

# 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 21 FEBRUARY 2024  
COMMENCING AT 9.00AM  
COUNCIL CHAMBERS, MORANBAH**

---

**KEN GOULDTHORP**  
Chief Executive Officer

**DARREN FETTELL**  
Committee Officer  
Director Corporate Governance  
and Financial Services

**Committee Members:**

Cr Jane Pickels (Chair)  
Mayor Anne Baker  
Cr Sandy Moffat  
Cr Viv Coleman  
Cr Carolyn Franzmann

## 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.

##### Section 254K Participating in meetings by audio link or audio visual link

- (1) A local government may allow a person to take part in a meeting of the local government by audio link or audio visual link.
- (2) A committee of a local government may allow a person to take part in a meeting of the committee by audio link or audio visual link.
- (3) A councillor or committee member who takes part in a local government meeting under subsection (1) or (2) is taken to be present at the meeting if the councillor or member was simultaneously in audio contact with each other person at the meeting.
- (4) In this section—  
**audio link** see the [Evidence Act 1977, section 39C](#).  
**audio visual link** see the [Evidence Act 1977, schedule 3](#).

##### 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 21 FEBRUARY 2024**

**COUNCIL CHAMBERS, MORANBAH**

1. OPENING OF THE MEETING
  - 1.1 ACCEPTANCE OF PARTICIPATION BY VIDEO CONFERENCE
2. APOLOGIES
3. DECLARATION OF CONFLICTS OF INTEREST
4. CONFIRMATION OF MINUTES
5. OFFICER REPORTS
6. INFORMATION BULLETIN REPORT
7. GENERAL BUSINESS
8. CONCLUSION

# TABLE OF CONTENTS

---

## 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 held in Council Chambers, Moranbah, commencing 9:00am on Tuesday 7 November 2023.

## 5. OFFICER REPORTS

### 5.1 ISAAC REGIONAL COUNCIL MONTHLY FINANCIAL REPORT - AS AT 31 JANUARY 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 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).

# TABLE OF CONTENTS

**5.3**

## **CONTROLLED ENTITES FINANCIAL STATEMENTS**

### **EXECUTIVE SUMMARY**

Council has received the audited financial statements for the Moranbah Early Learning Centre Pty Ltd (MELC), Isaac Affordable Housing Trust (IAHT) and the Isaac Affordable Housing Fund Pty Ltd (IAHF) for the year ended 30 June 2023. As per Section 213 (B) (3) of the *Local Government Regulation 2012* the Mayor must present the copy of the audited financial statements at the next ordinary meeting of the local government.

## **6. INFORMATION BULLETIN**

**6.1**

### **CORPORATE, GOVERNANCE AND FINANCIAL SERVICES INFORMATION BULLETIN – FEBRUARY 2024**

#### **EXECUTIVE SUMMARY**

The Corporate, Governance and Financial Services Directorate Information Bulletin for February 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  
**TUESDAY, 7 NOVEMBER 2023**  
**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 TUESDAY, 7 NOVEMBER 2023**

<b>Table of Contents</b>		<b>Page</b>
1.	Opening	3
2.	Apologies	3
3.	Declaration of Conflicts of Interest	4
4.	Confirmation of Minutes	4
5.	Officer Reports	4
6.	Information Bulletin Reports	6
7.	General Business	7
8.	Conclusion	7

**ISAAC REGIONAL COUNCIL**  
**UNCONFIRMED MINUTES OF THE**  
**CORPORATE, GOVERNANCE AND FINANCIAL SERVICES**  
**STANDING COMMITTEE MEETING**  
**HELD IN COUNCIL CHAMBERS, MORANBAH**  
**ON TUESDAY 7 NOVEMBER 2023**

## **ATTENDANCE**

Cr Jane Pickels, Division Seven (Chair)  
Mayor Anne Baker (*by Video Conference*)  
Cr Sandy Moffat, Division Two (*by Video Conference*)  
Cr Carolyn Franzmann (*by Video Conference*)  
Cr Viv Coleman, Division Eight (*by Video Conference*)

## **OFFICERS PRESENT**

Mr Darren Fettell, Director Corporate Governance and Financial Services  
Mr Paul Simonds, Head of People and Capability  
Mrs Alexis Coutts, Manager Safety and Resilience  
Mr Michael Krulic, Manager Financial Services  
Mr John Nyawo, Manager Governance and Corporate Services  
Mr John Squire, Manager Contracts and Procurement  
Mrs Tricia Hughes, Coordinator Executive Support, Office of the Mayor and CEO  
Ms Gemma Gooding, Executive Assistant, Office of the Mayor and CEO

### **1. OPENING**

The Chair 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.

### **2. APOLOGIES**

No Apologies this meeting.



## 3. DECLARATION OF CONFLICTS OF INTEREST

No conflict of interests declared this meeting.

**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.*

## 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 Tuesday 10 October 2023.

**Resolution No.:** CGFS0855

**Moved:** Cr Franzmann

**Seconded:** Cr Moffat

**That the minutes from the Corporate, Governance and Financial Services Standing Committee meeting held at Council Chambers, Moranbah, commencing at 9.00am on Tuesday 12 September 2023 are confirmed.**

**Carried**

## 5. OFFICERS REPORTS

### 5.1

### Isaac Regional Council Monthly Financial Report as at 31 October 2023

#### 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 31 October 2023 pursuant to, and in accordance with, the Local Government Regulation 2012 (s204).**

**Resolution No.: CGFS0856**

**Moved: Cr Coleman**

**Seconded: Cr Moffat**

**That the Committee recommends that Council:**

1. **Receive the financial statements for the period ended 31 October 2023 pursuant to, and in accordance with, the Local Government Regulation 2012 (s204).**

**Carried**

### NOTE:

The Committee has requested that the Isaac Regional Council Monthly Financial Report as at 31 October 2023 Talking Points are provided to all Councillors ahead of the Strategic Planning Day for information purposes.

## 5.2 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.: CGFS0857

Moved: Cr Franzmann

Seconded: Cr Coleman

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

## ATTENDANCE

Mayor Anne Baker ended her video conference with the meeting at 9.48am (during the Information Bulletin Asset Management Update).

## 6. INFORMATION BULLETIN REPORTS

### 6.1 Corporate, Governance and Financial Services Information Bulletin – November 2023

#### EXECUTIVE SUMMARY

The Corporate, Governance and Financial Services Information Bulletin for November 2023 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 November 2023.

Resolution No.: CGFS0858

Moved: Cr Franzmann

Seconded: Cr Coleman

That the Committee recommends that Council:

1. Notes the Corporate, Governance and Financial Services Information Bulletin for November 2023.

Carried

**NOTE:**

The Committee held extensive discussions on the Information Solutions section of the Information Bulletin including discussions regarding the Digital Strategy, Tech1 component and business as usual including an update on the recent network outages and repairs to mitigate the network outages.

## 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 in February 2024 in Moranbah.

.....  
Chair

..... / ..... / .....  
DATE

---

<b>MEETING DETAILS</b>	<b>Corporate, Governance and Financial Services Standing Committee Meeting</b> Wednesday 21 February 2024
<b>AUTHOR</b>	Michael Krulic
<b>AUTHOR POSITION</b>	Manager Financial Services

---

## 5.1 ISAAC REGIONAL COUNCIL MONTHLY FINANCIAL REPORT AS AT 31 JANUARY 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 January 2024 pursuant to, and in accordance with, the Local Government Regulation 2012 (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 overall and any budget variances are anticipated to come in line with budget over the remainder of the financial year.

The second quarter budget review is being undertaken with a report tabled to go direct to Council for the February 2024 Council meeting.

---

## 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.

<b>Report prepared by:</b>	<b>Report authorised by:</b>
MICHAEL KRULIC	DARREN FETTELL
<b>Manager Financial Services</b>	<b>Director Corporate, Governance and Financial Services</b>
Date: 7 February 2024	Date: 8 February 2024

## ATTACHMENTS

- Attachment 1 – Monthly Financial Statements as at 31 January 2024

## REFERENCE DOCUMENT

- Nil

# FINANCIAL STATEMENTS REPORT TO COUNCIL

Current as at 31 January 2024

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



# TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>3</b>
<b>BACKGROUND</b>	<b>3</b>
<b>OPERATING POSITION</b>	<b>4</b>
<b>OPERATING REVENUE</b>	<b>4</b>
<b>OPERATING EXPENDITURE</b>	<b>5</b>
<b>CAPITAL REVENUE</b>	<b>6</b>
<b>CAPITAL EXPENDITURE</b>	<b>7</b>
<b>CAPITAL FUNDING AND PROJECT COMMITMENTS</b>	<b>8</b>
<b>STATE DEVELOPMENT AND INFRASTRUCTURE FINANCIAL SUSTAINABILITY RATIOS</b>	<b>9</b>
<b>INVESTMENTS AND CASH BALANCES</b>	<b>11</b>
<b>LOANS</b>	<b>12</b>
<b>ACCOUNTS RECEIVABLE</b>	<b>13</b>
<b>ACCOUNTS PAYABLE</b>	<b>14</b>
<b>YEAR TO DATE RATES REPORT</b>	<b>15</b>
<b>APPENDIX 1 – FINANCIAL STATEMENTS</b>	<b>17</b>
<b>APPENDIX 2 – PRELIMINARY EXECUTIVE LEVEL REPORTS</b>	<b>23</b>



# FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2024

## EXECUTIVE SUMMARY

At the end of January, the operating result is \$1,753,683 ahead of budgeted operating position, noting the actual result is a loss of \$15,966,184. The positive result is due to number of revenue line items being above budget partially offset by higher operating expenses.

