeral-related costs	7789.89
Total		\$18,966.55

Table 22: Community grants awarded to Ugar

DIVISION 14 - ERUB

Organisation/Individual	Purpose of Grant or Donation	Amount
All Saints Anglican Church	Contribution towards catering costs associated with celebrating the All Saints Anglican Church on Erub	997.43
Erubam Le Traditional Land and Sea Owners	Contribution towards catering costs associated with celebrating the 2021 Native Title Determination Event	999.20
The Ark of Transfiguration Church	Contribution towards Ugar priest ordination	5,000.00
Erub Island Under 12's Rugby League Team	Contribution towards travels costs associated with participating in the 2022 Junior Rugby League Camp on Iama	3,104.00
Erubam Le Traditional Land and Sea Owners	Contribution towards catering costs associated with celebrating the 2022 Mabo Day	999.09
Meuram Tribe	Contribution towards costs associated with hosting Coming of the Light celebration	1,462.83
Full Gospel Church	Contribution towards costs associated with celebrating the Coming of the Light Ceremony on Erub Island	639.46
Katherine Wapau	Contribution towards funeral-related travel costs	4,761.41
Aleesha Savage	Contribution towards funeral-related travel costs	3,299.00
Leslie Pitt	Contribution towards funeral-related travel costs	1,176.66
Rannie Sam	Contribution towards funeral-related travel costs	2,605.16
Total		\$26,584.82

Table 23: Community grants awarded to Erub

community engagement

DIVISION 15 - MER		
Organisation/Individual	Purpose of Grant or Donation	Amount
Mer Community	Contribution towards costs associated with hosting Carols by Candlelight event	7959.45
Mer Community	Contribution towards Ugar priest ordination	2000.00
Women of Mabo	Contribution towards costs associated with celebrating 30 Years of Mabo event on Mer	5632.27
Komet Tribe	Contribution towards costs associated with purchasing goods to celebrate the 2022 Mabo Day	1500.00
Women of Mabo	Contribution towards catering costs associated with celebrating 30 Years of Mabo event on Mer Island	3350.51
Lucy Wailu	Contribution towards funeral-related travel costs	1955.00
Appie Thaiday	Contribution towards funeral-related catering costs	1994.50
Manino Nona (Badu Island)	Contribution towards Badu funeral-related catering costs due to insufficient funds	499.79
Total		\$24,891.52

Table 24: Community grants awarded to Mer

REGIONAL GRANT*		
Organisation/Individual	Purpose of Grant or Donation	Amount
Malu Kiwai	Contribution towards catering, accommodation and travel costs associated with participating in the 2021 Zenadth Kes Cup on Thursday Island	2,500.00
Mabuygiw Garkaziw Kupay TSI Corporation	Contribution towards costs associated with hosting the Annual Men's Gathering on Mabuiag	2,404.00
Western United Under U12's Rugby League Team	Contribution towards catering costs associated with participating in the Country Challenge Week on Thursday Island	2,500.00
New Day Torres Strait Islander Corporation	Contribution towards costs associated with participating in the Kulka'gal-Kulka'gaw Ya Recording Project	2,500.00
Total		12,404.00

Table 25: Regional grants awarded to all divisions

MAYOR - LOCAL GOVERNMENT AREA**		
Organisation/Individual	Purpose of Grant or Donation	Amount
Melora Noah (Mer Island)	Contribution towards Mer's funeral related catering costs due to insufficient funds	800.00
Masigalal Registered Native Title Body Corporate	Contribution towards costs associated with hosting the 85th Anniversary of the First Councillors Meeting Celebration	10,000.00
Kailag Enterprises Limited	Contribution towards costs associated with hosting the 85th Anniversary of the First Councillors Meeting Celebration	10,000.00
Total		\$20,800

Table 26: Community grants awarded to local government area

COMMUNITY GIFTS - CEO		
Organisation/Individual	Purpose of Grant or Donation	Amount
Tagai State College - Secondary Campus	Contribution towards TSIRC Academic Awards - Annual 2021 Awards Night	1,000.00
Total		\$1,000.00

Table 27: Community gifts awarded to all divisions

* \$50,000 is allocated per year for Regional Grants. Unspent funds are not rolled over to next financial year.

** \$30,000 is allocated per year for Community Grants Local Government Area. Unspent funds are not rolled over to next financial year.

Zageth performance plan






Corporate plan performance









Enjoying the festivities at the
150th Anniversary of the Coming of the Light

Towards our corporate Plan

Council develops key performance indicators as part of the annual Operational Plan. The table below outlines the Operational Plan objectives for the 2021/22 financial year and provides a measure of achievement for each. These objectives are actionable targets that move us closer to our vision for Council and communities.

	On hold	project paused		Monitor	no new progress towards desired result
	Completed	project completed		Action required	progress or outcome does not reflect desired result
	In progress	project continuing			

Pipol / People

Key performance indicator	Delivery target	2021/22 result
Engineering Services: Street light defect audit completed, and fee proposal obtained from Ergon to undertake rectification works.	Audit completed.	
Community Services: Review and streamline referral process for respite care in partnership with QLD Health and regional residential care providers.	Completion of review, recommendations presented.	
Community Services: Improve the delivery of and access to childcare services.	Meeting KPIs of funding agreements. Increased enrolment.	
Community Services: Advocate for the Queensland Government to identify childcare options for the region.	Queensland Government Commence process of identifying childcare options.	
Community Services: Development and implementation of compliance and enforcement program (Local Laws - Authorised Officers).	Successful implementation and delivery and 100% compliance.	
Community Services: Develop and implement 12 weeks Keriba Way co-design program.	Signed Service agreement.	



child care

Council is committed to the continuous improvement and delivery of high-quality childcare services for our region.

This year Council's Child Care team worked with the team from the National Disability Insurance Scheme, on the implementation of specialised equipment and staff training to support children with special needs to participate in childcare and activities.

Testament to Council's commitment to training and professional development, and the dedication of the Badu Child Care Centre team, two educators completed their Diploma of Early Childhood Education and Care, and two were awarded their Certificate III in Early Childhood Education and Care.

Council's Child Care Centres continued to operate and keep all staff, children, and families safe during the COVID-19 pandemic by adhering to advice and guidelines from the Department of Education and Queensland Health.



Sound asleep

Towards our Corporate Plan



Aged care

As a Council, we are committed to assisting elderly community members and people with disabilities to maintain their independence by staying at home in a familiar environment for as long as possible. Home adaptation, respite care, the provision of in-home services and stimulating activities support the physical and mental well-being of families and plays a vital role in the success of our commitment to community members.

To capture the home modification and mobility needs of clients to ensure their in-home safety and independence, Council's Aged Care team worked collaboratively with our Housing Team, Department of Communities, Housing and Digital Economy, as well as occupational therapists from Torres and Cape Hospital and Health Service (TCHHS).

Council's Aged Care team worked with the TCHHS Allied Health team to enhance and streamline the respite care referral process, making it more user friendly and culturally appropriate for families and carers in our communities. This was achieved through discussions, reviewing existing processes, and identifying areas for improvement.

To support client and family health and mental wellbeing, our Aged Care team collaborated with Council's Healthy Lifestyle Officers and Indigenous

Knowledge Centres to deliver stimulating activities for community members.

Management worked with the National Disability Insurance Scheme team to support reviews and ensure the delivery of support services for our community members (adults and children) living with a disability.

Despite the challenges of COVID-19, service delivery was maintained throughout the year through various methods to ensure safety and continued in-home support, in accordance with advice and guidelines from the Department of Health and Aged Care and Queensland Health.



Pipol / People

Key performance indicator	Delivery target	2021/22 result
Community Services: Health and wellbeing program: <ul style="list-style-type: none"> Secure funding for employment and delivery of Health and wellbeing program. Delivery of KPIs identified in signed service agreement. 	Signed service agreement. Meeting set in signed service agreement KPIs.	✓
Community Services: Develop and implement annual events planner to increase engagement and visibility of Council at divisional level through partnering with stakeholders.	Facilitation of events in accordance with the annual plan.	✓
Community Services: Indigenous Knowledge Centres (IKC): <ul style="list-style-type: none"> Develop and implement 2021-22 IKC strategy. Delivery of core IKC programs: <ul style="list-style-type: none"> First 5 Forever program. Public/Community Library program. 	A Strategy was developed and implemented. Successful delivery of IKC core programs.	✓
Corporate Affairs: Scoping of formal name change proposal and delivery of implementation road map. Change to Local Government Area boundary review.	Undertake risk and cost analysis. Collect and analyse data from community consultation/surveys.	✗
Corporate Affairs: Evolve Council's community information & engagement channels.	Obtain project funding & commence the digital noticeboard project. Community feedback/training sessions delivered.	✗

Table 28: Organisational key performance indicator results for Pipol/People strategic pillar

Towards our Corporate Plan



Tropical House Design at St Paul's

This year, Council's Building Services team managed the construction of a new house in the St Pauls' community. The house was specifically designed for the tropics with an environmentally friendly design, moving towards Council's aspirations for a more environmentally sustainable housing model.

The three-bedroom house was built to the National Construction Code, using a lightweight building construction method with eco-friendly and energy-efficient features, and completed in March 2022.

The low-set construction is designed to capture the breeze and allow for airflow underneath the house. The modern skillion-style roof creates a large area of shade, reducing heat inside the house, and in turn, energy demand for cooling. This style of roofing also accommodates windows which provide natural light in the hallway and living areas during the daytime, further reducing energy consumption.

A carport underneath the roofline on one side provides protection from the tropical weather, and a balcony on the other side provides a generous outdoor living space. Light external colours minimise heat absorption, and a 10,000-litre water tank allows for rainwater capture.

Inside the house, the 2.7 metre-high ceilings allows

the heat to rise and window screenings provide privacy and shade. An ambulant bathroom design means that residents are more likely to extend their independence and stay in their own homes for longer.

Council is utilising a simplified version of this design in some of the plug-in projects that are currently being undertaken. Plug-ins provide increased bed and bathroom capacity and can be either attached extensions or stand-alone buildings on the same block of land depending on the needs of the occupants. The plug-ins help reduce overcrowding as well as increase the independence of elderly occupants allowing them to stay in their homes for longer.



Energy efficient house built for our conditions

Mekem las long / Sustainability

Key performance indicator	Delivery target	2021/22 result
Financial Services: Automation of fees & charges platform.	Successful implementation of a platform in time for the FY23 budget.	✓
Financial Services: Streamline Council's budget and financial statement process aligned to legislated time frames.	Successfully meet Budget Review 21/22 - December 2021 Successfully meet Original Budget 22/23 - June 2022 Statements should be adopted before mandated date and be free from material error or mis-statement.	🕒
Financial Services: Migration of all business units to CI Anywhere and implementation of financial performance dashboard capability.	Development of implementation plan and gain roll-out approval. • Successful scoping of CI Anywhere dashboard capabilities and implementation roadmap identified.	✓
Financial Services: Deliver end of month continuous improvement program to further drive Council's financial maturity.	All monthly reports to Council are submitted by the due date. • Implementation of a standard checklist for end-of-month processes which are routinely completed on time.	🕒
Financial Services: Deliver asset management enhancement strategy and system upgrade delivery roadmap.	Strategy complete & roadmap identified.	✓
Engineering Services: Coastal inundation mitigation: Coastal Hazard Adaptation Strategy (CHAS). • Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships • Master planning. • Seawalls Program works for Boigu, Poruma, Iama, Warraber & Masig Communities.	CHAS Stage 4. Seawalls program on schedule.	🕒

Towards our Corporate Plan



Metal waste clean-up

For many years, waste and particularly metal waste has been an issue in our communities. Cleaning up this metal waste was identified as a key sustainability deliverable in our Corporate Plan 2020-2025 and is an objective of the 2021/22 Operational Plan. The clean-up is now well underway through Council's Metal Waste Legacy Stockpile Clean-Up Project.

Funding to undertake this project was secured through the Indigenous Councils Critical Infrastructure Program administered by the Department of State Development, Infrastructure, Local Government and Planning. Following a public tender process, the contract was awarded to McMahon Services in August 2021.

The objectives of this project are to:

- Remove accumulated metal waste in the region
- Improve our community's liveability, through improved environmental health, and aesthetics
- Clean-up to prepare for longer-term waste management strategy in the region
- Recover resources through recycling of metal waste, tyres, oils, gases etc.

The project is taking shape and work commenced with the establishment of a processing site at

Badu and working in conjunction with a local Badu-based company. As of 30 June 2022, 708 tonnes of metal waste have been successfully removed from three of our island communities. The project is also creating employment opportunities in the region with approximately 1,200 hours of local employment generated, both at the site at Badu and through the metal waste collection in the communities.

Council estimates that up to approximately 7,000 tonnes of metal waste will be removed during the life of the project, and any economic return generated from recycling the metal will be reinvested back into the project.

What's next?

The project will continue into the 2022/23 financial year with work already underway in the inner and western island communities and continuing to the central island communities. The full extent of metal collection and communities to be accessed will be subject to funding.

Mekem las long / Sustainability

Key performance indicator	Delivery target	2021/22 result
Engineering Services: Access projects delivery: <ul style="list-style-type: none"> • Dauan helipad road upgrade. • Saibai airport road upgrade - design. • Poruma airport access road - design. • Dauan western reservoir - design. • Badu wells access road culvert reconstruction. 	All capital works are completed prior to end of financial year.	
Engineering Services: Water and waste water: <ul style="list-style-type: none"> • Saibai STP upgrade. • Badu & Iama SPS upgrades • SCADA Upgrade for Sewer Pump Stations at Masig, Poruma, Warraber & Mabuiag. 	All capital works completed prior to end of financial year.	
Engineering Services: Ugar channel dredging study & scoping.	Study and scoping works are delivered.	
Engineering Services: Access projects scoping: <ul style="list-style-type: none"> • Marine infrastructure scoping and condition assessment. • Regional airstrip condition assessment. • Dauan pontoon upgrade - design. • Mer airport fencing upgrade. • Boigu airport apron upgrade -Design. • Badu, Kubin, St. Pauls and Masig finger jetty repairs. • Airport/helipad mangrove clearing - Mabuiag & Iama. 	Studies and design work complete.	
Engineering Services: Climate Risk Management Strategy.	Strategy is drafted.	
Engineering Services: Disaster management program: <ul style="list-style-type: none"> • Separation of Torres Strait Local Disaster Management Group (LDMG). • Annual update of Community Disaster Management Plans. • Set up and coordination of Local Disaster Management Group (LDMG). 	New Local Disaster Management Group (LDMG) model is established and operational readiness is achieved.	

Towards our corporate plan

Mekem las long / Sustainability

Key performance indicator	Delivery target	2021/22 result
Engineering Services: Waste management: <ul style="list-style-type: none"> Local Government Association Queensland Regional Waste Strategy. Metal Waste Legacy Stockpile Clean-up Project. 	Regional Waste Strategy is completed. Initial clean up is completed.	
Engineering Services: Water projects: <ul style="list-style-type: none"> Dauan rising main and well refurbishment. Indigenous Councils Critical Infrastructure Program (ICCIP) – water project - critical infrastructure/ legislative compliance upgrades. De-sludge lagoons - Badu, Kubin, St Pauls. Lagoon cover replacement - Boigu, Warraber, Masig. Rising main and reservoir upgrade - Iama, Kubin, Mabuiag, St Pauls. 	All capital works to be completed prior to end of financial year.	
Building Services: Delivery of fuel bowser program.	Program scope is identified and commencement of works.	
Building Services: Delivery of capital works program.	Building Services Unit has engaged internally to undertake.	
Building Services: Partnering with agencies to look at alternative materials that are more sustainable such as replacing laminex bench tops with stainless steel.	Alternative materials are identified.	
Building Services: Build new tropical house design on St Pauls.	House completed within the specified time frames.	
Building Services: Procore system along with Pro Est fully integrated and all Building Services Unit staff trained.	All staff are trained and Procore is running by December 2022.	
Community Services: Tenancy management program: <ul style="list-style-type: none"> Develop and deliver programs to clients in support of sustaining long term tenancy. Provide awareness of general tenancy agreement for clients to strengthen relationships between Council and communities. 	Successfully deliver Awareness of Landlord and Tenants Responsibility Program to all communities.	

Mekem las long / Sustainability

Key performance indicator	Delivery target	2021/22 result
Corporate Affairs: Further develop a good governance and risk culture across Council.	Delivery of Corporate Governance Framework incl. Governance, Risk, Fraud & Ethics awareness programs. Incident reporting implemented. Evolve Council's Business Continuity Plan model, awareness, core team training & tools. Website phase 2 implementation successfully delivered.	
Corporate Affairs: Evolve employee information & engagement channels.	Successful implementation of internal digital noticeboards. Implementation and further development of Council's employee Intranet - phase 2 and 3.	
Corporate Services: Assist in the effective management of DOGIT Land as a Trustee.	Trustee requirements delivered accordingly.	
Corporate Services: Saibai land transfer & Ugar Land Transfer: To facilitate the progression of transfer of Deeds of Grant in Trust from Council to community-based entity that has been fully endorsed by the community to be the trustee.	Progress of Ugar land transfer and Saibai land transfer with stakeholders.	
Corporate Services: Landing Holding Act (LHA) Katter Lease Resolution (OP).	Reduction in number of outstanding LHA lease entitlements.	
Community Services: Complete housing needs assessment with relevant stakeholders ensuring appropriate housing modifications are completed.	Successful assessments completed in all communities.	

Towards our Corporate Plan



Mangrove clearing works

In June 2022, Council's Engineering Services team arranged the clearing of mangroves at the helipad site on Dauan, to improve helicopter take-off and landing. This work was carried out after consultation had identified several risks affecting the ongoing safe operation of the helipad.

Helicopters require significant power for take-off and need to travel forward to increase the speed before gaining altitude. Constant wind at ground level as well as a clear space surrounding the helipad is required to achieve this.

A contractor was engaged to clear the mangroves between the helipad site and the sea. This now ensures improved helicopter operations at Dauan.

The remote nature of our region highlights the importance of this project with the communities of Ugar and Dauan only accessible by helicopter and boat.



Helipad and mangroves

Mekem las long / Sustainability

Key performance indicator	Delivery target	2021/22 result
Community Services: Develop a Community focus group to address complex housing situations, provide appropriate recommendations, including future housing design and construction quality in conjunction with Building Services Unit.	Successfully conducted focus groups, with recommendations drafted.	
Community Services: Increase rental collection rates.	Achieve a reduction in debt from 20/21 to 21/22.	
Community Services: Undertake regional tenancy management study.	Delivery of study and recommendations.	
Community Services: Advocate for the establishment of localised small businesses in communities to provide support services for consumers with a disability.	Achieve NDIS representation in region.	
Community Services: Work collaboratively with Council's Housing Department, Department of Communities, Housing and Digital Economy and Qld Health occupational therapists to streamline the process for undertaking home modifications to enhance in-home safety and address accessibility.	Process streamlined and implemented.	
Community Services: Delivery of Environmental Health and Animal Management Program.	Program delivered on time and within budget.	
Community Services: Implement standard admin processes including guides and templates across 15 Divisions in line with audit requirement.	All divisional admin staff and offices utilising the same processes.	
Corporate Services: Template execution for (Regional) Infrastructure & Housing Indigenous Land Use Agreement (ILUA): To develop an ILUA for each division of the electorate to cover all frequently used Future Acts under the <i>Native Title Act 1993 (Cth)</i> and maximise expediency in Native Title validation.	Remaining communities completed.	

