

NOTICE OF MEETING

Dear Committee Members

You are requested to attend the following meeting of Council.

**CORPORATE, GOVERNANCE AND FINANCIAL SERVICES
STANDING COMMITTEE MEETING OF
ISAAC REGIONAL COUNCIL**

**TO BE HELD ON
WEDNESDAY 19 JUNE 2024
COMMENCING AT 9.00AM
COUNCIL CHAMBERS, MORANBAH**

DARREN FETTELL

Acting Chief Executive Officer

MICHAEL KRULIC

Committee Officer

Acting Director Corporate

Governance and Financial Services

Committee Members:

Cr Melissa Westcott (Chair)

Mayor Kelly Ve a Ve a

Cr Jane Pickels

Cr Vern Russell

Cr Terry O'Neill

LOCAL GOVERNMENT ACT 2009

Local Government Regulation 2012

Chapter 8, Part 2 Local Government Meetings and Committees

Division 1A, Requirements for Local Government Meetings Generally

Section 254J Closed meetings

- (1) A local government may resolve that all or part of a meeting of the local government be closed to the public.
- (2) A committee of a local government may resolve that all or part of a meeting of the committee be closed to the public.
- (3) However, a local government or a committee of a local government may make a resolution about a local government meeting under subsection (1) or (2) only if its councillors or members consider it necessary to close the meeting to discuss one or more of the following matters—
 - (a) the appointment, discipline or dismissal of the chief executive officer;
 - (b) industrial matters affecting employees;
 - (c) the local government's budget;
 - (d) rating concessions;
 - (e) legal advice obtained by the local government or legal proceedings involving the local government including, for example, legal proceedings that may be taken by or against the local government;
 - (f) matters that may directly affect the health and safety of an individual or a group of individuals;
 - (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;
 - (h) negotiations relating to the taking of land by the local government under the [Acquisition of Land Act 1967](#);
 - (i) a matter the local government is required to keep confidential under a law of, or formal arrangement with, the Commonwealth or a State.
- (4) However, a local government or a committee of a local government must not resolve that a part of a local government meeting at which a decision mentioned in [section 150ER](#)(2), [150ES](#)(3) or [150EU](#)(2) of the [Act](#) will be considered, discussed, voted on or made be closed.
- (5) A resolution that a local government meeting be closed must—
 - (a) state the matter mentioned in subsection (3) that is to be discussed; and
 - (b) include an overview of what is to be discussed while the meeting is closed.
- (6) A local government or a committee of a local government must not make a resolution (other than a procedural resolution) in a local government meeting, or a part of a local government meeting, that is closed.

Conflict of Interest Obligations

Reference is made to Section 150EL of the Local Government Act 2009. Specifically, the obligation of Councillors when they first become aware they have a conflict of interest to make the Chief Executive Officer aware in writing or if in a meeting, ensure they declare immediately.

CORPORATE, GOVERNANCE AND FINANCIAL SERVICES

STANDING COMMITTEE MEETING

OF ISAAC REGIONAL COUNCIL

TO BE HELD ON

WEDNESDAY 19 JUNE 2024

COUNCIL CHAMBERS, MORANBAH

1. OPENING OF THE MEETING
2. APOLOGIES
3. DECLARATION OF CONFLICTS OF INTEREST
4. CONFIRMATION OF MINUTES
5. OFFICER REPORTS
6. INFORMATION BULLETIN REPORT
7. GENERAL BUSINESS
8. CONCLUSION

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1. OPENING OF MEETING

2. APOLOGIES

3. DECLARATION OF CONFLICTS OF INTEREST

4. CONFIRMATION OF MINUTES

Corporate, Governance and Financial Services Standing Committee Meeting of Isaac Regional Council that was held in the Council Chambers, Moranbah, commencing 9:00am on Wednesday 22 May 2024.

5. OFFICER REPORTS

5.1 ISAAC REGIONAL COUNCIL MONTHLY FINANCIAL REPORT - AS AT 31 MAY 2024

EXECUTIVE SUMMARY

In accordance with the *Local Government Regulation 2012* (s204) a monthly financial report is required to be presented to Council stating the progress made in relation to the budget for the period of the financial year as near as practicable to the end of month before the meeting is held.

5.2 DEBT POLICY 2024 - 2024

EXECUTIVE SUMMARY

Pursuant to Section 192 of *Local Government Regulation 2012*, a Local Government must prepare and adopt a Debt policy for a financial year. The debt policy must state the new borrowings planned for the current financial year and the next 9 financial years, and the period over which the Local Government plans to repay existing and new borrowings.

5.3 INVESTMENT POLICY 2024 -2025

EXECUTIVE SUMMARY

Pursuant to Section 191 of *Local Government Regulation 2012*, a Local Government must prepare and adopt an Investment policy. The Investment policy must outline the local government's investment objectives and overall risk philosophy and procedures for achieving the goals related to the investments stated in the policy.

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5.4 RESERVES POLICY 2024 - 2025

EXECUTIVE SUMMARY

Through the budget process, available funding sources for operational and capital purposes are reviewed for the annual budget and Long-Term Financial Forecast. This includes a review of Council's cash balances which are typically held in identified reserves. Adoption of the Reserves Policy provides the framework for maintaining management accounting records of Council's cash backed reserve funds.

5.5 AUDIT AND RISK COMMITTEE MEETING MINUTES 21 MAY 2024

EXECUTIVE SUMMARY

The purpose of this report is to present to Council the unconfirmed minutes of the Audit and Risk Committee Meetings held on Tuesday, 21 May 2024.

5.6 SAFETY AND RESILIENCE UPDATE

EXECUTIVE SUMMARY

This report is provided as an update to Council on the current status of the Health, Safety and Wellbeing Management System (HSWMS).

6. INFORMATION BULLETIN

6.1 CORPORATE, GOVERNANCE AND FINANCIAL SERVICES INFORMATION BULLETIN – MAY 2024

EXECUTIVE SUMMARY

The Corporate, Governance and Financial Services Directorate Information Bulletin for May 2024 is provided for Council review.

7. GENERAL BUSINESS

8. CONCLUSION

UNCONFIRMED MINUTES

CORPORATE, GOVERNANCE AND FINANCIAL SERVICES STANDING
COMMITTEE MEETING OF
ISAAC REGIONAL COUNCIL

HELD ON
WEDNESDAY, 22 MAY 2024
COMMENCING AT 9.00AM

ISAAC REGIONAL COUNCIL
UNCONFIRMED MINUTES OF THE
CORPORATE, GOVERNANCE AND FINANCIAL SERVICES
STANDING COMMITTEE MEETING
HELD IN COUNCIL CHAMBERS, MORANBAH
ON WEDNESDAY 22 MAY 2024

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ISAAC REGIONAL COUNCIL
UNCONFIRMED MINUTES OF THE
CORPORATE, GOVERNANCE AND FINANCIAL SERVICES
STANDING COMMITTEE MEETING
HELD IN COUNCIL CHAMBERS, MORANBAH
ON WEDNESDAY 22 MAY 2024

ATTENDANCE	Cr Melissa Westcott, Division Three (<i>Chair</i>) Cr Terry O'Neill, Division One Cr Vern Russell, Division Two Cr Jane Pickels, Division Six
COMMITTEE APOLOGIES	Mayor Kelly Vea Vea
OBSERVERS	Cr Alaina Earl, Division Five Cr Viv Coleman, Division Eight
OFFICERS PRESENT	Mr Darren Fettell, Director Corporate Governance and Financial Services Mr Michael Krulic, Manager Financial Services (<i>by Video Conference</i>) Mr John Squires, Manager Contracts and Procurement Mr John Nyawo, Manager Governance and Corporate Services Mrs Tricia Hughes, Coordinator Executive Support, Office of the Mayor and CEO

1. OPENING

The Chair welcomed all in attendance and declared the meeting open at 9.00am and acknowledged the traditional custodians of the land on which we meet today and paid her respects to their Elders past, present and emerging.

Cr Terry O'Neill was not in attendance at the commencement of the meeting.

2. APOLOGIES AND LEAVE OF ABSENCES

A Leave of Absence has been requested from Mayor Kelly Ve a Ve a as she is attending the Civic Leaders Summit.

Resolution No.: CGFS0865

Moved: Cr Vern Russell

Seconded: Cr Jane Pickels

That the Corporate, Governance and Financial Services Standing Committee grants a leave of absence for Mayor Kelly Ve a Ve a.

Carried

3. DECLARATION OF CONFLICTS OF INTEREST

DECLARABLE CONFLICT OF INTEREST

Cr Melissa Westcott declared a declarable conflict of interest for Report 5.6 Updated Procurement Policy as she is a small business owner that does business with Council.

DECLARABLE CONFLICT OF INTEREST

Cr Vern Russell declared a declarable conflict of interest for Report 5.6 Updated Procurement Policy as she is a small business owner that does business with Council.

DECLARABLE CONFLICT OF INTEREST

Cr Alaina Earl declared a declarable conflict of interest for Report 5.6 Updated Procurement Policy as she is an employee of 4RFM who does business with Council.

PRESCRIBED CONFLICT OF INTEREST

Cr Vern Russell declared a prescribed conflict of interest for Report 5.7 Updated Local Preference Policy as she is a small business owner that does business with Council.

PRESCRIBED CONFLICT OF INTEREST

Cr Melissa Westcott declared a prescribed conflict of interest for Report 5.7 Updated Local Preference Policy as she is a small business owner that does business with Council.

MEETING MINUTES

NOTE:

Council acknowledges that Chapter 5B Councillors' Conflicts of Interest of the Local Government Act 2009 does not apply to a Councillor if the matter to be resolved relates to a corporation or association that arises solely because of a nomination or appointment of the councillor by the local government to be a member of the board of the corporation or association.

ATTENDANCE

Cr Terry O'Neill entered the meeting room at 9.03am.

4. CONFIRMATION OF MINUTES

Corporate, Governance and Financial Services Standing Committee Meeting of Isaac Regional Council held at Council Chambers, Moranbah, commencing at 9.00am on Wednesday 21 February 2024.

Resolution No.: CGFS0866

Moved: Cr Jane Pickels

Seconded: Cr Terry O'Neill

That the minutes from the Corporate, Governance and Financial Services Standing Committee meeting held at Council Chambers, Moranbah, commencing at 9.00am on Wednesday 21 February 2024 are confirmed.

Carried

5. OFFICERS REPORTS

5.1 Isaac Regional Council Monthly Financial Report as at 30 April 2024

EXECUTIVE SUMMARY

In accordance with the Local Government Regulation 2012 (s204) a monthly financial report is required to be presented to Council stating the progress made in relation to the budget for the period of the financial year as near as practicable to the end of the month before the meeting is held.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

1. *Receive the financial statements for the period ended 30 April 2024 pursuant to, and in accordance with, the Local Government Regulation 2012 (s204).*

Resolution No.: CGFS0867

Moved: Cr Jane Pickels

Seconded: Cr Terry O'Neill

That the Committee recommends that Council:

1. *Receive the financial statements for the period ended 30 April 2024 pursuant to, and in accordance with, the Local Government Regulation 2012 (s204).*

Carried

5.2 Revenue Policy 2024/2025

EXECUTIVE SUMMARY

Pursuant to Section 193 of *Local Government Regulation 2012*, a Local Government must review its revenue policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

1. *Adopts the 2024/2025 Revenue Policy in accordance with s193 of the Local Government Regulation 2012.*

Resolution No.: CGFS0868

Moved: Cr Terry O'Neill

Seconded: Cr Vern Russell

That the Committee recommends that Council:

- Adopts the 2024/2025 Revenue Policy in accordance with s193 of the *Local Government Regulation 2012*.**

Carried

5.3 Fees and Charges 2024/2025

EXECUTIVE SUMMARY

Pursuant to section 97 of the *Local Government Act 2009*, Council may impose a charge for a service, facility or activity that is supplied or undertaken by Council or someone on behalf of Council or, under a local law or a resolution, fix a cost-recovery fee.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- Adopts the Fees and Charges for 2024/2025.***

Resolution No.: CGFS0869

Moved: Cr Terry O'Neill

Seconded: Cr Jane Pickels

That the Committee recommends that Council:

- Adopts the Fees and Charges for 2024/2025.**

Carried

5.4 Safety and Resilience Update

EXECUTIVE SUMMARY

This report is provided as an update to Council on the current status of the Health, Safety and Wellbeing Management System (HSWMS).

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

1. ***Notes the Safety and Resilience Report provided on the current status of the Health, Safety and Wellbeing Management System.***

Resolution No.: CGFS0870

Moved: Cr Vern Russell

Seconded: Cr Terry O'Neill

That the Committee recommends that Council:

1. **Notes the Safety and Resilience Report provided on the current status of the Health, Safety and Wellbeing Management System.**

Carried

5.5 Councillor Remuneration 2024-2025: Local Government Remuneration Commission Annual Report 2023

EXECUTIVE SUMMARY

In accordance with the requirements of the *Local Government Regulation 2012* (s247), Council is to consider the Local Government Remuneration Commission Annual Report 2023, released on 1 December 2023, and seek Council's adoption of the remuneration for the Mayor and Councillors for Isaac Regional Council to apply from 1 July 2024.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. In accordance with the requirements of the Local Government Regulation 2012 (s247) and the remuneration determinations of the Queensland Government's Local Government Remuneration Commission Annual Report 2023, resolves to accept the Commission's position and that the following remuneration amount apply with effect from 1 July 2024:*

	2024/ 2025
Mayor	\$146,593
Deputy Mayor	\$91,620
Councillor	\$77,876

- 2. Commit to continue its advocacy for a review of the current methodology and remuneration categories for Mayor, Deputy Mayor and Councillor remuneration and respond to invitations and provide submissions as they arise.*

Resolution No.: CGFS0871

Moved: Cr Jane Pickels

Seconded: Cr Terry O'Neill

That the Committee recommends that Council:

- 1. In accordance with the requirements of the Local Government Regulation 2012 (s247) and the remuneration determinations of the Queensland Government's Local Government Remuneration Commission Annual Report 2023, resolves to accept the Commission's position and that the following remuneration amount apply with effect from 1 July 2024:**

	2024/ 2025
Mayor	\$146,593
Deputy Mayor	\$91,620
Councillor	\$77,876

- 2. Commits to continue its advocacy for a review of the current methodology and remuneration categories for Mayor, Deputy Mayor and Councillor remuneration and respond to invitations and provide submissions as they arise.**

Carried

DECLARABLE CONFLICT OF INTEREST

Cr Melissa Westcott declared a declarable conflict of interest for Report 5.6 Updated Procurement Policy as she is a small business owner that does business with Council.

DECLARABLE CONFLICT OF INTEREST

Cr Vern Russell declared a declarable conflict of interest for Report 5.6 Updated Procurement Policy as she is a small business owner that does business with Council.

DECLARABLE CONFLICT OF INTEREST

Cr Alaina Earl declared a declarable conflict of interest for Report 5.6 Updated Procurement Policy as she works for 4RFM who does business with Council.

Resolution No.: CGFS0872

Moved: Cr Jane Pickels

Seconded: Cr Terry O'Neill

That the Committee:

- 1. Approves Cr Melissa Westcott and Cr Vern Russell remaining in the meeting room for the discussion and vote for Report 5.6 Updated Procurement Policy as section 150 EF lists as exempt ordinary business matters and they will have no additional benefit than any other businesses dealing with Council for procurement related matters.**
- 2. Approves Cr Earl remaining in the meeting room for the discussion for Report 5.6 Updated Procurement Policy as she will have no additional benefit than any other businesses dealing with Council for procurement related matters.**

Carried

5.6 Updated Procurement Policy

EXECUTIVE SUMMARY

This report seeks Council's consideration to review and adopt the updated Procurement Policy CORP-POL-122.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Adopts the revised Procurement Policy (CORP-POL-122).***

Resolution No.: CGFS0873

Moved: Cr Jane Pickels

Seconded: Cr Terry O'Neill

That the Committee recommends that Council:

- 1. Adopts the revised Procurement Policy (CORP-POL-122).**

Carried

PRESCRIBED CONFLICT OF INTEREST

Cr Vern Russell declared a prescribed conflict of interest for Report 5.7 Updated Local Preference Policy as she is a small business owner that does business with Council. Cr Vern Russell left the meeting room at 9.46am and did not participate in the discussions or vote for Report 5.7.

PRESCRIBED CONFLICT OF INTEREST

Cr Melissa Westcott declared a prescribed conflict of interest for Report 5.7 Updated Local Preference Policy as she is a small business owner that does business with Council. Cr Melissa Westcott left the meeting room at 9.46am and did not participate in the discussions or vote for Report 5.7.

Cr Jane Pickels assumed the role of Committee Chair in the absence of Cr Melissa Westcott.

Due to the Committee being inquorate Report 5.7 will be deferred to Council for consideration at the May Ordinary Meeting.

5.7 Updated Local Preference Policy

EXECUTIVE SUMMARY

This report seeks Council's consideration to review and adopt the updated Local Preference Policy CORP-POL-086.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Adopts the revised Local Preference Policy (CORP-POL-086).***

Resolution No.: CGFS0874

Moved: Cr

Seconded: Cr

That the Committee recommends that Council:

- 1. Adopts the revised Local Preference Policy (CORP-POL-086).**

Carried/Lost

ATTENDANCE

Cr Melissa Westcott and Cr Vern Russell returned to the meeting room at 9.57am.

Cr Melissa Westcott assumed the position of Chair on her return to the meeting room.

5.8 Cybersecurity Recovery Update And Close-Out

EXECUTIVE SUMMARY

One year on from the cyber-attack of March 2023, a status review has been conducted of:

- recommendations made by both Dell and Palo Alto as a result of their investigations into the incident.
- long-tail recovery items identified through internal organisation engagement in September 2023.

The results of the review are presented here as an update for Council and as a way of closing off reporting on the incident. It should be noted that cybersecurity continues to be monitored and progressed through ongoing business-as-usual operations and the Digital Strategy project.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Receives and notes the report as an update and close-out of the cyber security incident March 2023, whilst noting ongoing actions as business-as-usual operations.***

Resolution No.: CGFS0875

Moved: Cr Terry O'Neill

Seconded: Cr Jane Pickels

That the Committee recommends that Council:

- 1. Receives and notes the report as an update on the Cyber Security Incident March 2023, whilst noting the ongoing actions as business-as-usual operations.**

Carried

6. INFORMATION BULLETIN REPORTS

6.1

Corporate, Governance and Financial Services Information Bulletin – May 2024

EXECUTIVE SUMMARY

The Corporate, Governance and Financial Services Information Bulletin for May 2024 is provided for Council review.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Notes the Corporate, Governance and Financial Services Information Bulletin for May 2024.**

Resolution No.: CGFS0876

Moved: Cr Vern Russell

Seconded: Cr Jane Pickels

That the Committee recommends that Council:

- 1. Notes the Corporate, Governance and Financial Services Information Bulletin for May 2024.**

Carried

MEETING MINUTES

7. GENERAL BUSINESS

No general business this meeting.

8. CONCLUSION

There being no further business, the Chair declared the meeting closed at 10.10am.

These minutes will be confirmed by the Committee at the Corporate, Governance and Financial Services Standing Committee Meeting to be held on 19 June 2024 in Moranbah.

.....
Chair

..... / /
DATE

MEETING DETAILS

Corporate, Governance and Financial Services

Standing Committee Meeting

Wednesday 19 June 2024

AUTHOR

Michael Krulic

AUTHOR POSITION

Acting Director Corporate, Governance and Financial Services

5.1

ISAAC REGIONAL COUNCIL MONTHLY FINANCIAL REPORT AS AT 31 MAY 2024

EXECUTIVE SUMMARY

In accordance with the *Local Government Regulation 2012 (s204)* a monthly financial report is required to be presented to Council stating the progress made in relation to the budget for the period of the financial year as near as practicable to the end of the month before the meeting is held.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Receives the financial statements for the period ended 31 May 2024 pursuant to, and in accordance with, the Local Government Regulation 2021(s204).**

BACKGROUND

Statutory Obligation Table – Isaac Regional Council

The table below outlines key statutory obligations relating to the requirement for monthly financial reporting.

Requirement	Date
Budget 2023/2024	Budget adopted 28 June 2023
Financial Statements 2022/2023	Financial statements adopted 22 November 2023

IMPLICATIONS

Council continues to operate within budget over and any budget variances are anticipated to come in line with budget over the remainder of the financial year.

It is noted that the Revised Annual Budget has been amended following the third quarter Budget Review.

CONSULTATION

Financial Services.

BASIS FOR RECOMMENDATION

Requirement of legislation for a financial report to be presented to council at least monthly.

ACTION ACCOUNTABILITY

Not Applicable.

KEY MESSAGES

Council is committed to meeting its legislative requirements, ensuring its financial sustainability and transparent decision making.