Capital Revenue for January was \$5,140,310 which combined with the Operating Position leads to a deficit of \$10,825,874 (noting Council operating result will be budgeted as a loss until the rates invoices are issued during the March period).

PRELIMINARY JANUARY FINANCIAL STATEMENTS AT A GLANCE					
	YTD Actual	YTD Revised Budget	Variance	Full Year Revised Budget	Completion
	\$	\$	\$	\$	%
Total operating revenue	63,875,824	61,150,121	2,725,703	135,442,608	47.2%
Total operating expenses	79,842,008	78,869,988	(972,020)	134,189,380	59.5%
<b>Operating position</b>	<b>(15,966,184)</b>	<b>(17,719,867)</b>	<b>1,753,683</b>	<b>1,253,228</b>	<b>(1274.0%)</b>
Capital revenue	5,140,310	4,401,803	738,507	20,862,280	24.6%
<b>Net result</b>	<b>(10,825,874)</b>	<b>(13,318,064)</b>	<b>2,492,190</b>	<b>22,115,508</b>	<b>(49.0%)</b>

## BACKGROUND

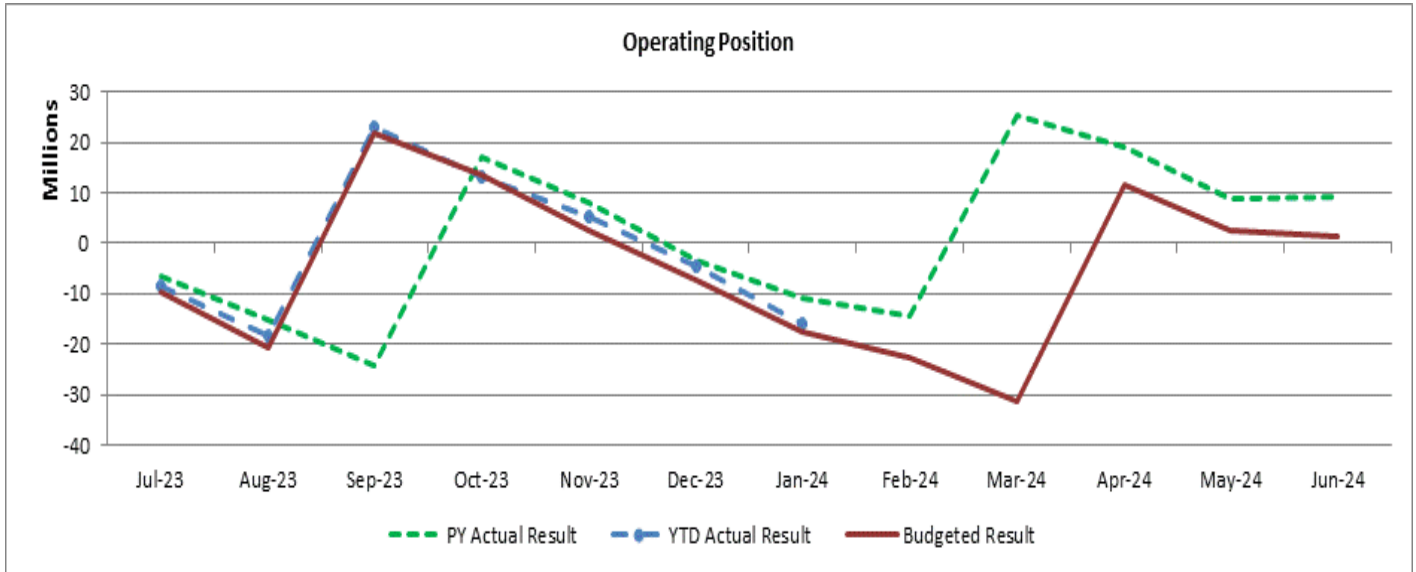
Each month, year to date financial statements are prepared in order to monitor actual performance against the latest adopted budget. Attached are the financial statements for the period ended 31 January 2024. Actual amounts are compared against year to date adopted Revised Budget figures. (See appendix 1 for detailed financial statements)

The January result shows Council operating within budget (overall), however it should be noted that various Directorates are above YTD budget for Materials and Services expenditure, which are currently offset by other Directorates being under YTD budget. It should be noted that various commitments raised relate to the remainder of the year and the 2025 financial year.

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. It is also noted that revenue and expenditure items will be reassessed through the Quarter 2 Budget Review and monitored to ensure that Council remains within budget and delivers efficient and effective services to the community.

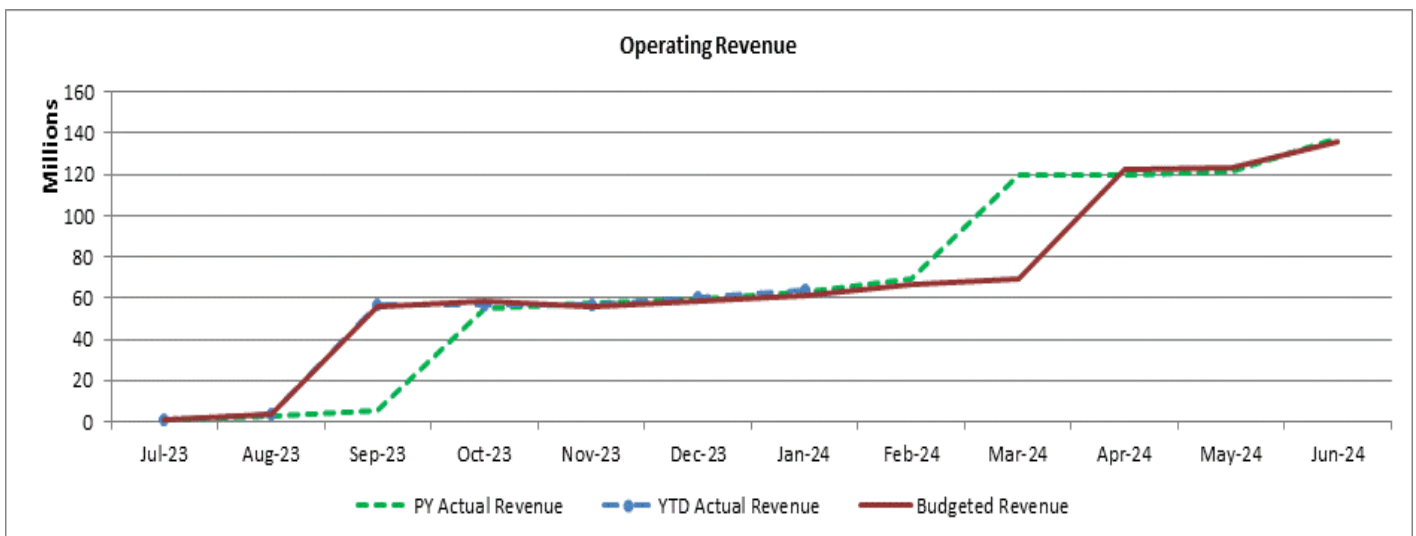
It should be noted that figures provided are accurate as at date of publication. Figures reported are cumulative year to date which may include adjustments for revenue or expenses accrued to prior accounting periods.

## OPERATING POSITION



The current operating position for January has resulted in a deficit of \$15,966,184. This is favourable when compared to the YTD budget by \$1,753,683. Operating Revenue is \$2,725,703 favourable compared to YTD budget offset by Operating Expenses which are \$972,020 unfavourable when compared to YTD budget.