Saibai Sewerage Treatment Plant



Queensland State Government provided approximately \$9M to this project which made the 18 months construction possible.

In June 2022 Council completed the construction and commissioning of the new sewerage treatment plant on Saibai. After Council's Engineering Services Team undertook a final inspection, it was declared fit to start and is now fully operational.

Queensland State Government provided approximately \$9M to this project making the 18 month construction possible.

The new plant is designed to treat an average of 140 kilolitres per day and will allow for future population growth on Saibai. The plant is built using marine grade stainless steel, to ensure the long term performance of the plant.

The plant will connect to the ocean outfall, which was completed in March 2021. The outfall project was made possible with approximately \$700,000 in funding provided via the Torres Strait Regional Authority. This new plant and outfall will ensure wastewater is treated effectively and disposed of safely away from the community.

Staff completed a week of intensive training, covering all aspects from running the plant and conducting testing to keep the plant running in immaculate condition.

Council provides wastewater (sewerage) services

in 12 of our 15 island communities. Septic tanks are in use in the remaining communities. Council's wastewater assets across the 15 communities include nine sewerage treatment plants, three sewerage treatment pond systems, 41 sewerage pump stations and approximately 82 kilometres of sewerage pipework. Our team ensures that wastewater is treated to address license conditions and undertakes appropriate levels of maintenance to provide a reliable wastewater service to our communities.



Saibai Sewerage Treatment Plant

Mekem las long / Sustainability

Key performance indicator	Delivery target	2021/22 result
Corporate Services: Create working group to develop collateral in collaboration with Torres Strait Regional Authority, Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships and NAB - for home ownership options.	Information delivered to communities about home ownership options. Trustee Policy updated. Existing applications for home-ownership leases progressed.	
Corporate Services: Refresh Council's Transitional Action Plan (TAP).	Consultant brief developed and consultant engaged. Refresh of TAP commenced.	
Corporate Services: Work, Health and Safety (WHS): <ul style="list-style-type: none"> Increase WHS support & representative footprint within region. Health and Safety Representative elections to be conducted. 	Health and Safety Representative elected for each community, trained and WHS Committee established and operational.	
Corporate Services: Conduct workshops in region to raise awareness of recruitment processes and other People and Wellbeing operations.	Workshops conducted in all communities by end of financial year.	
Corporate Services: Roll-out and Implementation of certified agreement.	CA rolled out, position descriptions fully reviewed and reclassified.	
Corporate Services: Develop regional disaster and alternative communication capabilities.	Deliver scope and pilot implementation roadmap.	
Financial Services: Deliver	Full Implementation of LocalBuy NextGen & reporting suite Further evolve Council's procurement procedures & policies	

Table 29: Organisational key performance indicator results for Mekem las long/Sustainability strategic pillar

Towards our corporate plan









Pruitpul / Prosperity		
Key performance indicator	Delivery target	2021/22 result
Corporate Services: Support for the development of regional governance framework.	Support provided as required.	
Community Services: Lead implementation of the Visitor Management Strategy, including visitor entry and exit, accommodation, and travel.	Successful implementation of process and roadmap.	
Corporate Services: Develop Council's first Reconciliation Action Plan.	Scoping and research. Reconciliation Action Plan developed.	
Corporate Affairs: Delivery of Council's Enterprise Development Strategy, identifying key sector opportunities.	Successful delivery of strategy. Community consultation completed.	
Corporate Services: Implementation of Council's Diversity & Inclusion Policy.	Diversity and Inclusion Policy implemented across Council.	
Corporate Services: Review and evaluate learning & development strategy.	Learning and Development strategy reviewed, and evaluation conducted by June 2022.	
Corporate Services: Grow Council's existing apprenticeship program.	Increase in number of trainees employed.	
Corporate Services: Develop strategic IT program focusing on regional frontline capability and security.	Successful engagement of consultant and delivery of regionally appropriate strategy. Strategy endorsed by key stakeholder groups.	

Table 30: Organisational key performance indicator results for Pruitpul/Prosperity strategic pillar



Diversity and Inclusion Policy

In September 2021 Council adopted its Diversity and Inclusion Policy, which forms part of Council's commitment to foster, cultivate, and preserve a workplace where diversity and inclusion are valued. People are our most valued resource, and it has been shown that a workplace embracing diversity in all areas, including all people, contributes to increased productivity and employee satisfaction.

Council recognises and respects diversity, individual needs, experiences, and strengths through the creation of an environment that enables our people to thrive and achieve their aspirations.

We embrace and encourage our employees' differences in gender, gender identity, age, ethnicity, cultural background, religious beliefs, sexual orientation, marital or family status, disability, and socio-economic background.

Council's diversity and inclusion initiatives are recognised in our practices and policies on recruitment and selection, compensation, and benefits; professional development and training, promotions; transfers, social and recreational programs, terminations and the ongoing development of the workplace environment. Council's strategic decisions are guided by our values of One, Respect, Accountability, Courage, and Resilience.



Manager of Environmental and Health, Ewan and Mayor Mosby

Towards our corporate plan



Council's Reconciliation Action Plan

Reconciliation is about strengthening relationships between Torres Strait Islander and Aboriginal peoples and non-Indigenous peoples, for the benefit of all Australians.

In 2021 Council determined that there was a need for Reconciliation Action Plan (RAP). In early 2022 a working group was established, and a first draft has been completed. This project is a significant two-year commitment to promoting reconciliation by building relationships, respect and trust between Torres Strait Islander and Aboriginal peoples and the wider Australian community. RAPs are generally developed by and for non-Indigenous entities, which makes Council's RAP significant as one of the few developed by a Torres Strait Islander organisation.

The Working Group is made up of Council employees who provide strategic direction and leadership and ensure that a consultative and representative process is undertaken to inform the RAP.

What is a RAP?

A RAP is a strategic document that supports an organisation's business plan and provides a framework to support the national reconciliation movement. It includes practical actions that will drive an organisation's contribution to reconciliation both

internally and in the communities in which it operates.

Developing a RAP is a process undertaken in a collaborative partnership with Reconciliation Australia, the lead body of Reconciliation in Australia. Reconciliation Australia's vision is based on five interrelated dimensions: race relations, equality and equity, institutional integrity, unity, and historical acceptance.

There are different types of RAPs depending on an organisation's stage in its reconciliation journey. Council's Innovate RAP focuses on developing and strengthening relationships with Torres Strait Islander and Aboriginal peoples, engaging staff and stakeholders in reconciliation, and developing and piloting innovative strategies to empower Torres Strait Islander and Aboriginal peoples. This RAP examines relationships, respect, opportunities and governance, and the importance of each in Council's core business activities.

Council's RAP will allow Council to gain a deeper understanding of its sphere of influence, establish the best approach to advance reconciliation, be used as a tool to self-monitor our reconciliation journey, enable the growth and development of our communities, speak clearly about cultural awareness and sensitivity, prioritise our culture and lore, and



Thumbs up for the work the Queensland Police do in community

send a clear message of commitment and expectation to our contractors and other stakeholders.

What happens next?

The Innovate RAP template contains minimum required actions and deliverables. Once it has gone through the final drafting stages and internal preliminary approval, it is submitted to Reconciliation Australia

for review and will then undergo a minimum of two rounds of feedback.

After endorsement and approval, Reconciliation Australia will monitor Council's reconciliation activities for two years.

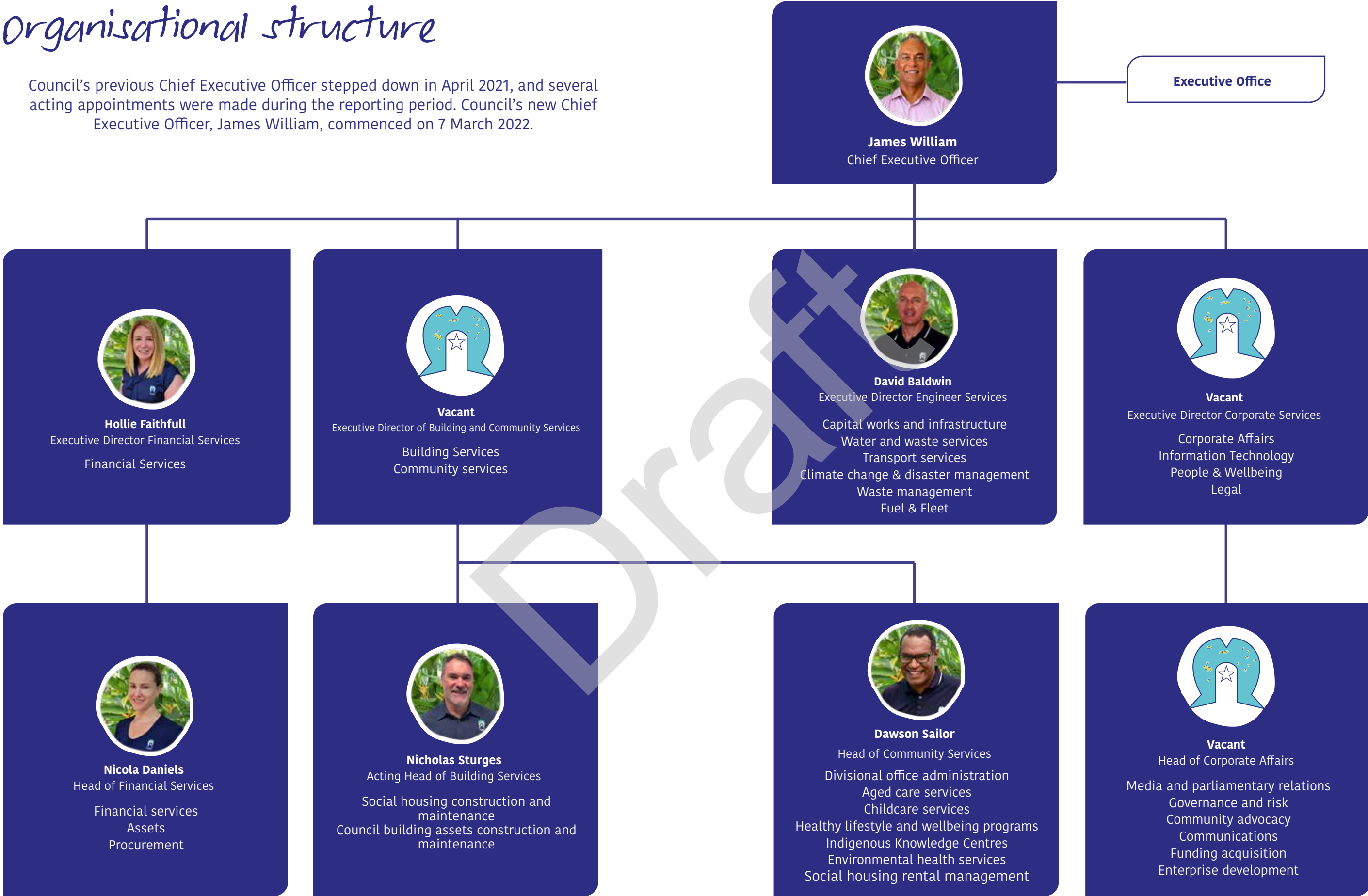
About Council blo Mepla

Administrative Governance



Organisational structure

Council’s previous Chief Executive Officer stepped down in April 2021, and several acting appointments were made during the reporting period. Council’s new Chief Executive Officer, James William, commenced on 7 March 2022.



corporate governance

Risk management and insurance

Corporate governance directs and controls local government and allows for better decision-making.

Sound decision-making supports a culture of confidence in Council and protects it from unfair criticism. Corporate governance also includes the relationships that Council has with stakeholders. Council's adopted policies and procedures provide a basis for us to practice good governance while providing services and facilities, by proper and democratic governance, to the diverse group of stakeholders with an interest in Council. Through the adopted policies and procedures, we provide clear guidelines for the roles of the Council, Council members, and employees, ensuring that all responsibilities are properly allocated and discharged by those accountable.

Fraud and misconduct

Council has a zero-tolerance approach to fraud, corruption, and misconduct and has adopted a Fraud and Corruption Prevention Policy to prevent, detect and respond to misconduct and fraudulent or corrupt behaviour.

Conflict of interest and Gifts and Benefits

Chief Executive Officers and other local government employees occasionally receive gifts. The community expects public officers to perform their duties efficiently and to use public resources free from influence. Council has adopted a Code of Conduct and other policies and procedures pertaining to employees that forbids an employee from accepting a prohibited gift including gifts from a person who may

be able to influence decision-making. Our policies and procedures establish a common understanding of appropriate conduct expected of all employees concerning gifts, benefits, hospitality, and the resultant potential for a conflict of interest to arise.

Privacy

Council considers that responsible handling of personal information is a key aspect of democratic governance and is committed to protecting an individual's right to privacy. We collect, store and use a broad range of information about community members, employees and prospective employees. A significant part of that information is personal information. We have adopted a Privacy Policy to ensure that all reasonable steps are taken so collection, use, disclosure and handling of all personal information aligns with relevant Australian Privacy Principles of the *Privacy Act 1988 (Cth)*.

Council policies

Local governments are generally responsible for determining their policies. There are some requirements in the *Local Government Act 2009* and the *Local Government Regulation 2012*, for Councils to have certain policies and the timeframe for reviewing these.

To ensure good governance, all policies are regularly reviewed to ensure they are relevant and remain consistent with best practice and relevant legislation.

Integration of risk management and insurance pays dividends

Council continues to manage our affairs responsibly and to the benefit of our communities.

As part of the Corporate and Operational Plan objective to continuously develop and evolve our enterprise risk management and business continuity planning, Council conducted a refresh of the risk framework in line with global best practice. This resulted in a staged move away from dependence on the commercial insurance market, which is volatile in availability and cost.

As part of this, Council sought membership in Local Government Mutual Services (LGMS), a self-insurance scheme of local governments in Queensland. LGMS arranges cover collectively for councils and provides access to extensive support networks and resources. The LGMS scheme has proven to be successful, giving local governments control of their liability, property, and workers' compensation insurance. To be considered for membership councils need to show a strong commitment to risk management.

In contrast to the traditional insurance market, which is focused on profit to maximise shareholder returns, LGMS refunds any surplus to Council members or utilises this surplus to the benefit of members.

In 2021/22, Council, for the first time, received a risk management rebate on the cost of liability covers, did not need to pay broker's fees, and earned income via the share in the Liability Mutual surplus distribution.



Crossfield Manuel
Safety and Wellbeing Officer
Mabuiag, Division 4

"I enjoy working with people on the ground, making sure they have what they need, and have the knowledge and confidence to work safely in a safe work environment."

Crossfield began working with Council in 2014 as an Environmental Health Worker, transitioning to Safety and Wellbeing Officer in 2021. Prior to this, he was a Purchasing Officer with Mabuiag Island Council and a Supervisor with Community Enterprise Australia.

This year Crossfield completed his Certificate IV in Work Health and Safety, building on and formalising his knowledge and experience in this area.

Crossfield conducts audits and inspections to ensure that staff can work safely, both in the office and in the field, to minimise the risk of workplace injuries. He makes sure that staff have the required safety equipment and supplies as well as the correct training and knowledge to use it. This includes fire and first aid equipment and supplies, spill kits, and personal protective equipment.

Crossfield also ensures that safety equipment and supplies are stored correctly, are easy to access and have adequate signage. He investigates any workplace incidents and trains and assists staff in completing incident reports.

compliance activities

Council’s compliance activities for the 2021/22 financial year in accordance with the legislative requirements set out in the *Local Government Act 2009* and *Local Government Regulation 2012*.

Compliance with section 23 *Public Sector Ethics Act 1994*

Council’s commitment to Queensland’s public sector ethical principles and the local government principles are reflected in our policies and procedures. Our administrative procedures and management practices are drafted in line with the ethical principles, local government principles, and Council’s Code of Conduct.

Council’s Code of Conduct applies to all employees, Councillors, contractors, consultants, and agents of Council and sets out the expected rights, duties, and obligations of all who are subject to it. The Code was most recently reviewed and updated in April-June 2021 and endorsed by the Council on 29 June 2021.

All employees appointed to positions with Council are informed of their rights, duties, and obligations under the Code of Conduct via our induction program. The induction of new employees includes training on the local government principles set out in section 4(2) of the *Local Government Act 2009* and the ethical principles set out in section 4(2) of the *Public Sector Ethics Act 1994*. Council employees can also access the Code of Conduct on Council’s corporate intranet.

Councillors have received ongoing training throughout the 2021/22 year on conduct matters in response to legislative changes to the Councillor conduct regime.

Special rates and charges

During the 2021/22 financial year, Council did not levy any special rates or charges.

Concessions for rates and charges

During the 2021/22 financial year, Council did not have any concessions for rates and charges.

Invitations to change tender

During the 2021/22 financial year, there was one invitation to change tender under section 228(8) of the *Local Government Regulation 2012*.

Registers kept by Council

Council’s registers provide a source of truth for various subject matters and help ensure efficient, effective, and transparent governance processes. Council kept the following registers during the 2021/22 year:

- Assets register
- Beneficial Enterprises
- Cat and Dog register
- Councillor Conduct register
- Delegations registers
- General Complaints Database
- Interests register
- Land Record
- Large Contracts register
- Local Laws register
- Lost and Stolen Property
- Preferred Suppliers
- Pre-qualified Suppliers
- Register of Councillors
- Register of Electoral Gifts
- Register of Fees and Charges
- Register of Gifts
- Right to Information Database
- Road Map and register
- Sole Supplier register.

Summary of investigation notices

During the 2021/22 year, Council did not receive any Queensland Productivity Commission notices of investigation under section 49 of the *Local Government Regulation 2012*. During the same period, Council did not receive any Queensland Productivity Commission recommendations on any competitive neutrality complaints under section 52(3) of the *Local Government Regulation 2012*.

Beneficial enterprises

Council did not have any beneficial enterprises in the 2021/22 year.

Business activities

Council conducted the following business activities during the financial year: accommodation, building services, childcare services, commercial property rentals, and the sale of fuel and gas.