Report prepared by:	Report authorised by:
MICHAEL KRULIC	DARREN FETTELL
Acting Director Corporate, Governance and Financial Services	Acting Chief Executive Officer
Date: 12 June 2024	Date: 12 June 2024

ATTACHMENTS

- Attachment 1 Monthly Financial Statements 31 May 2024

REFERENCE DOCUMENT

- Nil

FINANCIAL STATEMENTS REPORT TO COUNCIL

Current as at 31 May 2024

Presented by **Corporate, Governance and Financial Services**



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FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2024

EXECUTIVE SUMMARY

At the end of May, the operating result is \$5,011,146 ahead of budgeted operating position. The positive result is due to the timing of operational expenditure.

Capital Revenue for May year to date is \$11,354,338 which combined with the Operating Position leads to a net surplus of \$14,854,409.

PRELIMINARY MAY FINANCIAL STATEMENTS AT A GLANCE					
	YTD Actual	YTD Revised Budget	Variance	Full Year Revised Budget	Completion
	\$	\$	\$	\$	%
Total operating revenue	126,064,553	128,272,533	(2,207,979)	143,386,393	87.9%
Total operating expenses	122,564,483	129,783,607	7,219,125	144,267,056	85.0%
Operating position	3,500,071	(1,511,075)	5,011,146	(880,663)	(397.4%)
Capital revenue	11,354,338	10,221,213	1,133,125	16,696,893	68.0%
Net result	14,854,409	8,710,138	6,144,271	15,816,230	93.9%

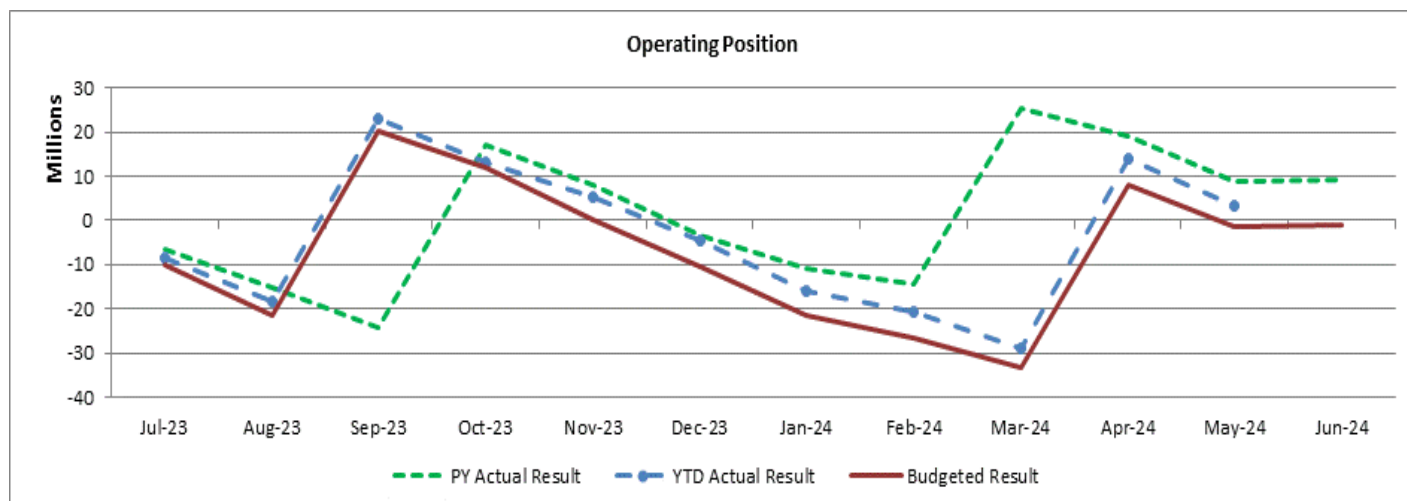
BACKGROUND

Each month, year to date financial statements are prepared in order to monitor actual performance against the latest adopted budget. Attached are the financial statements for the period ended 31 May 2024. Actual amounts are compared against year to date adopted Revised Budget figures. See appendix 1 for detailed financial statements. It is noted that the Revised Annual Budget has been amended following the 3rd Quarter Budget Review.

Council is cognisant of the current economic climate and will be paying particular attention to how the various revenue streams are tracking throughout the year. Expenditure items will also be monitored to ensure that Council remains within budget and delivers efficient and effective services to the community.

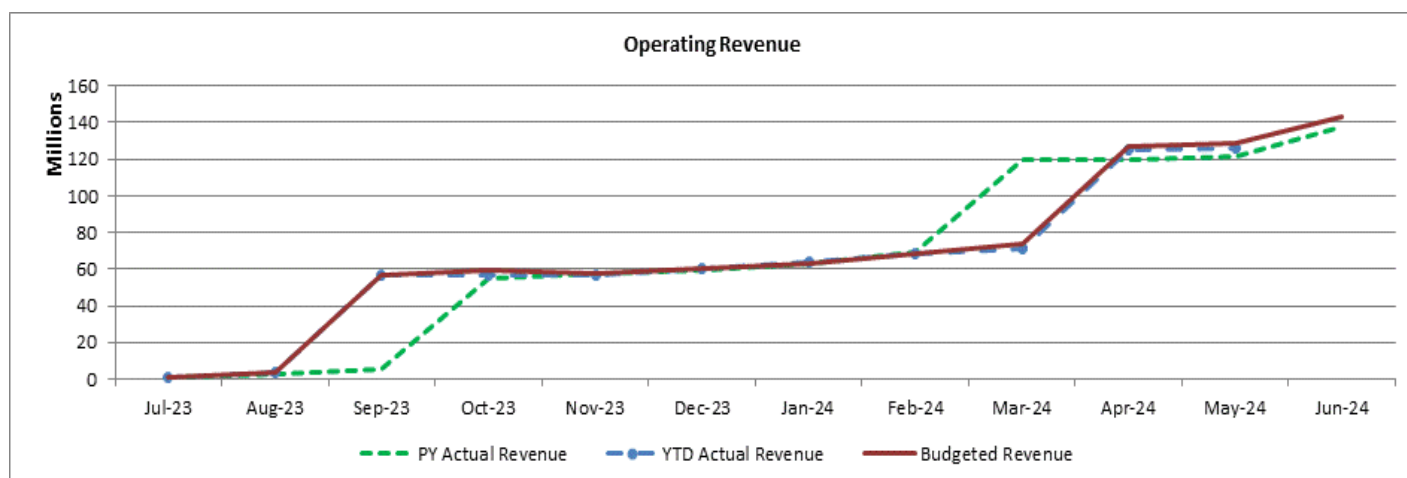
It should be noted that figures provided are accurate as at date of publication. Figures reported are cumulative year to date which may include adjustments for revenue or expenses accrued to prior accounting periods.

OPERATING POSITION



The current operating position for May year to date has resulted in a surplus of \$3,500,071. This is favourable when compared to the YTD budget by \$5,011,146. Operating Revenue is \$2,207,979 unfavourable compared to YTD budget offset by Operating Expenses which are \$7,219,125 favourable when compared to YTD budget.

OPERATING REVENUE

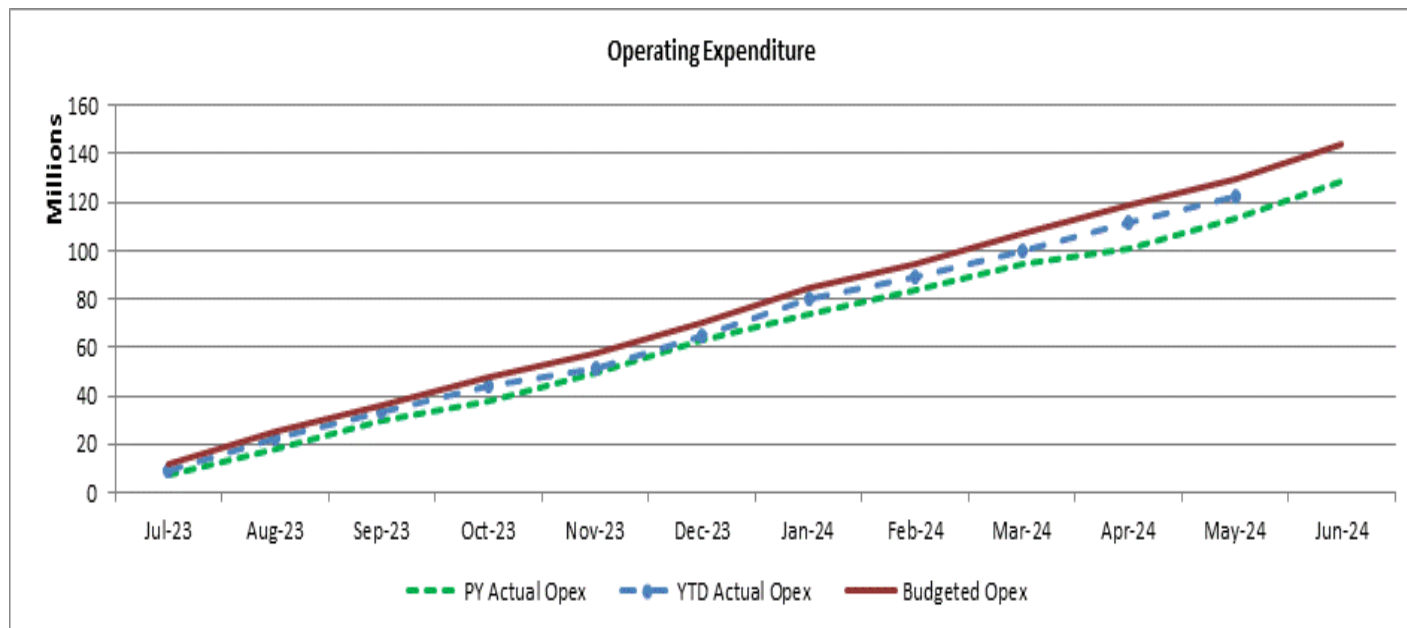


Operating Revenue comprises the following items – Rates & Utility Charges, Fees & Charges, Rental Income, Interest Received, Sale of Contract & Recoverable Works, Operating Grants, Subsidies & Contributions and Other Recurrent Revenue.

The operating revenue for May year to date is \$126,064,553 which is unfavourable when compared to the budget by \$2,207,979. This unfavourable position is predominately due to timing for waste and septic revenue, RMPC, recoverable works associated with infrastructure agreements, DRFA November 2021 event and discount on general rates.

It is noted that cashflow projections will be reviewed throughout the year. Any adjustments made will be a redistribution of existing budget amounts and have no bottom-line impact on the budget.

OPERATING EXPENDITURE

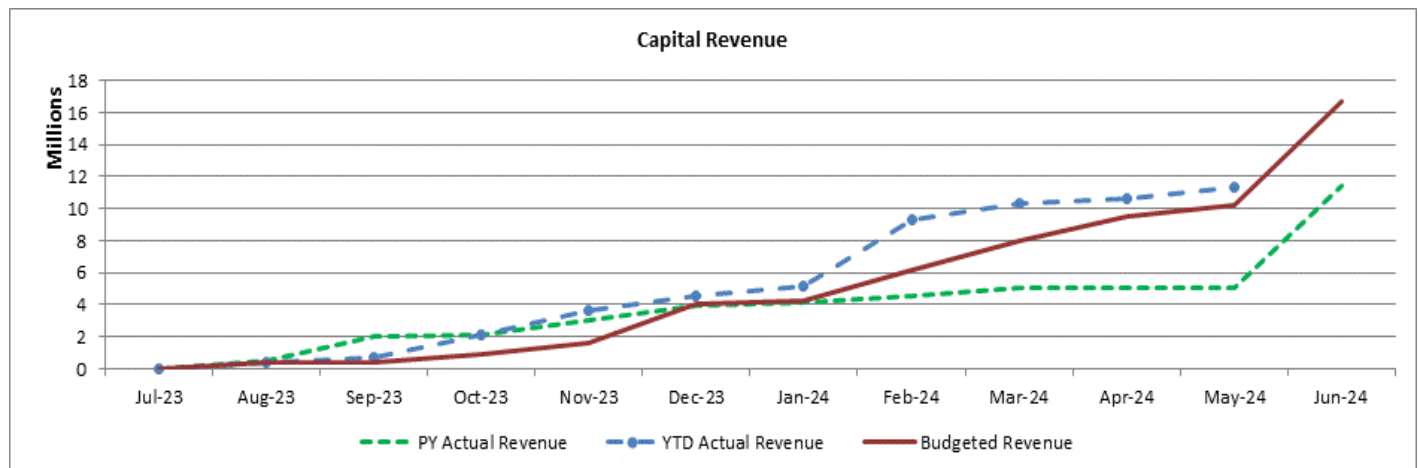


Operating expenditure consists of Employee Expenses, Materials and Services, Finance Costs and Depreciation.

Actual operating expenditure for May year to date was \$122,564,483 which is favourable to budget by \$7,219,125. This favourable result is mainly due to the allocation of budgeted cashflow.

It is noted that cashflowing of projects will be reviewed throughout the year. Any adjustments made will be a redistribution of existing budget amounts and have no bottom-line impact on the budget.

CAPITAL REVENUE

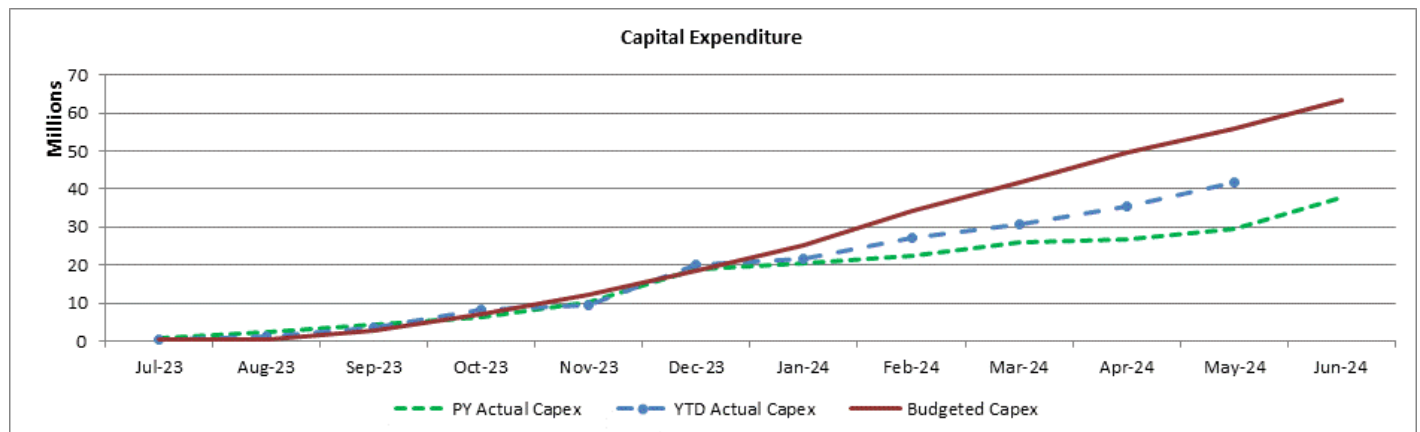


Capital Revenue for May year to date is \$11,354,338 which consists of grants, contributions and proceeds from the disposal of assets. The current favourable variance of \$1,133,125 is due to the cashflowing of receipts from grants and proceeds of sale of PPE.

Budgeted capital revenue for 2023/2024 is detailed below:

Grants	Revised Budget	YTD Actuals
Resource Community Infrastructure Fund	5,700,000	4,500,000
Local Roads & Community Infrastructure Grants	1,713,630	1,197,045
Transport Infrastructure Development Scheme	1,477,035	1,373,326
Local Government Grants and Subsidies Program	1,196,446	273,150
Heavy Vehicle Safety & Productivity Program	1,825,398	730,398
Roads to Recovery Program	1,157,910	1,092,778
Sale of Plant and Equipment	1,245,410	1,208,922
Building our Regions	907,232	255,142
Levy Ready Grant Program	605,000	181,500
Developer Contributions	323,259	377,273
Student Transport Infrastructure Program	150,000	75,000
Queensland Resilience and Risk Reduction Fund	102,574	-
Other various Minor Grants	292,999	89,804
Total	16,696,893	11,354,338

CAPITAL EXPENDITURE



Capital expenditure (\$41.9M) is under YTD budget excluding commitments, noting that when the \$22.6M of commitments are included, the capital expenditure is above the annual budget. It should be noted that some commitments relate to future years for multi-year projects. Notable commitments relate to: Moranbah Community Centre Refurbishment - \$9.2M, Golden Mile Road Rehabilitation - \$1M, Rural Network Resheeting - \$939K, St Lawrence Water Storage and Raw Water Main - \$933K and project management costs - \$2.9M.

Major budgeted projects for 2023/2024 financial year are:

Project	Revised Budget	YTD Actuals	YTD Commitments
MBH Community Centre - Refurbishment	10,002,850	3,100,554	9,207,748
Moranbah Landfill Phase 2 Stage 2	7,857,097	7,741,012	26,786
Fleet / Plant replacement program	5,899,930	4,975,711	903,357
Golden Mile Road Rehab Pavement, Drainage	5,015,747	4,277,649	1,030,694
Rural Network Resheeting	3,560,000	2,162,465	938,514
Regional Reseals	2,599,877	2,603,618	-
Moranbah 400ML raw water dam - remediation	2,233,990	2,121,610	41,648
St Lawrence Water Storage & Raw Water Main	1,765,250	716,766	932,751
CORP Sewer Relining	1,621,194	1,062,116	359,897
Moranbah Asphalt Renewals	1,288,000	1,235,882	-
Clermont WMF Weighbridge Installation	1,211,635	955,741	259,663
Regional Floodways Construction Program	1,200,000	978,218	174,893
MBH WTP - roof replacement	972,667	143,723	730,818
NBO Water Network Augmentation	965,598	781,929	177,270

CAPITAL FUNDING AND PROJECT COMMITTALS

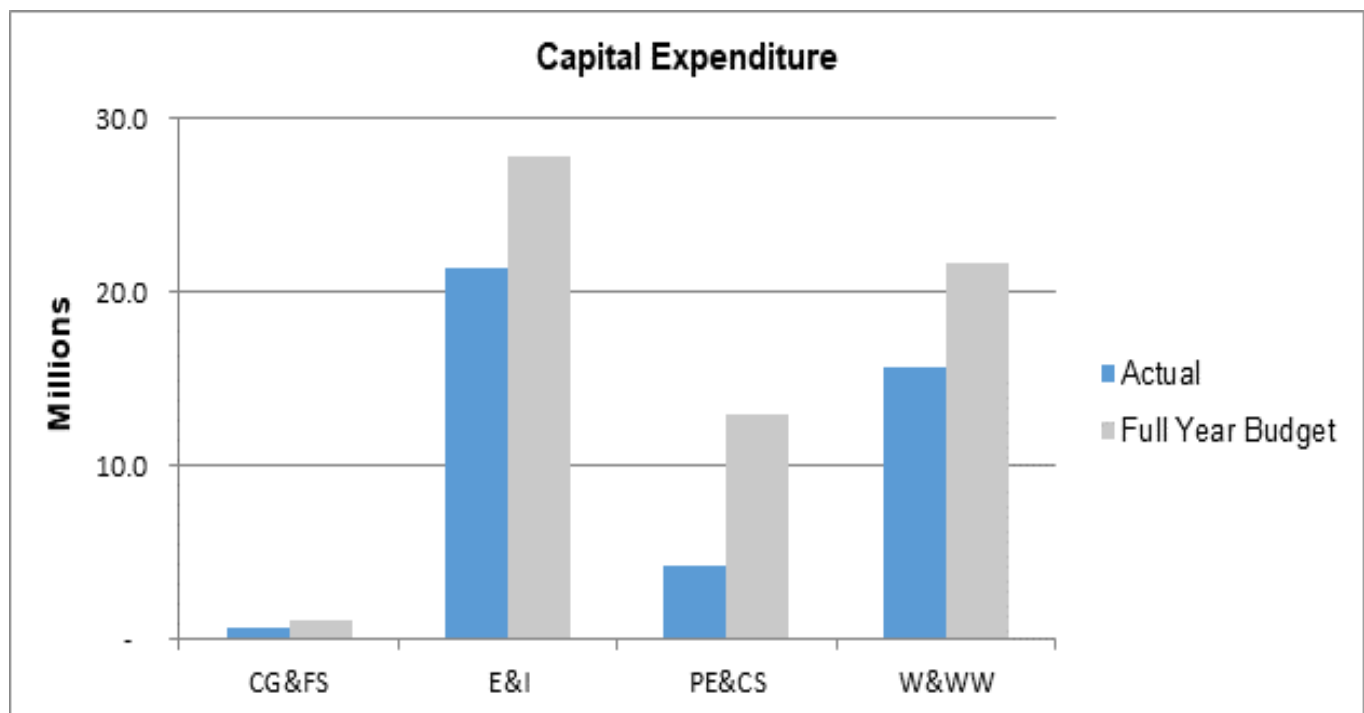
Capital expenditure is financed through loan borrowings, proceeds on disposal of assets, general reserves and the future capital sustainability reserve.