## OPERATING REVENUE

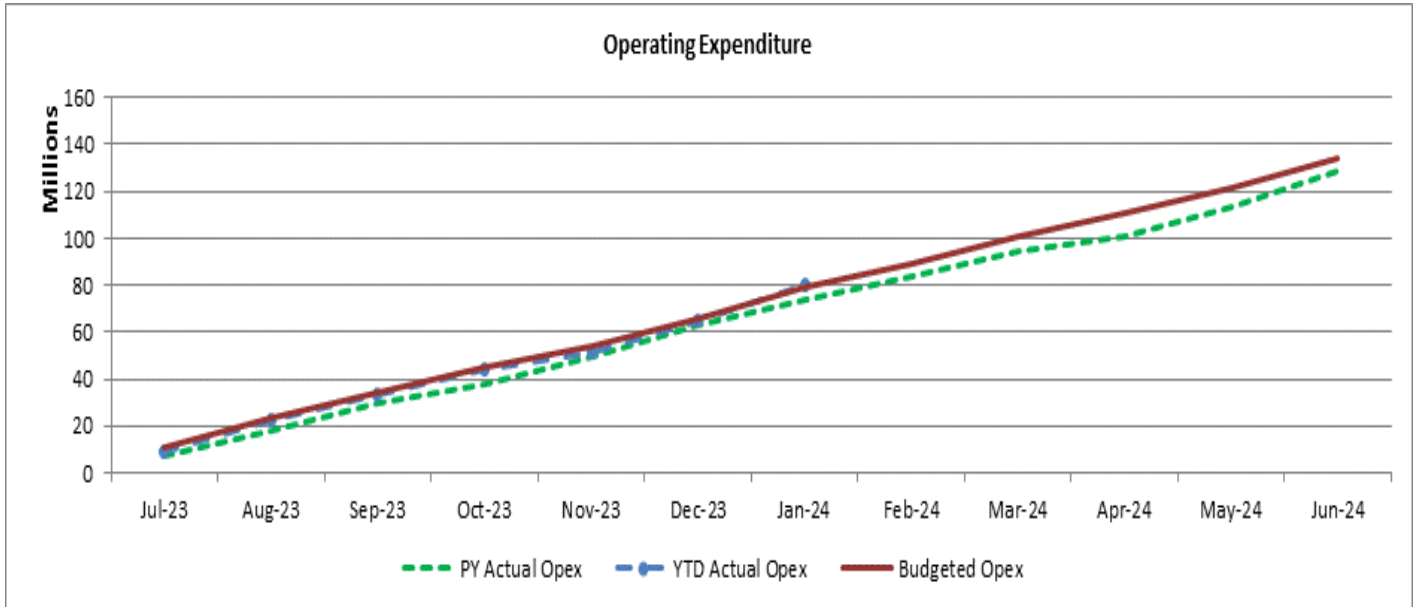


Operating Revenue comprises the following items – Rates and Utility Charges, Fees and Charges, Rental Income, Interest Received, Sale of Contract and Recoverable Works, Operating Grants, Subsidies and Contributions, Other Recurrent Revenue.

The operating revenue for January was \$63,875,824 which is favourable when compared to the budget by \$2,725,703. This favourable position is primarily due to a significant supplementary rates run, higher than anticipated waste revenue (septic and tip), interest revenue, development, potable water and building fees.

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

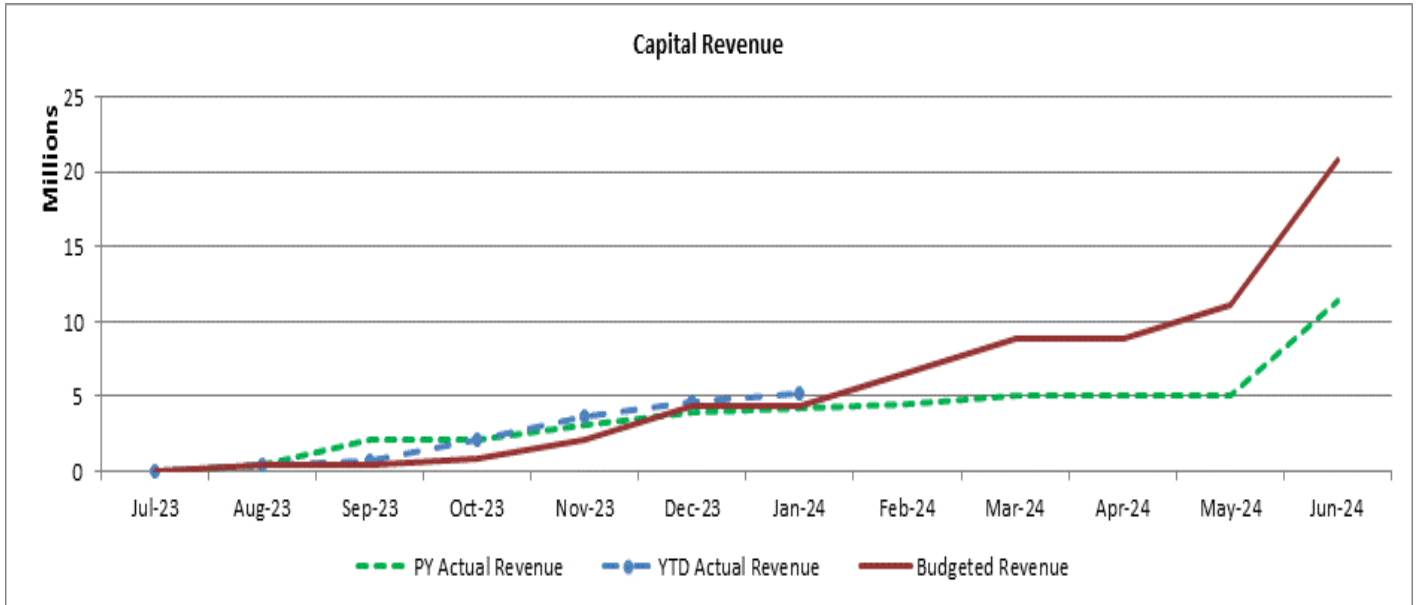


Operating expenditure consists of Employee Expenses, Materials and Services, Finance Costs and Depreciation.

Actual operating expenditure for January was \$79,842,008 which is unfavourable to budget by \$972,020. This unfavourable result is mainly due to expenditure items for legal challenges and the digital strategy. It should be noted that various Directorates are above YTD budget for Materials and Services expenditure, which are currently offset by other Directorates being under YTD budget.

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

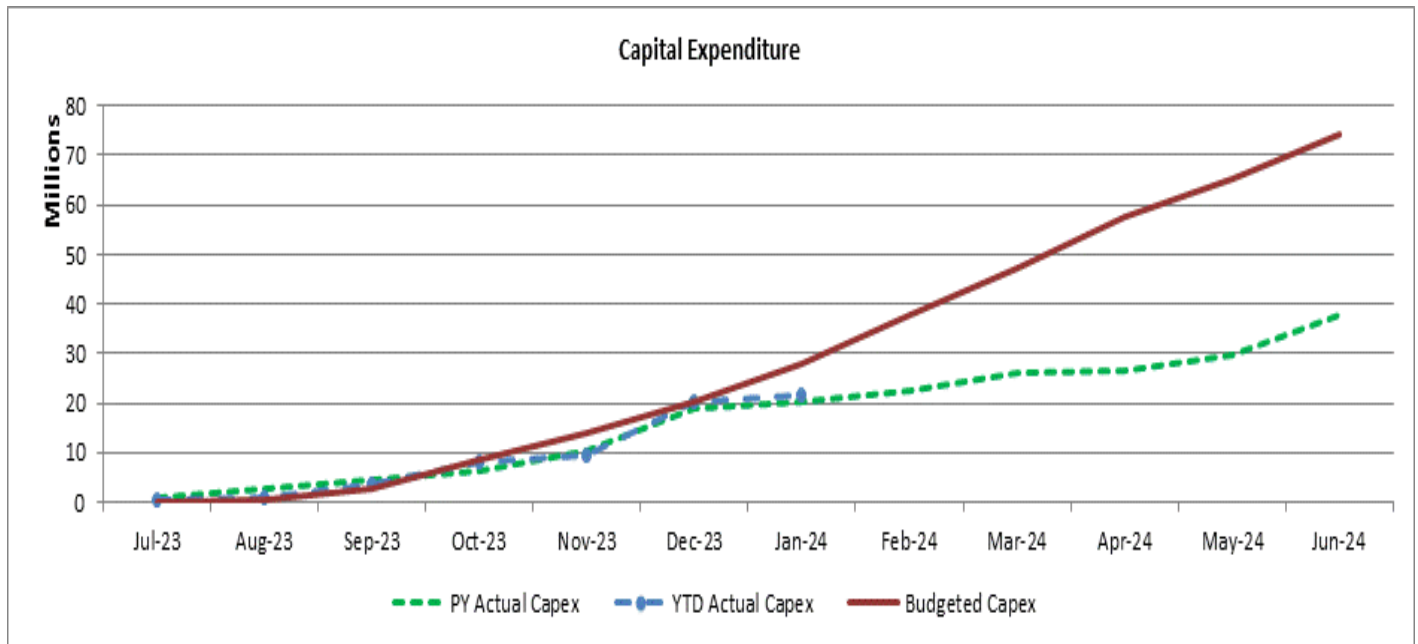


Capital Revenue for January YTD is \$5,140,310 which consists of grants, contributions and proceeds from the disposal of assets. The current favourable variance of \$738,507 is due to the cashflowing of receipts from grants and proceeds of sale of PPE.