Senior management remuneration

Section 201 of the *Local Government Act 2009* requires that a local government’s annual report state the total remuneration packages payable to senior management. Council’s Executive Leadership Team consists of the Chief Executive Officer, Executive Director Financial Services, Executive Director Engineering Services, Executive Director Building and Community Services and Executive Director Corporate Services.

Due to Council not having an incumbent Chief Executive Officer, Council appointed an Acting Chief Executive Officer for the period from 1 July 2021 to 6 March 2022. The following table shows the senior management remuneration packages for the 12-month period from 1 July 2021 to 30 June 2022. The remuneration levels shown are on a cash basis and exclude non-monetary benefits, allowances, and superannuation.

Remuneration Package Band	In band
\$50,001 - \$250,000	1
\$150,001 - \$250,000	3
\$250,001 - \$350,000	1
Total Remuneration of Senior Management	\$1,008,845.02

Table 31: Executive remuneration package bands

Significant business activities

Council did not have any significant business activities in the 2021/22 year.

Overseas travel

During the 2021/22 financial year, no overseas travel was undertaken by Councillors or employees of Council in an official capacity.

Assets management

A key issue facing local governments is the management of ageing assets in an environment with reduced funding capabilities and increased pressures to ‘do more with less’

Effective asset management is a critical component for any Council ensuring decision-making is aligned to the strategic objectives of Council and most importantly the long-term sustainability of the community.

Asset Management Plans form a vital part of Council’s integrated planning framework. We cannot have good financial sustainability without good asset management.

Council recently adopted the NAMS.Plus suite of documents, which is an initiative of the Institute of Public Works Engineering Australasia (IPWEA) to develop a Long-Term Asset Management Strategy

and accompanying Asset Management Plans. These documents are based on the International Infrastructure Management Manual (IIMM) and aligned with the international standards on Asset Management (ISO 55000) and Risk Management (ISO 31000).

This provides Council with the ability to establish a framework to guide the planning, construction, maintenance, operation, and renewal of essential public assets required to service the community, at a financially sustainable level.



New fuel bowser at Sabai

Major construction contracts awarded

Council values economic development in our region and aims to support local businesses whenever possible. The page shows the total number of major construction contracts awarded and provides a breakdown of those contracts by the geographical location of the supplier.

Supplier location	No.
Contracts awarded to suppliers within Council’s local government area	3
Contracts awarded to suppliers within the Torres Strait	1
Contracts awarded to suppliers within Far North Queensland	12
Contracts awarded to suppliers outside of Far North Queensland	2
Contracts awarded to interstate suppliers	2

Table 32 Major construction contracts awarded by supplier location

Automation of Fees and charges

Council recovers statutory fees and commercial charges for a range of goods and services including fuel, gas, licence fees, permits, facility, accommodation hire, and administrative services. Council’s fees and charges are reviewed as part of Council’s budget process, to ensure that they are reasonable and appropriate. It is a legislative requirement for local governments to publish their Fees and Charges Register.

As part of Council’s commitment to operational accountability and transparency, the Financial Services team successfully implemented a new automated, secure cloud-based platform in March 2022, replacing the previous spreadsheet-based system that was used for recording fees and charges.

The implemented LG Solutions application provides efficient, streamlined functionality, and increased ease of use for both staff and customers.

Being cloud-based, the central database can be accessed from anywhere at any time and data is available in real time. Council can easily review, analyse, and update fees and charges as required and changes are tracked by the system, creating an audit trail. An automated costing feature ensures accuracy, and an electronic approval process has created efficiencies in the use of current resources. When changes are made to fees and charges, the system automatically updates the Register on Council’s website.

The new register is more interactive than the prior PDF list and allows viewers to use a search function categorised by fee-type and location.

Council continues to review, improve, and future-proof its financial systems and processes.

Administrative action complaints

Council is committed to dealing fairly with administrative action complaints. The process is managed under Council’s Complaint Management Policy and Procedure and Council’s Housing Complaint Management Policy.

An “administrative action” complaint is a complaint about action taken or failed to be taken by Council (as defined in section 268 of the *Local Government Act 2009*). Council is committed to dealing fairly with every administrative action complaint.

Council has a clear process in place for resolving administrative action complaints. The process is managed under Council’s Complaint Management Policy and Procedure, and Council’s Housing Complaint Management Policy.

The Chief Executive Officer reports to Council annually regarding complaint management. This annual review identifies and analyses any complaint trends and significant issues, and any recommendations for improvement, to ensure Council deals with complaints in line with best practice.

Council saw a spike in administrative action complaints in the 2021/22 financial year, but the number of complaints has dropped for the 2021/22 financial year:

- 2018/19: 8 administrative action complaints received
- 2019/20: 7 administrative action complaints received
- 2021/22: 26 administrative action complaints received
- 2021/22: 14 administrative action complaints received

In addition to administrative action complaints, Council has also received complaints regarding employee performance, Council enterprises, privacy and human rights, Public Official complaints and Councillor conduct complaints.

Overall, the number of annual complaints received by Council continues to increase.

Complainants mainly used Council’s website to lodge complaints, and these are often anonymous.

During the year, a separate web form was set up on Council’s website specifically for public official complaints. This allows complaints to be lodged directly to the Mayor.

A Complaint Management Procedure Learning Module is currently under development and is due to be rolled out during the 2022/23 financial year, to train officers on the complaints process.

An ongoing area for improvement is the response and handling time for complaints. The review of the Complaint Management Policy and Procedure in April 2021 did not result in a faster turnaround time for complaints. To streamline complaint management, the Complaint Management Procedure was updated again in March 2022 to delegate complaint decision-making to the Executive Director Corporate Services (with the exception of alleged corrupt conduct, complaints involving public interest disclosures, and complaints about the public official or the conduct or performance of Councillors). It is not yet clear whether this new arrangement will improve the turnaround time.

Administrative action complaints under section 187 of the *Local Government Regulation 2012*

	Number
The number of administrative action complaints made to the local government in 2021/22	14
The number of administrative action complaints resolved by the local government under the complaints management process in 2021/22.	6
The number of administrative action complaints made in previous years resolved by the local government in 2021/22.	2
The number of administrative action complaints not resolved by the local government under the complaints management process in 2021/22.	8 (plus 2 from previous years)
The number of administrative action complaints made in previous years that were not resolved by the local government in 2021/22.	2

Table 33 Record of administrative action complaints



Les Pitt
Divisional Engineering Officer
Erub, Division 14

“I feel blessed to have been working with Council for this amount of time, in a job that I love and appreciate, and where I can provide a service for my community.”

Les has been with Council since 1982 (under the former Department of Aboriginal Island Affairs and Island Coordinating Council). Les’s role originally focussed on water storage and supply, which is an area where he holds significant historical knowledge.

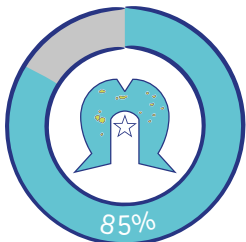
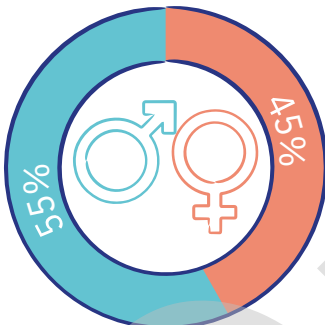
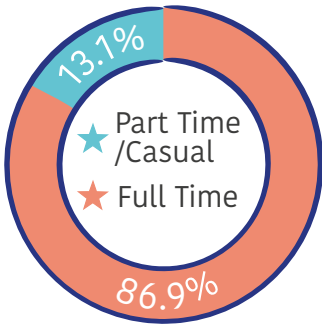
Les’s role has now expanded to include all infrastructure on Erub, from water storage, sewerage, airports, and roads, to vehicles, fuel bowsers, sporting facilities, and accommodation. His aim is to ensure that all services are up and running like clockwork.

Les’s experience also includes time as a Councillor and four years as an advisor to Council. He looks forward to working with Council and its investment in infrastructure in the Torres Strait in the years to come.

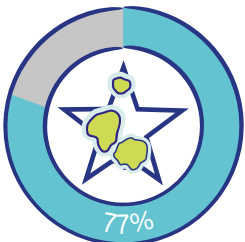
Our people

As the biggest employer in our local government area, Council is dedicated to promoting a diverse and inclusive workplace that supports the employment and training of people in our region. Our employees are located across our region in each of our communities, at Thursday Island, and in Cairns.

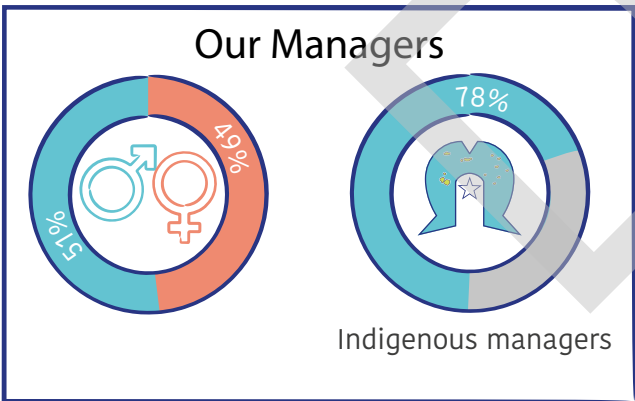
351
Total Employees



Indigenous employees

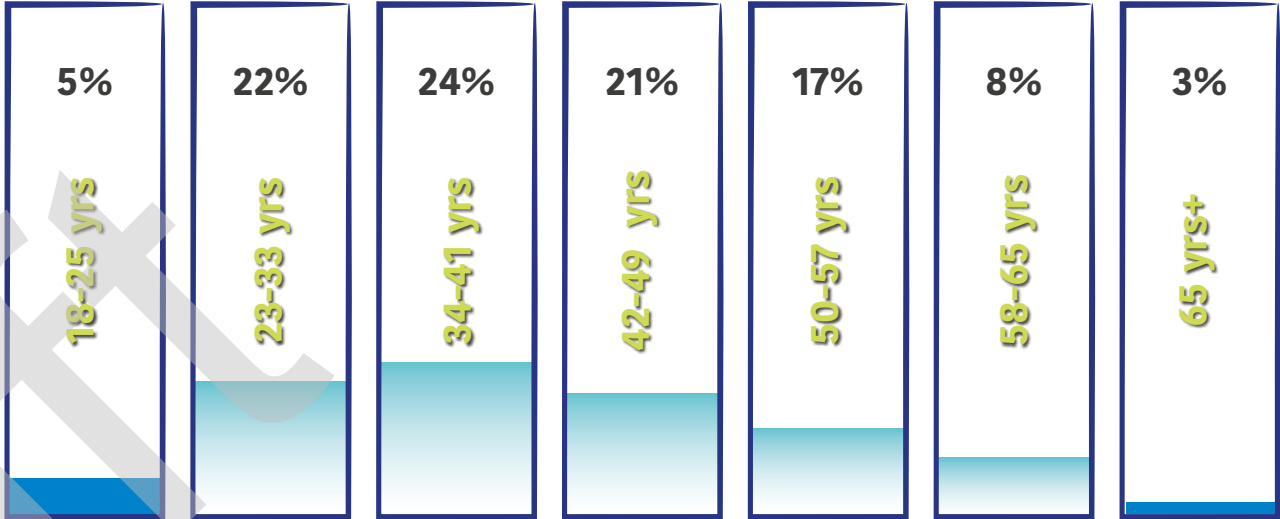


Based in local communities

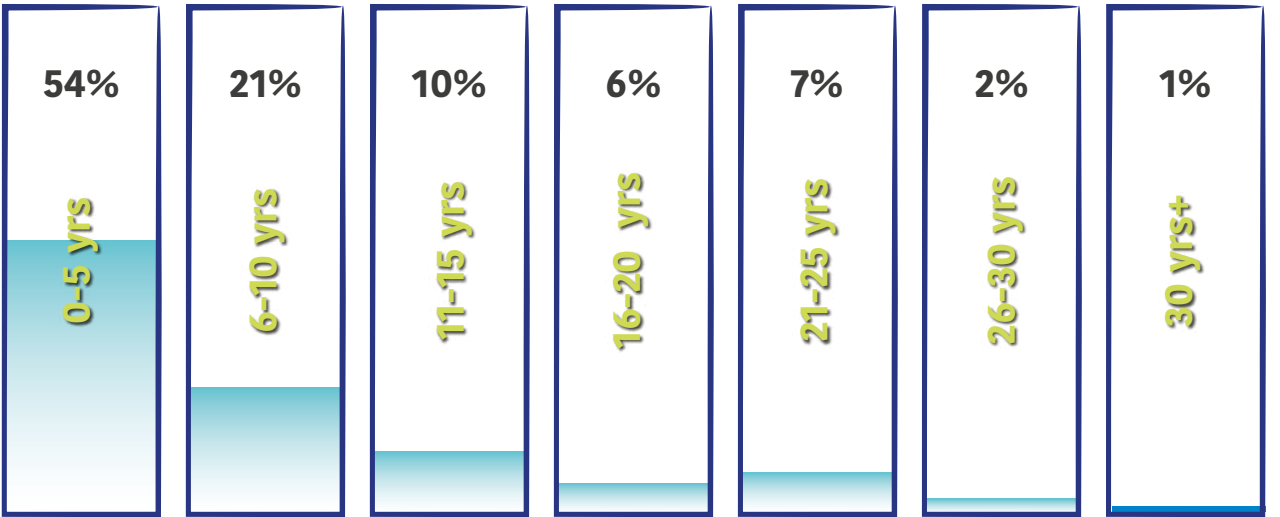


Indigenous managers

Age range of employees by category:



Years of service by category:



Recognising team TSIRE

In 2021/22, Council celebrated as several employees reached long-service milestones. These long-serving and dedicated employees began their roles as part of the individual Island Councils that combined in 2008 to form the Torres Strait Island Regional Council.

Name	Years of service	Department
Mary Gela	25 years	Community Services
Renee Pearson	25 years	Community Services
Saulo Gamia	25 years	Engineering Services

Table 34: Employee milestone service achievements

Council values continued professional growth and the continued development of key skills in our region. This year we are proud to celebrate several employees who attained new qualifications.

Annie Zaro - Certificate IV in Social Housing

Christina Waianga - Cert IV in Accounting and Bookkeeping

Crossfield Manuel - Certificate IV in Work Health and Safety

Elizabeth Uiduldam - Certificate IV in Social Housing

Elma Jacksonia - Diploma of Early Childhood Education and Care

Ena Blanket - Diploma of Early Childhood Education and Care

Georgina Thaiday - Certificate IV in Social Housing

June Messi - Certificate IV in Social Housing

Kamilla Bielski - Certificate V in Estimating

Polly Akiba - Certificate IV in Social Housing

Renee Pearson - Certificate IV in Social Housing

Riley Baira - Certificate III in Early Childhood Education and Care

Roxanne Dorante - Certificate IV in Social Housing

Tricia Mary Nona - Certificate III in Early Childhood Education and Care

Yancy Tamu - Certificate IV in Social Housing

Child Care Graduations

Congratulations to four of Council's staff from Agagun Child Care Centre (Badu), who completed qualifications in childcare with TAFE Queensland this year.

Childcare trainees, Tricia Mary Nona and Riley Baira received their Certificate III in Early Childhood Education and Care and apprentices Ena Blanket and Elma Jacksonia received their Diploma of Early Childhood Education and Care.

Flexible learning options for students included a combination of residential blocks in Cairns, self-paced learning modules, and teacher visits to Badu.

Elma Jacksonia's graduation ceremony was held in March at the TAFE Queensland campus in Cairns, and Trisha, Riley and Ena graduated at the Badu Child Care Centre in June. The graduation ceremonies were attended by close family and Centre staff.

Council is committed to staff training and professional development. These qualifications meet the mandatory requirements for Child Care Centres, resulting in a fully qualified Early Childhood team for the Badu Centre.

First image - Badu Child Care Centre of trainees, Tricia Nona & Riley Baira and apprentice, Ena Blanket, Child Care Director Charmaine Bowie and FNQ TAFE Early Childhood Teacher Stacy Walters.

Second image - Badu Child Care Centre trainee, Elma Jacksonia



Badu childcare centre

Recognising team TSIRE



Upskilling of housing officers to benefits tenants

Congratulations to eight of Council's Housing Officers who completed their Certificate IV in Social Housing through TAFE Queensland in 2021.

Council has a portfolio of more than 900 social houses, making Council the second largest social housing provider in Queensland. Council manages housing in 14 of our 15 communities and require skilled housing officers to deliver our housing services, which include allocation of vacant housing to applicants, managing tenancies and collecting rent.

With the assistance of the Local Government Association of Queensland, Council's Housing Officers joined four housing staff from Yarrabah Aboriginal Shire Council for the training and opportunity to share experiences and compare housing department operations; a collaboration of great benefit to Council and our tenants.

Skills acquired during this course include delivery of housing support services to tenants, applicants and the community, understanding workplace health and safety, managing and supporting sustainable tenancies and relationship building.

Jane Worrall from TAFE Queensland said that Council staff were very proactive, good role models for their community, great advocates, and potential future housing leaders in their communities and our organisation.

Congratulations to the Housing Officers on their achievement.

- Annie Zaro
- Elizabeth Uiduldam
- Georgina Thaiday
- June Messa
- Polly Akiba
- Renee Pearson
- Roxanne Dorante
- Yancy Tamu

Annual Report recognition

Annual report awarded a silver award.

Council was awarded a Silver Award by the Australasian Reporting Awards, ARA, for the 2021/22 Annual Report.

The ARA Awards provide an opportunity for organisations to benchmark their annual reports against the ARA criteria, based on world best practice.

The Awards are run by the ARA which is an independent not-for-profit organisation. The Awards are open to all private sector, public sector and not-for-profit sector organisations in Australia, New Zealand and countries in the Asia Pacific region and beyond.

The Awards recognise excellence in reporting with Gold, Silver and Bronze Awards in the benchmarking General Award and in the competitive Awards.

Council's Annual Report is an important publication for communicating our work and achievements to our constituents as well as providing transparency and accountability for the spending of public money. Council takes great pride in the Annual Report and strives to meet best practice in reporting to ensure our community and other stakeholders are well informed of Council's goals, work and performance.



Torres Strait Island Regional Council receive the silver award for our 2021 Annual Report

Australian water awards



Council receives national recognition for Water Management Program

This year, Council was the proud recipient of the Australian Water Association Infrastructure Project Innovation Award (Regional) at both the Queensland and National levels. The award recognises 'significant and innovative water infrastructure projects driving prosperity and sustainability' and was granted in recognition of the Mer Water Network Management Program, ending over 20 years of water restrictions.

The award-winning program, a collaboration between Council and demand management specialist Asset Life Alliance, implemented an integrated plan to first stabilise the water network to lift water restrictions through onsite leak detection, and then install a range of smart technologies to ensure the water network can be sustainably managed.