The future capital sustainability reserve represents accumulated funded depreciation monies which are held to maintain capital value under Council's long-term asset management plan.

The following table illustrates the Council's capital project expenditure as at May 2024.

Department	YTD Actual	YTD Commitment	YTD Total Expenditure	Full Year Budget	% Complete	% Complete
					(YTD Actual vs FY Budget)	(YTD Total vs FY Budget)
CG&FS	675,052	74,994	750,046	1,119,219	60.3%	67.0%
E&I	21,404,432	7,560,375	28,964,807	27,808,206	77.0%	104.2%
PE&CS	4,231,326	10,331,158	14,562,483	12,906,995	32.8%	112.8%
W&WW	15,611,960	4,667,443	20,279,403	21,732,187	71.8%	93.3%
TOTAL	41,922,770	22,633,969	64,556,739	63,566,607	66.0%	101.6%

The following graph illustrates the data above.



FINANCIAL SUSTAINABILITY RATIOS

In accordance with s169(5) of the Local Government Regulation 2012, the following financial sustainability ratios have been provided.

The ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria which must be met to ensure the prudent management of financial risks.

Ratio	Description	Formula	YTD Actual Result	Bench mark	Within Limits	FY Budget
Operating Surplus Ratio	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes.	Net operating surplus	2.82%	0 - 10%	Yes	0.94%
		Total operating revenue				
Net Financial Liabilities Ratio	This is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.	Total liabilities less current assets	-36.02%	<=60%	Yes	-5.54%
		Total operating revenue				
Asset Sustainability Ratio	This ratio provides a guide as to whether the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.	Capital expenditure on renewals	68.72%	>90%	No	70.54%
		Depreciation expense				
Total Debt Service Cover	This ratio provides a guide as to the Council's ability to meet its loan repayments.	Operating cash flow plus interest	22.6	2	Yes	10.33
		Interest plus current borrowings				
Cash Expense Ratio	This ratio provides a guide as to the ability of the Council to pay its costs within the short term.	Current cash balance	9.02 Months	3 Months	Yes	7.19 Months
		Operating expenses less depreciation and finance costs				

1. **Operating Surplus Ratio** - This ratio is an indicator of the extent to which revenues raised cover the operational expenses only or are available for capital funding purposes. The target result for this ratio is between 0-10% per annum (on average over the long term). With the net operating profit year to date a surplus of \$3,500,071 the ratio is currently positive 2.82%, which is within Council's budget and benchmark range.
2. **Net Financial Liabilities Ratio** - This ratio is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues. As Council's current assets are greater than total liabilities, the resulting ratio is currently showing as favourable with a negative 36.02%.
3. **Asset Sustainability Ratio** - This ratio is a guide as to whether infrastructure assets managed by Council are being replaced as they reach the end of their useful lives. Council's target is to have a result of greater than 90%, however the budget for the financial year is 70.54% (due to significant buildings renewals being carried out during the year, however not included within budget percentage calculation). The ratio is at 68.72% for May YTD which is below target benchmark. This ratio is expected to improve throughout the remainder of the financial year, where it is anticipated to reach the budgeted target, however, will remain the benchmark.
4. **Total Debt Service** - This ratio represents Council's ability to meet its loan repayments through operating cash. A ratio greater than two (2) times, is the ideal result for Council. Council's year to date ratio is 22.6 and indicates that Council has sufficient operating cash flow to cover its loan repayments.
5. **Cash Expense Ratio** - This ratio helps Council calculate how many months the current year's cash balance can cover operating expenses (excluding depreciation and finance costs), without additional cash flows. Council has enough current cash to cover 9.02 months as at 31 May 2024. This is above the targeted benchmark of three (3) months.

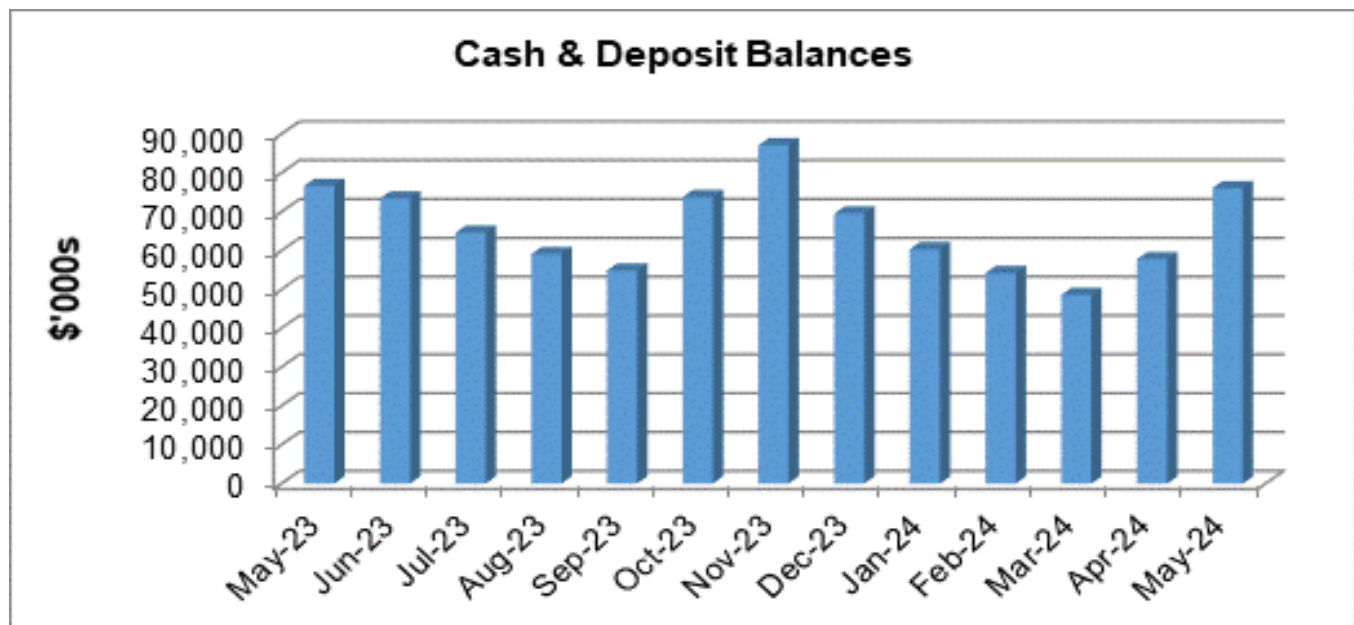
INVESTMENTS AND CASH BALANCES

The following is a list of all investments held by Council as at the period ending 31 May 2024.

ISAAC REGIONAL COUNCIL					
Investments					
For the Period Ended 31 May 2024					
Account	Description	Institution	Amount	Maturity Date	Interest Rate
10-000-1113	Cash at Bank - ANZ	ANZ	346,109		
10-000-1114	Cash at Bank NAB	NAB	28,864		
10-000-1116	QTC Operating Fund	QTC	74,013,054		4.63%
10-000-1117	ANZ Business Premium Saver	ANZ	1,661,255		4.30%
10-000-1131	Petty Cash		2,800		
10-000-1132	Floats		4,280		
Total Investments			76,056,362		

Bank	Credit Rating	% of Funds	Policy Total Profile
Queensland Treasury Corporation	QTC	97.31%	No Limit
National Australia Bank	AA-	0.04%	Maximum 60%
ANZ Banking Group	AA-	2.65%	Maximum 60%

The following chart outlines the Council's cash and deposit balances for the previous twelve months up to the period ending 31 May 2024.



LOANS

ISAAC REGIONAL COUNCIL							
Loans							
For the Period Ended 31 May 2024							
						Repayment Due 14 Jun 2024	
Loan Name	Balance as at 31 May 2024	Rate as at 31 May 2024	Approved Term	Remaining Term	Principal	Interest	Total
Land Purchase - Moranbah	\$9,577,742	5.1	20	8.55	\$218,840	\$122,092	\$340,932
Land Development Moranbah	\$7,380,731	4.37	20	9.05	\$162,944	\$80,634	\$243,578
Waste Loan	\$2,218,134	2.22	20	18.05	\$26,483	\$12,283	\$38,766
Total	\$19,176,606				\$408,267	\$215,010	\$623,277

Debt service repayments are made quarterly. The third repayment for 2023/2024 financial year was made on 15 March 2024. The next repayment for the 2023/2024 financial year is due on 14 June 2024.

ACCOUNTS RECEIVABLE

The following is a breakdown of the Council's accounts receivable by age for the period ending 31 May 2024.

Accounts Receivable Ageing Analysis at 31 May 2024			
Ageing	Number of Documents	Amount Outstanding	% of Total Outstanding
Current	216	1,979,583.08	44.99%
30 Day	62	1,003,646.87	22.81%
60 Day	44	158,663.67	3.61%
90 Day	132	1,258,103.43	28.59%
Total	454	4,399,997.05	100.00%

The Accounts Receivable balance at 31 May 2024 is \$4,399,997.05 which has decreased from 30 April 2024 balance of \$6,810,988.98.

- 30 day balances have increased this month due to large Waste invoices becoming overdue.
- 60 day balances have increased due to 2 large Waste invoices being under dispute, in addition to overdue Trade Waste & Backflow Prevention annual invoices ageing to 60 Days.
- 90 days and over receivables have decreased slightly due to Compliance invoices being paid partially offset by Housing invoices aging to 90 days. There are 132 invoices totalling \$1,258,103.43 in 90 Days which are made up of the following charges:
 - 1 Invoice totalling \$519,363.54 relates to a Capital Works Project that is currently subject to legal proceedings.
 - 2 Invoices totalling \$591,900.72 relate to infrastructure access agreement invoices that are subject to dispute resolution process including legal advice.
 - 1 Invoice totalling \$55,324.50 relates to historic planning/infrastructure charges which is currently being assessed by Liveability & Sustainability.
 - 39 Invoices totalling \$31,514.97 relate to Compliance invoices in various stages of recovery.
 - 2 Invoices totalling \$33,356.76 relate to historical water charges. Company is in liquidation and its unlikely Council will recover these funds.
 - 70 Invoices totalling \$15,690.64 relate to Housing invoices. The management and recovery of housing invoices is the responsibility of Corporate Properties. Majority relates to affordable housing, community housing and aged care. There are processes in place to recover these arrears including engaging debt recovery services. This will continue to be reviewed and monitored by the responsible department.
 - 1 Invoice totalling \$8,341.48 relates to Planning charges which is currently subject to a Payment arrangement.
 - The remaining 16 Invoices totalling \$2,610.82 relate to other charges in various stages of collection.

A review is currently being carried out by the Account Receivable team with relevant departmental managers to determine if outstanding balances are deemed recoverable as part of the end of financial year process. A report has been prepared and is tabled for the June Council meeting.

ACCOUNTS PAYABLE

The following is a breakdown of the Council's accounts payable by age for the period ending 31 May 2024.

Accounts Payable Ageing Analysis at 31 May 2024			
Ageing	Number of Documents	Amount Outstanding	% of Total Outstanding
Current	260	1,265,708.68	83.46%
30 Day	26	224,908.21	14.83%
60 Day	10	15,334.60	1.01%
90 Day	8	10,528.89	0.70%
TOTAL	304	1,516,480.38	100.00%

The outstanding Accounts Payable balance as at 31 May 2024 was \$1,516,480.38 The 30,60 & 90 day aging accounts total \$250,771.70.

At the date this report was prepared the following invoices remain unpaid:

- 30 day balances – \$224,908.21 (26 invoices) remain unpaid of which \$14,657.29 (4 invoices) relate to suppliers who reside in the IRC region. The 30 day balances is made up of 8 invoices (\$75,002.15) awaiting approval, 1 invoice (\$11,086.37) awaiting supply of goods, 1 invoice (\$109,271.04) awaiting creditor to confirm bank account changes and 16 invoices (\$29,548.65) were received late from the suppliers.
- 60 day balances – \$ 15,334.60 (10 invoices) remain unpaid of which \$5,873.30 (3 Invoices) relate to suppliers within the IRC region. The 60 day balance consists of 1 invoice (\$4,862.00) awaiting approval, 7 invoices (\$3,013.94) received late from suppliers, 1 Invoice (\$7,425.11) in dispute with discussions being held with the supplier and 1 invoice (\$33.55) awaiting on creditor to confirm bank details.
- 90 day balances – \$10,528.89 (8 invoices) remain unpaid with \$9,570.25 (4 invoices) relate to suppliers within the IRC region. The 90 day balance consists of 1 invoice (\$296.87) awaiting approval, 4 invoices (\$9,485.10) in dispute with discussions being held with the supplier and 3 invoices (\$746.92) received late from supplier.

It is noted that leading into the end of financial year additional reporting and follow up with relevant officers are planned to review all outstanding commitments and any aged invoices.

YEAR TO DATE RATES REPORT

The following is a breakdown of the Council's rates transactions the year to date as at 31 May 2024.

Rates Balancing Report As At 31 May 2024		
	31 May 2024	YTD 31 May 2023
Opening Balance	2,486,266	4,175,810
Rates Charges		
Rates Levied	108,812,962	101,812,544
Interest	346,944	381,068
Refunds	1,171,896	234,390
Total Rates	110,331,802	102,428,002
Discounts and Receipts		
Discounts	(7,160,075)	(6,360,459)
Receipts	(100,457,465)	(92,114,035)
Government Subsidy	(75,325)	(75,226)
Council Subsidy	(230,314)	(223,658)
Remissions	(46,993)	(13,037)
Write Offs	(277)	(1,493)
Total Discounts & Receipts	(107,970,450)	(98,787,908)
Legal	50,393	90,994
Closing Balance	4,898,011	7,906,898

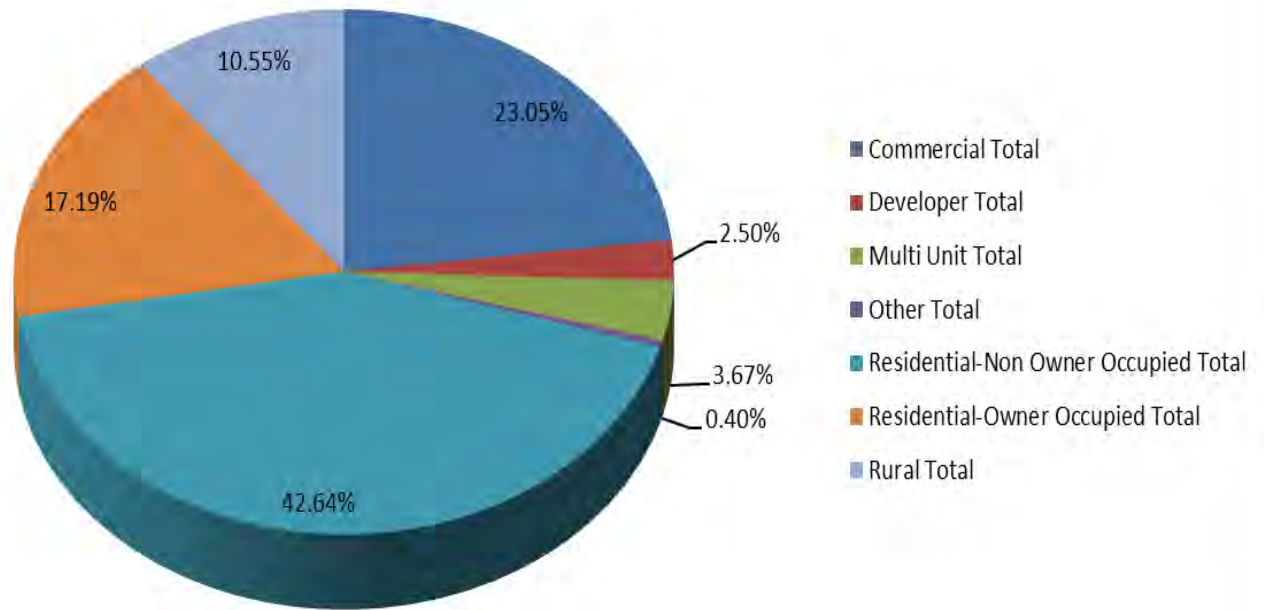
Rates Breakdown	As At 31 May 2024
Rates in Credit	(689,432)
Rates Not Due Yet	27,550
Rates In Arrears	5,559,893
Total Rates Balance	4,898,011

Variances in prior year comparisons can relate to the timing of rates processing and subsequent due dates.

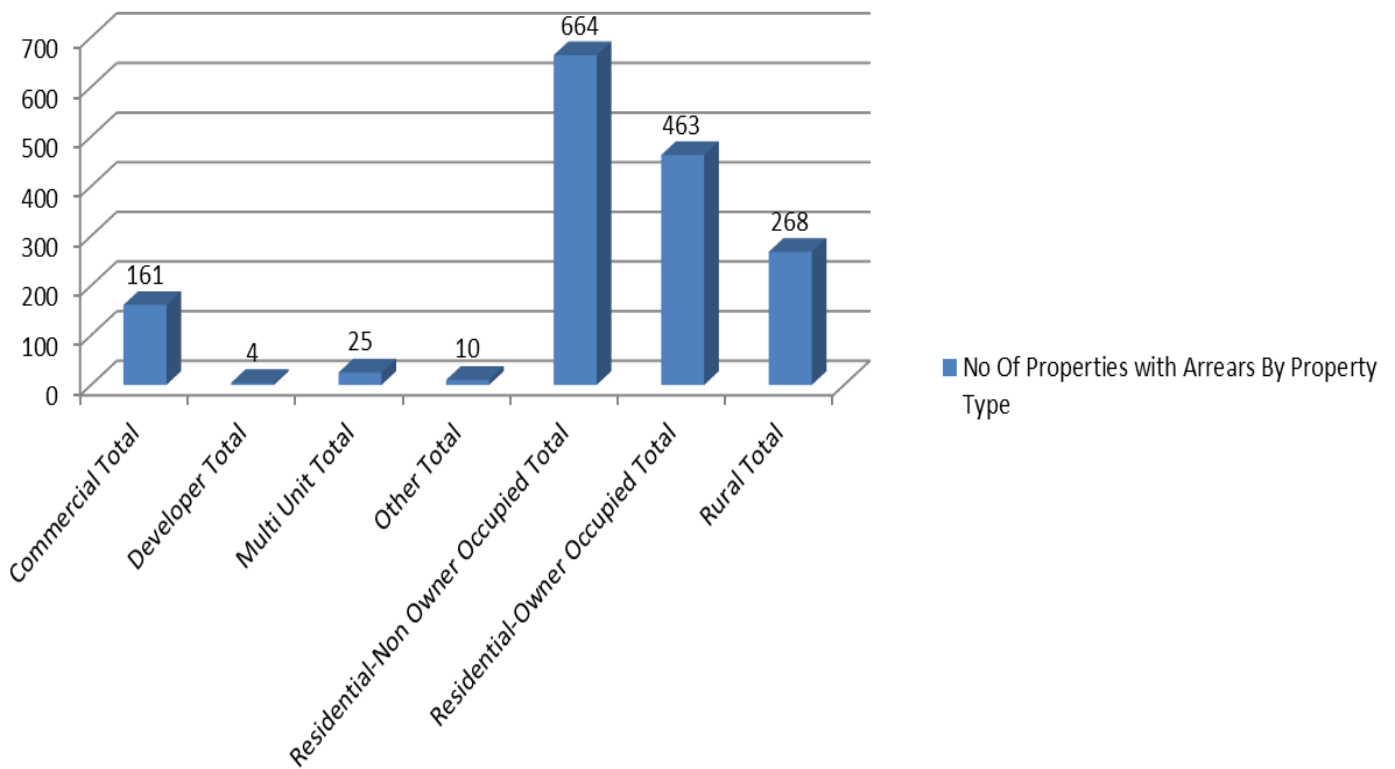
Rate Arrears – Aged by Year

Prior 2020	2020/21	2021/22	2022/23	2023/24	TOTAL
1,461,231	267,522	309,360	406,823	3,114,957	5,559,893
26.28%	4.81%	5.56%	7.32%	56.03%	100.00%

Percentage of Arrears By Property Type



No Of Properties with Arrears By Property Type



APPENDIX 1 – FINANCIAL STATEMENTS

Attached are the financial statements for the period ended 31 May 2024. Actual amounts are compared against the year to date Revised Budget.

Financial statement included:

- **Statement of Comprehensive Income** – Displays Council's year to date profit and loss up to the period end.
- **Statement of Financial Position** – Summarises Council's assets, liabilities and community equity up to the period end.
- **Statement of Cash Flows** – Summarises the changes in the Council's cash and cash equivalents by operating, investing, and financing activities.