Budgeted capital revenue for 2023/2024 is detailed below:

Grants	Revised Budget	YTD Actuals
Resource Community Infrastructure Fund	5,700,000	1,500,000
Mining Co-Contributions	3,610,293	-
Local Roads & Community Infrastructure Grants	2,584,408	1,197,045
Transport Infrastructure Development Scheme	1,477,035	554,669
Local Government Grants and Subsidies Program	1,406,446	273,150
Building our Regions	1,328,717	255,142
Heavy Vehicle Safety & Productivity Program	1,217,398	-
Roads to Recovery Program	1,157,910	-
Sale of Plant and Equipment	995,410	780,546
Levy Ready Grant Program	605,000	181,500
Developer Contributions	298,666	323,257
Queensland Resilience and Risk Reduction Fund	121,193	-
Other various Minor Grants	359,804	75,000
<b>Total</b>	<b>20,862,280</b>	<b>5,140,310</b>

## CAPITAL EXPENDITURE



Capital expenditure is currently \$21.8M which is under YTD budget of \$28M excluding commitments, noting that when the \$33.9M of commitments are included, the capital expenditure is at 74.8% of annual budget. It should be noted that approximately \$10.8M of commitments relating to the Moranbah Community Centre Refurbishment, \$5.1M for Golden Mile Road Rehabilitation and \$5M for project management costs. It is anticipated that expenditure will come in line throughout the financial year.

Major budgeted projects for 2023/2024 financial year are:

Project	Revised Budget	YTD Actuals	YTD Commitments
MBH Community Centre - Refurbishment	10,002,850	1,366,354	10,802,814
Moranbah Landfill Phase 2 Stage 2	8,857,097	6,244,374	2,341,780
Fleet / Plant replacement program	5,648,295	3,449,606	2,150,802
MBH Rectification of Landfill Cell	4,200,000	23,853	389,871
Golden Mile Road Rehab Pavement, Drainage	4,157,747	179,445	5,127,388
Peak Downs Mine Road / Saraji Rd Intersection Construction	4,010,933	10,480	510,681
Rural Network Resheeting	3,560,000	61,410	432,444
Regional Reseals	3,201,681	2,454,970	165,423
Moranbah 400ML raw water dam - remediation	2,333,990	751,859	1,142,325
St Lawrence Water Storage & Raw Water Main	1,765,250	642,775	89,096
CORP Sewer Relining	1,621,194	15,573	1,344,243
Clermont WMF Weighbridge Installation	1,391,635	85,992	48,513
Moranbah Asphalt Renewals	1,338,000	137	1,268,018
Regional Floodways Construction Program	1,200,000	849,218	297,811

## CAPITAL FUNDING AND PROJECT COMMITTALS

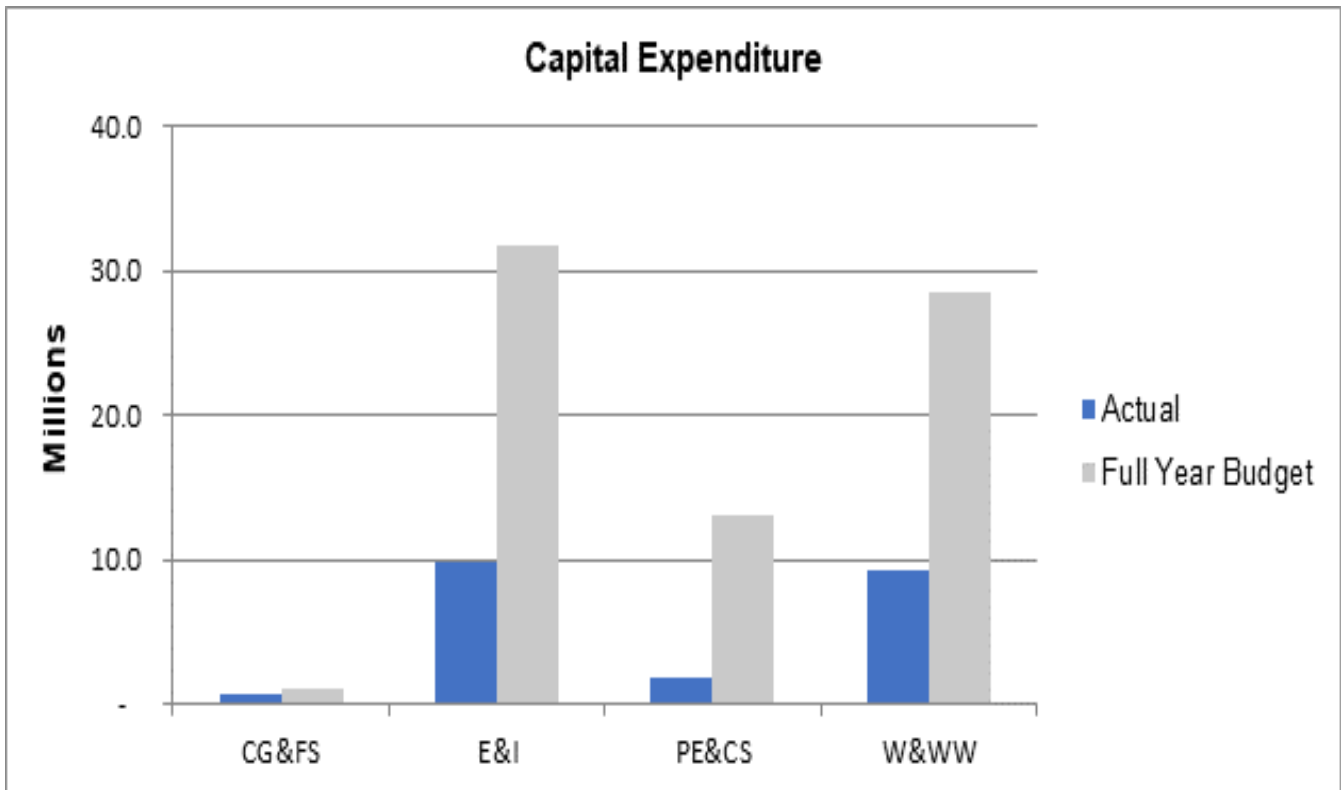
Capital expenditure is financed through loan borrowings, proceeds on disposal of assets, general reserves and the future capital sustainability reserve.

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 January 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	719,754	28,966	748,720	1,137,838	63.3%	65.8%
E&I	9,925,691	13,987,605	23,913,296	31,677,505	31.3%	75.5%
PE&CS	1,850,092	11,858,115	13,708,207	13,064,427	14.2%	104.9%
W&WW	9,262,679	8,052,404	17,315,083	28,559,000	32.4%	60.6%
<b>TOTAL</b>	<b>21,758,216</b>	<b>33,927,090</b>	<b>55,685,306</b>	<b>74,438,770</b>	<b>29.2%</b>	<b>74.8%</b>

The following graph illustrates the data above.



# STATE DEVELOPMENT AND INFRASTRUCTURE 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	-25.35%	0 - 10%	No	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	-45.24%	<=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	58.33%	>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	2	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	6.93 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 loss of \$15,966,184 the ratio is currently negative 25.35%, which is outside Council's budget and benchmark range. It is noted that this ratio is expected to improve with the issuing of Councils half yearly rates in March and expected to remain within benchmark range for the remainder of the year after this occurs.
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 45.24%.
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 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 58.33% for January YTD which is below target benchmark. This ratio is expected to improve throughout the remainder of the financial year, taking into account significant grant funded projects.
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 a positive 2 times 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 6.93 months as at 31 January 2024. This is above the targeted benchmark of three (3) months.