The issue

The Mer community has endured over twenty years of strict water restrictions. At commencement of the project, residents only had water access six hours per day due to major water losses in the network, leading to ongoing water supply shortages.

Mer has a permanent desalination plant and a covered lagoon for water storage; however, the lagoon was regularly at critically low levels and had never reached capacity. During times of critical water supply, extra mobile desalination plants were barged in from other islands to assist with demand.

Approach

The first stage of the project was to implement a leak detection and repair intervention program to stabilise the network. Following this, a range of innovative new industry technologies for network monitoring and regulation were adopted.

These include installation of remote monitoring and automated technologies including smart meters, a bulk flow meter, inline acoustic leak sensors and automated pressure reduction valves.

Outcomes

At the completion of the leak intervention program, the Mer water network was stabilised, and water restrictions were lifted for the first time. Within two months, the covered lagoon reached 100 per cent capacity for the first time. The permanent desalination plant can now be turned off intermittently, significantly reducing the need for mobile desalination units.

Sustainability of outcomes

The reduction in demand for desalination has significantly reduced operational costs and diesel usage.



Daniel Harrington giving his acceptance speech

Acknowledgements

Council acknowledges the hard work and dedication of staff and the support from the divisional Councillor in this significant achievement and the ongoing protection of the community's water supply.

Council also acknowledges project funding partners and supporters of our water management plans, Growing Queensland, Torres Strait Regional Authority, former Department of Local Government, Racing and Multicultural Affairs, Queensland Health and Griffith University.



David, Jerry & Daniel with the Water Award

Health & safety



Divisional Health & Safety Representatives appointed

Elections

In 2021, Council identified the need to have a Health and Safety Representative (HSR) in each division. This was due to both remoteness and Council's wide range of business activities.

The role of a HSR is a voluntary role that is generally undertaken during normal working hours.

Council's Safety and Wellbeing Team conducted elections in July and August 2021, resulting in the appointment of fourteen HSRs. Candidates were nominated by fellow staff members and local elections were held in each division.

Training

Work health and safety legislation provides the HSRs with special functions, rights, and powers. To ensure our HSRs have the necessary skills, knowledge, and confidence to undertake these functions, they attended a five-day training course on Poruma in November 2021. The course was conducted by Total Management Training fully funded by the State Government.

After completion of the training course, participants said, "I understand my role as a HSR and the importance of safety in the workplace for all staff and

contractors. I am confident enough to support staff at my division with safety concerns or issues". Albert Bann

"I thought it went well as all components were delivered and explained very clearly by the trainer. There was no overload of information, and because we had the course manual in front of us, I could understand what he was explaining, and I could go back and read up on anything I was puzzled about". Ted S Mosby

HSRs play a key role in ensuring the health and safety of our staff and contractors, reducing the risk of injury and illness. Their role includes identifying, assessing, and controlling hazards, implementing Work Health and Safety (WHS) programs, reviewing action plans, answering WHS-related questions, participating in risk and impact assessments, investigating incidents, contributing to problem-solving, and communicating any WHS issues.

Congratulations to the appointed HSRs and to the Safety and Wellbeing team for this important achievement.



Selena and Belford checking in with each other on R U Ok Day



The Health and Safety team training on Poruma

Money blo counsel

Financial overview



Enjoy the community activities during the
Coming of the Light celebrations

Financial statements

For the year ended 30 June 2022

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Current-year Financial Sustainability Statement
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Statement of Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Recurrent revenue			
Community levies, rates and charges	3(a)	1,646,091	1,408,588
Fees and charges	3(b)	4,530,560	4,456,201
Sales revenue	3(c)	18,237,100	16,061,240
Grants, subsidies, contributions and donations	3(d)	30,357,337	23,534,368
Total recurrent revenue		54,771,088	45,460,397
Capital revenue			
Grants, subsidies, contributions and donations	3(d)	34,522,666	38,526,936
Total capital revenue		34,522,666	38,526,936
Interest received	4(a)	194,259	343,374
Other income	4(b)	893,574	943,109
Rental income	4(c)	4,768,317	4,855,144
Total income		95,149,904	90,128,960
Expenses			
Recurrent expenses			
Employee benefits	6	(26,371,018)	(26,202,353)
Materials and services	7	(31,511,033)	(32,030,242)
Finance costs	8	(3,344,130)	(2,579,252)
Depreciation and amortisation			
Property, plant and equipment	11	(46,870,661)	(46,381,515)
Intangible assets		-	(6,822)
Right of use assets	13	(658,803)	(634,424)
Total recurrent expenses		(108,755,645)	(107,834,608)
Capital expenses	5	(9,875,493)	(8,014,407)
Total expenses		(118,631,138)	(115,849,015)
Net result		(23,481,234)	(25,720,055)
Other comprehensive income			
Increase in asset revaluation surplus	11	111,047,830	32,259,079
Total other comprehensive income for the year		111,047,830	32,259,079
Total comprehensive income for the year		87,566,596	6,539,023

Statement of Financial Position For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	9	33,267,131	45,179,212
Short term deposit		66,277	66,077
Receivables	10	7,552,768	9,681,523
Inventories		322,930	257,825
Contract assets	12	11,918,277	7,787,466
Lease receivables	13	399,599	376,956
Total current assets		<u>53,526,982</u>	<u>63,349,059</u>
Non-current assets			
Lease receivables	13	10,525,433	13,143,290
Property, plant and equipment	11	993,379,581	902,394,258
Right of use assets	13	1,800,817	698,349
Total non-current assets		<u>1,005,705,831</u>	<u>916,235,897</u>
Total assets		<u>1,059,232,813</u>	<u>979,584,956</u>
Current liabilities			
Payables	14	8,290,124	10,202,651
Borrowings		-	36,210
Provisions	15	8,699,940	6,954,834
Contract liabilities	12	13,358,149	21,304,105
Lease liabilities	13	621,912	649,789
Total current liabilities		<u>30,970,125</u>	<u>39,147,589</u>
Non-current liabilities			
Provisions	15	3,788,675	4,706,798
Lease liabilities	13	1,237,832	60,985
Total non-current liabilities		<u>5,026,507</u>	<u>4,767,783</u>
Total liabilities		<u>35,996,632</u>	<u>43,915,372</u>
Net community assets		<u>1,023,236,180</u>	<u>935,669,584</u>
Community equity			
Asset revaluation surplus	11	625,628,853	514,581,023
Retained surplus		397,607,327	421,088,561
Total community equity		<u>1,023,236,180</u>	<u>935,669,584</u>

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity For the year ended 30 June 2022

	Asset revaluation surplus	Retained surplus	Total
	\$	\$	\$
Balance as at 1 July 2021	514,581,023	421,088,561	935,669,584
Net result	-	(23,481,234)	(23,481,234)
Other comprehensive income for the year			
Increase in asset revaluation surplus	111,047,830	-	111,047,830
Total comprehensive income for the year	<u>111,047,830</u>	<u>(23,481,234)</u>	<u>87,566,596</u>
Balance as at 30 June 2022	<u>625,628,853</u>	<u>397,607,327</u>	<u>1,023,236,180</u>
Balance as at 1 July 2020	482,321,944	446,808,616	929,130,560
Net result	-	(25,720,055)	(25,720,055)
Other comprehensive income for the year			
Increase in asset revaluation surplus	32,259,079	-	32,259,079
Total comprehensive income for the year	<u>32,259,079</u>	<u>(25,720,055)</u>	<u>6,539,023</u>
Balance as at 30 June 2021	<u>514,581,023</u>	<u>421,088,561</u>	<u>935,669,584</u>

The above statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		32,377,041	22,778,944
Payments to suppliers and employees		(62,016,834)	(55,206,959)
		(29,639,793)	(32,428,015)
Interest received		179,171	343,374
Recurrent grants and contributions		31,866,346	23,534,368
Borrowing costs		(22,020)	(104,851)
Net cash inflow (outflow) from operating activities	19	<u>2,383,705</u>	<u>(8,655,123)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(35,176,782)	(32,870,961)
Proceeds from sale of property, plant and equipment		-	1,559
Proceeds from insurance claims		-	7,596
Finance lease receipts		376,956	370,578
Capital grants, subsidies, contributions and donations		21,182,346	34,263,728
Net cash inflow (outflow) from investing activities		<u>(13,617,480)</u>	<u>1,772,500</u>
Cash flows from financing activities			
Repayment of borrowings		(36,210)	(68,539)
Repayments made on leases (principal only)		(642,095)	(632,701)
Net cash inflow (outflow) from financing activities		<u>(678,305)</u>	<u>(701,240)</u>
Net increase (decrease) in cash and cash equivalents held		(11,912,080)	(7,583,863)
Cash and cash equivalents at the beginning of the financial year		45,179,212	52,763,075
Cash and cash equivalents at the end of the financial year	9	<u>33,267,132</u>	<u>45,179,212</u>

The above statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2022

1 Information about the financial statements

1.A Basis of preparation

The Torres Strait Island Regional Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2021 to 30 June 2022 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment. The Council uses the Australian dollar as its functional currency, its presentation currency and rounds to the nearest dollar.

The income of local government and public authorities is exempt from income tax. However Council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST'). The net amount of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and interpretations as applicable to not-for-profit entities.

Comparative information is prepared on the same basis as the prior financial year.

1.B Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.C New and revised Accounting Standards adopted during the year

Council has adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021. The standards did not have a material impact on reported position, performance and cash flows of Council.

1.D Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022. These standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a material impact for Council then further information has been provided in this note.

No standard issued by the AASB which is not yet effective is expected to have a material impact for Council.

1.E Critical accounting judgements and key sources of estimation uncertainty

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

- Revenue recognition - Note 3
- Valuation and depreciation of property, plant and equipment - Note 11
- Leases - Note 13
- Provisions - Note 15
- Contingent liabilities - Note 17
- Financial instruments and financial risk management - Note 22

1.F Impact of COVID-19 on the financial statements as at 30 June 2022

Council has performed an assessment of the impact of COVID-19 on its operations and results for the financial year and assessed that it has not had a material impact. The impacts identified are considered limited to some additional cleaning costs and some minor delays in completion of capital and maintenance works due to the impact of lockdowns and travel restrictions in place at different points during the financial year however the cumulative impact is not considered material to the financial statements. Council has some anecdotal evidence that the cost of various materials and services has increased as a result of the pandemic however it is not considered possible to quantify this impact.

Given the evolving circumstances of the pandemic within Australia, the ongoing impact on Council cannot be reliably estimated for future financial periods.

Notes to the financial statements
For the year ended 30 June 2022

2 Analysis of results by function

(a) Components of Council functions

The activities relating to the Council's components reported in Note 2(b) are as follows :

Executive Services

The core functions of Executive Services include management of the Office of the Mayor and Office of the CEO, facilitations of Council and Committee meetings, executive administration and internal audit.

Engineering Services

Engineering Services provides a high level of services in integrated infrastructure management which ensures environmental protection and meets community expectations. The outcomes achieved by Engineering Services are linked with Council's commitment to public health, transport, water and wastewater infrastructure. The core functions include water services, wastewater services, civil works services, waste services and fuel and fleet.

Health and Community Services

The objective of the Health and Community Services function is to develop, manage and deliver community and public health services that meet the needs of all sectors of the community. The core functions includes community services, housing services, environmental health services, health and wellbeing services and divisional administrative services.

Building Services

The objective of the Building Services function is to provide repairs and maintenance on social housing and new construction on behalf of the State and Federal Government.

Financial Services

Financial Services (previously known as business services) provides professional financial management and advisory services to Council. The core functions include financial accounting, management accounting, procurement and strategic asset management services.

Corporate Services

Corporate Services is responsible for the provision of Council-wide services. The core functions include legal services, governance, strategic (corporate) planning, human resources, WH&S, information technology services, corporate risk and insurance, media, engagement and advocacy and enterprise development.

Notes to the financial statements
For the year ended 30 June 2022

2 Analysis of results by function (continued)

(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Table with 12 columns: Functions, Grants, Recurrent, Other, Gross program income, Capital, Total income, Gross program expenses, Recurrent, Capital, Elimination of inter-function transactions, Total expenses, Net result from recurrent operations, Net result, Assets. Rows include Executive Services, Health and Community Services, Engineering Services, Building Services, Corporate Services, Financial Services*, and Total Council.

Table with 12 columns: Functions, Grants, Recurrent, Other, Gross program income, Capital, Total income, Gross program expenses, Recurrent, Capital, Elimination of inter-function transactions, Total expenses, Net result from recurrent operations, Net result, Assets. Rows include Executive Services, Health and Community Services, Engineering Services, Building Services, Corporate Services, Financial Services*, and Total Council.

*Business Services was renamed to Financial Services

Notes to the financial statements

For the year ended 30 June 2022

3 Revenue

(a) Community levies, rates and charges

Community levies, rates and annual charges are recognised as revenue when Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

	2022 \$	2021 \$
Water charges commercial	354,682	327,581
Sewerage charges commercial	999,872	853,517
Garbage charges commercial	226,785	168,453
Rates from 40 year leases	64,752	59,037
	<u>1,646,091</u>	<u>1,408,588</u>

(b) Fees and charges

Council provides a range of goods and services to the community and other third parties for a fee. These fees are set in a fees and charges register adopted by Council at the annual budget meeting. Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods or services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

	2022 \$	2021 \$
Airport landing fees	463,621	396,927
Commercial property rental	2,360,925	2,522,658
Maritime fees	1,549,008	1,350,855
Hire of Council buildings	85,500	88,840
Other fees and charges	71,506	96,921
	<u>4,530,560</u>	<u>4,456,201</u>

Timing of revenue recognition for fees and charges

	2022		2021	
	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time
Fees and charges	2,360,925	2,169,635	2,522,658	1,933,543
	<u>2,360,925</u>	<u>2,169,635</u>	<u>2,522,658</u>	<u>1,933,543</u>

Notes to the financial statements

For the year ended 30 June 2022

3 Revenue (continued)

(c) Sales revenue

Council provides a range of goods and services to the community and other third parties for a fee. These fees are set in a fees and charges register adopted by Council at the annual budget meeting. Revenue is recognised at a point in time when the customer obtains control of the goods or services, generally when the customer has taken undisputed delivery of the goods or provision of service.

Revenue from contract and recoverable works generally comprises a recoupment of material costs together with an hourly charge for the use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end.

	2022 \$	2021 \$
Contract and recoverable works	15,643,151	13,477,040
Plant and equipment hire	95,440	68,897
Childcare services	114,068	141,084
Accommodation	776,496	787,527
Sale of fuel and gas	1,330,121	1,283,743
Sale of powercards	277,824	302,948
	<u>18,237,100</u>	<u>16,061,240</u>

Timing of revenue recognition for sales

	2022		2021	
	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time
Sales revenue	16,629,154	1,607,946	14,474,548	1,586,692
	<u>16,629,154</u>	<u>1,607,946</u>	<u>14,474,548</u>	<u>1,586,692</u>

(d) Grants, subsidies, contributions and donations

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

The performance obligations vary in each agreement but include salaried positions and specific travel in relation to those positions. Payment terms vary depending on the terms of the grant. Cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be performance obligations where control transfers at a point in time and others where there is continuous transfer of control over the life of the contract.

Where control is transferred over time, revenue is recognised using either costs or time incurred.

Notes to the financial statements

For the year ended 30 June 2022

3 Revenue (continued)

(d) Grants, subsidies, contributions and donations (continued)

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the fair value when the assets are received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which are enforceable are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Donations and contributions

When assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the Council.

Donations and contributions are generally recognised on receipt of the assets since there are no performance obligations.

	2022 \$	2021 \$
Operating		
General purpose grants	17,037,694	11,030,037
State Government subsidies and grants	11,293,883	10,630,254
Commonwealth Government subsidies and grants	2,025,760	1,874,077
	<u>30,357,337</u>	<u>23,534,368</u>
Capital		
Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets.		
State Government subsidies and grants	34,130,779	30,579,614
Commonwealth Government subsidies and grants	391,887	3,363,949
Contributed assets	-	4,583,373
	<u>34,522,666</u>	<u>38,526,936</u>

Notes to the financial statements

For the year ended 30 June 2022

3 Revenue (continued)

(d) Grants, subsidies, contributions and donations (continued)

Timing of revenue recognition for grants, subsidies, contributions and donations

	2022	2021
	Revenue recognised over time \$	Revenue recognised at a point in time \$
Grants and subsidies	35,619,940	22,160,214
Contributions	-	4,583,373
	<u>35,619,940</u>	<u>26,743,587</u>

4 Interest and other income

	Note	2022 \$	2021 \$
(a) Interest received			
Interest received from bank and term deposits is accrued over the term of the investment.			
Interest received from financial institutions		194,259	343,374
		<u>194,259</u>	<u>343,374</u>
(b) Other income			
Other income is recognised on receipt. Gains (losses) on revaluation of finance leases is a non-cash adjustment.			
Insurance claims received		530	66,318
Commission income		514,256	470,240
Other revenue		377,783	406,551
Gain on disposal of finance lease		1,005	-
		<u>893,574</u>	<u>943,109</u>
(c) Rental income			
Rental revenue from community housing is recognised as income as rent is received.			
Residential property rental income		4,768,317	4,855,144
		<u>4,768,317</u>	<u>4,855,144</u>

Council currently holds a social welfare housing portfolio and these buildings are held to meet service delivery objectives, rather than to earn rental income or for capital appreciation purposes.

As the buildings held by Council do not meet the definition of investment property, these buildings are accounted for in accordance with AASB 16 *Property, Plant and Equipment*.

Notes to the financial statements For the year ended 30 June 2022

5 Capital expenses	Note	2022 \$	2021 \$
Loss on disposal of non-current assets			
Book value of property, plant and equipment disposed		3,953,820	3,509,132
Less: Proceeds from the sale of property, plant and equipment		-	(1,559)
Less: Proceeds from insurance claims		-	(7,596)
		<u>3,953,820</u>	<u>3,499,977</u>
Loss on disposal of registered <i>Land Holding Act</i> leases			
Book value of property, plant and equipment		5,921,673	4,514,430
		<u>5,921,673</u>	<u>4,514,430</u>
		<u>9,875,493</u>	<u>8,014,407</u>
6 Employee benefits			
Employee benefit expenses are recorded when the service has been provided by the employee.			
Staff wages and salaries		19,237,121	19,322,848
Councillors' remuneration		1,040,209	1,016,537
Annual, sick and long service leave entitlements		4,022,360	4,137,760
Superannuation	18	2,547,323	2,507,633
		<u>26,847,013</u>	<u>26,984,777</u>
Other employee related expenses		254,841	220,077
		<u>27,101,854</u>	<u>27,204,855</u>
Less: Capitalised employee expenses		(730,836)	(1,002,502)
		<u>26,371,018</u>	<u>26,202,353</u>

Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.