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 31 May 2024

	Notes	YTD Actual \$	Commitments \$	YTD Actual + Commitments \$	YTD Revised Budget \$	Variance \$	Full Year Revised Budget \$	Completion %
Income								
Operating Revenue								
Net Rates & Utility Charges	1	97,606,049	-	97,606,049	97,717,126	(111,077)	98,897,933	98.7%
Fees & Charges	2	4,317,200	-	4,317,200	4,213,531	103,669	4,399,217	98.1%
Rental Income		1,751,229	-	1,751,229	1,751,944	(715)	1,900,271	92.2%
Interest Received		3,250,578	-	3,250,578	3,290,390	(39,812)	3,613,310	90.0%
Sales of Contract & Recoverable Works	3	5,530,400	-	5,530,400	6,150,676	(620,276)	7,610,589	72.7%
Operating Grants, Subsidies & Contributions	4	3,833,175	-	3,833,175	4,505,634	(672,459)	14,546,407	26.4%
Other Recurrent Revenue	5	9,775,923	-	9,775,923	10,643,231	(867,308)	12,418,666	78.7%
		126,064,553	-	126,064,553	128,272,533	(2,207,979)	143,386,393	87.9%
Expenses								
Operating Expenses								
Employee Expenses	6	42,154,126	-	42,154,126	43,771,465	(1,617,339)	48,992,689	86.0%
Materials & Services	7	50,590,106	17,156,181	67,746,287	56,304,566	11,441,722	61,627,557	109.9%
Finance Costs		925,070	-	925,070	959,931	(34,861)	2,285,742	40.5%
Depreciation and Amortisation	8	28,895,180	-	28,895,180	28,747,646	147,535	31,361,068	92.1%
		122,564,483	17,156,181	139,720,664	129,783,607	9,937,056	144,267,056	96.8%
Operating Position Before Capital Items		3,500,071	(17,156,181)	(13,656,111)	(1,511,075)	(12,145,036)	(880,663)	1550.7%
Capital Revenue								
Capital Revenue	9	10,145,416	-	10,145,416	9,291,213	854,203	15,451,483	65.7%
Proceeds from Sale of Land & PPE	10	1,208,922	-	1,208,922	930,000	278,922	1,245,410	97.1%
		11,354,338	-	11,354,338	10,221,213	1,133,125	16,696,893	68.0%
Net Result Attributable to Council in Period		14,854,409	(17,156,181)	(2,301,772)	8,710,138	(11,011,911)	15,816,230	(14.6%)
Total Comprehensive Income		14,854,409	(17,156,181)	(2,301,772)	8,710,138	(11,011,911)	15,816,230	(14.6%)
Council's operating position at month end is a \$3.5M surplus								

1. **Net Rates & Utility Charges** are \$111,077 unfavourable when comparing actuals to revised budget. The unfavourable variance is predominately due to higher than anticipated utilisation of the discount on general rates.
2. **Fees & Charges** are \$103,669 favourable when comparing actuals to revised budget. The predominant reason for this favourable variance is higher than anticipated revenue from building / plumbing fees and development fees.
3. **Sales of Contract & Recoverable Works** are unfavourable to the budget by \$620,276. This unfavourable variance is predominately due to cashflowing of RMPC Revenue and lower than anticipated invoicing for recoverable works associated with infrastructure agreements. The RMPC variance has historically corrected itself during the accrual period for the financial year.
4. **Operating Grants, Subsidies & Contributions** are \$672,459 unfavourable compared to the annual budget. This unfavourable variance is predominately due to DRFA November 21 event. It should be noted that this revenue was reviewed with the Quarter 3 Budget Review, with the determination by the Department that works would be completed this financial year.
5. **Other Recurrent Revenue** for the year to date is \$9,775,923 being \$867,308 unfavourable to budget. This unfavourable variance is due to Waste Revenue (invoices only issued to middle of April) and Septic Revenue (invoices only issued to March).
6. **Employee Expenses** are favourable to the revised budget by \$1,617,339. This favourable variance is due to employee vacancies within Departments some of which are currently being backfilled through Agency Temp Staff (current actuals \$1.7M and commitments of \$989K).
7. **Materials and Services** actual expenses for the year to date are \$50,590,106 with \$17,156,181 being recorded in commitments, resulting in an unfavourable variance to adopted budget by \$11,441,722. This unfavourable variance is due to the inclusion of commitments which relate to future reporting periods. Excluding commitments YTD expenditure would be approximately \$5.7M below YTD budget. Large commitments to note are \$5.5M Galilee & Bowen Basin Operations (multi-year commitments), \$1.7M RMPC, \$1.1 Water purchases, \$779K Waste Levy and \$316K Contractors at IRC's landfills.
8. **Depreciation and Amortisation** is unfavourable to the budget by \$147,535. This unfavourable variance is primarily due to depreciation for the Plant and Equipment Asset Class. Further movement is expected over the remaining month of the financial year as capitalisation of finished works occur.
9. **Capital Revenue** for the year to date is \$10,145,416 which is favourable to revised budget by \$854,203. This favourable variance is due to the invoicing of the advance payment for RCIF Milestone 3.
10. **Proceeds from Sale of Land & PPE** is currently favourable compared to the revised budget by \$278,922, noting that the proceeds are close to achieving annual budget.

ISAAC REGIONAL COUNCIL Statement of Financial Position For the Period Ended 31 May 2024				
	Notes	Actual YTD	30 June 2023	Variance
		\$	\$	%
Current Assets				
Cash & Cash Equivalents		76,056,362	73,414,123	3.6%
Trade & Other Receivables		9,597,883	15,249,240	(37.1%)
Inventories		1,267,854	1,315,591	(3.6%)
Contract assets		456,196	3,403,805	(86.6%)
Other assets		1,723,152	4,174,416	(58.7%)
Total Current Assets		89,101,446	97,557,175	(8.7%)
Non-Current Assets				
Receivables		5,295,732	5,286,713	0.2%
Inventories		18,437,891	18,437,891	0.0%
Property, Plant and Equipment		1,222,871,162	1,212,097,666	0.9%
Intangible assets		595	1,641	(63.7%)
Total Non-Current Assets		1,246,605,380	1,235,823,911	0.9%
TOTAL ASSETS		1,335,706,826	1,333,381,086	0.2%
Current Liabilities				
Trade and other payables		3,380,163	11,831,347	(71.4%)
Provisions		9,420,169	9,374,593	0.5%
Borrowings		551,607	1,689,710	(67.4%)
Contract liabilities		3,040,799	2,774,645	9.6%
Other liabilities		202,401	922,126	(78.1%)
Total Current Liabilities		16,595,140	26,592,421	(37.6%)
Non-Current Liabilities				
Trade and other payables		90,727	44,730	102.8%
Provisions		22,312,543	22,365,985	(0.2%)
Borrowings		20,560,604	20,476,214	0.4%
Contract liabilities		180,041	180,041	0.0%
Other liabilities		2,391,182	2,424,892	(1.4%)
Total Non-Current Liabilities		45,535,097	45,491,862	0.1%
TOTAL LIABILITIES		62,130,237	72,084,283	(13.8%)
NET COMMUNITY ASSETS		1,273,576,589	1,261,296,803	1.0%
Community Equity				
Retained surplus		893,211,913	892,229,267	0.1%
Asset revaluation reserve		306,831,156	306,888,354	0.0%
Other reserves		73,533,520	62,179,182	18.3%
TOTAL COMMUNITY EQUITY		1,273,576,589	1,261,296,803	1.0%

ISAAC REGIONAL COUNCIL Statement of Cash Flows For the Period Ended 31 May 2024			
	Actual YTD	30 June 2023	Variance
	\$	\$	%
Cash Flows from Operating Activities			
Receipts from customers	137,734,073	135,071,774	102.0%
Payments to suppliers and employees	(103,105,382)	(95,723,091)	107.7%
Cash provided by / (used in) net result	34,628,691	39,348,684	88.0%
Cash Flows from Investing Activities			
Profit / (Loss) on sale of capital assets	(1,308,508)	(7,756,733)	16.9%
Grants, subsidies, contributions and donations	10,146,919	10,112,259	100.3%
Payments for property, plant and equipment	(39,733,841)	(35,021,604)	113.5%
Net movement in loans to Community Organisations			0.0%
Net cash provided by investing activities	(30,895,430)	(32,666,079)	94.6%
Cash Flow from Financing Activities			
Proceeds from borrowings	-	(1,605,319)	0.0%
Repayment of borrowings	(1,091,021)	69,125	(1578.3%)
Net cash provided by financing activities	(1,091,021)	(1,536,194)	71.0%
Net Increase / (Decrease) in Cash Held	2,642,239	5,146,411	51.3%
Cash at the beginning of the period	73,414,123	68,267,713	107.5%
Cash at the end of the Reporting Period	76,056,362	73,414,123	103.6%



Appendix 2 – Preliminary Executive Level Reports

Executive Level operating statements provide information on the performance of each Directorate for the period ended 31 May.

Actual amounts and commitments are compared against the year to date Revised Budget.

Commitment balances are reported at a point of time and will continue to be reviewed as the year progresses. It should be noted that commitments are not currently able to be cash flowed across the financial year.


ISAAC REGIONAL COUNCIL Statement of Comprehensive Income For the Period Ended 31 May 2024								
Office of the CEO								
	Notes	YTD Actual \$	Commitments \$	YTD Actual + Commitments \$	YTD Revised Budget \$	Variance \$	Full Year Revised Budget \$	Completion %
Income								
Operating Revenue								
Operating Grants, Subsidies & Contributions		374,273	-	374,273	344,273	30,000	344,273	108.7%
		374,273	-	374,273	344,273	30,000	344,273	108.7%
Expenses								
Operating Expenses								
Employee Expenses		4,293,429	-	4,293,429	4,377,593	(84,163)	4,826,784	89.0%
Materials & Services	1	1,347,486	256,356	1,603,842	1,751,867	(148,025)	1,854,833	86.5%
Corporate Overheads & Competitive Neutrality Costs		(3,872,035)	-	(3,872,035)	(3,872,035)	-	(4,224,039)	91.7%
		1,768,881	256,356	2,025,236	2,257,424	(232,188)	2,457,578	82.4%
Operating Position Before Capital Items		(1,394,608)	(256,356)	(1,650,963)	(1,913,151)	262,188	(2,113,305)	78.1%
Capital Revenue								
		-	-	-	-	-	-	0.0%
Net Result Attributable to Council in Period		(1,394,608)	(256,356)	(1,650,963)	(1,913,151)	262,188	(2,113,305)	78.1%
Total Comprehensive Income		(1,394,608)	(256,356)	(1,650,963)	(1,913,151)	262,188	(2,113,305)	78.1%

1. Materials & Services for the financial year to date are \$148,025 favourable with \$1,347,486 of actual expenditure and \$256,356 in commitments against YTD budget of \$1,751,867. It should be noted that the favourable variance is predominately due to budgeted items (elections, recruitment) yet to be realised.

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 31 May 2024

Corporate, Governance & Financial Service

	Notes	YTD Actual \$	Commitments \$	YTD Actual + Commitments \$	YTD Revised Budget \$	Variance \$	Full Year Revised Budget \$	Completion %
Income								
Operating Revenue								
Net Rates & Utility Charges	1	66,833,883	-	66,833,883	66,953,244	(119,361)	66,953,244	99.8%
Fees & Charges		102,683	-	102,683	105,877	(3,193)	115,293	89.1%
Rental Income		1,350	-	1,350	1,350	-	1,350	100.0%
Interest Received		3,058,380	-	3,058,380	3,109,084	(50,703)	3,415,800	89.5%
Sales of Contract & Recoverable Works		80,737	-	80,737	74,067	6,670	80,800	99.9%
Operating Grants, Subsidies & Contributions		335,364	-	335,364	336,507	(1,144)	5,575,025	6.0%
Other Recurrent Revenue		88,344	-	88,344	83,833	4,511	327,042	27.0%
		70,500,741	-	70,500,741	70,663,961	(163,220)	76,468,554	92.2%
Expenses								
Operating Expenses								
Employee Expenses	2	7,970,072	-	7,970,072	7,821,685	148,387	9,229,720	86.4%
Materials & Services	3	12,780,655	1,804,705	14,585,360	12,750,323	1,835,038	13,743,774	106.1%
Finance Costs		438,411	-	438,411	473,483	(35,072)	1,730,981	25.3%
Depreciation and Amortisation		904,618	-	904,618	882,449	22,169	962,672	94.0%
Corporate Overheads & Competitive Neutrality Costs		(13,232,725)	-	(13,232,725)	(13,232,725)	-	(14,435,700)	91.7%
		8,861,031	1,804,705	10,665,737	8,695,215	1,970,522	11,231,447	95.0%
Operating Position Before Capital Items		61,639,710	(1,804,705)	59,835,005	61,968,747	(2,133,742)	65,237,107	91.7%
Capital Revenue								
Capital Revenue		-	-	-	86,794	(86,794)	86,794	0.0%
		-	-	-	86,794	(86,794)	86,794	0.0%
Net Result Attributable to Council in Period		61,639,710	(1,804,705)	59,835,005	62,055,541	(2,220,536)	65,323,901	91.6%
Total Comprehensive Income		61,639,710	(1,804,705)	59,835,005	62,055,541	(2,220,536)	65,323,901	91.6%

- 
1. **Net Rates & Utility Charges** are \$119,361 unfavourable when comparing actuals to revised budget. The unfavourable variance is predominately due to higher than anticipated utilisation of the discount on general rates.
 2. **Employee Expenses** for the financial year are unfavourable compared to budget by \$148,387. Excluding the Corporate Employee expenses (which is consolidated for the whole of Council in this Directorate), the position would be \$148,008 favourable. This unfavourable variance is due to under-recovery on budgeted oncosts (noting this should be offset by a decrease in individual Directorates wages) and the consolidation of Workcare expenses within this Directorate for the whole of Council of \$177K.
 3. **Materials & Services** for the financial year to date are \$1,835,038 unfavourable with \$12,780,655 in actual expenditure and \$1,804,705 in commitments against the YTD budget of \$12,750,323. This unfavourable variance is due to the consolidation of Sundry Creditors for the whole of Council within this Directorate of \$727K and the inclusion of commitments which relate to future reporting periods.

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 31 May 2024

Engineering & Infrastructure Services

	Notes	YTD Actual \$	Commitments \$	YTD Actual + Commitments \$	YTD Revised Budget \$	Variance \$	Full Year Revised Budget \$	Completion %
Income								
Operating Revenue								
Fees & Charges		374,650	-	374,650	375,833	(1,184)	410,000	91.4%
Rental Income		1,498,529	-	1,498,529	1,496,169	2,361	1,632,025	91.8%
Interest Received		3,060	-	3,060	3,060	-	3,060	100.0%
Sales of Contract & Recoverable Works	1	5,449,663	-	5,449,663	6,076,609	(626,946)	7,529,789	72.4%
Operating Grants, Subsidies & Contributions	2	1,789,440	-	1,789,440	2,460,878	(671,438)	7,109,265	25.2%
Other Recurrent Revenue		53,834	-	53,834	43,879	9,955	43,879	122.7%
		9,169,177	-	9,169,177	10,456,429	(1,287,252)	16,728,018	54.8%
Expenses								
Operating Expenses								
Employee Expenses	3	13,488,856	-	13,488,856	14,074,994	(586,138)	15,571,617	86.6%
Materials & Services	4	14,866,790	8,847,869	23,714,660	16,344,849	7,369,811	17,854,804	132.8%
Depreciation and Amortisation	5	15,789,680	-	15,789,680	15,653,355	136,325	17,076,387	92.5%
Corporate Overheads & Competitive Neutrality Costs		9,172,495	-	9,172,495	9,172,495	-	10,006,358	91.7%
		53,317,822	8,847,869	62,165,691	55,245,692	6,919,999	60,509,167	102.7%
Operating Position Before Capital Items		(44,148,645)	(8,847,869)	(52,996,514)	(44,789,264)	(8,207,251)	(43,781,148)	121.0%
Capital Revenue								
Capital Revenue	6	4,551,963	-	4,551,963	4,743,402	(191,439)	6,538,378	69.6%
Proceeds from Sale of Land & PPE	7	1,208,922	-	1,208,922	930,000	278,922	1,245,410	97.1%
		5,760,886	-	5,760,886	5,673,402	87,484	7,783,788	74.0%
Net Result Attributable to Council in Period		(38,387,759)	(8,847,869)	(47,235,629)	(39,115,862)	(8,119,767)	(35,997,360)	131.2%
Total Comprehensive Income		(38,387,759)	(8,847,869)	(47,235,629)	(39,115,862)	(8,119,767)	(35,997,360)	131.2%

1. **Sales of Contract & Recoverable Works** are unfavourable to the budget by \$626,946. This unfavourable variance is predominately due to cashflowing of RMPC Revenue and lower than anticipated invoicing for recoverable works associated with infrastructure agreements. The RMPC variance has historically corrected itself during the accrual period for the financial year.
2. **Operating Grants, Subsidies & Contributions** are \$671,438 unfavourable compared to the YTD budget. This unfavourable variance is predominately due to DRFA November 21 event. It should be noted that this revenue was reviewed with the Quarter 3 Budget Review, with the determination by the Department that works would be completed this financial year.
3. **Employee Expenses** are favourable compared to the revised budget by \$586,138. This favourable variance is predominantly due to employee vacancies, some of which are currently being backfilled through Agency Temp Staff (current actuals \$200K and commitments of \$109K).
4. **Materials & Services** for the financial year to date are \$7,369,811 unfavourable with \$14,866,790 of actual expenditure and \$8,847,869 in commitments against YTD budget of \$16,344,849. This unfavourable variance is due to the inclusion of commitments which relate to future reporting periods. Large commitments to note are \$1.7M for RMPC works and \$5.5M Galilee and Bowen Basin recoverable works.
5. **Depreciation and Amortisation** is currently unfavourable to the annual budget by \$136,325 primarily due to depreciation for the Plant and Equipment Asset Class. Further movement is expected over the remaining month of the financial year as capitalisation of finished works occur.
6. **Capital Revenue** for the financial year is \$191,439 unfavourable when compared to revised budget. This unfavourable variance is due to the timing of budgeted cashflow of grant fund receipts which are budgeted to be aligned with the delivery of capital projects.
7. **Proceeds from Sale of Land & PPE** is currently favourable compared to the revised budget by \$278,922, noting that proceeds are close to achieving annual budget.


ISAAC REGIONAL COUNCIL Statement of Comprehensive Income For the Period Ended 31 May 2024								
Planning, Environment & Community Service								
	Notes	YTD Actual	Commitments	YTD Actual + Commitments	YTD Revised Budget	Variance	Full Year Revised Budget	Completion
		\$	\$	\$	\$	\$	\$	%
Income								
Operating Revenue								
Fees & Charges		2,631,674	-	2,631,674	2,532,085	99,588	2,503,803	105.1%
Rental Income		196,910	-	196,910	201,660	(4,750)	219,993	89.5%
Operating Grants, Subsidies & Contributions		778,950	-	778,950	809,175	(30,225)	963,034	80.9%
Other Recurrent Revenue		18,417	-	18,417	16,389	2,028	52,741	34.9%
		3,625,950	-	3,625,950	3,559,309	66,641	3,739,570	97.0%
Expenses								
Operating Expenses								
Employee Expenses	1	9,749,493	-	9,749,493	10,517,273	(767,780)	11,640,684	83.8%
Materials & Services	2	6,566,570	1,946,653	8,513,222	7,516,928	996,294	8,365,987	101.8%
Finance Costs		442,824	-	442,824	442,695	129	504,758	87.7%
Depreciation and Amortisation		2,011,345	-	2,011,345	2,002,335	9,010	2,184,365	92.1%
Corporate Overheads & Competitive Neutrality Costs		2,817,828	-	2,817,828	2,817,828	-	3,073,995	91.7%
		21,588,059	1,946,653	23,534,712	23,297,059	237,653	25,769,790	91.3%
Operating Position Before Capital Items		(17,962,109)	(1,946,653)	(19,908,762)	(19,737,749)	(171,013)	(22,030,220)	90.4%
Capital Revenue								
Capital Revenue	3	4,683,196	-	4,683,196	3,045,627	1,637,569	5,942,743	78.8%
		4,683,196	-	4,683,196	3,045,627	1,637,569	5,942,743	78.8%
Net Result Attributable to Council in Period		(13,278,913)	(1,946,653)	(15,225,566)	(16,692,122)	1,466,556	(16,087,477)	94.6%
Total Comprehensive Income		(13,278,913)	(1,946,653)	(15,225,566)	(16,692,122)	1,466,556	(16,087,477)	94.6%

- Employee Expenses** are favourable compared to the revised budget by \$767,780. This favourable variance is predominately due to employee vacancies, some of which are currently being backfilled through Agency Temp Staff (current actuals \$460K and commitments of \$131K).
- Materials & Services** for the financial year to date are \$996,294 unfavourable with \$6,566,570 of actual expenditure and \$1,946,653 in commitments against YTD budget of \$7,516,928. This unfavourable variance is due to the inclusion of commitments which relate to future reporting periods.
- Capital Revenue** for the year to date is \$4,683,196 which is favourable to budget by \$1,637,569. This favourable variance is due to the invoicing of the advance payment for RCIF Milestone 3.