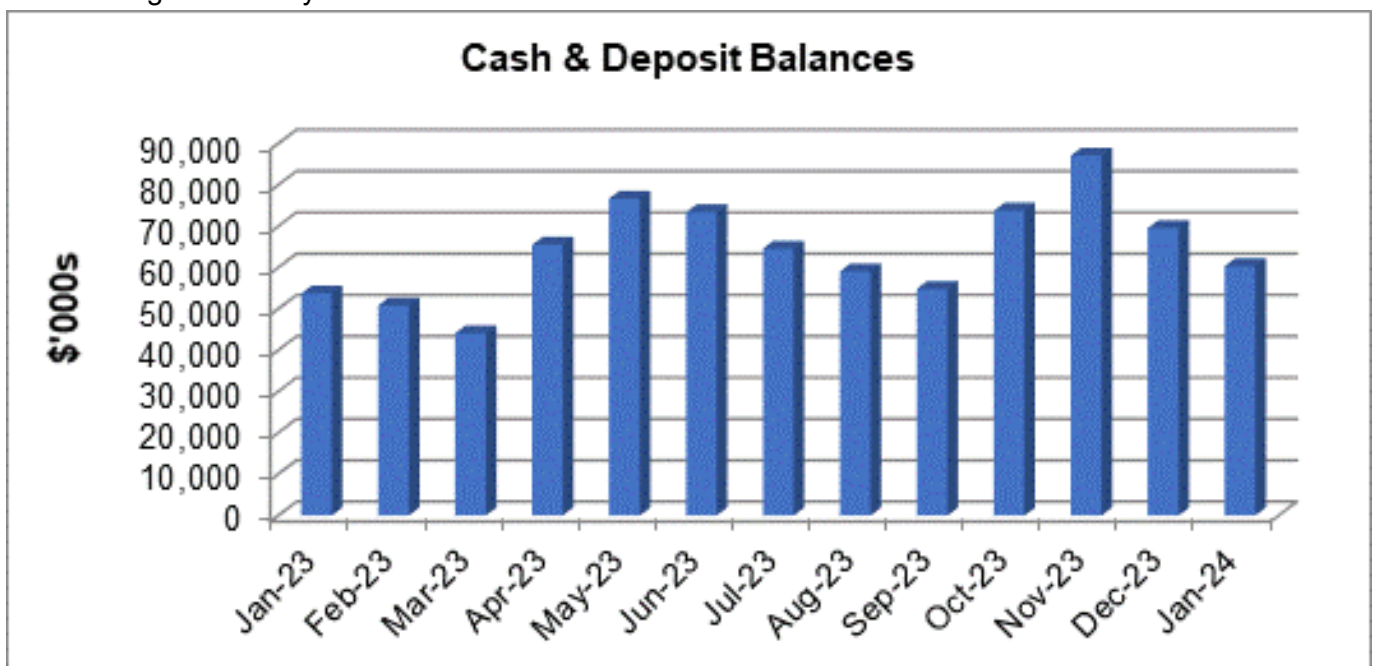
## INVESTMENTS AND CASH BALANCES

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

ISAAC REGIONAL COUNCIL Investments For the Period Ended 31 January 2024					
Account	Description	Institution	Amount	Maturity Date	Interest Rate
5016-001-1124	Police & Nurses Ltd Term Deposit	PNU	10,000,000	15-May-24	5.25%
10-000-1116	QTC Operating Fund	QTC	50,041,254		5.04%
10-000-1117	ANZ Business Premium Saver	ANZ	377,287		4.30%
10-000-1114	Cash at Bank NAB	NAB	28,944		
10-000-1111	Cash at bank-QCCU	QCCU	3,059		
10-000-1113	Cash at Bank - ANZ	ANZ	(117,093)		
10-000-1131	Petty Cash		2,800		
10-000-1132	Floats		4,080		
Total Investments			60,340,332		

Bank	Credit Rating	% of Funds	Policy Total Profile
ANZ Banking Group	AA-	0.44%	Maximum 60%
National Australia Bank	AA-	0.05%	Maximum 60%
Police & Nurses Ltd (P&N Bank	A2	16.57%	Maximum 30%
QCCU	BBB	0.01%	Maximum 20%
Queensland Treasury Corporation	QTC	82.93%	No Limit

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



# LOANS

ISAAC REGIONAL COUNCIL							
Loans							
For the Period Ended 31 January 2024							
							Repayment Due 15 Mar 2024
Loan Name	Balance as at 31 January 2024	Rate as at 31 January 2024	Approved Term	Remaining Term	Principal	Interest	Total
Land Purchase - Moranbah	\$9,793,827	5.1	20	8.88	\$216,086	\$124,847	\$340,932
Land Development Moranbah	\$7,541,914	4.37	20	9.38	\$161,183	\$82,395	\$243,578
Waste Loan	\$2,244,471	2.22	20	17.38	\$26,338	\$12,429	\$38,766
<b>Total</b>	<b>\$19,580,212</b>				<b>\$403,606</b>	<b>\$219,671</b>	<b>\$623,277</b>

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

## ACCOUNTS RECEIVABLE

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

Accounts Receivable Ageing Analysis at 31 January 2024			
Ageing	Number of Documents	Amount Outstanding	% of Total Outstanding
Current	222	1,727,377.66	28.80%
30 Day	38	536,392.19	8.95%
60 Day	18	2,254,780.18	37.61%
90 Day	141	1,477,039.32	24.64%
<b>Total</b>	<b>419</b>	<b>5,995,589.35</b>	<b>100.00%</b>

The Accounts Receivable balance at 31 January 2024 is \$5,995,589.35 which has increased from 31 December 2023 balance of \$5,852,727.43 due to increased processing of Waste Management Facility invoices.

- 30 day balances have decreased this month due to grant invoices ageing to 60 Days and waste invoices being paid.
- 60 day balances have decreased due a grant invoice and a compliance invoice ageing to 90 Days.
- 90 days and over receivables have increased due to a grant invoice ageing to 90 Days, as well as a Compliance invoice and other invoices ageing to 90 Days. There are 141 invoices totalling \$1,477,039.32 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.
  - 1 Invoice totalling \$500,000.00 relates to a grant invoice for which payment has been held up by the Government department facilitating the grant.
  - 1 Invoice totalling \$307,329.95 relates to a mining compensation invoice that is under review by the Engineering and Infrastructure department and is subject to legal advice.
  - 1 Invoice totalling \$55,324.50 relates to historic planning/infrastructure charges which is currently being assessed by Liveability and Sustainability.
  - 41 Invoices totalling \$36,686.97 relate to compliance invoices in various stages of recovery.
  - 2 Invoices totalling \$33,356.76 relate to historical water charges. (Note: Company is in liquidation and awaiting further advice).
  - 73 Invoices totalling \$12,712.83 relate to housing invoices. The management and recovery of Housing invoices is the responsibility of Corporate Properties.
  - 1 Invoice totalling \$8,341.48 relates to planning charges which is currently subject to a payment arrangement.
  - The remaining 20 Invoices totalling \$3,923.29 relate to other charges in various stages of collection.

A review was undertaken at the end of the previous financial year to write off debts deemed as non-recoverable. Therefore, at this point in time the remaining outstanding balance is believed to be recoverable.

## ACCOUNTS PAYABLE

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

Accounts Payable Ageing Analysis at 31 January 2024			
Ageing	Number of Documents	Amount Outstanding	% of Total Outstanding
Current	164	2,042,495.50	92.79%
30 Day	36	111,554.98	5.07%
60 Day	11	28,331.31	1.29%
90 Day	12	18,671.52	0.85%
<b>TOTAL</b>	<b>223</b>	<b>2,201,053.31</b>	<b>100.00%</b>

The outstanding Accounts Payable balance as at 31 January was \$2,201,053.31. The 30, 60 & 90 day aging accounts total \$158,557.81

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

- 30-day balances – \$111,554.98 (36 invoices) remain unpaid with 15 invoices (\$49,434.52) received late from the supplier, 21 invoices (\$62,120.46) awaiting approval of which 11 of these are for the same supplier.
- 60-day balances – \$28,331.31 (11 invoices) remain unpaid with 2 invoices (\$15,287.50) in dispute with discussions being held with suppliers, 2 invoices (\$1,336.50) received late from supplier and 7 invoices (\$11,707.31) awaiting approval.
- 90-day balances – \$18,671.52 (9 invoices and 1 credit) 3 invoices (\$355.60) is in dispute with discussions being held with suppliers, 1 invoice (\$3,425.00) awaiting approval, 5 invoices (\$15,058.60) being received late from the supplier and 1 credit (-\$167.68) yet to be applied.