	2022	2021
Total Council employees at the reporting date:		
Elected members	16	16
Administration staff	324	335
Total full time equivalent employees	<u>340</u>	<u>351</u>

Notes to the financial statements For the year ended 30 June 2022

7 Materials and services	Note	2022 \$	2021 \$
Expenses are recorded on an accruals basis as Council receives the goods or services.			
Advertising and marketing		38,543	50,785
Audit services		194,500	222,344
Communications and IT		1,588,484	1,723,207
Consultants		993,289	871,809
Contractors		7,063,232	9,717,528
Donations paid		325,678	274,415
Freight		1,180,572	798,556
Insurance		4,455,059	4,174,281
Legal fees		281,178	594,862
Materials - carpentry, plumbing, electrical		1,759,336	791,328
Motor vehicle expenses		2,194,819	986,982
Other materials and services		1,686,323	2,170,972
Power		984,779	1,406,172
Powercards, fuel and gas for resale		2,605,103	2,647,069
Rent paid		148,606	79,525
Repairs and maintenance		3,575,103	1,932,126
Subscriptions and registrations		98,664	175,988
Supplies and consumables		329,094	566,335
Temporary staff costs		464,281	444,276
Travel		1,810,973	2,527,145
Less: Expenses capitalised		(266,583)	(125,462)
		<u>31,511,033</u>	<u>32,030,242</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$194,500 (2020-21: \$194,500)

8 Finance costs			
Finance costs charged by Queensland Treasury Corporation		674	6,286
Bank charges		91,144	113,156
Impairment of receivables / (reversal) of impairment		377,198	(722,042)
Refuse restoration		626,058	1,966,316
Interest on leases	13	30,798	20,514
Loss on revaluation of of finance leases	13	2,218,258	1,195,022
		<u>3,344,130</u>	<u>2,579,252</u>

Notes to the financial statements

For the year ended 30 June 2022

9 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Council's cash at bank and term deposits are held with National Australia Bank on normal terms. The bank currently has a short term credit rating of A-1+ and long term rating of AA-. Deposits at call are held with the Queensland Treasury Corporation.

Note	2022 \$	2021 \$
Cash at bank	5,433,366	5,853,960
Deposits at call	27,833,765	39,325,252
Balance per Statement of Cash Flows	<u>33,267,131</u>	<u>45,179,212</u>
(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent government grants and subsidies	13,358,148	21,476,396
Total externally imposed restrictions on cash assets	<u>13,358,148</u>	<u>21,476,396</u>
(ii) Internal allocations of cash at the reporting date:		
Funds set aside and held in reserves for DOGIT land	2,236,034	1,740,241
Total internally allocated cash assets	<u>2,236,034</u>	<u>1,740,241</u>

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities:

Island funeral funds	246,598	254,003
Church funds	9,781	9,780
Other community funds	51,989	51,732
	<u>308,368</u>	<u>315,515</u>

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds relating to island funeral funds, church funds and other community funds. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

Funds held in trust by outside parties

DFK Kidsons holding funds for the Major Infrastructure and Other Program	26,660,691	33,588,348
	<u>26,660,691</u>	<u>33,588,348</u>

The Major Infrastructure and Other Program is jointly funded by the Australian and Queensland Governments to deliver and upgrade major infrastructure capital works in the Torres Strait. DFK Kidsons holds funds for multiple councils in regards to the Major Infrastructure and Other Program. The amount disclosed above relates to Torres Strait Island Regional Council's portion of the funds. Infrastructure assets are not recognised by the Council until they have reached completion.

Notes to the financial statements

For the year ended 30 June 2022

10 Receivables

Receivables are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. Council actively pursues outstanding housing debts from both current and former tenants as per its Rental Debt Policy. Recovery action is undertaken for tenants who are more than 14 days in arrears. Housing Officers review rent accounts fortnightly and make contact with tenants in person to negotiate affordable rent and arrears payment plans. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

	2022 \$	2021 \$
Current		
Receivable - Housing	13,087,441	13,350,660
Less impairment	(12,604,082)	(12,552,822)
Receivable - Rates	567,020	470,816
Less impairment	(323,108)	(235,408)
Receivable - Other	3,227,173	3,139,750
Less impairment	(180,023)	(213,415)
	<u>3,774,421</u>	<u>3,959,581</u>
Accrued revenue	2,881,054	5,095,702
Prepayments	469,927	225,303
GST receivable	427,366	400,936
	<u>7,552,768</u>	<u>9,681,522</u>
Movement in accumulated impairment losses is as follows.		
Opening balance at 1 July	13,001,646	13,694,388
Less: Debts written off during the year	(271,630)	(107,351)
Reverse prior year debts offset against receivables	-	136,652
Additional impairments recognised	377,198	669,323
Less: Impairments reversed	-	(1,391,366)
Closing balance at 30 June	<u>13,107,213</u>	<u>13,001,646</u>

Council assesses credit risk before providing goods or services and applies normal business credit protection to minimise the risk.

Council does not require collateral in respect of trade and other receivables. Council does not have trade receivables for which no loss allowance is recognised because of collateral.

The exposure to credit risk for trade receivables by type of counterparty was as follows:

Housing charges	13,087,441	13,350,660
Government entities	2,510,807	2,329,891
Utility charges	567,020	470,816
Other	716,366	1,253,134
Total	<u>16,881,634</u>	<u>17,404,501</u>

Notes to the financial statements
For the year ended 30 June 2022

10 Receivables (continued)

Expected credit loss assessment

Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Loss rates are based on actual credit loss experience over the past ten years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Council's view of economic conditions over the expected lives of the receivables.

For housing receivables this rate ranges from 10% - 97% depending on the aging of the debt (2020/21: 10% - 95%). In relation to other receivables, this rate ranges from 0.28% - 51% depending on the aging of the debt (2020/21: 0.31% - 80%)

2022

Table with 1 column: Aging

Housing

Table with 1 column: Aging categories (Current, 1-30 days, 31-60 days, 61+ days)

Other Debtors

Table with 1 column: Aging categories (Current, 1-30 days, 31-60 days, 61+ days)

2021

Table with 1 column: Aging

Housing

Table with 1 column: Aging categories (Current, 1-30 days, 31-60 days, 61+ days)

Other Debtors

Table with 1 column: Aging categories (Current, 1-30 days, 31-60 days, 61+ days)

Table with 4 columns: Closing Balance 30 June 2022 \$, Historical Probability of default, Loss given default, Lifetime Expected Credit Loss \$

Table with 4 columns: Closing Balance 30 June 2022 \$, Historical Probability of default, Loss given default, Lifetime Expected Credit Loss \$

Table with 4 columns: Closing Balance 30 June 2022 \$, Historical Probability of default, Loss given default, Lifetime Expected Credit Loss \$

Table with 4 columns: Closing Balance 30 June 2021 \$, Historical Probability of default, Loss given default, Lifetime Expected Credit Loss \$

Table with 4 columns: Closing Balance 30 June 2021 \$, Historical Probability of default, Loss given default, Lifetime Expected Credit Loss \$

Table with 4 columns: Closing Balance 30 June 2021 \$, Historical Probability of default, Loss given default, Lifetime Expected Credit Loss \$

Table with 14 columns: Buildings (Communities), Buildings (Corporate), Recreational Facilities, Transport Network, Stormwater Drainage Network, Flood Mitigation Network, Water, Wastewater, Marine Infrastructure, Waste, Land, Plant & Equipment, Work in progress, Total

11 Property, plant and equipment

Council - 30 June 2022

Basis of measurement
Asset values
Opening gross value as at 1 July 2021
Additions
Assets capitalised from work in progress
Disposals
Revaluation adjustment to asset revaluation surplus
Closing gross value as at 30 June 2022

Accumulated depreciation and impairment
Opening balance as at 1 July 2021
Depreciation provided in period
Revaluation adjustment to asset revaluation surplus
Depreciation/impairment on disposals
Accumulated depreciation as at 30 June 2022

Book value as at 30 June 2022
Range of estimated useful life in years

Additions comprise:

Renewals
Other additions
Total additions

Asset revaluation surplus

Opening balance as at 1 July 2021
Movements - Revaluation
Movements - Impairments
Closing balance as at 30 June 2022

Table with 14 columns: Buildings (Communities), Buildings (Corporate), Recreational Facilities, Transport Network, Stormwater Drainage Network, Flood Mitigation Network, Water, Wastewater, Marine Infrastructure, Waste, Land, Plant & Equipment, Work in progress, Total

11 Property, plant and equipment (continued)

Council - 30 June 2021

Basis of measurement
Asset values
Opening gross value as at 1 July 2020
Additions
Capital contributions
Assets capitalised from work in progress
Impairment from work in progress
Disposals
Revaluation adjustment to asset revaluation surplus
Closing gross value as at 30 June 2021

Accumulated depreciation and impairment
Opening balance as at 1 July 2020
Depreciation provided in period
Revaluation adjustment to asset revaluation surplus
Impairment adjustment to asset revaluation surplus
Reversal of impairment previously recorded
Depreciation/impairment on disposals
Accumulated depreciation as at 30 June 2021

Book value as at 30 June 2021
Range of estimated useful life in years

Additions comprise:

Renewals
Other additions
Total additions

Asset revaluation surplus
Opening balance as at 1 July 2020
Movements - Revaluation
Movements - Impairments
Closing balance as at 30 June 2021

Buildings (Communities)	Buildings (Corporate)	Recreational Facilities	Road / Transport Network	Stormwater Drainage Network	Flood Mitigation Network	Water Supply Network	Sewerage Network	Wharves, Piers, Jetties & Portfolios	Waste Landfill	Land Assets	Plant & Equipment	Work in progress	Total
Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost	\$
566,467,014	107,077,405	26,337,950	277,703,800	13,784,500	36,284,654	235,768,784	258,360,240	49,022,070	2,664,300	2,497,135	8,747,774	14,242,014	1,598,966,640
-	-	-	-	-	-	3,668,441	914,932	-	-	-	-	32,870,109	4,583,373
4,675,294	542,065	-	1,195,944	-	-	3,493,611	236,642	-	-	-	478,424	(10,681,980)	-
(12,538,451)	(467,559)	-	(781,230)	-	-	(5,095,911)	(1,947,743)	-	-	-	(277,706)	-	(21,108,600)
22,230,187	4,235,335	1,033,270	10,302,064	516,919	1,360,675	9,061,692	9,868,522	1,838,328	97,452	62,428	-	-	60,606,870
580,834,044	111,387,246	27,371,220	288,420,578	14,301,419	37,645,329	246,866,617	267,501,593	50,860,388	2,761,752	2,559,563	8,948,482	36,430,143	1,675,916,394
264,151,082	54,636,440	14,732,450	109,817,883	5,298,780	7,933,205	116,310,329	112,008,699	19,538,617	1,232,037	-	6,220,496	-	711,880,016
18,587,384	4,155,475	961,681	5,005,352	276,375	875,651	7,473,017	7,123,778	1,071,968	189,197	-	718,457	-	46,381,515
11,022,502	2,302,757	607,516	4,187,498	208,143	330,340	4,569,579	4,299,029	772,887	46,529	-	-	-	28,347,791
-	-	-	-	-	-	-	-	-	-	-	-	-	-
(6,507,138)	(259,505)	-	(714,131)	-	-	(3,391,081)	(1,937,763)	-	-	-	(275,569)	-	(13,085,188)
287,223,830	60,836,187	16,301,627	118,296,602	5,786,298	9,139,396	124,961,844	121,493,743	21,383,482	1,437,763	-	6,663,384	-	773,524,136
293,610,214	50,351,079	11,069,593	170,123,976	8,515,121	28,505,933	121,934,773	146,007,850	29,476,916	1,323,889	2,559,563	2,285,108	36,430,143	902,394,258
15 - 50	10 - 50	5 - 50	10 - 100	47 - 53	10 - 50	3 - 60	5 - 100	10 - 50	15 - 25	Land: Not Depreciated	1 - 25	WIP: Not Depreciated	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
3,578,705	514,005	-	781,230	-	-	6,790,539	1,211,574	-	-	-	280,355	-	13,158,408
1,086,569	28,060	-	414,714	-	-	371,513	-	-	-	-	198,069	-	2,108,945
4,675,294	542,065	-	1,195,944	-	-	7,162,052	1,211,574	-	-	-	478,424	-	15,265,353
144,258,411	22,384,045	6,686,607	126,971,212	3,584,832	2,023,208	65,604,684	95,482,678	15,079,220	182,046	55,000	-	-	482,321,944
11,207,685	1,932,578	425,754	6,114,565	307,775	1,030,335	4,492,113	5,569,492	1,065,431	50,923	62,428	-	-	32,289,079
-	-	-	-	-	-	-	-	-	-	-	-	-	-
155,466,097	24,316,623	7,112,361	133,085,777	3,892,607	3,053,543	70,096,797	101,052,170	16,144,651	242,968	117,428	-	-	514,581,023

Statement of Comprehensive Income For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(a) Recognition

Each class of property, plant and equipment is stated at cost or fair value, less where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment, infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

By operation of the *Local Government Act 2009*, *Torres Strait Islander Land Act 1991* and *Land Act 1994*, Council retains ownership of the below classes of property, plant and equipment. This includes leasehold and licensed assets on Mer Island and Badu Island.

Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Property, plant and equipment received in the form of contributions are recognised as assets and revenues at cost as supplied by the contributor entity, where that value exceeds the recognition threshold for the respective asset class.

Capital and operating expenditure

Wages, materials expenditure and an appropriate portion of direct costs for the acquisition or construction of assets is treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset are expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

(b) Measurement

All asset classes excluding plant and equipment and work in progress (WIP) are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. Plant and equipment and WIP are measured at amortised cost.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Statement of Financial Position For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(c) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Depreciation methods and estimated useful lives of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the 5 yearly full valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in the tables earlier in this note.

(d) Land under roads

Torres Strait Island Regional Council does not control any land under roads. Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. This land is not recognised in these financial statements.

(e) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Statement of Comprehensive Income For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(f) Deed of Grant in Trust land

The Council is located on land assigned to it under various Deeds of Grant in Trust (DOGIT) held under the *Torres Strait Islander Land Act 1991* (Qld) (TSILA), *Aboriginal Land Act 1991* (Qld) and the *Land Act 1994* (Qld). The land comprises an area of approximately 483.6 square kilometres, across the following Islands:

- Boigu Island
- Dauan Island
- Erub Island
- Hammond Island
- Iama Island
- Moa Island (comprising two DOGITs of St Paul's and Kubin communities)
- Mabuia Island
- Poruma Island
- Saibai Island
- Ugar Island
- Warraber Island
- Masig Island

The land is administered by the Department of Natural Resources, Mines and Energy and the Council has restricted use of this land for the benefit of islander inhabitants. The DOGIT land has not been taken up in Council's asset register as it cannot be reliably measured.

The reserve land for Mer Island was managed by the Department of Communities, Child Safety and Disabilities Services until 14 December 2012. On 14 December 2012 Mer Gedkem Le (Torres Strait Islanders) Corporation RNTBC became the trustee of Torres Strait Islander land under the TSILA in communal freehold of Mer Island. The Corporation is trustee for the Native Title Holders.

The DOGIT land for Badu Island was administered by Council in the capacity as trustee until 1 February 2014. On 1 February 2014, Mura Badulgal (Torres Strait Islanders) Corporation RNTBC became the trustee of Torres Strait Islander land under the TSILA in communal freehold of Badu Island. The Corporation is trustee for the Native Title Holders.

Essential service buildings and infrastructure on Badu Island and Mer Island are leased by Council for the terms of 5 years, 30 years and 99 years at agreed values.

The relevant leased assets are still reported as assets of the Council; land is not reported; nominal rental is paid for the majority of assets and they have not been classified as leases as assets were originally constructed by Council, and recorded as such prior to the change in land arrangements. No lease liability has been recognised in the financial statements for the leases, with the exception of the former child care centre, one staff residence and one contractor camp on Badu Island, for which future commitments are \$77,410 over two years.

Pursuant to the terms and conditions of the respective leases, it is intended that the Council continue to maintain these assets for the benefit of the community, as Council possesses the necessary skills and knowledge to best utilise these assets.

Statement of Financial Position For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(g) Valuation

(i) Valuation processes

In accordance with AASB 13, fair value measurements are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets (level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset (level 2)
- Fair value based on unobservable inputs for the asset (level 3)

All of Council's property, plant and equipment measured at fair value at reporting date is categorised at level 2 or 3. Council does not have any assets measured at fair value which meet the criteria for categorisation as level 1.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

Council measures and recognises assets in all asset classes relating to property plant and equipment, other than plant and equipment and WIP, at fair value on a recurring basis.

All asset classes carried at fair value were last comprehensively valued as at 30 June 2020.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of assets does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council engages independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, disposals and changes in methodology such as useful life and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes. These indices are then reviewed by Asset Class Managers and Executives to ensure accuracy of these indices for Council.

Council's property, plant and equipment valuation policies and procedures are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Management prepares a report for the Audit Committee's review and endorsement.