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 31 May 2024

Water & Waste

	Notes	YTD Actual \$	Commitments \$	YTD Actual + Commitments \$	YTD Revised Budget \$	Variance \$	Full Year Revised Budget \$	Completion %
Income								
Operating Revenue								
Net Rates & Utility Charges		30,772,166	-	30,772,166	30,763,882	8,283	31,944,689	96.3%
Fees & Charges		1,208,193	-	1,208,193	1,199,736	8,457	1,370,121	88.2%
Rental Income		54,439	-	54,439	52,765	1,674	46,903	116.1%
Interest Received		189,137	-	189,137	178,246	10,891	194,450	97.3%
Operating Grants, Subsidies & Contributions		555,149	-	555,149	554,801	348	554,811	100.1%
Other Recurrent Revenue	1	9,615,328	-	9,615,328	10,499,130	(883,802)	11,995,004	80.2%
		42,394,412	-	42,394,412	43,248,560	(854,148)	46,105,977	91.9%
Expenses								
Operating Expenses								
Employee Expenses	2	6,652,275	-	6,652,275	6,979,920	(327,646)	7,723,884	86.1%
Materials & Services	3	15,028,605	4,300,598	19,329,203	17,940,600	1,388,603	19,808,158	97.6%
Finance Costs		43,836	-	43,836	43,753	83	50,004	87.7%
Depreciation and Amortisation		10,189,538	-	10,189,538	10,209,507	(19,969)	11,137,644	91.5%
Corporate Overheads & Competitive Neutrality Costs		5,114,437	-	5,114,437	5,114,437	-	5,579,386	91.7%
		37,028,690	4,300,598	41,329,288	40,288,217	1,041,071	44,299,075	93.3%
Operating Position Before Capital Items		5,365,723	(4,300,598)	1,065,124	2,960,343	(1,895,219)	1,806,903	58.9%
Capital Revenue								
Capital Revenue	4	910,257	-	910,257	1,415,390	(505,133)	2,883,568	31.6%
		910,257	-	910,257	1,415,390	(505,133)	2,883,568	31.6%
Net Result Attributable to Council in Period		6,275,979	(4,300,598)	1,975,381	4,375,733	(2,400,352)	4,690,471	42.1%
Total Comprehensive Income		6,275,979	(4,300,598)	1,975,381	4,375,733	(2,400,352)	4,690,471	42.1%

- 
1. **Other Recurrent Revenue** for the year to date is \$9,615,328 being \$883,802 unfavourable to budget. This unfavourable variance is due to Waste Revenue (invoices only issued to middle of April) and Septic Revenue (invoices only issued to March).
 2. **Employee Expenses** are favourable compared to the revised budget by \$327,646. This favourable variance is predominantly due to employee vacancies some of which are currently being backfilled through Agency Temp Staff (current actuals \$889K and commitments of \$530K).
 3. **Materials & Services** for the financial year to date are \$1,388,603 unfavourable, with \$15,028,605 in actual expenditure and \$4,300,598 in commitments against YTD budget of \$17,940,600. The unfavourable variance is due to the inclusion of commitments which relate to future reporting periods (large commitments are noted for waste levy \$779K, water purchases \$1.1M and contractors at IRC's landfills \$316K).
 4. **Capital Revenue** for the year to date is \$910,257 which is unfavourable to budget by \$505,133. This unfavourable variance is due to the timing of budgeted cashflow of grant fund receipts which are budgeted to be aligned with the delivery of capital projects.

MEETING DETAILS	Corporate, Governance and Financial Services Standing Committee Meeting
	Wednesday 19 June 2024
AUTHOR	Michael Krulic
AUTHOR POSITION	Acting Director Corporate, Governance and Financial Services

5.2

DEBT POLICY 2024-2025

EXECUTIVE SUMMARY

Pursuant to Section 192 of *Local Government Regulation 2012*, a Local Government must prepare and adopt a Debt policy for a financial year. The debt policy must state the new borrowings planned for the current financial year and the next 9 financial years, and the period over which the Local Government plans to repay existing and new borrowings.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

1. ***Adopts the 2024/2025 Debt Policy (CORP-POL-027) in accordance with s192 of the Local Government Regulation 2012.***

BACKGROUND

Local Government Act 2009

104 Financial management systems

- (5) The system of financial management established by a local government must include—
 - (c) the following financial policies of the local government—
 - (i) Investment policy;
 - (ii) Debt policy;
 - (iii) Revenue policy.
- (6) A local government must ensure the financial policies of the local government are regularly reviewed and updated as necessary.

Local Government Regulation 2012

192 Debt policy

- (1) A local government must prepare and adopt a debt policy for a financial year.
- (2) The debt policy must state—
 - (a) the new borrowings planned for the current financial year and the next 9 financial years; and
 - (b) the period over which the local government plans to repay existing and new borrowings.

BUDGET IMPLICATIONS

A review of Council's debt position and projected future borrowings has been completed in conjunction with the 2024/2025 budgetary process.

It is noted that this position may be further reviewed in assessing potential grant funding opportunities and future budget reviews through the year. This may result in amendments to the Debt Policy and Long-Term Financial Forecast as required by the *Local Government Regulation 2012*.

CONSULTATION

- Finance Managers
- Director Corporate, Governance and Financial Services
- Budget Workshops

BASIS FOR RECOMMENDATION

The Isaac Regional Council Debt Policy has been reviewed through the 2024/2025 budget process.

ACTION ACCOUNTABILITY

Manager Financial Services to ensure Policy is updated in relevant records.

KEY MESSAGES

Council's borrowing and debt position has been reviewed through the 2024/2025 budget process. Council remains in a sound financial position.

Report Prepared By: MICHAEL KRULIC Acting Director Corporate, Governance and Financial Services Date: 12 June 2024	Report Authorised By: DARREN FETTELL Acting Chief Executive Officer Date: 12 June 2024
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ATTACHMENTS

- Attachment 1 - Isaac Regional Council Debt Policy 2024/2025 – (CORP-POL-027)

REFERENCE DOCUMENT

- Nil

DEBT POLICY

APPROVALS

POLICY NUMBER	CORP-POL-027	DOC.ID
CATEGORY	Statutory	
POLICY OWNER	Financial Services	
APPROVAL DATE		RESOLUTION NUMBER

OBJECTIVE

To adopt a policy on borrowings for 2024-2025.

SCOPE

This policy is in accordance with the *Local Government Regulation 2012*.

DEFINITIONS

TERM / ACRONYM	MEANING
IRC	Isaac Regional Council

POLICY STATEMENT

POLICY PROVISIONS

To adopt a policy on borrowings that provides for responsible financial management on the loan funding of infrastructure capital projects by ensuring the level of Council indebtedness is within acceptable limits to Council, its ratepayers and interested external parties. This policy is in accordance with the *Local Government Regulation 2012*.

PURPOSE OF BORROWINGS

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

Council restricts all borrowings to expenditure on identified capital projects that are considered by Council to be of the highest priority, and which cannot be funded from other sources of revenue, as identified by the adopted budget. In no circumstances should Council borrow funds for recurrent expenditure.

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

- Analysis of existing debt levels with a loan servicing cost target of less than 25% in any one year.
- Where a capital project for a service that is funded by utility or user charges e.g. water, sewerage, waste, is determined to be funded by way of loans, the user charge should reflect the cost of providing the service including the loan servicing costs.
- Other specific capital projects, not funded by user charges, should only be considered for loan funding where the project is considered by Council to be beneficial to the majority of ratepayers.
- The term of any loan should not exceed the expected life of the asset being funded.

REPAYMENT OF BORROWINGS

Unless otherwise stated, new borrowings will be repaid over 20 years, however may be reduced ahead of schedule when net sale proceeds of land and development loans are realised, or through a resolution of Council. All other repayments on borrowed funds will be made in accordance with the terms of the loan unless otherwise stated in the loan repayment schedule.

TEN YEAR BORROWING PROGRAM FORECAST

Council utilises loan borrowing to fund major capital and infrastructure works so that repayments are spread over the years to which the Capital Works will be utilised by ratepayers.

The following ten-year borrowing program is proposed by Council, although allocations in future years are revised on an annual basis in conjunction with the review of the Capital Works / Loan Program:

Project	Loan Term	2024-25 '000	2025-26 '000	2026-27 '000	2027-28 '000	2028-29 '000	2029-30 '000	2030-31 '000	2031-32 '000	2032-33 '000	2033-34 '000
N/A	N/A	-	-	-	-	-	-	-	-	-	-

REPAYMENT SCHEDULE

The loan portfolio of Council is raised solely with the Queensland Treasury Corporation. The Queensland Treasury Corporation maintains Council debt as the Book Debt plus a market provision, to market value the total liability outstanding. The provision is principally a result of past movements in the Market Value of the liabilities within each Debt Pool. If the Council was to liquidate this debt it would be required to pay the Market Value of the loan portfolio. The portfolio has been dissected so that loan borrowings in relation to Land Purchase in Moranbah and Land Development - Moranbah are maintained in separate accounts to more accurately reflect the cost of the provision of this infrastructure. This approach is needed otherwise the loan term is amalgamated and the average term for repayments lengthens.

It is proposed that Council consider maintaining a repayment schedule consistent with an interest and principal repayment calculation so that the exposure to interest rate fluctuations is minimised. This basis of repayment will continue to be assessed even though separate accounts have been established for Land Purchase - Moranbah and Land Development - Moranbah. The Budgeted Loan Portfolio of Council for 2024-2025 is as follows:

TABLE (2)
ISAAC REGIONAL COUNCIL
BUDGET INTEREST AND REDEMPTION BY FUND AND FUNCTION
FOR THE YEAR TO 30 JUNE 2025

	A	B	C	D	(A – C)
FUNCTION DESCRIPTION	EST BOOK DEBT BALANCE 30/06/2024	QTC INTEREST	QTC REDEMPTION	REMAINING TERM (years)	EST BOOK DEBT BALANCE 30/06/2025
LAND DEVELOPMENT – MORANBAH	7,217,786.87	304,540.76	669,772.64	7.97	6,548,014.23
LAND PURCHASE – MORANBAH	9,358,901.73	460,114.52	903,615.16	7.47	8,455,286.57
LAND REHABILITATION – MORANBAH	2,191,650.31	47,656.98	107,408.29	15.97	2,084,242.02
COMMUNITY CENTRE – MORANBAH**	6,000,816.88	296,431.37	181,179.54	19.97	5,819,637.34
TOTAL ALL FUNDS	24,769,155.79	1,108,743.63	1,861,975.63		22,907,180.16

NOTE: This Policy will be reviewed each year with the adoption of the Budget.

**** Loan repayment schedule may change upon drawdown of loan from QTC**

AUTHORITIES AND ACCOUNTABILITIES

Delegations as per Isaac Regional Council Delegations Register.

The Chief Executive Officer is responsible for communicating, implementing and enforcing the Debt Policy.

LEGISLATIONS AND RELATED GUIDELINES

This policy complies with the requirements of *Local Government Regulation 2012*.

MEETING DETAILS	Corporate, Governance and Financial Services Standing Committee Meeting
	Wednesday 19 June 2024
AUTHOR	Michael Krulic
AUTHOR POSITION	Acting Director Corporate, Governance and Financial Services

5.3

INVESTMENT POLICY 2024-2025

EXECUTIVE SUMMARY

Pursuant to Section 191 of *Local Government Regulation 2012*, a Local Government must prepare and adopt an Investment policy. The Investment policy must outline the local government's investment objectives and overall risk philosophy and procedures for achieving the goals related to the investments stated in the policy.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

1. ***Adopts the 2024/2025 Investment Policy (CORP-POL-029) in accordance with s191 of the Local Government Regulation 2012.***

BACKGROUND

Local Government Act 2009

104 Financial management systems

- (5) The system of financial management established by a local government must include—
 - (c) the following financial policies of the local government—
 - (i) Investment policy;
 - (ii) Debt policy;
 - (iii) Revenue policy.
- (6) A local government must ensure the financial policies of the local government are regularly reviewed and updated as necessary.

Local Government Regulation 2012

191 Investment policy

- (1) A local government must prepare and adopt an investment policy.
- (2) The investment policy must outline —
 - (a) the local government's investment objectives and overall risk philosophy; and
 - (b) procedure for achieving the goals related to investment stated in the policy.

BUDGET IMPLICATIONS

A review of the policy has been completed in conjunction with the 2024/2025 budgetary process.

CONSULTATION

- Finance Managers
- Director Corporate, Governance and Financial Services
- Budget Workshops

BASIS FOR RECOMMENDATION

The Isaac Regional Council Investment Policy has been reviewed through the 2024/2025 budget process.

ACTION ACCOUNTABILITY

Manager Financial Services to ensure Policy is updated in relevant records.

KEY MESSAGES

Council's financial position has been reviewed through the 2024/2025 budget process.

Council remains in a sound financial position.

Report Prepared By:

MICHAEL KRULIC

Acting Director Corporate, Governance and Financial Services

Date: 12 June 2024

Report Authorised By:

DARREN FETTELL

Acting Chief Executive Officer

Date: 12 June 2024

ATTACHMENTS

- Attachment 1 - Isaac Regional Council Investment Policy 2024/2025 – (CORP-POL-029)

REFERENCE DOCUMENT

- Nil

INVESTMENT POLICY

APPROVALS

POLICY NUMBER	CORP-POL-029	DOC.ID
CATEGORY	Statutory	
POLICY OWNER	Financial Services	
APPROVAL DATE		RESOLUTION NUMBER

OBJECTIVE

To provide Council with a contemporary Investment Policy based on an assessment of counterparty, market and liquidity risk within the legislative framework of the *Statutory Bodies Financial Arrangements Act and Regulation*.

SCOPE

This policy applies to the investment of all surplus funds held by Isaac Regional Council in accordance with investment powers under Part 6 of the *Statutory Bodies Financial Arrangements Act 1982* (SBFAA). For the purpose of this policy, investments are defined as arrangements that are acquired or undertaken for the purpose of producing income and/or capital gains.

DEFINITIONS

TERM / ACRONYM	MEANING
Council	Isaac Regional Council.
CEO	The person appointed to the position of Chief Executive Officer under the Act and anyone acting in that position.
Another Employee	All employees of Council including Executive Directors and Managers, but excluding the Chief Executive Officer.
Investment Officers	Employees engaged in activities related to the physical investment of funds.
The Act	<i>Local Government Act 2009</i> .
SBFAA	<i>Statutory Bodies Financial Arrangements Act 1982</i> (as amended).

POLICY STATEMENT

PROVISIONS

Investment of Council's funds is to be in accordance with Council's power of investment as set out in the following flow of legislative Authority:

- Section 101(1) of the *Local Government Act 2009* refers to Local Government as a Statutory Body under the *Statutory Bodies Financial Arrangements Act 1982*.
- Section 101(2) of the *Local Government Act 2009* points to Part 2B of the *Statutory Bodies Financial Arrangements Act 1982* to set out the way in which that Act affects Council's powers of Investment.

- Section 42 of the *Statutory Bodies Financial Arrangements Act 1982* refers to three different categories of Investment power.
- Schedule 3, 4 and 5 of the *Statutory Bodies Financial Arrangements Regulation 2019* list the statutory bodies' categories and investment power.
- Section 44 of the *Statutory Bodies Financial Arrangements Act 1982* dictates the types of Investments that Council may use.
- Section 8 of the *Statutory Bodies Financial Arrangements Regulation 2019* prescribes the rating of the Investment arrangements as prescribed under Section 44 (1) (e) of the *Statutory Bodies Financial Arrangements Act 1982*.

POLICY OBJECTIVES

Isaac Regional Council's overall objective is to invest funds at the most advantageous rate of interest available to it at the time, for that investment type, and in a way that it considers the most appropriate given the circumstances.

Investment officers are to manage the investment portfolios not for speculation, but for investment and in accordance with the spirit of this Investment Policy. Investment officers are to avoid any transaction that might harm confidence in Isaac Regional Council.

In priority, the order of investment activities shall be preservation of capital, liquidity and return.

PRESERVATION OF CAPITAL

Preservation of capital shall be the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security of principal of the overall portfolio. This would include managing credit and interest rate risk within given risk management parameters and avoiding any transactions that would prejudice confidence in Council or its associated entities.

Credit Risk

Isaac Regional Council will evaluate and assess credit risk prior to investment. Credit risk is the risk of loss due to the failure of an investment issuer or guarantor. The investment officer will minimise credit risk in the investment portfolio by pre-qualifying all transactions including the brokers/securities dealers with which they do business, diversify the portfolio and limit transactions to secure investments.

Interest Rate Risk

The investment officers shall seek to minimise the risk of a change in the market value of the portfolio because of a change in interest rates. This would be achieved by considering the cash flow requirements of Council and structuring the portfolio accordingly. This will avoid having to sell securities prior to maturity in the open market. Secondly, interest rate risk can be limited by investing in shorter term securities.

MAINTENANCE OF LIQUIDITY

The investment portfolio will maintain sufficient liquidity to meet all reasonably anticipated operating cash flow requirements of Council, as and when they fall due, without incurring significant transaction costs due to being required to sell an investment.

For these purposes, illiquid investments are defined as investments that are not publicly traded in sufficient volume to facilitate, under most market conditions, prompt sale without severe market price affect.

Examples include:

- investment in private placements;
- a security that is not supported or priced by at least two approved brokers/securities dealers;
- sub investment grade (i.e. a lower than rating BBB- (Standard and Poors or equivalent); and
- unrated securities.

RETURN ON INVESTMENTS

The portfolio is expected to achieve a market average rate of return and take into account Isaac Regional Council's risk tolerance and current interest rates, budget considerations, and the economic cycle. Any additional return target set by Council will also consider the risk limitations, prudent investment principles and cash flow characteristics identified within this Investment Policy.

ETHICS AND CONFLICTS OF INTEREST

Investment officers/employees shall refrain from personal activities that would conflict with the proper execution and management of Isaac Regional Council's investment portfolio. This includes activities that would impair the investment officers' ability to make impartial decisions.

This policy requires that employees and investment officers disclose to the Chief Executive Officer any conflict of interest or any investment positions that could be related to the investment portfolio.

REQUIREMENTS

In accordance with Schedule 3 of the *Statutory Bodies Financial Arrangements Regulation 2019*, Isaac Regional Council has Category 1 investment power.

PORTFOLIO INVESTMENT PARAMETERS

Section 44(1) of *SBFAA* states that the authorised investments comprise all or any of the following:

- deposits with a financial institution;
- investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;

- other investment arrangements secured by investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
- investment with QIC Cash Trust, QIC Pooled Cash Fund, QTC Cash Fund, QTC 11 AM Fund or QTC Debt Offset Facility;
- an investment arrangement with a rating prescribed under a regulation for this paragraph;
- other investment arrangements prescribed under a regulation for this paragraph.

Section 44(2) of *SBFAA* states that the investment must be:

- at call; or
- for a fixed time of not more than 1 year.

PROHIBITED INVESTMENTS

This investment policy prohibits any investment carried out for speculative purposes. The following investments are prohibited by this investment policy.

- Derivative based instruments (excluding floating rate notices);
- Principal only investments or securities that provide potentially nil or negative cash flow;
- Stand-alone securities that have the underlying futures, options, forward contracts and sways of any kind; and
- Securities issued in non-Australian dollars.

PLACEMENT OF INVESTMENT FUNDS

Overall, the amount invested with institutions should not exceed the following percentage ranges of average annual funds invested and appropriate documentation must be maintained. Also, when placing investments, consideration should be given to the relationship between credit rating and interest rate.

Investments with Financial Institutions and Investment

LONG TERM RATING (STANDARD & POORS)	SHORT TERM RATING (STANDARD & POORS)	INDIVIDUAL COUNTERPARTY LIMIT	TOTAL PORTFOLIO LIMIT
AAA to AA-	A1+	Maximum 60%	No Limit
A+ to A	A1	Maximum 40%	Maximum 50%
A- to BBB+	A2	Maximum 30%	Maximum 40%
Unrated or below BBB+	Unrated or below A2	Maximum 20%	Maximum 25%
QTC Cash Management Fund	No Limit	No Limit	

Council approves dealings with all financial institutions ('Financial Institution' is defined as an authorised deposit-taking institution within the meaning of the *Banking Act 1959* (Cwlth), Section 5(1)).

MATURITY

The maturity structure of the portfolio will reflect a maximum term to maturity of one year.

LIQUIDITY REQUIREMENT

Given the nature of the funds invested, no more than 20% of the investment portfolio will be in illiquid securities and at least 10% of the portfolio can be called at no cost or will mature within a maximum of seven (7) days.

IMPLEMENTATION

INTERNAL CONTROLS

The Director Corporate, Governance and Financial Services shall establish internal controls and processes that will ensure investment objectives are met and that the investment portfolios are protected from loss, theft or inappropriate use.

The Chief Executive Officer shall issue a letter to any approved counterparty advising that funds transferred from investments to Council must only be deposited into Council's General Account or Trust Account. This instruction cannot be varied unless a written request is made in writing signed in accordance with Council's account signing authority.