# YEAR TO DATE RATES REPORT

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

<b>Rates Balancing Report As At 31 January 2024</b>		
	<b>31 Jan 2024</b>	<b>YTD 31 Jan 2023</b>
Opening Balance	2,486,266	4,175,810
<b>Rates Charges</b>		
Rates Levied	55,045,038	51,460,820
Interest	223,347	246,469
Refunds	145,856	222,665
<b>Total Rates</b>	<b>55,414,241</b>	<b>51,929,954</b>
<b>Discounts and Receipts</b>		
Discounts	(3,661,429)	(3,220,677)
Receipts	(51,124,541)	(48,221,469)
Government Subsidy	(37,334)	(37,667)
Council Subsidy	(114,143)	(111,514)
Remissions	(2,391)	(9,263)
Write Offs	(111)	(147)
<b>Total Discounts &amp; Receipts</b>	<b>(54,939,950)</b>	<b>(51,600,738)</b>
Legal	17,853	51,124
<b>Closing Balance</b>	<b>2,978,410</b>	<b>4,556,150</b>

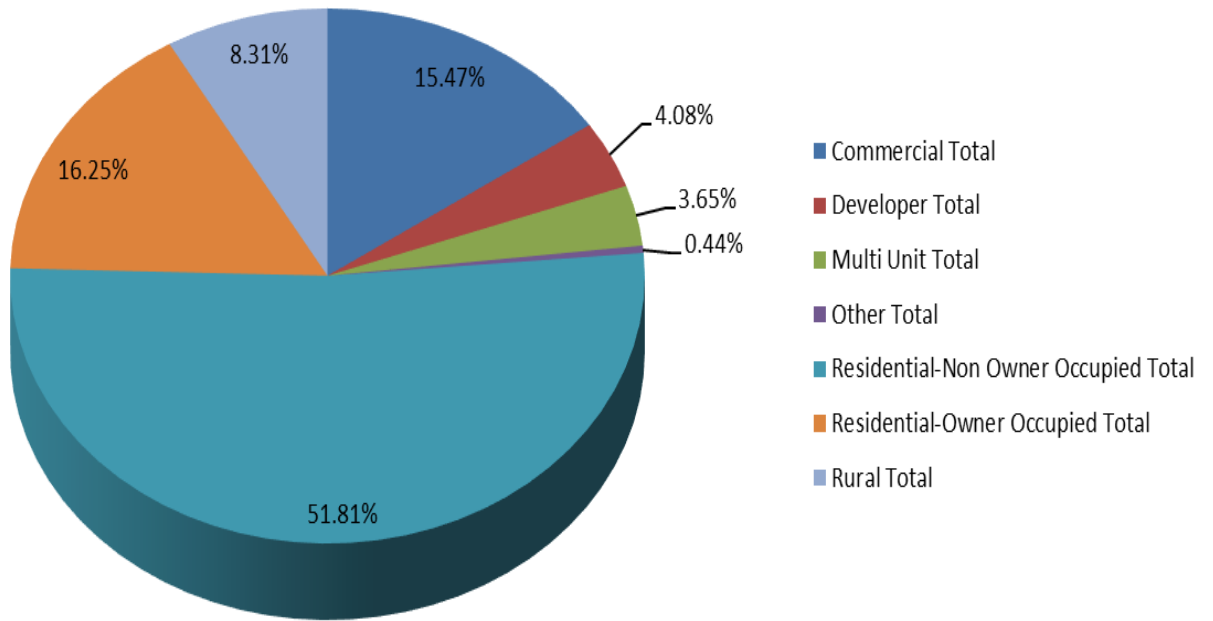
<b>Rates Breakdown</b>	<b>As At 31 Jan 2024</b>
Rates in Credit	(1,334,849)
Rates Not Due Yet	1,117,109
Rates In Arrears	3,196,150
<b>Total Rates Balance</b>	<b>2,978,410</b>

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

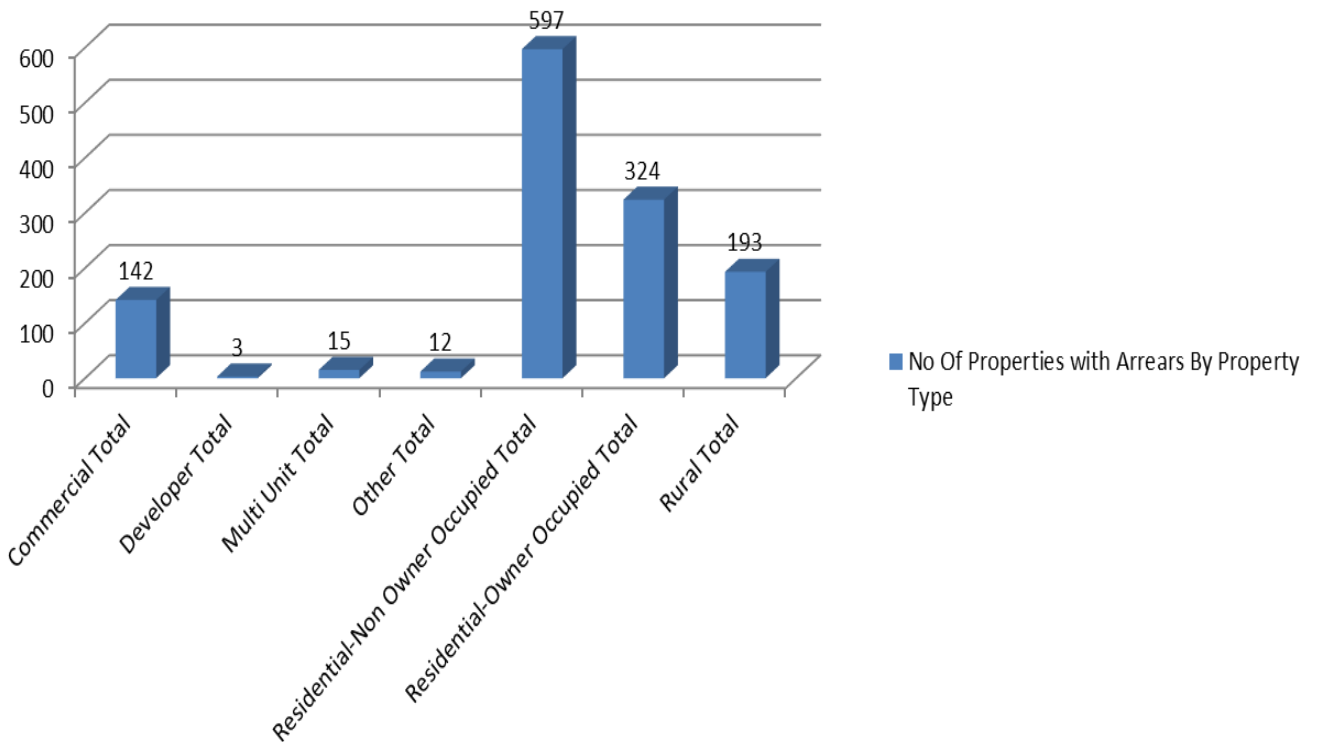
## Rate Arrears – Aged by Year

Prior 2020	2020/21	2021/22	2022/23	2023/24	TOTAL
1,431,600	263,095	308,298	440,365	752,791	3,196,150
44.79%	8.23%	9.65%	13.78%	23.55%	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 January 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 January 2024**