Notes to the financial statements For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(g) Valuation (continued)

(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	FV hierarchy	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Interim valuation approach
Buildings (Communities)	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates developed from building projects completed in the Torres Strait and supplemented by published cost guides including the Rawlinsons Construction Cost Guide and Cordell Cost Guide. Allowances are made for the remote locality of the assets. Accumulated depreciation Componentisation - Structure, Site Improvements, Roof and Fixtures and Fittings Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 20% index which when applied increased fair value by \$53,878,777
Buildings (Corporate) 2022: \$1,910,265 2021: \$1,992,585	Market approach	Level 2	30/06/2020	Jones Lang Lasalle	Comparable transactions of industrial properties within the Cairns market, adjusted for differences in key attributes such as size of improvements, functionality and condition.	Desktop valuation performed in 2022 resulting in a 20% index which when applied increased fair value by \$285,509
Buildings (Corporate) 2022: \$53,765,396 2021: \$48,558,495	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates developed from building projects completed in the Torres Strait and benchmarked against cost estimate publication. Allowances are made for the remote locality of the assets Accumulated depreciation Componentisation - Substructure, superstructure, roof, internal fabric, internal service, external services, site improvements, and furniture and fittings. Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 20% index which when applied increased fair value by \$8,816,871
Recreational Facilities	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates developed from building projects completed in the Torres Strait and benchmarked against cost estimate publications. Allowances are made for the remote locality of the assets Accumulated depreciation Componentisation - Substructure, superstructure, roof, internal fabric, internal service, external services, site improvements, and furniture and fittings. Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 20% index which when applied increased fair value by \$2,016,480
Transport Network	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based on in-house project costs, sub-contractor and head contractor project costs and benchmarked against cost estimate publications. Locality adjustments are also applied. Accumulated depreciation Segmentation - high level, between intersections Componentisation - formation, pavement, seal and kerb and channel Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 8.5% index which when applied increased fair value by \$14,032,307

Notes to the financial statements For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(g) Valuation (continued)

(ii) Valuation techniques used to derive fair values (continued)

Asset class and fair value hierarchy	Valuation approach	FV hierarchy	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Interim valuation approach
Stormwater Drainage Network	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based cost estimate publications including Rawlinsons Construction Cost Guide and Cordell Cost Guide. Locality adjustments are also applied. Accumulated depreciation Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 8.5% index which when applied increased fair value by \$699,236
Flood Mitigation Network	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based cost estimate publications including Rawlinsons Construction Cost Guide and Cordell Cost Guide. Locality adjustments are also applied. Accumulated depreciation Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 8.5% index which when applied increased fair value by \$2,345,765
Water	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based on in-house project costs, sub-contractor and head contractor project costs and benchmarked against cost estimate publications. Locality adjustments are also applied. Accumulated depreciation Componentisation - electrical, mechanical and civil. Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 10% index which when applied increased fair value by \$11,602,381
Wastewater	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based on in-house project costs, sub-contractor and head contractor project costs and benchmarked against cost estimate publications. Locality adjustments are also applied. Accumulated depreciation Componentisation - electrical, mechanical and civil. Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 10% index which when applied increased fair value by \$13,845,210
Marine Infrastructure	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates - developed based on in-house project costs, sub-contractor and head contractor project costs and benchmarked against cost estimate publications. Locality adjustments are also applied. Accumulated depreciation Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 8.5% index which when applied increased fair value by \$3,222,862

Notes to the financial statements For the year ended 30 June 2022

11 Property, plant and equipment (continued)

(g) Valuation (continued)

(ii) Valuation techniques used to derive fair values (continued)

Asset class and fair value hierarchy	Valuation approach	FV hierarchy	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Interim valuation approach
Waste	Current replacement cost	Level 3	30/06/2020	Jones Lang Lasalle	Current replacement cost Unit rates developed from projects completed in the Torres Strait and benchmarked against cost estimate publications. Allowances are made for the remote locality of the assets Accumulated depreciation Total useful life estimates, condition assessments, remaining useful life estimates.	Desktop valuation performed in 2022 resulting in a 20% index which when applied increased fair value by \$238,443
Land assets 2022: \$2,019,443 2021: \$1,970,188	Market approach	Level 2	30/06/2020	Jones Lang Lasalle	Comparable transactions of industrial properties within the Cairns market, adjusted for differences in key attributes such as size, topography and location.	Desktop valuation performed in 2022 resulting in a 2.5% index which when applied increased fair value by \$49,255
Land assets 2022: \$604,109 2021: \$589,375	Market approach	Level 3	30/06/2020	Jones Lang Lasalle	Transactions of properties within Thursday Island market, adjusted for differences in key attributes such as size, topography and location. Professional judgement given the thinly traded nature of the Thursday Island property market.	Desktop valuation performed in 2022 resulting in a 2.5% index which when applied increased fair value by \$14,734

Notes to the financial statements

For the year ended 30 June 2022

12 Contract balances

Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor in excess of the costs incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

	Note	2022 \$	2021 \$
Contract assets		11,918,277	7,787,466
Contract liabilities			
Funds received upfront to construct Council controlled assets		12,905,103	20,839,893
Non-capital performance obligations not yet satisfied		453,046	464,212
		13,358,149	21,304,105
Revenue recognised that was included in the contract liability balance at the beginning of the year:			
Funds to construct Council controlled assets		13,847,285	4,118,566
Non-capital performance obligations		385,782	164,122
		14,233,067	4,282,688

13 Leases

Council as a lessee

Council has leases in place over buildings. Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Exceptions to lease accounting:

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Terms and conditions of leases:

Buildings

Council leases two buildings which are used for offices and accommodation. The leases are for periods of two and four years and include details of any renewal options if applicable, and contain extensions and termination options.

Notes to the financial statements

For the year ended 30 June 2022

13 Leases (continued)

Right of use assets

Balance at 1 July
Additions to right of use assets
Re-measurement of lease liability
Derecognition of right of use assets
Amortisation charge
Closing balance

Lease liabilities

Balance at 1 July
Additions to lease liabilities
Re-measurement of lease liability
Derecognition of lease liabilities
Lease payments
Interest expense
Closing balance

Current

Lease liability

Non-current

Lease liability

Total lease liabilities

Note	2022 \$	2021 \$
	698,349	1,330,000
	1,760,207	-
	42,253	2,773
	(41,189)	-
	(658,803)	(634,424)
	1,800,817	698,349
	710,774	1,340,702
	1,760,207	-
	42,253	2,773
	(42,194)	-
	(642,095)	(653,215)
	30,798	20,514
	1,859,743	710,774
	621,912	649,789
	621,912	649,789
	1,237,832	60,985
	1,237,832	60,985
	1,859,744	710,774

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

	< 1 year	1-5 years	> 5 years	Total	Total per statement of financial position
2022	\$	\$	\$	\$	\$
Buildings	652,500	1,247,435	-	1,899,935	1,859,743
2021	< 1 year	1-5 years	> 5 years	Total	Total per statement of financial position
	\$	\$	\$	\$	\$
Buildings	662,563	66,564	-	729,127	710,774

Notes to the financial statements

For the year ended 30 June 2022

13 Leases (continued)

Amounts included in the statement of comprehensive income related to leases

Note	2022 \$	2021 \$
Interest on lease liabilities	30,798	20,514
Gain on derecognition of leases	1,005	-
Amortisation of right of use assets	658,803	634,424
Expenses relating to short-term	46,555	61,662
	<u>737,160</u>	<u>716,599</u>
Total cash outflows for leases	<u>688,650</u>	<u>714,877</u>

Leases at significantly below market value - Concessionary/peppercorn leases

Council has a number of leases at significantly below market value for land.

The leases are on 99 year arrangements and require the payment of \$1 per annum. The use of the right of use asset is restricted by the lessors to specified community uses which Council must provide.

Council does not believe that any of the leases in place are individually material.

Council as a lessor

Council has leased the following dwellings and vacant sites as lessor to the Queensland Government for 40 years:

- 51 dwellings located on Moa Island (Kubin)
- 6 dwellings and 3 vacant site on Saibai Island
- 6 dwellings and 4 vacant sites on Boigu Island
- 21 vacant sites on Kirirri Island
- 25 vacant sites on Moa Island (St Pauls)
- 6 vacant sites on Iama Island
- 2 vacant sites on Ugar Island
- 5 vacant sites on Poruma Island
- 10 vacant sites on Masig Island
- 8 vacant sites on Warraber Island
- 7 vacant sites on Erub Island
- 6 vacant sites on Mabuiag Island
- 3 vacant sites on Dauan Island

The total lease payment per dwelling in the current year ranged between \$2,074 and \$2,277 (\$2,038 to \$2,238 for 2020/21). These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups). As the gross lease payments are insufficient to cover the fair value (current replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are recognised at the present value of the expected future lease payments receivable (fair value). Gains or losses on revaluation of finance lease assets are recognised as other income annually.

The Queensland Government has the right to surrender any part of the lease at any time by giving Council three months' written notice. Per the lease agreement any improvements to the property transfer to Council when the lease terminates. No leases were surrendered between 1 July 2021 and 30 June 2022 (2020/21, nil).

Current		
Lease receivable	399,599	376,956
	<u>399,599</u>	<u>376,956</u>
Non-current		
Lease receivable	10,525,433	13,143,290
	<u>10,525,433</u>	<u>13,143,290</u>

Notes to the financial statements

For the year ended 30 June 2022

13 Leases (continued)

Note	2022 \$	2021 \$
A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:		
Gross minimum lease payments receivable:		
Not later than one year	399,599	376,956
Later than one year but not later than five years	1,598,397	1,507,826
Later than five years	11,409,578	11,516,978
	<u>13,407,574</u>	<u>13,401,760</u>
Add: Estimated contingent rent	7,247,858	6,987,475
Less: Present value adjustment	(9,730,400)	(6,868,989)
Fair value of lease payments	<u>10,925,032</u>	<u>13,520,246</u>
The fair value of lease payments is receivable as follows:		
Not later than one year	399,599	376,956
Later than one year but not later than five years	1,547,307	1,516,137
Later than five years	8,978,126	11,627,153
	<u>10,925,032</u>	<u>13,520,246</u>

Movements in finance leases were as follows:

Opening balance	13,520,246	15,085,846
Less: Lease receipts	(376,956)	(370,578)
Add: Gain on revaluation	(2,218,258)	(1,195,022)
Closing balance	<u>10,925,032</u>	<u>13,520,246</u>

The calculation of fair value has included an estimate of average annual CPI increases of 2.5% (2.5%: 2020/21) and a discount rate of 3.85% (2.28%: 2020/21).

14 Payables

Trade creditors are recognised as a liability at the time the amount owed can be measured reliably and when it is probable the amount will have to be paid, when the goods are received or the service is performed. Amounts are unsecured and normally settled within 30 days.

	2022 \$	2021 \$
Current		
Creditors	2,060,156	834,856
Accrued wages and salaries	831,394	929,610
Refundable bonds	2,000	2,000
Accrued expenses	4,628,212	7,739,141
Retention	561,340	640,760
Revenue in advance	207,022	56,285
	<u>8,290,124</u>	<u>10,202,651</u>

Notes to the financial statements

For the year ended 30 June 2022

15 Provisions

Annual leave

Annual leave represents the amount which Council has a present obligation to pay resulting from employees' services provided up to balance date. The accrual is based on present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the balance date, annual leave is classified as a current liability.

Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made by Council resulting from employees' services provided up to balance date. The accrual is based on present value of remuneration rates that will be paid when the liability is expected to be settled including related on-costs and adjusted for the probability of employees remaining in the Council's employment.

The long service leave provision has been discounted using the Commonwealth bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

Where employees have met the pre-requisite length of service and Council does not have an unconditional right to defer this liability beyond 12 months long service leave is classified as a current liability. Otherwise it is classified as non-current.

Landfill restoration and rehabilitation

A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable Council will be liable, or required, to incur costs on the cessation of use of these facilities. The provision represents the present value of the anticipated future costs associated with the closure and aftercare management of landfill sites.

The calculation of this provision requires assumptions such as site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the 15 sites will close between 2023 and 2024.

As landfill sites are on state reserves / DOGIT land which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

	Current		Non-Current	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current				
Annual leave	2,382,872	2,339,429	-	-
Long service leave	1,428,508	1,135,418	570,509	706,115
Provision for landfill restoration	4,888,560	3,479,986	3,218,166	4,000,683
	<u>8,699,940</u>	<u>6,954,834</u>	<u>3,788,675</u>	<u>4,706,798</u>

Details of movements in non-employee provisions:

	2022	2021
	\$	\$
Landfill restoration		
Balance at beginning of financial year	7,480,669	5,514,352
Increase due to unwinding of discount	21,346	17,985
Additional provisions	728,479	1,178,324
Increase/(decrease) due to change in discount rate and price	(123,768)	770,008
Balance at end of financial year	<u>8,106,726</u>	<u>7,480,669</u>

Notes to the financial statements

For the year ended 30 June 2022

16 Commitments for expenditure

Contractual commitments

Contractual commitments at the end of the financial year but not recognised in the financial statements are as follows:

	2022	2021
	\$	\$
Consultancy	653,604	959,459
Other	1,163,663	2,061,172
Contractors	1,609,685	371,411
Recoverable work contractors	7,724,799	2,987,981
Freight	188,039	949,725
Contract employees	133,231	35,970
	<u>11,473,021</u>	<u>7,365,719</u>

Capital Commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

	2022	2021
	\$	\$
Capital assets		
Buildings	2,074,001	1,957,396
Water and wastewater	9,720,860	13,445,823
Seawalls	1,591,970	1,354,610
Other	1,008,100	7,004,296
	<u>14,394,931</u>	<u>23,762,125</u>

17 Contingent liabilities and assets

Details and estimates of the maximum amounts of contingent liabilities and assets are as follows:

Contingent Liabilities

Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2022 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there were insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$413,103.

Notes to the financial statements

For the year ended 30 June 2022

Notes to the financial statements

For the year ended 30 June 2022

17 Contingent liabilities and assets (continued)

Native Title Compensation Liability

The *Native Title Act 1993* (Cth) requires "future acts", such as the construction of major and minor Council infrastructure, housing, signage and the granting of leases to proponents such as government and individuals, to be conducted using prescribed processes listing under it. In many cases, in order to be valid, a notice process or a registered Indigenous Land Use Agreement under the *Native Title Act 1993* (Cth) is required before conducting a future act. Prior to amalgamation of the Island Councils in 2008, infrastructure and leases were likely to have been progressed without complying with these requirements of the *Native Title Act 1993* (Cth). This infrastructure and leases are termed invalid future acts, for which compensation is payable by Council.

It is difficult to estimate the likely compensation payable because jurisprudence in this area has only recently started emerging. A native title compensation case was decided by the High Court of Australia on 13 March 2019 (*Northern Territory v Griffiths* [2019] HCA 7) that sets out legal principles for determining the quantum of native title compensation payable. That case provides some guidance in relation to a compensation formula. However, the principles in that case cannot be applied to Council's contingent liabilities without making allowances for the differing circumstances in the Torres Strait context. For example, the High Court case involved extinguishment of non-exclusive native title rights, whereas invalid future acts in Torres Strait may not involve extinguishment and are likely to concern exclusive native title rights rather than non-exclusive native title rights. Further, the economic loss component of native title compensation is to be calculated with reference to the freehold value of the land affected, and in Council's local government area there are no land valuations at present.

At this point there are no applications for compensation claims against Council. Numerous compensation claims for alleged invalid future acts are likely to be made in coming years. Council is making deputations to the State of Queensland about the assistance that Council will require in the future to address these claims, should Council's insurance cover be inadequate.

Land Holding Act Lease

Under the *Aboriginal and Torres Strait Islander Land Holding Act 1985* (repealed and replaced with the *Aboriginal and Torres Strait Islander Land Holding Act 2013*), Island Councils across Torres Strait received 354 applications for perpetual leases of land held in trust by those Island Councils. Of the 354 lease applications received by the Island Councils, 116 applications were invalid due to incomplete information or procedural non-compliance. For the remaining 238 applications, the applicant has a legal right to a perpetual lease for the land stated in the application. Due to law reform in 1991, it is no longer possible to apply for a *Land Holding Act* lease. When the Island Councils amalgamated in 2008, TSIRC assumed trustee legal interests in the land subject to Land Holding Act leases and lease entitlements.

The perpetual leases were not all granted in the 1980s with only 61 being granted by 2013. For the 61 leases originally granted, in some cases only the land was leased while the house on the land remained a Council social housing asset. Council and the State are working together to transfer ownership of remaining 23 social houses to the the respective Land holding Act leaseholders for \$1 each. When the ownership of any of these houses is transferred, the asset will be removed from Council's asset register and social housing register. The fair value as at 30 June 2022 relating to the potential divestment of these 23 social houses currently under 'land only' leases totals \$7,974,294 (2020/21 not disclosed). However, at this time, it is uncertain whether all of these 23 houses will be divested because a lease entitlement may be surrendered or partially surrendered with the result that the house remains a Council asset.

Council and the State are working together to grant all remaining valid lease entitlements either to the original applicant or to the applicant's beneficiaries. Where there is a valid lease entitlement, the lease can be granted without the consent of the native title party because the lease entitlement is a legal right that pre-existed the recognition of native title rights in Australia. This was confirmed by the Supreme Court of Queensland in February 2018. Between then and 30 June 2022, 122 LHA leases have been registered in Torres Strait communities and 14 lease entitlements have been surrendered, with 41 valid lease entitlements remaining to be resolved.

17 Contingent liabilities (continued)

Land Holding Act Lease (continued)

The purpose of the lease under the Land Holding Act was to provide home ownership. If each of the outstanding 41 lease entitlements becomes a registered lease, Council will divest the social housing asset (if applicable) to the perpetual leaseholder for \$1.00. The fair value as at 30 June 2022 for social housing assets relating to the outstanding 41 lease entitlements totals \$15,838,917 (2020/21: \$17,036,328). However, at this time, it is uncertain whether all of the outstanding 41 lease entitlements will be granted and all of the associated social housing assets divested (a lease entitlement may be surrendered or partially surrendered with the result that the house remains a Council asset). On registration of any of the leases, the asset will be removed from Council's asset register and social housing register.

18 Superannuation

Council contributes to LGIASuper previously known as the Local Government Superannuation Scheme (Qld) (the Scheme). LGIASuper is a Multi-employer Plan as defined in Australian Accounting Standard AASB 119 *Employee Benefits*. The Scheme has a number of elements including defined benefit funds and an accumulation benefit fund. Council does not have any employees who are members of the defined benefits funds and so is not exposed to the obligations, assets or costs associated with these funds. Council has employees who are members of the accumulation benefits fund.

	Note	2022 \$	2021 \$
Superannuation contributions made to the LGIA Super Accumulation Benefits Fund		2,154,914	1,926,961
Other superannuation contributions for employees		392,409	580,672
Total superannuation contributions paid by Council for employees:	6	2,547,323	2,507,633

Notes to the financial statements

For the year ended 30 June 2022

19 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

	2022 \$	2021 \$
Net result	(23,481,234)	(25,720,055)
Non-cash items:		
Depreciation and amortisation	47,529,464	47,022,761
Asset contributions in capital income	-	(4,583,373)
(Gain)/loss on revaluation of finance lease	2,218,258	1,195,022
(Gain)/loss on derecognition of finance lease	(1,005)	-
Unwinding discount on provisions	21,346	-
	49,768,063	43,634,410
Investing and development activities:		
Loss on disposal of non-current assets	9,875,493	8,014,407
Capital grants and contributions	(34,522,666)	(33,943,563)
	(24,647,173)	(25,929,156)
Financing activities:		
Interest expense on finance leases	30,598	-
	30,598	-
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	2,134,089	(6,016,400)
(Increase)/decrease in inventory	(65,104)	(8,325)
(Increase)/decrease in contract assets	(546,462)	-
Increase/(decrease) in payables	(3,381,167)	2,863,444
Increase/(decrease) in other provisions	767,416	2,520,958
Increase/(decrease) in contract liabilities	1,804,678	-
	713,451	(640,322)
Net cash inflow from operating activities	2,383,705	(8,655,124)

20 Reconciliation of liabilities arising from financing activities

2022	As at 30 June 2021	Cash flows	Non-cash changes	As at 30 June 2022
Loans	36,210	(36,210)	-	-
Lease liability	710,774	(642,095)	1,791,064	1,859,743
	746,984	(678,305)	1,791,064	1,859,743
2021	As at 30 June 2020	Cash flows	Non-cash changes	As at 30 June 2021
Loans	104,748	(68,539)	-	36,210
Lease liability	1,340,702	(632,701)	2,773	710,774
	1,445,450	(701,240)	2,773	746,984

Notes to the financial statements

For the year ended 30 June 2022

21 Events after the reporting period

There were no material adjusting events after the balance date.