DELEGATION OF AUTHORITY

Authority for implementation of the Investment Policy is delegated by Council to the Chief Executive Officer in accordance with the *Local Government Act 2009*, Section 257 (1) (b).

Authority for the day-to-day management of Council's Investment Portfolio is to be delegated by the Chief Executive Officer to the Director Corporate, Governance and Financial Services.

BREACHES

Any breach of this Investment Policy is to be reported to the Director Corporate, Governance and Financial Services and rectified within seven (7) days of the breach occurring.

Where Council holds an investment that is downgraded below the minimum acceptable rating level, as prescribed under regulation for the investment arrangement, Council shall, within 28 days after the change becomes known to Council, either obtain Treasurer approval for continuing with the investment arrangement or sell the investment arrangement.

LEGISLATIONS AND RELATED GUIDELINES

Relevant legislation with which this policy complies includes –

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Statutory Bodies Financial Arrangements Act 1982*
- *Statutory Bodies Financial Arrangements Regulation 2019*
- *Banking Act 1959*

MEETING DETAILS

Corporate, Governance and Financial Services

Standing Committee Meeting

Wednesday 19 June 2024

AUTHOR

Michael Krulic

AUTHOR POSITION

Acting Director Corporate, Governance and Financial Services

5.4

RESERVES POLICY 2024-2025

EXECUTIVE SUMMARY

Through the budget process, available funding sources for operational and capital purposes are reviewed for the annual budget and Long-Term Financial Forecast. This includes a review of Council's cash balances which are typically held in identified reserves. Adoption of the Reserves Policy provides the framework for maintaining management accounting records of Council's cash backed reserve funds.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

1. ***Adopts the 2024/2025 Reserves Policy (CORP-POL-089).***

BACKGROUND

This policy applies to the Isaac Regional Council budget and audited financial statements.

Through the budget process, available funding sources for operational and capital purposes are reviewed for the annual budget and Long-Term Financial Forecast. This includes review of Council's cash balances which are typically held in identified reserves and consideration of any future requirements of reserve funds.

The creation of all reserves must be approved by Council. Reserves will only be created for specific purposes.

All reserves must be cash backed and represent funds that are accumulated within Council to meet specific anticipated future needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

The purpose of all reserves shall be reviewed annually to confirm continued consistency with the corporate plan.

Movements in reserve balances can only occur in line with the approved budget, revised budget or by a Council resolution.

To create a new reserve, appropriate funds must be debited against accumulated funds and credited against the new reserve.

Where the maintenance of a reserve is no longer appropriate, the funds held in reserve must be credited to accumulated funds.

BUDGET IMPLICATIONS

The report supports Council's Budget for the 2024/2025 financial year which has been developed through the 2024/2025 budgetary process.

CONSULTATION

- Budget Workshops
- Director Corporate, Governance and Financial Services
- Financial Services

BASIS FOR RECOMMENDATION

To establish an accounting policy for reserves for Isaac Regional Council in line with workshops through the budget process.

ACTION ACCOUNTABILITY

Manager Financial Services to maintain financial management and accounting records in line with legislative and accounting requirements.

KEY MESSAGES

- Council reviews all available funding sources for operational and capital purposes through budget processes.
- Adopting a reserves policy continues Council's commitment to sustainable and responsible financial management.
- Council has ensured that budgeting decisions made have not impacted on the long-term sustainability of Council and ongoing provision of services.

Report Prepared By:

MICHAEL KRULIC

Acting Director Corporate, Governance and Financial Services

Date: 12 June 2024

Report Authorised By:

DARREN FETTEL

Acting Chief Executive Officer

Date: 12 June 2024

ATTACHMENTS

- Attachment 1 - Isaac Regional Council Reserves Policy 2024/2025 – (CORP-POL-089)

REFERENCE DOCUMENT

- Nil

RESERVES POLICY

APPROVALS	Council	
POLICY NUMBER	CORP-POL-089	DOC.ID
CATEGORY	Administrative	
POLICY OWNER	Financial Services	
APPROVAL DATE		RESOLUTION NUMBER

PURPOSE

Council has established Reserve Funds that account for monies which have been received from specific sources for future application or are surplus funds which are determined to be constrained for future purposes. The Reserve Policy will provide a concise overview of the types of Reserves held by Council and the management and use of these Reserves to record future commitments for specific purpose expenditures.

SCOPE

This policy applies to both Capital and Operating Reserves held by Council and is to remain in force until otherwise determined by Council. This policy excludes the Asset Revaluation Reserve that arises under the Australian Accounting Standards due to a change in asset values rather than a collection of surplus funds.

DEFINITIONS

N/A

POLICY OBJECTIVES

Council maintains capital and operational reserve funds to meet anticipated future needs. Allocation of surplus funds are identified in the budgeting process as funds committed to repayment of debt or to be transferred to reserves. After the end of the financial year when results are completed, excess funds will be transferred as previously identified or by Council resolution if priorities have changed.

Funded depreciation which has not been utilised each financial year, will in the first instance, be used to balance out the Capital expenditure across Council through budget reviews and / or end of year processes, with any remaining excess funds then retained to the respective asset class capital sustainability reserves or to the Asset Management and Legacy Reserve.

Funding allocation from Reserves will be determined during the budget process and re-assessed during the financial year at quarterly budget reviews or through resolutions of Council.

Unless required by legislation or arrangement, interest earned on monies held in reserve will be treated as general revenue and will not be added back into the reserve balances.

Council maintains reserves that can be classified as Externally and Internally restricted. Externally restricted reserves are subject to legislative / legal requirements that govern the use of the funds and / or may be subject to an obligation or requirement to return funds to its contributor. Reserves that are classified as internally restricted typically have no legislative / legal requirement that governs the use of the funds and the reserve has been established for an internal purpose. If, however, Council changes its priorities, the funding may be diverted.

Council may at various times, hold a significant amount of funding in its financial reserves. In the interest of maximising its cash resources and minimising its net interest costs, funded reserve amounts may be utilised before entering into borrowing arrangements. The Long-Term Financial Forecast will consider the current balances of the financial reserves and allow for replenishment of these reserves as they are required.

EXTERNALLY RESTRICTED RESERVES

Developer Contributions

Developer contributions are funds collected by Council from developers to contribute towards trunk infrastructure.

Council will collect funds from developers in accordance with the *Planning Act 2016*. Funds collected will be in line with the relevant planning schemes for the following infrastructure:

- Water
- Sewerage
- Parks
- Stormwater
- Transport

Grants Subsidies & Contributions

Reserves that record the receipt of grants or subsidies from the State Government or Federal Government and contributions received from external parties which are to be used for specific operational or capital purposes within the financial year. Funds are expended from the reserves to fund the projects as works are undertaken. Additional funds may be retained in the reserve where they are not restricted by specific performance obligations.

Special Rates Reserves

In line with sections 94 and 95 of the *Local Government Regulation 2012*, these reserves record special rate or charge funds constrained for future expenditure in line with the identified overall plan for the service, facility or activity to which the special rates or charges apply.

Mining Town Asset Reserves

Reserves which relate to funds retained through the previous administration of separate mining town funding arrangements prior to the normalisation of rating. Funds are constrained for future expenditure on Council owned assets in the respective mining towns or localities.

INTERNALLY RESTRICTED RESERVES

Land & Building Reserve

Funds reserved for the future development, renewal or upgrade of Council owned Land, Housing or Building assets. Any funded building depreciation for a financial year not expended in the financial year should be constrained to this reserve.

Plant Reserve

This reserve consists of funds set aside for the future replacement of plant and equipment. Council may constrain surplus funds towards funding the purchase, renewal or upgrade of Council owned plant and fleet assets. Any capital revenue received through the auction or trade-in of the fleet replacement program over and above the amount budgeted in a financial year should also be constrained to this reserve.

Roads Infrastructure Reserve

The roads infrastructure reserve is to be utilised to fund the expansion, renewal or upgrade of Council's road, bridge or drainage network assets. Any funded roads, bridges or drainage depreciation for a financial year not expended in the financial year should be constrained to this reserve.

Carryover Reserve

This reserve holds the balance of unexpended capital works funds that are requested to be carried forward to the following financial year and ensures the proper management of those funds. The constrained funds are then allocated for the cost of completing the works in the following financial year / s.

Water Infrastructure Reserve

This reserve consists of funds set aside for the future expansion, renewal or upgrade of water assets. Any funded water depreciation for a financial year not expended in the financial year should be constrained to this reserve.

Sewerage Infrastructure Reserve

This reserve consists of funds set aside for the future expansion, renewal or upgrade of sewerage (wastewater) assets. Any funded sewerage depreciation for a financial year not expended in that financial year should be constrained to this reserve.

Disaster Recovery Fund Arrangements Reserve

This reserve consists of funds received or constrained for works associated with the response and recovery of natural disasters which impact on Council owned assets. This typically relates to any State / Federal Government grant funding programs such as DRFA. Council may also constrain surplus funds to this reserve to be utilised for future trigger point contributions or to contribute to complimentary works.

Asset Management & Legacy Reserve

This reserve will be established to constrain funds for the future commitment of establishing, restoring or maintaining Council infrastructure. The reserve acknowledges that demand on infrastructure to support industry and residents can be unpredictable and place immediate demands on Council resources.

Funds in this reserve are anticipated to be used for purposes such as:

- Managing impacts of economic / industry cycles resulting in increased demand on Council infrastructure

- Managing legacy asset issues such as contributed or donated assets with limited remaining life or requiring significant renewal / restoration
- Managing legacy asset issues discovered through continuing improvement of Council asset management practices and external review

Surplus funds at the end of the financial year can be constrained to this reserve to offset this future obligation.

Pandemic & Recession Recovery Reserve

This reserve funds future commitments of Council that may result from a pandemic situation and associated economic recession. The reserve may be used for operational and capital purposes that will assist the Council and community in recovery from the economic and social impacts of a declared pandemic. Council may constrain budgeted surpluses to this reserve.

Landfill Remediation Reserve

Council may constrain surplus funds towards funding the remediation of Council's waste assets. Any funded waste amortisation / landfill provision for a financial year not expended in the financial year should be constrained to this reserve.

Insurance Reserve

Council will maintain a reserve that records the receipt of funds from Insurance Claims which are to be used to repair or rebuild assets.

Operational Sustainability Reserve

This reserve will be established to constrain funds for the future management of operational impacts to Council's budget from time to time.

Funds in this reserve are anticipated to be used for purposes such as:

- Managing cashflow impacts of the timing of grant funds (i.e. advance payments) such as the Federal Assistance Grant or other grants which are operational in nature
- Managing impacts of economic / industry cycles resulting in increased demand on Council services which may require external expert or legal assistance
- Managing legacy asset issues such as contributed or donated assets with limited remaining life or requiring significant repairs as opposed to capital renewal / restoration
- Managing cashflow of maintenance contributions received for specific purposes

Surplus funds at the end of the financial year can be constrained to this reserve to offset this future obligation.

LEGISLATIONS AND RELATED GUIDELINES

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- Australian Accounting Standards

MEETING DETAILS

**Corporate, Governance and Financial Services Standing
Committee Meeting**
Wednesday 19 June 2024

AUTHOR

John Nyawo

AUTHOR POSITION

Manager Governance and Corporate Services

5.5 AUDIT AND RISK COMMITTEE MEETING MINUTES – TUESDAY 21 MAY 2024

EXECUTIVE SUMMARY

The purpose of this report is to present to Council the unconfirmed minutes of the Audit and Risk Committee Meetings held on Tuesday, 21 May 2024.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- Receives and notes the Minutes of the Audit and Risk Committee Meeting held on 21 May 2024.***

BACKGROUND

Pursuant to section 211 of the *Local Government Regulation 2012* an Audit Committee must as soon as practicable after a meeting of the committee, give the local government a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.

The Audit and Risk Committee (ARC) met on 21 May 2024 for their second scheduled meeting for the 2024 calendar year in accordance with Council's audit workplan. The minutes for the meeting are attached for Council's information and consideration.

IMPLICATIONS

The proposed actions ensure compliance with the *Local Government Act 2009* and relevant Regulations related to audit committees and internal audit.

CONSULTATION

- Audit and Risk Committee Chairperson
- Audit and Risk Committee
- Chief Executive Officer
- Director Corporate, Governance and Financial Services
- Governance and Corporate Services Officers

BASIS FOR RECOMMENDATION

Consideration and adoption of Audit and Risk Committee Minutes is required by the *Local Government Regulation 2012*.

ACTION ACCOUNTABILITY

The Manager Governance and Corporate Services will ensure the approved Minutes are stored in corporate memory and the actions recorded and registered for follow-up.

KEY MESSAGES

Council is committed to transparent decision making, identifying and managing its risks and continuous improvement.

Report prepared by:	Report authorised by:
JOHN NYAWO	DARREN FETTELL
Manager Governance and Corporate Services	Acting Chief Executive Officer
Date: 3 June 2024	Date: 12 June 2024

ATTACHMENTS

- CONFIDENTIAL Attachment - Unconfirmed Minutes - Audit and Risk Committee Meeting – 21 May 2024.

REFERENCE DOCUMENT

- Nil

UNCONFIRMED MINUTES FOR THE AUDIT AND RISK COMMITTEE MEETING OF ISAAC REGIONAL COUNCIL HELD TUESDAY 21 MAY 2024 COUNCIL CHAMBERS, MORANBAH

MEETING MINUTES

21 May 2024

AUDIT AND RISK COMMITTEE MEETING OF

ISAAC REGIONAL COUNCIL

HELD ON TUESDAY 21 MAY 2024

COUNCIL CHAMBERS, MORANBAH

1. OPENING MEETING

The Chairperson declared the meeting open, the time being 8:37am and welcomed all in attendance.

2. ATTENDANCE

COMMITTEE

Mr Stephen Coates	Independent Chairperson (Sustainable Strategy Deployment)
Mr Peter Sheville	External Member (PSSP Company Limited)
Ms Kerry Phillips	External Member (Kerry Ann Phillips)
Cr Jane Pickels	Deputy Mayor (Division 6)

OBSERVERS

Mr Darren Fettell	Director Corporate Governance and Financial Services
Mr John Nyawo	Manager Governance and Corporate Services
Mrs Samantha Crisp	Minute Taker - Governance Officer – Administration
Cr Terry O'Neill	Councillor (Division 1) via video-conference

ATTENDANCE

Mr Sam Spellacy, Pitcher Partners (External Auditor) was present via videoconference when the meeting commenced in the Council Chambers at 8:37am.

Ms Nicole Short, Queensland Audit Office (QAO) was present via videoconference when the meeting commenced in the Council Chambers at 8:37am.

Mr Michael Krulic, Manager Financial Services was present when the meeting commenced in the Council Chambers at 8.37am.

Mr Rob Kane, Chief Information Officer was present when the meeting commenced in the Council Chambers at 8.37am.

MEETING MINUTES

21 May 2024

3. APOLOGIES

Resolution No.:	Action:	Chair
Mover:	Stephen Coates	Seconded: Agreed by consensus
That the Audit and Risk Committee recommends:		
1. To accept the apology received from Cr Kelly Vea Vea (Mayor (Ex Officio) (Alternate Member)		
2. To accept the apology received from Cr Melissa Westcott (Councillor, Division 3)		
Carried		

4. DECLARATION OF CONFLICT OF INTEREST

NOTE:

The Committee acknowledges that Chapter 5B Councillors' Conflicts of Interest of the Local Government Act 2009 does not apply to a Councillor if the matter to be resolved relates to a corporation or association that arises solely because of a nomination or appointment of the councillor by the Local Government to be a member of the board of the corporation or association.

5. CONFIRMATION OF MINUTES

5.1. Minutes of the Audit and Risk Committee from Wednesday 6 March 2024.

Receipt and confirmation of minutes from the Audit and Risk Committee Meeting Wednesday, 6 March 2024, at the Council Chambers, Batchelor Parade, Moranbah.

Resolution No.:	Action:	Minute Secretary
Mover:	Stephen Coates	Seconded: Agreed by Consensus
That the Audit and Risk Committee recommends:		
1. To confirm the Minutes of the Isaac Regional Council Audit and Risk Committee Meeting held on Wednesday 6 March 2024 at Isaac Regional Council, Council Chambers, Batchelor Parade, Moranbah.		
Carried		

MEETING MINUTES

21 May 2024

6. BUSINESS ARISING FROM MINUTES/PREVIOUS MEETINGS

6.1 Matters arising from minutes.

Resolution No.:	Action:	Chairperson
Mover:	Stephen Coates	Seconded:
		Agreed by consensus
That the Audit & Risk Committee recommends:		
1. To receive and note the verbal update provided on matters arising from the previous meeting minutes.		
Note:		
<ul style="list-style-type: none">Director Corporate Governance and Financial Services provided update on progression of items from previous minutes and committee discussed, including update to action list in item 6.2.		
Carried		

ATTENDENCE

Mr Michael Krulic, Manager Financial Services left the Council Chambers at 8.40am.

6.2 Action List presentation for noting.

The Audit and Risk Committee noted the status update on Actions and the completed items as per the items on the agenda.

Resolution No.:	Action:	Director CGFS
Mover:	Kerry Phillips	Seconded:
		Stephen Coates
That the Audit & Risk Committee recommends:		
1. That the attachment "Audit and Risk Action Item List" be received and noted.		
2. That the Legislative Compliance Update Report be sent distributed out of session prior to July meeting.		
Carried		

MEETING MINUTES

21 May 2024

6.3 Cyber-Security Recovery Update and Close-out

To present to the Audit and Risk Committee and update and close-out of the Cyber-Security event.

Resolution No.:

Action:

Rob Kane

Mover:

Stephen Coates

Seconded:

Agreed by consensus

That the Audit & Risk Committee recommends:

- 1. That the Cyber-Security Update be received and noted, whilst noting ongoing actions as BAU operations.***

Carried

Note:

- The Committee discussed and suggested to improve clarity of the Cyber-security report. The Committee requested a Recovery Update at the next Audit & Risk Committee meeting in July with clear reporting against each item of actions taken to complete, or decisions made not to undertake with reasoning, and recommendations to close-out items.***

ATTENDENCE

Mr Michael Krulic, Manager Financial Services entered the Council Chambers at 8.49am

MEETING MINUTES

21 May 2024

6.4 Audit and Risk Committee Annual Work Plan

Noted that this agenda item is used as a tracking tool, capturing all the matters the Committee wish to cover and are related to the relevant IRC Policy and Charter and guidance from the OAQ to set out a work plan.

Resolution No.:	Action:	Manager Governance and Corporate Services
Mover:	Stephen Coates	Seconded: Agreed by consensus
That the Audit & Risk Committee recommends:		
1. <i>That the attached Annual Work Plan be received and noted.</i>		
Note:		
<ul style="list-style-type: none"><i>The Committee discussed timing of reporting in the work plan and noted that further accounting issues position papers may arise through the external audit.</i>		
Carried		

7. EXTERNAL AUDIT

7.1 Interim Management Report

To provide the Audit and Risk Committee with an update on the results of the interim work performed to 30 April 2024.

Resolution No.:	Action:	Pitcher Partners & Queensland Audit Office
Mover:	Peter Sheville	Seconded: Kerry Phillips
That the Audit & Risk Committee recommends:		
1. <i>The interim management report for 2024 be received and noted.</i>		
Carried		

ATTENDANCE

Mr Rob Kane, Chief Information Officer left the Council Chambers at 9.08am.

MEETING MINUTES

21 May 2024

7.2 External Audit Briefing Paper

To provide the Audit and Risk committee with an update on reports and resources, as at 7 May 2024. It provides an overview of the information relevant to your entity, including learnings from our tabled reports to parliament, newly published resources such as our blog articles and fact sheets, and an update on our audits that are in progress.

Resolution No.:	Action:	Pitcher Partners & Queensland Audit Office
Mover:	Peter Sheville	Seconded: Kerry Phillips
That the Audit & Risk Committee recommends:		
1. <i>That the Isaac Regional Council Audit Briefing Paper as at 7 May 2024 be received and noted.</i>		
Carried		
Note:		
<ul style="list-style-type: none"><i>The Committee discussed and suggested that QAO provide a business overview of their services and who they are to all Councillors.</i><i>The Committee noted increased emphasis and reporting to be captured around Climate Change and recommends early consideration from a risk and reporting perspective regarding climate change to be prepared in advance.</i>		

8. INTERNAL AUDIT – Included in Governance Status Report

9. AUDIT COMMITTEE MEMBERS & AUDITORS SESSION

The External Auditors and Audit and Risk Committee Members did not conduct a closed session.

MEETING MINUTES

21 May 2024

10. FINANCIAL COMPLIANCE AND INTERNAL CONTROLS

10.1 Financial Statements – As at 30 April 2024

To provide, for the information of the Committee, the latest monthly financial report received by Council.

Resolution No.: Action: **Manager Financial Services**

Mover: **Kerry Phillips** **Seconded:** **Cr Jane Pickels**

That the Audit & Risk Committee recommends:

- 1. Receive the statutory financial and treasury reports for the period ending 30 April 2024.*

Carried

10.2 Financial Performance Monitoring - Analytics

To provide the Audit and Risk Committee with financial analytics for period 1 February 2024 to 30 April 2024.