	Notes	YTD Actual \$	Commitments \$	YTD Actual + Commitments \$	YTD Revised Budget \$	Variance \$	Full Year Revised Budget \$	Completion %
<b>Income</b>								
<b>Operating Revenue</b>								
Net Rates & Utility Charges	1	48,593,783	-	48,593,783	47,555,087	1,038,696	98,531,423	49.3%
Fees & Charges	2	2,645,553	-	2,645,553	2,312,758	332,795	3,791,870	69.8%
Rental Income	3	1,119,726	-	1,119,726	975,499	144,228	1,660,198	67.4%
Interest Received	4	2,160,141	-	2,160,141	1,447,375	712,766	2,395,500	90.2%
Sales of Contract & Recoverable Works	5	1,481,370	-	1,481,370	1,991,396	(510,026)	6,675,170	22.2%
Operating Grants, Subsidies & Contributions	6	1,407,441	-	1,407,441	1,234,422	173,019	12,412,167	11.3%
Other Recurrent Revenue	7	6,467,810	-	6,467,810	5,633,585	834,226	9,976,280	64.8%
		<b>63,875,824</b>	<b>-</b>	<b>63,875,824</b>	<b>61,150,121</b>	<b>2,725,703</b>	<b>135,442,608</b>	<b>47.2%</b>
<b>Expenses</b>								
<b>Operating Expenses</b>								
Employee Expenses	8	27,499,153	-	27,499,153	27,945,656	(446,504)	48,839,222	56.3%
Materials & Services	9	33,418,347	19,093,121	52,511,468	31,860,404	20,651,064	52,603,925	99.8%
Finance Costs		592,587	-	592,587	602,335	(9,748)	1,097,789	54.0%
Depreciation and Amortisation	10	18,331,920	-	18,331,920	18,461,592	(129,672)	31,648,444	57.9%
		<b>79,842,008</b>	<b>19,093,121</b>	<b>98,935,129</b>	<b>78,869,988</b>	<b>20,065,141</b>	<b>134,189,380</b>	<b>73.7%</b>
<b>Operating Position Before Capital Items</b>		<b>(15,966,184)</b>	<b>(19,093,121)</b>	<b>(35,059,305)</b>	<b>(17,719,867)</b>	<b>(17,339,438)</b>	<b>1,253,228</b>	<b>(2797.5%)</b>
<b>Capital Revenue</b>								
Capital Revenue	11	4,359,763	-	4,359,763	3,951,803	407,960	19,866,870	21.9%
Proceeds from Sale of Land & PPE	12	780,546	-	780,546	450,000	330,546	995,410	78.4%
		<b>5,140,310</b>	<b>-</b>	<b>5,140,310</b>	<b>4,401,803</b>	<b>738,507</b>	<b>20,862,280</b>	<b>24.6%</b>
<b>Net Result Attributable to Council in Period</b>		<b>(10,825,874)</b>	<b>(19,093,121)</b>	<b>(29,918,995)</b>	<b>(13,318,064)</b>	<b>(16,600,931)</b>	<b>22,115,508</b>	<b>(135.3%)</b>
<b>Total Comprehensive Income</b>		<b>(10,825,874)</b>	<b>(19,093,121)</b>	<b>(29,918,995)</b>	<b>(13,318,064)</b>	<b>(16,600,931)</b>	<b>22,115,508</b>	<b>(135.3%)</b>
Council's operating position at month end is a \$16M deficit								



- 1. Net Rates & Utility Charges** are \$1,038,696 favourable when comparing actuals to revised budget. The favourable variance is predominately due to a significant supplementary rates run, higher than anticipated revenue from water and sewerage access charges partially offset by increased utilisation of the discount on general rates. This favourable variance will be monitored throughout the year and assessed at the Quarter 3 Budget Review following second rates notice issuance.
- 2. Fees & Charges** are \$332,795 favourable when comparing actuals to revised budget. The predominant reason for this favourable variance is higher than anticipated revenue from potable water sales, building and development fees partially offset by lower saleyard revenue. The budgeted amounts for these revenue streams will be reviewed during the Quarter 2 Budget Review.
- 3. Rental Income** is \$1,119,726 which is favourable compared to the budgeted amount of \$975,499. The favourable variance of is mainly due to higher than anticipated rental volumes for employee and fatigue accommodation.
- 4. Interest Received** is \$712,766 favourable when compared to revised budget. This favourable variance is predominately due to increased interest income from investments. The interest projections will be reviewed during the Quarter 2 Budget Review.
- 5. Sales of Contract & Recoverable Works** are unfavourable to the budget by \$510,026. This unfavourable variance is due to the timing of claims for the RMPC partially offset by revenue from recoverable works.
- 6. Operating Grants, Subsidies & Contributions** are \$173,019 favourable compared to the annual budget. This favourable variance is due to the receipt of funds for maintenance contributions and trainee boost payments which are both higher than annual budget. This revenue will be reviewed as part of the Quarter 2 Budget Review.
- 7. Other Recurrent Revenue** for the year to date is \$6,467,810 being \$834,226 favourable to budget. This favourable variance is due to septic waste received into the treatment plants and revenue from tip fees being higher than budget.
- 8. Employee Expenses** are favourable to the revised budget by \$446,504. This favourable variance is due to employee vacancies within Departments some of which are currently being backfilled through Agency Temp Staff (current actuals \$860K and commitments of \$512K), partially offset by costs associated with staff turnover.
- 9. Materials & Services** actual expenses for the year to date are \$33,418,347 with \$19,093,121 being recorded in commitments, resulting in an unfavourable variance to revised budget by \$20,651,064. This unfavourable variance is due to the inclusion of commitments which relate to future reporting periods. Excluding commitments YTD expenditure would be approximately \$1.6M unfavourable to YTD budget. This unfavourable variance is predominately due to cashflowing of RMPC and DRFA November 2021 event, unforeseen legal challenge, lower capitalisation of internal plant hire, repairs and maintenance and computer expenses associated with the digital strategy. Large commitments to note are \$5.5M Galilee & Bowen Basin Operations (multi-year commitments), \$2.9M RMPC, \$1.6M Waste Levy, \$1.2M Contractors at IRC's landfills and \$1.1M Water purchases.
- 10. Depreciation and Amortisation** is favourable to budget by \$129,672. This is due to changes to asset valuations and useful lives post outcomes of the 2022/23 Financial Statement audit. Depreciation will be reviewed as part of the Quarter 2 budget review.

**11. Capital Revenue** for the year to date is \$4,359,763 which is favourable to revised budget by \$407,960. This favourable 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.

**12. Proceeds from Sale of Land & PPE** is currently favourable compared to the revised budget by \$330,546. This favourable variance is due to budgeted cashflow of receipt of funds from the sale of plant. This revenue will be reviewed as part of the Quarter 2 Budget Review.

<b>ISAAC REGIONAL COUNCIL</b>				
<b>Statement of Financial Position</b>				
<b>For the Period Ended 31 January 2024</b>				
	Notes	Actual YTD	30 June 2023	Variance
		\$	\$	%
<b>Current Assets</b>				
Cash & Cash Equivalents		60,340,332	73,414,123	(17.8%)
Trade & Other Receivables		9,767,837	15,249,240	(35.9%)
Inventories		1,344,320	1,315,591	2.0%
Contract assets		994,994	3,403,805	(70.8%)
Other assets		515,701	4,174,416	(87.6%)
<b>Total Current Assets</b>		<b>72,963,183</b>	<b>97,557,175</b>	<b>(25.2%)</b>
<b>Non-Current Assets</b>				
Receivables		5,286,713	5,286,713	0.0%
Inventories		18,437,891	18,437,891	0.0%
Property, Plant and Equipment		1,215,489,441	1,212,097,666	0.3%
Intangible assets		972	1,641	(40.8%)
<b>Total Non-Current Assets</b>		<b>1,239,215,017</b>	<b>1,235,823,911</b>	<b>0.3%</b>
<b>TOTAL ASSETS</b>		<b>1,312,178,200</b>	<b>1,333,381,086</b>	<b>(1.6%)</b>
<b>Current Liabilities</b>				
Trade and other payables		4,650,835	11,831,347	(60.7%)
Provisions		8,913,164	9,374,593	(4.9%)
Borrowings		885,097	1,689,710	(47.6%)
Contract liabilities		2,348,862	2,774,645	(15.3%)
Other liabilities		224,397	922,126	(75.7%)
		<b>17,022,355</b>	<b>26,592,421</b>	<b>(36.0%)</b>
<b>Non-Current Liabilities</b>				
Trade and other payables		90,727	44,730	102.8%
Provisions		22,260,372	22,365,985	(0.5%)
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%)
<b>Total Non-Current Liabilities</b>		<b>45,482,927</b>	<b>45,491,862</b>	<b>(0.0%)</b>
<b>TOTAL LIABILITIES</b>		<b>62,505,282</b>	<b>72,084,283</b>	<b>(13.3%)</b>
<b>NET COMMUNITY ASSETS</b>		<b>1,249,672,918</b>	<b>1,261,296,803</b>	<b>(0.9%)</b>
<b>Community Equity</b>				
Retained surplus		875,465,073	892,229,267	(1.9%)
Asset revaluation reserve		306,888,354	306,888,354	0.0%
Other reserves		67,319,492	62,179,182	8.3%
<b>TOTAL COMMUNITY EQUITY</b>		<b>1,249,672,918</b>	<b>1,261,296,803</b>	<b>(0.9%)</b>

ISAAC REGIONAL COUNCIL

Statement of Cash Flows

For the Period Ended 31 January 2024

	Actual YTD	30 June 2023	Variance
	\$	\$	%
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	76,099,667	135,071,774	56.3%
Payments to suppliers and employees	(71,036,704)	(95,723,091)	74.2%
Cash provided by / (used in) net result	5,062,964	39,348,684	12.9%
<b>Cash Flows from Investing Activities</b>			
Profit / (Loss) on sale of capital assets	(17,470)	(7,756,733)	0.2%
Grants, subsidies, contributions and donations	4,361,267	10,112,259	43.1%
Payments for property, plant and equipment	(21,723,020)	(35,021,604)	62.0%
Net cash provided by investing activities	(17,379,223)	(32,666,079)	53.2%
<b>Cash Flow from Financing Activities</b>			
Proceeds from borrowings	-	(1,605,319)	0.0%
Repayment of borrowings	(757,531)	69,125	(1095.9%)
Net cash provided by financing activities	(757,531)	(1,536,194)	49.3%
<b>Net Increase / (Decrease) in Cash Held</b>	<b>(13,073,791)</b>	<b>5,146,411</b>	<b>(254.0%)</b>
Cash at the beginning of the period	73,414,123	68,267,713	107.5%
<b>Cash at the end of the Reporting Period</b>	<b>60,340,332</b>	<b>73,414,123</b>	<b>82.2%</b>