22 Financial instruments and financial risk management

Financial risk management

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies. Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

The Council's audit committee oversees how management monitors compliance with the Council's financial risk management policies and procedures, and reviews the adequacy of the framework in relation to the risks faced by the Council. The Council audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. The Council does not invest in derivatives or other high risk investments.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Torres Strait Island Regional Council.

The carrying amount of financial assets at the end of the reporting period represent the maximum exposure to credit risk.

Notes to the financial statements

For the year ended 30 June 2022

22 Financial instruments and financial risk management (continued)

Liquidity risk

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and other financial institutions.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities) held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2022					
Payables	8,290,124	-	-	8,290,124	8,290,124
	8,290,124	-	-	8,290,124	8,290,124
2021					
Payables	10,202,651	-	-	10,202,651	10,202,651
Loans - QTC	36,210	-	-	36,210	36,210
	10,238,861	-	-	10,238,861	10,238,861

The outflows in the above table are not expected to occur significantly earlier or for significantly different amounts than indicated in the table.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

Council is exposed to interest rate risk through investments and borrowings with QTC and other financial institutions. Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Based on the carrying value of Council's financial instruments at balance date, any fluctuation in interest rates would not have a material impact on the financial position or performance of Council.

Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date.

Notes to the financial statements

For the year ended 30 June 2022

23 Transactions with related parties

(a) Transactions with key management personnel (KMP)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Council, directly or indirectly.

KMPs include the Mayor, Councillors, Council's Chief Executive Officer and the Executive Management team. Effective 20 July 2021, Council resolved to amend the organisational structure which resulted in changes to the Executive Management Team. The amended Executive Management team consists of the Executive Director Engineering Services, Executive Director Financial Services, Executive Director Building & Community Services and Executive Director Corporate Services. Prior to this change to the organisation structure, the Executive Management team consisted of the Chief Operating Officer, Chief Engineer and Chief Financial Officer. Acting KMPs are included in these figures.

Compensation paid to KMPs for 2021/22:

	2022 \$	2021 \$
Short-term employee benefits	2,170,208	2,197,266
Post-employment benefits	105,044	104,934
Termination benefits	100,769	297,752
Long-term employee benefits	30,697	(24,922)
	<u>2,406,718</u>	<u>2,575,030</u>

Detailed remuneration disclosures are provided in Council's Annual Report.

During the year an Executive Director was engaged through Peak services on a short term contract for three months before being engaged directly as an employee of Council. The total value paid for these services was \$86,575 (2021: nil).

(b) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, parent, child and dependant of a KMP or their spouse. Per Allan Kastom, an Uncle, Aunt or sibling who represents one of those roles to a KMP has been considered to be a related party.

Details of transactions between Council and other related parties are disclosed below:

Details of transactions

Employee expenses for close family members of KMPs	(i)	192,439	335,713
Purchase of materials and services from entities controlled by KMPs	(ii)	10,800	11,600
Grants and donations for entities controlled by KMPs	(iii)	1,998	5,416
Fees and charges charged to entities controlled by KMPs	(iv)	-	4,202

(i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with Council's Certified Agreement for the job they perform. Council employs 351 staff (324 full time equivalent staff) of which 3 are close family members of key management personnel and 1 close family member ceased employment during the financial year.

(ii) Council purchased the following materials and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of Council operations:

Accommodation	10,800	10,800
Contractor	-	800
	<u>10,800</u>	<u>11,600</u>

Included in the above is \$10,800 of accommodation charges relating to the usage of a house on Masig from Councillor Hilda Mosby. All purchases were at arm's length, on normal terms and conditions and were in the normal course of Council's operations.

Notes to the financial statements

For the year ended 30 June 2022

23 Transactions with related parties (continued)

(b) Transactions with other related parties (continued)

(iii) Grants and donations totalling \$1,998 (2021: \$5,416) were made during the reporting period to related parties of KMPs as community members under Council's Grants and Donations Procedure.

(iv) The fees and charges to entities controlled by KMPs was nil (2021: \$4,202 which included ordinary citizen transactions that are normally excluded from disclosure as per 23(g)).

(c) Commitments to/from related parties

Council does not have any commitments for the provision of goods and services for related party entities.

(d) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(e) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Receivables	Current \$	Over 30 Days \$	Over 60 Days \$	Over 90 Days \$	Total \$
2022					
Rates and charges	2,797	-	-	108,515	111,312
Social housing	1,335	1,365	1,608	186,133	190,440
Other fees and charges	3,499	-	-	967	4,465
Total	7,631	1,365	1,608	295,615	306,218
2021					
Rates and charges	-	-	-	95,753	95,753
Social housing	476	1,042	900	187,949	190,367
Other fees and charges	-	-	-	524	524
Total	476	1,042	900	284,226	286,644

\$234,815 has been recognised in current and prior years for the allowance for bad or doubtful debts owed by related parties.

Note to financial statements

For the year ended 30 June 2022

23 Transactions with related parties (continued)

(e) Outstanding balances (continued)

The table below details related party outstanding balances at the end of the reporting period which are over 90 days:

2022

Related party	Relationship	Customer	Nature of transactions	Over 90 Days \$
Laurie Nona	Manager	Badu Art Centre	Rates and charges	98,378
Torenzo Elisala	Father	Tenny Elisala	Social housing	32,226
Jimmy Gela	Councillor	Jimmy Gela	Social Housing	22,955
Adeah Kabai	Mother	Joyce Kabai	Social housing	25,603
Rocky Stephen	Director	Kos & Abob Fisheries (TSI)	Rates and charges	10,137
Getano Lui (Jnr)	Councillor	Getano Lui (Jnr)	Social Housing	64,933
Francis Pearson	Defacto	Alice Pearson	Social housing	7,820
Rocky Stephen	Councillor	Rocky Stephen	Social housing	1,322
Dimas Toby	Spouse	Telita Banu	Social housing	1,922
Dimas Toby	Councillor	Dimas Toby	Social housing	1,063
Lama Trinkoon	Spouse	Ivy Trinkoon	Social housing	27,879
Amounts less than \$1,000				1,377
				295,615

2021

Related party	Relationship	Customer	Nature of transactions	Over 90 Days \$
Laurie Nona	Manager	Badu Art Centre	Rates and charges	85,615
Getano Lui (Jnr)	Councillor	Getano Lui (Jnr)	Social housing	57,133
Adeah Kabai	Mother	Joyce Kabai	Social Housing	30,463
Lama Trinkoon	Spouse	Ivy Trinkoon	Social housing	27,879
Torenzo Elisala	Father	Tenny Elisala	Social Housing	27,521
Jimmy Gela	Councillor	Jimmy Gela	Social Housing	25,405
Rocky Stephen	Director	Kos & Abob Fisheries (TSI)	Rates and charges	10,137
Francis Pearson	Defacto	Alice Pearson	Social housing	9,619
Dimas Toby	Spouse	Telita Banu	Social housing	4,665
Rocky Stephen	Councillor	Rocky Stephen	Social housing	1,322
Dimas Toby	Councillor	Dimas Toby	Social housing	1,063
Total of balances less than \$1,000				3,404
				284,226

Note to financial statements

For the year ended 30 June 2022

23 Transactions with related parties (continued)

(f) Debt balances written off during the period as statute barred debt

The below debts were written off during the period as statute barred debt, being debt older than 6 years of age and pursuant to the *Limitation of Actions Act 1974* (Qld) and cannot be legally enforced in a Court of competent jurisdiction.

Council first attempted to write off statute-barred debts in 2015 however a quorum could not be established due to a number of Councillors declaring a material personal interest or conflict of interest and excluding themselves from voting. Following the March 2016 local government election, Council tabled the write off again however was still unable to reach a quorum.

In August 2016, Council presented two separate write off resolutions for Council's consideration, one addressing commercial debts and the other addressing housing debt. Again a quorum could not be established for consideration of either resolution.

On 5 October 2016, Council engaged King & Company Solicitors to address the question of how Council may act to write off statute barred debt while ensuring statutory compliance. King & Company provided several options to Council to address the issue. The option adopted by Council was to delegate the write off power to the CEO. The issue of material personal interest or conflict of interest does not arise in respect of a Council decision to delegate the matter to the CEO for decision, provided Council merely delegates the CEO power to make the decision and does not in any way direct the CEO to make any particular decision about the matter.

The resolution was made at the October 2016 Ordinary Council Meeting adopting the revised Fiscal Governance Policy granting the CEO delegation to write off statute barred debt.

2022

Related party	Relationship	Customer	Nature of transactions	Debt balance written off \$
No debt balances were written off during the period as statute barred debt				-

2021

Related party	Relationship	Customer	Nature of transactions	Debt balance written off \$
No debt balances were written off during the period as statute barred debt				-

(g) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the Torres Strait Island Region. Therefore, on a regular basis ordinary citizen transactions occur between council and its related parties. Some examples include:

- Residential rental charges
- Utility and other fees and charges
- Sales of gas, fuel and power cards
- Hire of council buildings and equipment
- Accommodation hire


Management Certificate

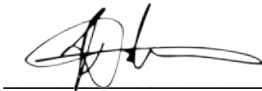
For the year ended 30 June 2022

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.


Mayor
Phillemos Mosby
 Date: 16 / 09 / 2022


Chief Executive Officer
James William
 Date: 16 / 09 / 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Torres Strait Island Regional Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Torres Strait Island Regional Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2022, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Torres Strait Island Regional Council's annual report for the year ended 30 June 2022 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the council.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

Current year Financial Sustainability Statement For the year ended 30 June 2022

- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- I received all the information and explanations I required.
- I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the *Local Government Regulation 2012*. The applicable requirements include those for keeping financial records that correctly record and explain the council's transactions and account balances to enable the preparation of a true and fair financial report.



Sri Narasimhan
as delegate of the Auditor-General

19 September 2022

Queensland Audit Office
Brisbane

Measures of Financial Sustainability

	How the measure is calculated	Target	30 June 2022 Result
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	-79%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	19%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-29%

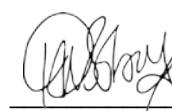
Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements For the year ended 30 June 2022.

Certificate of Accuracy For the year ended 30 June 2022

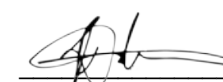
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.



Mayor
Phillemon Mosby

Date: 16 / 09 / 2022



Chief Executive Officer
James William

Date: 16 / 09 / 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Torres Strait Island Regional Council

Report on the current-year financial sustainability statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Torres Strait Island Regional Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Torres Strait Island Regional Council for the year ended 30 June 2022 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current-year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Torres Strait Island Regional Council's annual report for the year ended 30 June 2022 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current-year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current-year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors' responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current-year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current-year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sri Narasimhan
as delegate of the Auditor-General

19 September 2022

Queensland Audit Office
Brisbane

Unaudited Long-Term Financial Sustainability Statement For the year ended 30 June 2022

Measures of Financial Sustainability

	Measure	Target	Actuals at 30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-79%	-96%	-92%	-82%	-76%	-70%	-65%	-59%	-54%	-48%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	19%	6%	0%	0%	0%	0%	0%	0%	0%	0%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-29%	6%	15%	20%	24%	28%	31%	34%	36%	37%

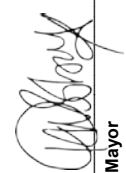
Council's Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

The above ratios have been calculated using Council's most recently adopted original budget. Council bases its asset sustainability ratio on confirmed renewal program funding. Council's forecasting ability has a dependency on donor program lifecycles, traditionally occurring in four to five year intervals.

Certificate of Accuracy For the long-term financial sustainability statement prepared as at 30 June 2022

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation). In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

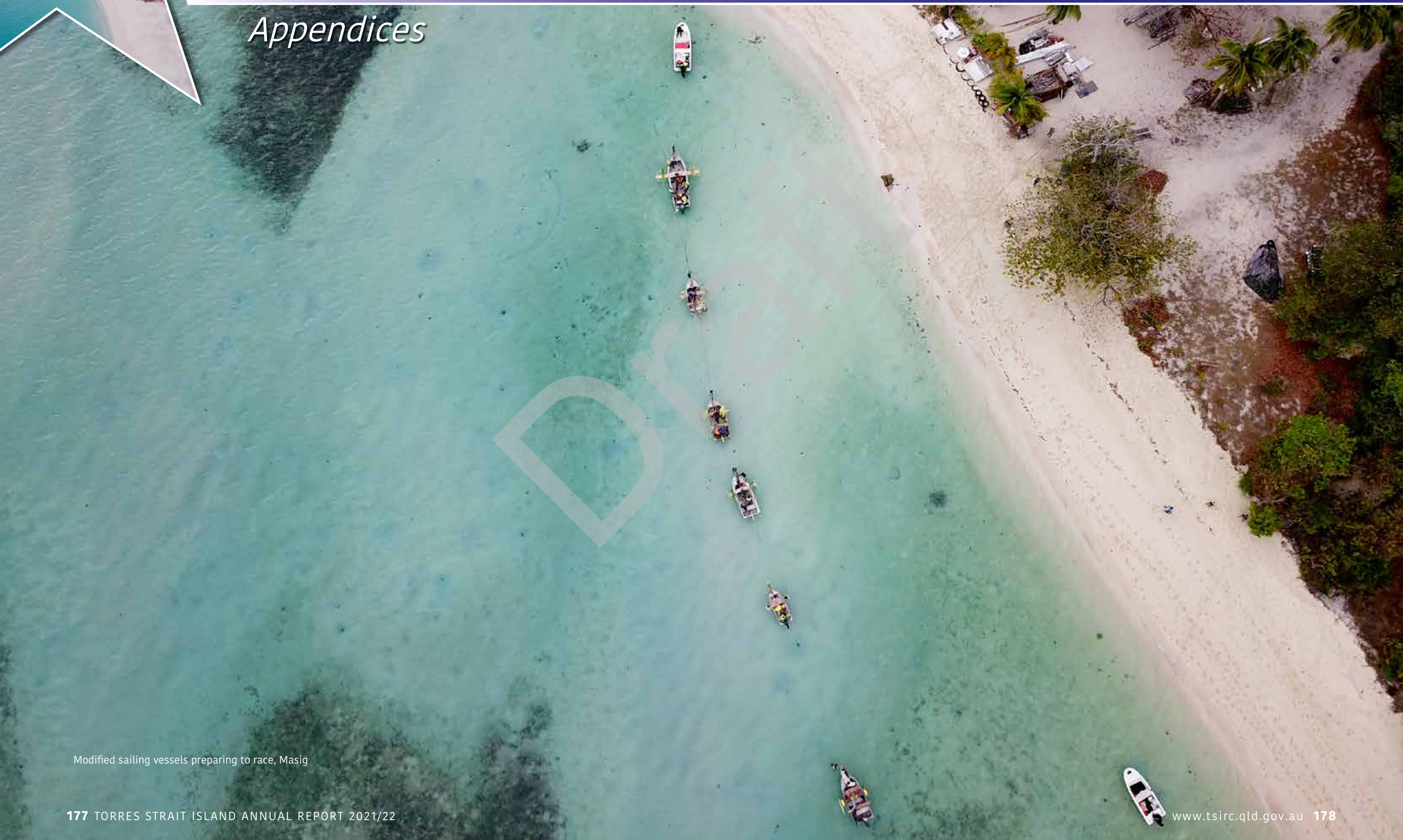

**Mayor
Phillemos Mosby**

Date: 16 / 09 / 2022


**Chief Executive Officer
James William**

Date: 16 / 09 / 2022

More work blo Council Appendices



Modified sailing vessels preparing to race, Masig

Appendix A

Glossary of acronyms

Appendix B

Financial glossary

ACRONYM	DESCRIPTION
CEO	Chief Executive Officer
DOGIT	Deed of Grant in Trust
HSR	Health and Safety Representative
IKC	Indigenous Knowledge Centres
LGMS	Local Government Mutual Services
RAP	Reconciliation Action Plan
SARG	Strategic Advisory Reference Group
TAFE	Technical and Further Education
TAP	Transition Action Plan
NPARIH	National Partnership Agreement on Remote Indigenous Housing
TCHHS	Torres and Cape Hospital and Health Service
TSIRC	Torres Strait Island Regional Council
TSRA	Torres Strait Regional Authority
WHS	Work Health and Safety

FINANCIAL TERM	EXPLANATION
Statement of comprehensive income	Shows how Council performed during the year. The statement displays Council's revenue and expenses, and the associated profit or loss amount. This profit or loss amount is known as the net result.
Statement of financial position	Shows Council's assets (what we own), liabilities (what we owe), and community equity (our net worth). Community equity is calculated by subtracting the total liabilities from the total assets. Assets that exceed liabilities indicates a good financial position.
Statement of changes in equity	Presents a summary of transfers to and from community equity accounts, including retained earnings and asset revaluation surplus
Statement of cash flows	Reports how revenue is received, and expenses paid, effect Council's cash balances.
Notes to the Financial Statements	Provide a detailed breakdown of all significant items in the Financial Statements and what these items represent.
Long-term measures of financial sustainability	Presents three sustainability indicators that have been set by the Department of Local Government, Racing, and Multi-cultural Affairs. These indicators monitor the long-term sustainability of Councils across Queensland.

These terms are found in the Performance summary pg 15-24 and financial statements pg 127-176

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Appendix D

Legislative compliance index

The Torres Strait Island Regional Council Annual Report is produced in accordance with the requirements set out in the *Local Government Act 2009* and the *Local Government Regulation 2012*.