Resolution No.: Action: **Manager Financial Services**

Mover: **Kerry Phillips** **Seconded:** **Cr Jane Pickels**

That the Audit & Risk Committee recommends:

- 1. That the Financial Performance Monitoring – Analytics report be received and noted.*

Carried

Note:

- The Committee noted the intent for a revision to the reporting process relating to purchase requisitions and the accuracy of the report surrounding outstanding days, invoices with no purchase order, and invoice dates.*

MEETING MINUTES

21 May 2024

10.3 2023/2024 Accounting Issues Position Papers

To provide, for the information of the committee, Council's position papers on accounting issues for the financial year ending 30 June 2024.

Resolution No.:

Action:

Manager Financial Services

Mover:

Kerry Phillips

Seconded:

Cr Jane Pickels

That the Audit and Risk Committee recommends:

1. *The status report be received and noted.*

Carried

Note-

- The Committee discussed the position paper on controlled entities and options for consideration/reporting. The discussion resulted in a request for alteration to the position paper removing reference to the Audit & Risk Committee.***

ATTENDANCE

Cr Terry O'Neill, Councillor Division 1, joined the Audit & Risk Committee meeting via video-conference at 9.46am.

10.4 2023/2024 Shell Financial Statements

To provide the Committee with a brief overview of the proforma financial statements provided for External Audit for the 2023/2024 Financial Year.

Resolution No.:

Action:

Manager Financial Services

Mover:

Kerry Phillips

Seconded:

Cr Jane Pickels

That the Audit & Risk Committee recommends:

1. *That the status report be received and noted.*

Carried

Note –

- The Chair and Committee thanked the Manager Financial Services for the reporting provided and the prompt and thorough responses they received from their queries and suggestions for future consideration.***

MEETING MINUTES

21 May 2024

10.5 Annual Asset Valuation Methodology Report

To provide the Audit and Risk Committee an update on the progress of the valuations for Aerodrome, Land, and Improvements, along with inventory land held for sale for the 2023/2024 financial year.

Resolution No.:	Action:	Manager Financial Services
Mover:	Kerry Phillips	Seconded: Cr Jane Pickels
That the Audit and Risk Committee recommends:		
1. That the Annual Asset Valuation Methodology Report be received and noted.		
Carried		

ATTENDANCE

Mr Sam Spellacy, Pitcher Partners (External Auditor) left the meeting at 10.00am.

Ms Nicole Short, Queensland Audit Office (QAO) left the meeting at 10.00am.

Cr Terry O'Neill, Councillor Division 1, left the meeting at 10.00am.

MEETING MINUTES

21 May 2024

11. LEGAL AND LEGISLATIVE MATTERS

11.1 Legal and Legislative Matters Update (Verbal)

With apology from the CEO, Director Corporate Governance and Financial Services provided a verbal report of the following:

- Bravus – 2 ongoing disputes.
 - Dispute 1 – relates to the building and design the access road. Dispute has progressed and currently awaiting a court date.
 - Dispute 2 – relating to invoicing of costs. A planned CEO's meeting being scheduled to progress mediation process as per agreement.
- Glenden – Works with the Dept of State Development, Dept of Resources are underway, and draft land tenure implementation plans are being progressed.

Resolution No.:

Action:

**Director Corporate, Governance
and Financial Services**

Mover:

Kerry Phillips

Seconded:

Cr Jane Pickels

That the Audit and Risk Committee recommend:

- 1. *That the Chief Executive Officer's verbal update on Legal and Legislative matters be received and noted.***

Carried

MEETING MINUTES

21 May 2024

11.2 CEO Report (Verbal)

With apology from the CEO, the Director Corporate Governance and Financial Services provided a brief verbal report:

- Anglo – sale of assets being monitored. Discussions with Anglo have confirmed they are mindful of their obligations to the community. Anglo intend to maintain business as usual through process and protection of community through social licence obligations.
- The Isaac Resources Excellence Precinct project moving forward through RCIF funding.
- IRC has been successful in gaining \$2 million to establish two Isaac Country University Centres in Moranbah and Clermont.
- Councillor induction processes have successfully been undertaken.
- Councillor and ELT workshops have been held in Clermont.
- Three budget workshops have been held to date with another to be held week beginning 27/5/2024.
- The CEO recruitment period has closed. Shortlisting and interviews are underway.

Resolution No.:		Action:	Director Corporate, Governance and Financial Services
Mover:	Kerry Phillips	Seconded:	Cr Jane Pickels
That the Audit and Risk Committee recommend:			
1. Receive and note the Chief Executive Officer's verbal report update.			
			Carried

ATTENDANCE

Cr Terry O'Neill, Councillor Division 1 joined the Audit & Risk Committee Meeting via video-conference at 10.21am.

MEETING MINUTES

21 May 2024

12. GOVERNANCE & RISK MANAGEMENT

12.1 Governance Status Report

To provide an overview and update of Governance activities and other corporate matters since March 2024 and future priorities.

Resolution No.:	Action:	Manager Governance and Corporate Services
Mover:	Peter Sheville	Seconded: Kerry Phillips
That the Audit and Risk Committee recommend:		
<ol style="list-style-type: none"><i>1. That the Status Governance Report be received and noted.</i><i>2. That the OCM Internal Audit report scopes are reviewed noting potential outdated standards referenced and are potentially very broad and may present challenges with timeframe.</i>		
Carried		
Note:		
<ul style="list-style-type: none"><i>The Committee discussed and requested that when reviewing the strategic internal audit plan, that it should include framework for management to provide assurance around audit areas rather than just auditor testing and opinion.</i>		

ATTENDANCE

Mr Dan Wagner, Director Planning, Environment and Community Services entered the Council Chambers at 10.32am.

MEETING MINUTES

21 May 2024

12.2 Register Update – Consolidated Audit Register

To provide an update on audit findings and improvement opportunity activities since March 2024.

Resolution No.:	Action:	Manager Governance and Corporate Services
Mover:	Kerry Phillips	Seconded: Cr Jane Pickels
That the Audit and Risk Committee recommend:		
1. That the Consolidated Audit Register Report be received and noted.		
Carried		
Note:		
<ul style="list-style-type: none"><i>The Committee discussed expectations around registers and reporting with focus on high-risk items and any items where planned delivery dates have been extended more than once.</i>		

12.3 Register Update – Complaints Register

To provide an overview and update of status update on the Complaints Register since November 2023.

Resolution No.:	Action:	Manager Governance and Corporate Services
Mover:	Peter Sheville	Seconded: Cr Jane Pickels
That the Audit & Risk Committee recommends:		
1. That the Complaints Register update be received and noted.		
Carried		
Note:		
<ul style="list-style-type: none"><i>The Committee discussed performance and importance of understanding existing performance standards to measure against.</i>		

MEETING MINUTES

21 May 2024

12.4 Enterprise Risk Management Register Update

To provide an overview and update of Risk Management as per the work plan.

Resolution No.:

Action:

**Manager Governance and
Corporate Services**

Mover:

Peter Sheville

Seconded:

Kerry Phillips

That the Audit & Risk Committee recommends:

1. *That the Risk Management Update be received and noted.*

Carried

Notes:

- ***The Committee discussed and supported further revision to the scope and detail of the Operational Risk Register update. Their main points being-***
 - ***Description of risk to be clear.***
 - ***Actions and treatments to be clearly articulated.***
 - ***Risk ratings to be reviewed in line with actions and controls implemented since risk register entry.***
 - ***Achievable target dates for review/action to be assigned.***

MEETING MINUTES

21 May 2024

12.5 Insurance Update – As at 30 April 2024

To provide the Audit and Risk Committee with claims status report for the period 1 February 2024 to 30 April 2024.

Resolution No.:	Action:	Manager Governance and Corporate Services
Mover:	Peter Sheville	Seconded: Kerry Phillips
That the Audit & Risk Committee recommends:		
1. That the Audit & Risk Committee receive and note the insurance report.		
Carried		

ATTENDANCE

Mr Michael Krulic, Manager Financial Services left the Council Chambers at 11.01am.

Mr Michael Krulic, Manager Financial Services entered the Council Chambers at 11.03am.

MEETING MINUTES

21 May 2024

12.6 Audit & Risk Committee Self-Assessment Survey Results 2023

To provide an analysis and findings of the recent Audit & Risk Committee Self Audit Survey completed late 2023.

Resolution No.:	Action:	Manager Governance and Corporate Services
Mover:	Peter Sheville	Seconded: Kerry Phillips
That the Audit & Risk Committee:		
<ol style="list-style-type: none"><i>1. Receives and notes the 2023 Audit & Risk Committee Self Audit Survey Findings report.</i><i>2. Note the revised Audit & Risk Committee Charter.</i>		
Carried		
Note:		
<ul style="list-style-type: none"><i>The Committee discussed and recommended that the Self-Assessment Survey be revised and streamlined. Assessment by the CEO, ELT and elected members be considered.</i><i>The Committee discussed value of workshop with full Council around role/expectations of Committee in line with Charter, and requested arrangements be made ASAP to align around progression of risk appetite if possible.</i><i>The Committee discussed the Audit Committee charter and provided suggestions for further review in the future, particularly around terms for chair if transitioning from member to enable continuity.</i>		

ATTENDANCE

Mr Scott Casey, Director Water & Waste entered the Council Chambers at 11.14am.

Mr Rob Perna, Director Engineering and Infrastructure entered the Council Chambers at 11.14am.

MEETING MINUTES

21 May 2024

12.7 Emerging Risk/Ongoing Issues (General Verbal Discussion – Committee Members)

- The Committee is happy to see work happening around A.I and requested a status update at future meeting.
 - Managing Radical Ideology – the Committee had a discussion around risk management considered at other Councils, particularly reputational risk related to groups hiring Council facilities, for e.g. halls and meeting rooms etc.
 - Sovereign Citizens – The Committee had a discussion around managing potential increasing presence, including policy position for malicious/vexatious complaints.

Resolution No.:

Action:

**Audit and Risk Committee
Chairperson**

Mover:

Stephen Coates

Seconded:

Agreed by consensus

That the Audit & Risk Committee recommends:

- 1. To receive and note the verbal update provided on the emerging risks and/or ongoing issues arising since the last Audit and Risk Committee Meeting.***

Carried

MEETING MINUTES

21 May 2024

13. PROJECT DELIVERY & MAJOR PROJECT RISKS

13.1 Capital Project Delivery Covert Report as at 30 April 2024

To provide the Audit and Risk committee an overview of all the Directorates capital projects as at 30 April 2024.

Resolution No.:	Action:	Manager Financial Services
Mover:	Cr Jane Pickels	Seconded: Peter Sheville
That the Audit & Risk Committee: 1. Receive and note the status report.		
Carried		

13.1.1 Capital Project Delivery – Corporate, Governance and Financial Services – as at April 2024

To provide an update on the Capital Expenditure for Corporate, Governance and Financial Services Directorate as at 30 April 2024, on an exceptional basis.

Resolution No.:	Action:	Director Corporate, Governance and Financial Services
Mover:	Cr Jane Pickels	Seconded: Peter Sheville
That the Audit & Risk Committee recommends: 1. That the Capital Expenditure status report for the Corporate, Governance and Financial Services Directorate as at 30 April 2024, be received and noted.		
Carried		

MEETING MINUTES

21 May 2024

13.1.2 Capital Project Delivery – Planning, Environment and Community Services – as at April 2024

To provide an update on the Capital Expenditure for Planning, Environment and Community Services Directorate projected to 30 April 2024, on an exception basis.

Resolution No.:	Action:	Director Planning, Environment and Community Services
Mover:	Cr Jane Pickels	Seconded: Peter Sheville
That the Audit & Risk Committee recommends:		
1. To receive and note the status report the Capital Expenditure for Planning, Environment and Community Services Directorate projected to 30 April 2024.		
Carried		

ATTENDANCE

Mr Dan Wagner, Director Planning, Environment and Community Services left the Council Chambers at 11.35am.

13.1.3 Capital Projects Delivery – Water & Waste

To provide an update on the Capital Expenditure for Water and Waste Directorate as at 30 April 2024 on an exception basis.

Resolution No.:	Action:	Director Water and Waste
Mover:	Cr Jane Pickels	Seconded: Peter Sheville
That the Audit & Risk Committee recommends:		
1. That the Capital Expenditure status report for Water and Waste Directorate as at 30 April 2024, be received and noted.		
Carried		

ATTENDANCE

Mr Paul Simonds, Executive Manager People & Capability entered the Council Chambers at 11.38am.

MEETING MINUTES

21 May 2024

13.1.4 Capital Projects Delivery – Engineering & Infrastructure

To provide an update on the Capital Expenditure for Engineering and Infrastructure Directorate as at 30 April 2024 on an exception basis.

Resolution No.:	Action:	Director Engineering and Infrastructure
Mover:	Cr Jane Pickels	Seconded: Peter Sheville
That the Audit & Risk Committee recommends:		
1. <i>That the status report be received and noted for Engineering and Infrastructure as at 30 April 2024.</i>		
		Carried

ATTENDANCE

Ms Kerry Phillips, External Member left the Council Chambers at 11.44am.

Mr John Nyawo, Manager Governance and Corporate Services left the Council Chambers 11.44am.

Ms Kerry Phillips, External Member entered the Council Chambers at 11.48am.

Mr John Nyawo, Manager Governance and Corporate Services entered the Council Chambers at 11.48am.

MEETING MINUTES

21 May 2024

14. ICT/ PEOPLE & CAPABILITIES AND SAFETY

14.1 Safety & Resilience – WHS Update Report

To provide an update and overview on Health, Safety and Wellbeing as well as Disaster Management activities.

Resolution No.:

Action:

**Director Corporate, Governance
and Financial Services**

Mover:

Peter Sheville

Seconded:

Cr Jane Pickels

That the Audit & Risk Committee recommends:

- 1. That the Safety and Resilience status report be received and noted.***

Carried

Note:

- The Committee discussed roles identified as requiring vaccinations. The committee was conscious of the wording and the management of the vaccination requirements and that it didn't leave IRC open to risk.***
- The Committee discussed clarity around targets and measures used for reporting, and noted current review being undertaken with new Acting Manager.***

MEETING MINUTES

21 May 2024

14.2 People & Capability – HR Update

To provide analysis of data and trends within the People and Capability Department and ensuring areas of risk or potential risk are highlighted.

Resolution No.:	Action:	Executive Manager People and Capability
Mover:	Kerry Phillips	Seconded: Cr Jane Pickels
That the Audit & Risk Committee recommends:		
1. To receive and note the People & Capability status report.		
Note:		
<ul style="list-style-type: none"><i>Through discussion with the Executive Manager and request for feedback, the Chair and Committee made note that they were generally happy with the People & Capability report and how it was presented, however suggested that future reports include the number of vacant positions and how long they have been vacant for.</i>		
Carried		

ATTENDANCE

Mr Scott Casey, Director Water and Waste left the Council Chambers at 12.05pm.

15. GENERAL BUSINESS

15.1 Controlled Entities/Community Boards - Isaac Affordability Housing Trust

To present to the Audit & Risk Committee the Isaac Affordable Housing Trust Financial Report as at 31 March 2024.

Resolution No.:	Action:	Director CGFS
Mover:	Kerry Phillips	Seconded: Cr Jane Pickels
That the Audit & Risk Committee recommends:		
1. That the Isaac Affordable Housing Trust Financial Report as at 31 March 2024 be received and noted.		
Carried		

MEETING MINUTES

21 May 2024

15.2 Controlled Entities/Community Boards - Moranbah Early Learning Centre

To present to the Audit & Risk Committee the Moranbah Early Learning Centre Financial Report as at 31 March 2024.

Resolution No.:		Action:	Director Corporate Governance and Financial Services
Mover:	Peter Sheville	Seconded:	Stephen Coates
That the Audit & Risk Committee recommends:			
1. That the Moranbah Early Learning Centre Financial Report as at 31 March 2024 be received and noted.			
			Carried

ATTENDANCE

Mr Paul Simonds, Executive Manager People and Capability left the Council Chambers at 12.09pm.

MEETING MINUTES

21 May 2024

15.3 Committee Member Feedback Session (verbal)

The Committee discusses what aspects of the meeting bring value to the committee members. (How can we focus on making them more valuable?)

- Cr Jane Pickels noted the increased professionalism and guidance in the Audit & Risk Committee meeting compared to the meetings she attended previously. New committee members and more resources to enable continuous improvement is valuable.
- The chair and Committee discussed the benefit in having internal audit attend meetings to discuss proposed audit scopes and reports, and to align timing of audit visits with future Audit & Risk Committee Meetings to benefit both parties.
- The Committee noted that the Internal Audit register should be presented at every meeting for review and that dedication should be made to making internal audit a priority.
- The Committee noted their gratitude to Michael Krulic and his embrace in delivering answers to queries and future suggestions raised, in a timely and effective manner.

Resolution No.:

Action:

Chief Executive Officer

Mover:

Stephen Coates

Seconded:

Agreed by consensus

That the Audit & Risk Committee recommends:

1. That the discussion on what adds value to the committee be received and noted.

Carried

MEETING MINUTES

21 May 2024

16. NEXT MEETING & CLOSURE

16.1 **Next Meeting** – Tuesday, 23 July 2024 to commence at 8:30am.

Resolution No.:		Action:	Chief Executive Officer
Mover:	Stephen Coates	Seconded:	Agreed by consensus
That the Audit & Risk Committee recommends:			
1. That the next Audit and Risk Committee Meeting scheduled for Tuesday, 23 July 2024.			
			Carried

There being no further business the Chair closed the meeting at 12:25PM.

MEETING DETAILS

**Corporate, Governance and Financial Services Standing
Committee Meeting**
Wednesday 19 June 2024

AUTHOR

Warren Clough

AUTHOR POSITION

Senior Safety Resilience Partner

5.6

SAFETY AND RESILIENCE UPDATE

EXECUTIVE SUMMARY

This report is provided as an update to Council on the current status of the Health, Safety and Wellbeing Management System (HSWMS).

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Notes the Safety and Resilience report provided on the current status of the Health, Safety and Wellbeing Management System.**

BACKGROUND

Review of safety statistics to monitor the effectiveness of Health, Safety and Wellbeing (HSW) Management System and identify incident trends, discuss relevant Health, Safety and Wellbeing issues, referring to statistics in the attached report.

IMPLICATIONS

That the system is monitored to ensure compliance and continuous improvement of the Health, Safety and Wellbeing Management System. To ensure that recommendations from the Local Government Workcare (LGW) audit are implemented to support continuous improvement of the HSWMS.

CONSULTATION

The following consultation as relevant to the attachment reports:

- Executive Leadership Team
- HSW Operational and Strategic Safety Committee (bi-monthly)
- Joint consultative Committee (as required)
- Safety and Resilience Team

BASIS FOR RECOMMENDATION

The updated attachments include the normal monthly update.

ACTION ACCOUNTABILITY

Manager Safety and Resilience

KEY MESSAGES

Positive progression of the Safety Improvement, strategic objectives and updated KPI's amendments.

Report prepared by:	Report authorised by:
WARREN CLOUGH	DARREN FETTELL
Senior Safety and Resilience Partner	Acting Chief Executive Officer
Date: 5 June 2024	Date: 12 June 2024

ATTACHMENTS

- Attachment 1 – Safety and Resilience Monthly Report May 2024

REFERENCE DOCUMENT

- Nil

SAFETY AND RESILIENCE MONTHLY REPORT

DATE	May 2024
TO	June 2024, Ordinary Council meeting
FROM	Senior Safety and Resilience Partner

1. SUMMARY

May has been a busy month for the Safety and Resilience team, supporting staff with check in chats, town visits to Glenden and Dysart. They also facilitated a hazard hunter BBQ for the St Lawrence Roads crew.

With the arrival of an interim manager for Safety and Resilience, a team meeting was held, introducing everyone and discussing what roles each had within the greater team.

Explanatory Note:

The green section lists the objective and the target measure. **OBJECTIVE** – what we plan to achieve.

The blue aligns with the due diligence index elements (DDI-S) standard.

TARGET – how we are going to measure and track the achievement of the objective, this will not always be strict numbers for data trending and may only be captured as an annual achievement

2. BEST PRACTICE SYSTEM

Know about safety matters, monitoring and continuously improving our systems, aiming for best practice documentation.