REQUIREMENT	LEGISLATIVE REFERENCE	PAGE REFERENCE
The annual report must:		
contain a list of all the beneficial enterprises that the local government conducted during the financial year	<i>Local Government Act 2009</i> s41	110
contain a list of all the business activities that the local government conducted during the financial year	<i>Local Government Act 2009</i> s45	110
identify the business activities that are significant business activities	<i>Local Government Act 2009</i> s45	110
state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied	<i>Local Government Act 2009</i> s45	N/A
state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities	<i>Local Government Act 2009</i> s45	N/A
The annual report must state:		
the total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government	<i>Local Government Act 2009</i> s201	110
the number of employees in senior management who are being paid each band of remuneration	<i>Local Government Act 2009</i> s201	110
The annual report must contain:		
the general-purpose financial statement for the financial year, audited by the auditor-general	<i>Local Government Regulation 2012</i> s183	125 - 176
the current-year financial sustainability statement for the financial year, audited by the auditor-general	<i>Local Government Regulation 2012</i> s183	172
the long-term financial sustainability statement for the financial year	<i>Local Government Regulation 2012</i> s183	176
the auditor-general's audit reports about the general-purpose financial statement and the current year financial sustainability statement	<i>Local Government Regulation 2012</i> s183	171

REQUIREMENT	LEGISLATIVE REFERENCE	PAGE REFERENCE
the community financial report for the financial year	<i>Local Government Regulation 2012</i> s184	17-24
a copy of the resolutions made during the financial year under s250(1) of the LGR (adoption of an expenses reimbursement policy)	<i>Local Government Regulation 2012</i> s185	63
a list of any resolutions made during the financial year under s206(2) of the LGR (threshold for non-current physical asset to be treated as an expense)	<i>Local Government Regulation 2012</i> s185	63
In relation to councillors, the annual report must contain:		
the total remuneration, including superannuation contributions, paid to each councillor during the financial year	<i>Local Government Regulation 2012</i> s186	59 - 60
the expenses incurred by, and the facilities provided to, each councillor during the financial year under the local government's expenses reimbursement policy	<i>Local Government Regulation 2012</i> s186	59 -60
the number of local government meetings that each councillor attended during the financial year	<i>Local Government Regulation</i> s186	45 - 51
the total number of the following during the financial year:		
• orders made under section 150I(2) of the LGA	<i>Local Government Regulation 2012</i> s186	61
• orders made under section 150AH(1) of the LGA	<i>Local Government Regulation 2012</i> s186	61
• decisions, orders and recommendations made under section 150AR(1) of the LGA	<i>Local Government Regulation 2012</i> s186	61
each of the following during the financial year:		
• the name of each councillor for whom a decision, order or recommendation under section 150I(2), 150AH(1) or 150 AR(1) of the LGA was made during the financial year	<i>Local Government Regulation 2012</i> s186	61
• a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors during the financial year	<i>Local Government Regulation 2012</i> s186	61
• a summary of the decision, order or recommendation made for each councillor during the financial year	<i>Local Government Regulation 2012</i> s18+6	61

Appendix D Legislative compliance index

Appendix C cont.

REQUIREMENT	LEGISLATIVE REFERENCE	PAGE REFERENCE
complaints referred to the assessor under section 150P(2)(a) of the LGA by the local government, a councillor of the local government or the chief executive officer of the local government	<i>Local Government Regulation 2012</i> s186 (1) (f)(i) –(iv)	61
matters, mentioned in section 150P(3) of the LGA, notified to the Crime and Corruption Commission	<i>Local Government Regulation 2012</i> s186 (1) (f)(i) –(iv)	61
notices given under section 150R(2) of the LGA	<i>Local Government Regulation 2012</i> s186 (1) (f)(i) –(iv)	61
notices given under section 150S(2)(a) of the LGA	<i>Local Government Regulation 2012</i> s186 (1) (f)(i) –(iv)	61
decisions made under section 150W(1)(a), (b) and (e) of the LGA	<i>Local Government Regulation 2012</i> s186 (1)(f)(v) and s353	62
referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the LGA	<i>Local Government Regulation 2012</i> s186 (1)(f)(vi)–(vii)	62
occasions information was given under section 150AF(4)(a) of the LGA	<i>Local Government Regulation 2012</i> s186 (1)(f)(vi)–(vii)	62
occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the LGA for the local government, the suspected inappropriate conduct of a councillor	<i>Local Government Regulation 2012</i> s186 (1)(f)(vi)–(vii)	62
applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct	<i>Local Government Regulation 2012</i> s186(1)(f)(ix) and s353	62
In relation to administrative action complaints the annual report for a financial year must contain:		
a statement about the local government's commitment to dealing fairly with administrative action complaints	<i>Local Government Regulation 2012</i> s187	113
a statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process.	<i>Local Government Regulation 2012</i> s187	113
the number of the following during the financial year:		
• administrative action complaints made to the local government	<i>Local Government Regulation 2012</i> s187	114
• administrative action complaints resolved by the local government under the complaints management process	<i>Local Government Regulation 2012</i> s187	114

REQUIREMENT	LEGISLATIVE REFERENCE	PAGE REFERENCE
• administrative action complaints not resolved by the local government under the complaints management process; and	<i>Local Government Regulation 2012</i> s187	114
the number of administrative action complaints not resolved by the local government under the complaints management process that were made in a previous financial year.	<i>Local Government Regulation 2012</i> s187	N/A
The annual report for a financial year must contain the following information about any overseas travel made by a councillor or local government employee in an official capacity during the financial year:		
for a councillor - the name of the councillor	<i>Local Government Regulation 2012</i> s188	110
for a local government employee - the name of, and position held by, the local government employee	<i>Local Government Regulation 2012</i> s188	110
the destination of the overseas travel	<i>Local Government Regulation 2012</i> s188	110
the purpose of the overseas travel	<i>Local Government Regulation 2012</i> s188	110
the cost of the overseas travel	<i>Local Government Regulation 2012</i> s188	110
The annual report for a financial year must contain a summary of:		
the local government's expenditure for the financial year on grants to community organisations	<i>Local Government Regulation 2012</i> s189	69 - 82
expenditure from each councillor's discretionary fund, including:	<i>Local Government Regulation 2012</i> s189	69 - 82
• the name of each community organisation to which an amount was allocated from the fund; and	<i>Local Government Regulation 2012</i> s189	69 - 82
• the amount and purpose of the allocation.	<i>Local Government Regulation 2012</i> s189	69 - 82
The annual report for a financial year must also contain the following information:		
the chief executive officer's assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan	<i>Local Government Regulation 2012</i> s190	8

Appendix D

Legislative compliance index

REQUIREMENT	LEGISLATIVE REFERENCE	PAGE REFERENCE
particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year	<i>Local Government Regulation 2012</i> s190	83 - 102
an annual operations report for each commercial business unit, which means a document that contains the following information for the previous financial year:		N/A
<ul style="list-style-type: none"> information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan 	<i>Local Government Regulation 2012</i> s190	N/A
<ul style="list-style-type: none"> particulars of any changes made to the unit's annual performance plan for the previous financial year, including the impact the changes had on the unit's financial position, operating surplus or deficit and prospects. 	<i>Local Government Regulation 2012</i> s190	N/A
<ul style="list-style-type: none"> particulars of any directions the local government gave the unit 	<i>Local Government Regulation 2012</i> s190	N/A
details of any action taken for, and expenditure on, a service, facility or activity supplied by another local government under an agreement for conducting a joint government activity	<i>Local Government Regulation 2012</i> s190	N/A
details of any action taken for, and expenditure on, a service, facility or activity for which the local government levied special rates or charges for the financial year	<i>Local Government Regulation 2012</i> s190	N/A
The annual report for a financial year must contain a summary of:		
the number of invitations to change tenders under section 228(7) of the LGR during the financial year	<i>Local Government Regulation 2012</i> s190	109

REQUIREMENT	LEGISLATIVE REFERENCE	PAGE REFERENCE
a list of the registers kept by the local government	<i>Local Government Regulation 2012</i> s190	109
a summary of all concessions for rates and charges granted by the local government	<i>Local Government Regulation 2012</i> s190	109
the report on the internal audit for the financial year	<i>Local Government Regulation 2012</i> s190	57
a summary of investigation notices given in the financial year under S49 of the LGR for competitive neutrality complaints	<i>Local Government Regulation 2012</i> s190	110
the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under S52(3) of the LGR	<i>Local Government Regulation 2012</i> s190	110



Being towed to the starting line for a sailing regatta, Masig



Torres Strait Island
REGIONAL COUNCIL

wok clostoon wer council

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Image courtesy of Justin McManus



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TORRES STRAIT ISLAND REGIONAL COUNCIL

LATE AGENDA REPORT

ORDINARY MEETING:	October 2022
DATE:	11 – 12 October 2022
ITEM:	Agenda Item for Approval
SUBJECT:	Agenda Report – Special Holidays 2023
AUTHOR:	Dawson Sailor, Head of Community Services

Recommendation:

That the Council

- Endorse Council nominated 2023 Special Holidays outlined in Attachment A to this report
- And
- delegate authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to submit the final list of 2023 special holidays to the Minister for Industrial Relations, for approval.

Executive Summary:

The purpose of this report is to seek Councils endorsement of the 2023 nominated special holidays.

In September 2021 Council Ordinary Meeting, Council discussed 2022 Special Holidays at great lengths. It was agreed then that full Council is afforded opportunity to consider and discuss the following, in addition to respective Division-specific holidays as per attachment one:

Proposed Action	Details of Special Holiday	Reason
Exclude	TSIRC Amalgamation Day 14 th March	Significance to Council and region
Exclude	Community Services Act Day 31 st May	Significance to Council and region
	Specific Divisional Holidays that falls on non-working days (identified on attach 1)	1. Recognition after actual date 2. closure of operations after actual date of event.

Background:

In accordance with *Holidays Act 1983*, each year Qld Local Government entities are invited to request special holidays to be observed during the following year for districts in respected areas. Special Holidays are subject to approval of The Minister for Industrial Relations.

Proposed 2023 submission lists special holidays approved for 2022 year. Both Regional and Division-specific days totals 70 days Special Holidays. This is in addition to national Public Holidays.

Comment:

There are ongoing concerns that Divisions don't always host event/s to recognise significance on approved gazetted holidays. Whilst TSIRC operations cease on gazetted holidays there is an expectation from Community that some form of event or recognition is arranged.

Considerations

Risk Management

TSIRC employees are entitled to be absent from work and paid at standard rates.

Sustainability

Community Services department is undertaking a cost benefit analysis specifically to identify impacts to operations.

Consultation:

- Community Services, TSIRC
- Office of Industrial Relations

Links to Strategic Plans:

Corporate Plan 21/22
Operational Plan 22/23

Statutory Requirements:

Local Government Act 2009
Local Government Regulation 2012
Holidays Act 1983
Trading (Allowable Hours) Act 1990

Conclusion:

That the Council review and discuss the information contained in this report and resolves to endorse the recommendation.



Recommended:
Dawson Sailor
Head of Community Services



Approved:
James William
Chief Executive Officer

PROPOSED SPECIAL HOLIDAY NOMINATION FOR 2023

Region-Wide	Description	Actual Date of Event	Proposed Date for 2023	Comments
All TSIRC	TSIRC Amalgamation Day	14-Mar	14/03/2023	
All TSIRC	Torres Strait Flag Day	29-May	29/05/2023	
All TSIRC	Community Services (Act) Day	31-May	31/05/2023	
All TSIRC	Mabo Day	3-Jun	5/06/2023	3/6/23 falls on Saturday. 5/6/23 Monday is proposed for approval
All TSIRC	Coming of the Light	1-Jul	3/07/2023	1/7/23 falls on Saturday. 3/7/23 Monday is proposed for approval
Cairns Office Only	Cairns Show Day	19-Jul	21/07/2023	(Cairns Based Staff only)
All TSIRC	First Councillors Conference	23-Aug	23/08/2023	
TSIRC Region Only	Torres Shire Council Cultural Festival Holiday	Sept		Actual date to be confirmed with TSC.

Specific Division Holidays

Division	Description	Actual Date of Event	Proposed Date for 2023	Comments
Badu	Deed of Grant in Trust Hand Over Day	1-Feb	1/02/2023	
Badu	St Marks Church Day	25-Apr	25/04/2023	
Badu	Coming of the Light to Badu	30-Oct	30/10/2023	
Badu	Native Title Determination Day	14-Dec	14/12/2023	
Boigu	United Pentecostal Church Day (Church of Rock)	28-Feb	28/02/2023	
Boigu	St Saviour Church Day - Torres Strait Church	19-Jun	19/06/2023	
Boigu	Coming of the Light	8-Jul	10/07/2023	8/7/23 falls on Saturday. 10/7/23 is Monday and nominated for approval.
Boigu	August Festival	7-Aug	7/08/2023	
Boigu	Blood Covenant Church Dedication Day	26-Sep	26/09/2023	
Boigu	Native Title Determination Day	10-Dec	11/12/2023	10/12/23 falls on Sunday. 11/12/23 is Monday, nominated for approval.
Dauan	Ascension Day (Church Day of Parish of Ascension)	8-May	8/05/2023	
Dauan	Coming of the Light and Native Title Determination Day	6-Jul	6/07/2023	
Dauan	Church of the Holy Cross Day	14-Sep	14/09/2023	
Erub	Coming of the Light Celebrations (Service and Re-enactment at	1-Jul	3/07/2023	1/7/23 falls on Saturday. 3/7/23 is Monday and nominated for approval
Erub	The Ark of Transfiguration (Ugar Church Day)	6-Aug	7/08/2023	6/8/23 falls on Sunday. 7/8/23 is Monday and nominated for approval
Erub	Annual Daisy Mye Sports Carnival	24-Sep	25/09/2023	24/9/23 falls on Sunday. 25/9/23 is Monday and nominated for approval
Erub	All Saints Church Day	1-Nov	1/11/2023	
Erub	Native Title Determination Day	8-Dec	8/12/2023	
Hammond	Patron St Joseph Day	2-May	2/05/2023	
Hammond	Church Opening Day	15-Sep	15/09/2023	
Iama	St John Divine Church Day	19-Jun	19/06/2023	
Iama	Turan Tabernacle Church Day Iama UPC	14-Sep	14/09/2023	
Iama	Native Title Determination Day	13-Dec	13/12/2023	
Kubin	Mualgal Native Title Determination Day	12-Feb	13/02/2023	12/2/23 falls on Sunday. 13/2/23 is Monday and nominated for approval
Kubin	St Peter's Church Day	29-Jun	26/06/2023	

Mabuiag	St Mary's Church Day	2-Feb	2/02/2023	
Mabuiag	Wagadagam Tribal Chief Initiation Day	29-Jun	29/06/2023	
Mabuiag	Native Title Determination Day	6-Jul	6/07/2023	
Mabuiag	St.Mary's Church Dedication Day	1-Aug	1/08/2023	
Mabuiag	Coming of the Light to Mabuiag	3-Sep	4/09/2023	3/9/23 falls on Sunday. 4/9/23 is Monday and nominated for approval
Masig	Halfway Island Native Title Determination Day	19-Jun	19/06/2023	
Masig	Parish of Ioane - Independent Church of Torres Strait	24-Jun	26/06/2023	24/6/23 falls on saturday. 26/6/23 is Monday and nominated for approval.
Masig	Coming of the Light	3-Jul	3/07/2023	
Masig	Native Title Determination	7-Jul	7/07/2023	
Masig	Aureed Island Native Title Determination Day	7-Dec	7/12/2023	
Masig	St John the Evangelist Church Day	27-Dec	27/12/2023	
Mer	Dauar Waier Observance Festival	14-Jun	14/06/2023	
Mer	Coming of the Light Celebrations	2-Jul	3/07/2023	2/7/23 falls on Sunday. Monday 3/7/23 is nominated for approval
Mer	St. James Anglican Church Day	25-Jul	25/07/2023	
Mer	Cease Fire Day	15-Aug	15/08/2023	
Poruma	Zaranguai Day	8-Jan	9/01/2023	8/1/23 falls on Sunday. Monday 9/1/23 is nominated for approval.
Poruma	Native Title Determination Day	7-Jul	7/07/2023	
Poruma	Indigenous Protected Area Celebration	18-Jul	18/07/2023	
Poruma	St Andrews Church Day	30-Nov	30/11/2023	
Saibai	Saibai Native Title Determination Day	12-Feb	13/02/2023	12/2/23 falls on Sunday. 13/2/23 is Monday and nominated for approval
Saibai	Holy Trinity Church Day	5-Jun	5/06/2023	
Saibai	Annexure Day	1-Aug	1/08/2023	
Saibai	Church Dedication Day	4-Dec	4/12/2023	
St Pauls	St Pauls Anglican Church Day	25-Jan	25/01/2023	
St Pauls	Mualgal Native Title Determination Day	12-Feb	13/02/2023	12/2/23 falls on Sunday. 13/2/23 is Monday and nominated for approval
St Pauls	Kozan Outreach Church Day	18-Apr	18/04/2023	
St Pauls	Florence Buchanan Day (Coming of the Light)	19-May	19/05/2023	
Ugar	Coming of the Light Celebrations	2-Jul	3/07/2023	2/7/23 falls on Sunday. Monday 3/7/23 is nominated for approval
Ugar	The Ark of Transfiguration (Church Day)	6-Aug	7/08/2023	6/8/23 falls on Sunday. Monday 7/8/23 is nominated for approval
Ugar	All Saints Church Day	1-Nov	1/11/2023	
Ugar	Native Title Determination Day	9-Dec	11/12/2023	9/12/23 falls on Saturday. Monday 11/12/23 is nominated for approval
Warraber	Zaranguai Day	8-Jan	9/01/2023	8/1/23 falls on Sunday. Monday 9/1/23 is nominated for approval.
Warraber	Church Day	29-Jun	29/06/2023	
Warraber	Native Title Determination - Aureed Island Claim Day	7-Dec	7/12/2023	
Warraber	Coming of the Light	10-Jul	10/07/2023	
Warraber	Indigenous Protected Area Celebration	18-Jul	18/07/2023	
Warraber	Native Title Determination Day	24-Aug	24/08/2023	



TORRES STRAIT ISLAND REGIONAL COUNCIL

AGENDA REPORT

ORDINARY MEETING:	October 2022
DATE:	11-12 October 2022
ITEM:	Agenda Item for Resolution by Council
SUBJECT:	Change of November OM meeting date
AUTHOR:	Mette Nordling, Manager, Governance and Compliance

Recommendation:

Council resolves to move the November 2022 Ordinary Meeting of Council from 14-15 November 2022 to 17-18 November 2022.

Executive Summary:

Due to the timing of activities around Council's November 2022 workshop it is considered appropriate to move the November Ordinary Meeting dates from 14-15 to 17-18 November to ensure the workshop program can be delivered.

Background:

At Council's Ordinary Meeting in December 2021 Council resolved to hold the November Ordinary Meeting on 14-15 November 2022.

Following on from this meeting, the planning of Council's November workshop has commenced and in order to ensure the program can be delivered as desired, it is considered to be in the interest of Council that Council's ordinary meeting is rescheduled.

Comment:

The meeting dates are still within the same week and moved from Monday-Tuesday to Thursday-Friday. As this full week was already scheduled to form part of Council's November workshop, the rescheduling is not considered to create any attendance issues for Councillors.

Considerations

Risk Management

There is not considered to be any risk associated with this date change.

Council Finance

There is no extra cost to Council as Council's November workshop was already scheduled to take place during this week.

Consultation:

- Mayor
- Chief Executive Officer

Links to Strategic Plans:

These projects strategically align to specific delivery objectives under the People and Sustainability pillars of Council's Corporate Plan.

Statutory Requirements:

Local Government Act 2009

Local Government Regulation 2012

Conclusion:

That Council resolves to reschedule the November 2022 Ordinary Meeting of Council to 17 and 18 November 2022.



Author:
Mette Nordling
Manager, Governance and Compliance



Recommended:
Peter Krebs
Acting Executive Director, Corporate Services



Approved:
James William
Chief Executive Officer