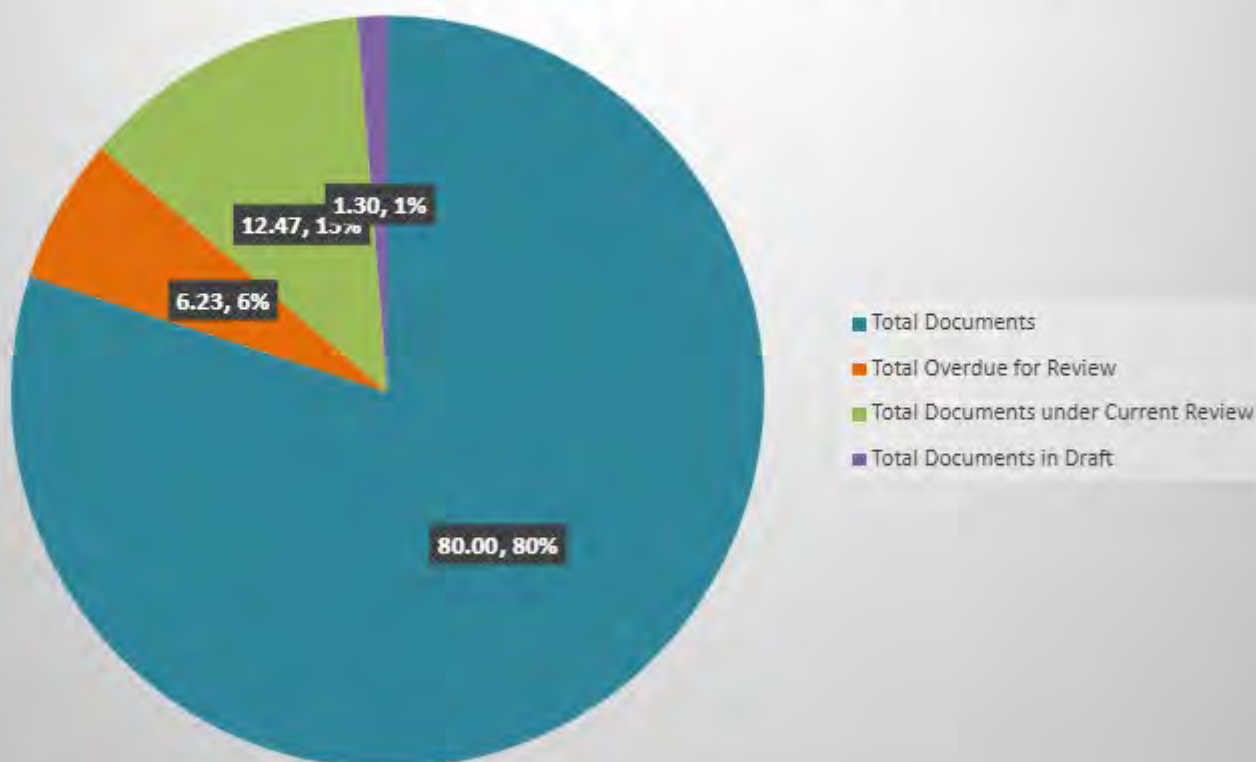
OBJECTIVE To review all Policies, Procedures, and work instructions biannually or on a risk basis.

TARGET 100% of documents reviewed within required time limits.

STATUS: Ongoing document review continuing, with focus on staff engagement and consultation.

SAFETY AND RESILIENCE MONTHLY REPORT

Percentage of Safety Management System
documents under review - as at 31 May 2024



1.2 LEGISLATIVE OR OTHER CHANGES

Nil updates.

2. OBJECTIVES AND TARGETS

This is how we ensure due diligence to compliance with obligations.

OBJECTIVE To establish annual LPIs to support the policy and maintain the HSW improvement plan.

TARGET Complete quarterly review of the HSW improvement plan. Set LPIs and monitor.

STATUS: LPIs are being actively monitored refer to section 8 of this report for current compliance with LPIs.

3. EFFECTIVE RISK MANAGEMENT

Monitor hazards, risks, and incidents and ensure they are managed promptly.

SAFETY AND RESILIENCE MONTHLY REPORT

3.1 RISK ASSESSMENTS

The Safety and Resilience Partners have been completing an initial review of risk assessments previously conducted for each functional work area, with plans for all to be reviewed with participation and consultation with the workforce.

3.2 HAZARD HUNTER

OBJECTIVE to ensure risk management activities completed by identifying hazards.

TARGET: Number of hazards reported and rectified.

STATUS 7 hazards were identified for May, and 3 have been fully managed.

Consistent reporting of hazards for May, whilst this reflects a good result, the Safety and Resilience Partners are continuing to promote the importance of managing hazards at the source and ensuring reports are followed through Lucidity until closure.

3.3 EVENT REVIEW

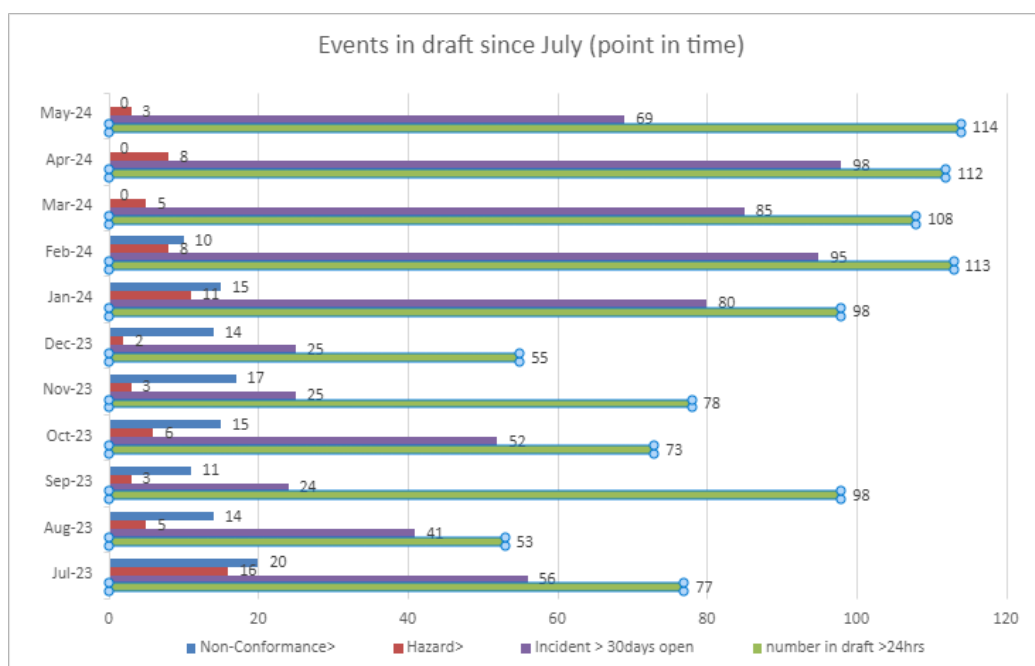
OBJECTIVE Risk management activities to support our systems and investigate accidents promptly.

TARGET # number of events in DRAFT after 24 hours (as EOM).

STATUS 114 events in draft for all date range.

This graph shows the trending of events still in draft >24-hour, it also showing a significant improvement in incidents open >30 days down from the April report and the beginning of the year. No reports of non-conformance, water quality non-conformance is now being captured and reported by W&W.

Review of the reporting objectives and measures continued to be reviewed with ELT and reports of non-conformance relating to water operations through their Integrated Management System also continue to be reviewed.



SAFETY AND RESILIENCE MONTHLY REPORT

3.4 EVENT FORMAL INVESTIGATIONS

Formal investigations completed and forwarded for approval to the manager and executive leadership team to endorse proposed corrective actions. **47** events were entered during the month of **May**.

One highlighted example was a vehicle rolling forward after not having its park brake, adequately applied.

3.5 EMERGENCY MANAGEMENT COMMITTEE

The team is working with corporate properties to review all the Chubb reports conducted on our facilities over the last 12 months, so the necessary occupier statements can be updated.

3.6 CONTRACTOR MANAGEMENT

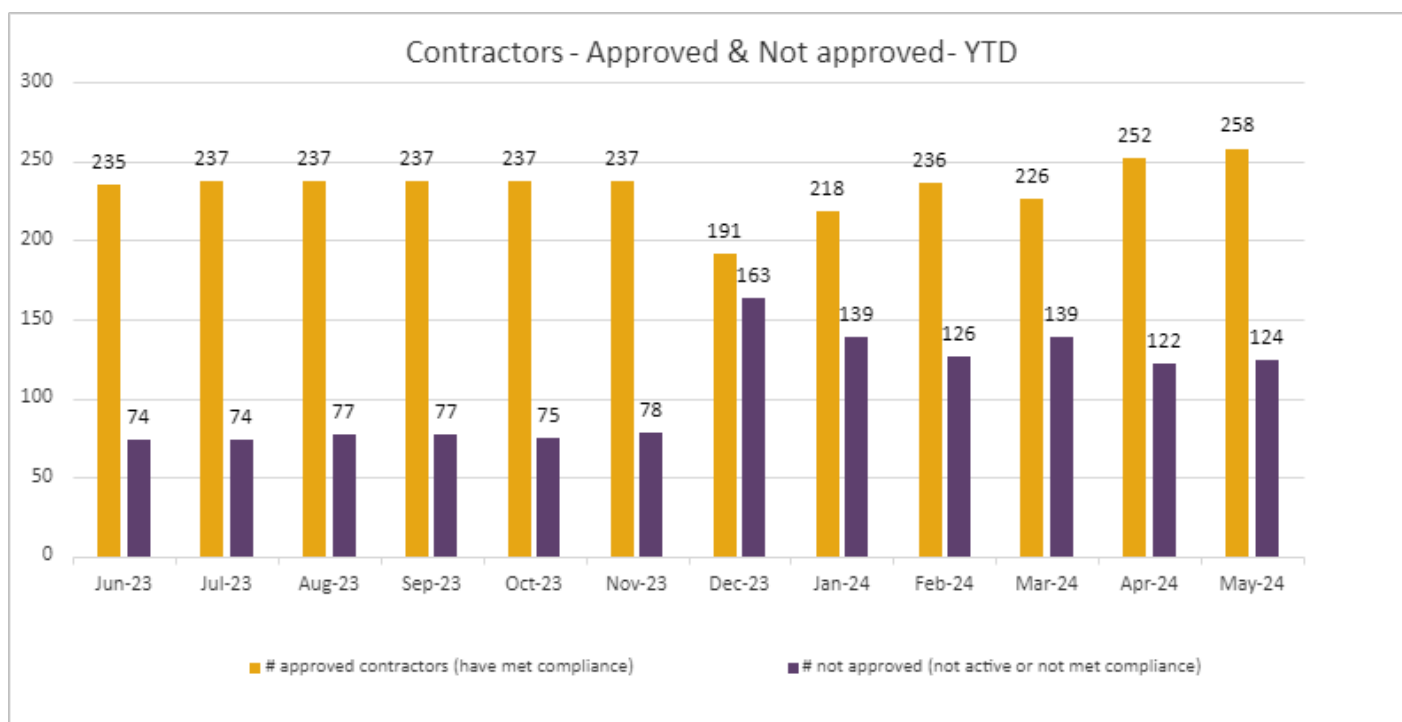
OBJECTIVE Evaluation of contractor and project management documentation and processes.

TARGET report on # approved contractors, # of not approved contractors.

STATUS: # APPROVED contractor companies – 258 # NOT APPROVED – 124

The S&R team is continuously working with our contractors to assist them in maintaining compliance. There is a slight increase in contractors being approved in May. The team is working at identifying non-compliant contractors and following up with reminders, so compliance can be maintained.

Note that only contractors with compliance requirements which have been met, are currently engaged.



SAFETY AND RESILIENCE MONTHLY REPORT

4. IMPROVING WORKER CONSULTATION

This is how we seek to understand the nature of operations by engaging with the workforce.

4.1 HEALTH, SAFETY, AND WELLBEING COMMITTEES

The 2024 HSW meeting schedule including strategic meetings is currently being developed in consultation with OCEO. Once approved it will be posted on IRIS and on the Lucidity Home Page News Items.

OBJECTIVE Completed schedules of meetings.

TARGET 100% of meetings completed against a target at end of the year.

STATUS The meeting schedule specifically attendance at the HSW strategic committee is being monitored for Tier 1 compliance for ELT.

5. WELLBEING & CAPACITY TO WORK

Ensuring we understand, resource, and monitor employee's health and wellbeing at work.

5.1 VACCINATIONS

We continue to monitor the vaccination register to ensure all workers who are required to have vaccination as part of their employment are reminded and scheduled to receive vaccination.

5.2 DRUG & ALCOHOL TESTING

All the Safety and Resilience team members and two Disaster Emergency Management members are qualified to facilitate Drug and Alcohol testing. Testing was scheduled for Glenden within May; however, this didn't eventuate because of leave and sickness. The team was approached by a staff member who is required to visit mine sites and has recently started new medication, wanting to ensure they aren't affected.

1 test were completed for May. **0** non-negative test results.

5.3 FIT TESTING - RESPIRATORY FACE MASK

Nil completed for May; however, plans are being put in place for ongoing fit testing across the region over the next several months.

5.4 WORKERS' COMPENSATION AND REHABILITATION

The Wellbeing and Resilience Partners actively monitor all work and non-work-related injuries and illnesses. Ongoing support is provided to staff rehabilitation cases.

5.5 MEDICALS/SKIN CHECKS/FOLLOW UPS AND FLU SHOTS

The Wellness and Resilience Partners continue to advocate this initiative, with 6 skin checks completed during May.

6. AUDIT/ INSPECTIONS

Conducting audits and inspections ensures we comply with our compliance requirements and verify the council's activities.

SAFETY AND RESILIENCE MONTHLY REPORT

Audit schedule for 2024 is currently being developed and will be published on IRIS.

OBJECTIVE Develop an audit schedule considering the risks of individual sites.

TARGET 100% of audits completed against the plan.

STATUS: **0** WHS &/OR Environmental Audits completed for **May** against the plan.

7. CONTINUOUS IMPROVEMENT

This is the ongoing verification of due diligence activities.

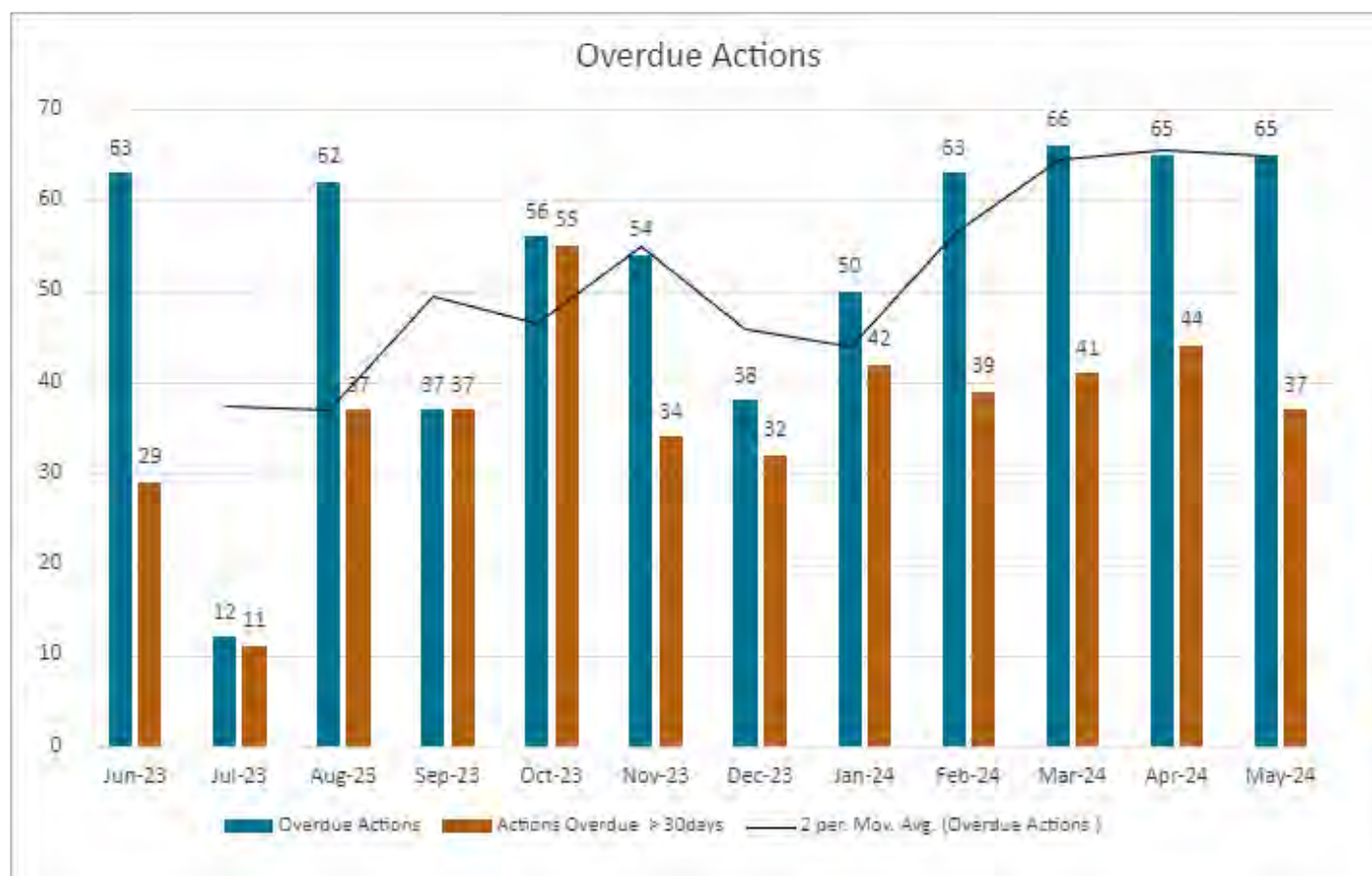
Expired actions from Event Management and Forms modules, as well as the number of actions overdue >30 days. A focus on training and email reminders will continue.

OBJECTIVE Ensure identified corrective actions followed to completion.

TARGET 0 actions greater than >30 days overdue

STATUS **Total 65** overdue actions, **37 overdue >30 days**. This is a static result for overdue actions from last month, whilst noting a slight improvement in the number above >30 days.

Review of reporting objectives and measures continue to be reviewed with ELT and reports of non-conformance relating to water operations through their Integrated Management System also continue to be reviewed.



SAFETY AND RESILIENCE MONTHLY REPORT

8. EMPOWERING AND SUPPORTING LEADERSHIP

This is further verification to ensure that resourcing, monitoring, and compliance activities completed and recorded.

OBJECTIVE Establish LPIs for individual managers.

The monthly report will capture tier 3 LPIs, with the annual report capturing the Tier 1 and Tier 2 achievements against objective. Monitored monthly by ELT.

TIER 3 LPIs – ELT, SLT & OLT Members

Each month, every ELT, SLT, and OLT member must complete two of the below LPIs.

TIER 3 LEAD PERFORMANCE INDICATORS ELT, SLT and OLT members - 2 per month - 24 per year									
Lead a Team Talk with your team	Lead a Prestart Talk with your team	Conduct and record a Safety Chat	Provide feedback on HSW procedure or policy	Conduct and record a Post Project Supplier Evaluation form	Conduct and record a Project Monitoring Inspection form	Conduct and record a Site Hazard Inspection	Conduct and record a Wellness Chat	Conduct a coaching session	Conduct a Leadership Activities Report

All tier 3 measures and requires are under review, with future reporting is to be shared with Council once reviewed and updated. It is noted that safety awareness and recording of actions continues whilst a review of measures and associated reporting requirements are reviewed by ELT with the Safety Team. For information purposes only it is noted that this month's reporting was in line with previous months. It is noted that vacancies, public holidays and leave impacted the monthly results, and it is also noted that allowances for leave are made when looking at annual targets.

It is noted that vacancies and leave impacted the monthly results, and it is also noted that allowances for leave are made when looking at annual targets.

MEETING DETAILS	Corporate, Governance and Financial Services
	Standing Committee Meeting
	Wednesday 19 June 2024
AUTHOR	Darren Fettell
AUTHOR POSITION	Acting Chief Executive Officer

6.1

CORPORATE, GOVERNANCE AND FINANCIAL SERVICES INFORMATION BULLETIN – JUNE 2024

EXECUTIVE SUMMARY

The Corporate, Governance and Financial Services Information Bulletin for June 2024 is provided for Council review.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Notes the Corporate, Governance and Financial Services Information Bulletin for June 2024.**

BACKGROUND

The attached Information Bulletin for June 2024 provides an operational update for Council review on the Corporate, Governance and Financial Services Directorate.

IMPLICATIONS

Any specific implications or risks will be outlined in the Information Bulletin.

CONSULTATION

Corporate, Governance and Financial Services Staff.

BASIS FOR RECOMMENDATION

This is an information only report.

ACTION ACCOUNTABILITY

Information only report.

KEY MESSAGES

Operational update to Elected Members.

Report prepared by:

DARREN FETTELL
Acting Chief Executive Officer

Date: 12 June 2024

Report authorised by:

DARREN FETTELL
Acting Chief Executive Officer

Date: 12 June 2024

ATTACHMENTS

- CONFIDENTIAL Attachment – Corporate, Governance and Financial Services Information Bulletin – June 2024

REFERENCE DOCUMENT

- Nil

PAGES 114 - 121 HAVE INTENTIONALLY BEEN REMOVED DUE TO CONFIDENTIAL REASONS