## Appendix 2 – Preliminary Executive Level Reports

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

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 January 2024								
Office of the CEO								
	Notes	YTD Actual	Commitments	YTD Actual + Commitments	YTD Revised Budget	Variance	Full Year Revised Budget	Completion
		\$	\$	\$	\$	\$	\$	%
<b>Income</b>								
<b>Operating Revenue</b>								
Operating Grants, Subsidies & Contributions		243,089	-	243,089	156,667	86,422	200,000	121.5%
		<b>243,089</b>	<b>-</b>	<b>243,089</b>	<b>156,667</b>	<b>86,422</b>	<b>200,000</b>	<b>121.5%</b>
<b>Expenses</b>								
<b>Operating Expenses</b>								
Employee Expenses	1	2,956,598	-	2,956,598	2,710,582	246,016	4,546,784	65.0%
Materials & Services		989,933	144,273	1,134,205	1,183,129	(48,924)	1,966,598	57.7%
Corporate Overheads & Competitive Neutrality Costs		(2,464,022)	-	(2,464,022)	(2,464,022)	-	(4,224,039)	58.3%
		<b>1,482,508</b>	<b>144,273</b>	<b>1,626,781</b>	<b>1,429,689</b>	<b>197,092</b>	<b>2,289,343</b>	<b>71.1%</b>
<b>Operating Position Before Capital Items</b>		<b>(1,239,419)</b>	<b>(144,273)</b>	<b>(1,383,692)</b>	<b>(1,273,022)</b>	<b>(110,670)</b>	<b>(2,089,343)</b>	<b>66.2%</b>
<b>Capital Revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Net Result Attributable to Council in Period</b>		<b>(1,239,419)</b>	<b>(144,273)</b>	<b>(1,383,692)</b>	<b>(1,273,022)</b>	<b>(110,670)</b>	<b>(2,089,343)</b>	<b>66.2%</b>
<b>Total Comprehensive Income</b>		<b>(1,239,419)</b>	<b>(144,273)</b>	<b>(1,383,692)</b>	<b>(1,273,022)</b>	<b>(110,670)</b>	<b>(2,089,343)</b>	<b>66.2%</b>

1. **Employee Expenses** for the financial year are unfavourable compared to budget by \$246,016. This unfavourable variance predominantly relates to costs associated with staff turnover, reclassification increases and the application of the employee vacancy rate.

ISAAC REGIONAL COUNCIL

Statement of Comprehensive Income

For the Period Ended 31 January 2024

Corporate, Governance & Financial Service

	Notes	YTD Actual	Commitments	YTD Actual + Commitments	YTD Revised Budget	Variance	Full Year Revised Budget	Completion
		\$	\$	\$	\$	\$	\$	%
<b>Income</b>								
<b>Operating Revenue</b>								
Net Rates & Utility Charges	1	34,587,908	-	34,587,908	33,702,872	885,036	67,405,744	51.3%
Fees & Charges		66,233	-	66,233	47,542	18,691	81,500	81.3%
Rental Income		1,350	-	1,350	1,350	-	1,350	100.0%
Interest Received	2	2,034,083	-	2,034,083	1,333,625	700,458	2,200,500	92.4%
Sales of Contract & Recoverable Works		63,033	-	63,033	46,667	16,366	80,000	78.8%
Operating Grants, Subsidies & Contributions		142,471	-	142,471	182,313	(39,842)	5,501,840	2.6%
Other Recurrent Revenue		36,829	-	36,829	78,333	(41,505)	140,000	26.3%
		<b>36,931,905</b>	<b>-</b>	<b>36,931,905</b>	<b>35,392,701</b>	<b>1,539,204</b>	<b>75,410,934</b>	<b>49.0%</b>
<b>Expenses</b>								
<b>Operating Expenses</b>								
Employee Expenses	3	4,966,637	-	4,966,637	4,344,363	622,274	9,255,762	53.7%
Materials & Services	4	9,988,647	1,677,488	11,666,135	7,998,268	3,667,867	11,240,966	103.8%
Finance Costs		287,028	-	287,028	300,807	(13,779)	543,028	52.9%
Depreciation and Amortisation		603,407	-	603,407	582,226	21,181	998,102	60.5%
Corporate Overheads & Competitive Neutrality Costs		(8,420,825)	-	(8,420,825)	(8,420,825)	-	(14,435,700)	58.3%
		<b>7,424,895</b>	<b>1,677,488</b>	<b>9,102,382</b>	<b>4,804,839</b>	<b>4,297,543</b>	<b>7,602,157</b>	<b>119.7%</b>
<b>Operating Position Before Capital Items</b>		<b>29,507,011</b>	<b>(1,677,488)</b>	<b>27,829,523</b>	<b>30,587,862</b>	<b>(2,758,339)</b>	<b>67,808,777</b>	<b>41.0%</b>
<b>Capital Revenue</b>								
Capital Revenue		-	-	-	73,800	(73,800)	105,413	0.0%
		<b>-</b>	<b>-</b>	<b>-</b>	<b>73,800</b>	<b>(73,800)</b>	<b>105,413</b>	<b>0.0%</b>
<b>Net Result Attributable to Council in Period</b>		<b>29,507,011</b>	<b>(1,677,488)</b>	<b>27,829,523</b>	<b>30,661,662</b>	<b>(2,832,139)</b>	<b>67,914,190</b>	<b>41.0%</b>
<b>Total Comprehensive Income</b>		<b>29,507,011</b>	<b>(1,677,488)</b>	<b>27,829,523</b>	<b>30,661,662</b>	<b>(2,832,139)</b>	<b>67,914,190</b>	<b>41.0%</b>

1. **Net Rates & Utility Charges** are \$885,036 favourable when comparing actuals to revised budget. The favourable variance is predominately due to a significant supplementary rates run partially offset by increased utilisation of the discount on general rates. This favourable variance will be monitored throughout the year and assessed at the Quarter 3 Budget Review following second rates notice issuance.
2. **Interest Received** is \$700,458 favourable when compared to revised budget. This favourable variance is predominately due to increased interest income from investments.
3. **Employee Expenses** for the financial year are unfavourable compared to budget by \$622,274, due to Corporate Employee expenses which are consolidated for the whole of Council in this Directorate. Excluding Corporate Employee expenses the position would be \$124,546 favourable.
4. **Materials & Services** for the financial year to date are \$3,667,867 unfavourable with \$9,988,647 in actual expenditure and \$1,677,488 in commitments against the YTD budget of \$7,998,268. It should be noted that without commitments the variance is still unfavourable by \$1,990,379. This unfavourable variance is predominately due to increased computer expenses associated with the digital strategy.



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

**Engineering & Infrastructure Services**

	Notes	YTD Actual	Commitments	YTD Actual + Commitments	YTD Revised Budget	Variance	Full Year Revised Budget	Completion
		\$	\$	\$	\$	\$	\$	%
<b>Income</b>								
<b>Operating Revenue</b>								
Fees & Charges		201,350	-	201,350	170,124	31,226	293,070	68.7%
Rental Income	1	956,222	-	956,222	821,068	135,154	1,407,545	67.9%
Interest Received		3,060	-	3,060	-	3,060	-	0.0%
Sales of Contract & Recoverable Works	2	1,418,337	-	1,418,337	1,944,729	(526,392)	6,595,170	21.5%
Operating Grants, Subsidies & Contributions	3	501,818	-	501,818	368,205	133,613	5,250,377	9.6%
Other Recurrent Revenue		33,864	-	33,864	-	33,864	-	0.0%
		<b>3,114,652</b>	<b>-</b>	<b>3,114,652</b>	<b>3,304,126</b>	<b>(189,474)</b>	<b>13,546,162</b>	<b>23.0%</b>
<b>Expenses</b>								
<b>Operating Expenses</b>								
Employee Expenses	4	8,975,401	-	8,975,401	9,153,802	(178,401)	15,351,108	58.5%
Materials & Services	5	9,215,061	9,919,254	19,134,315	7,580,169	11,554,145	13,510,518	141.6%
Depreciation and Amortisation		10,051,461	-	10,051,461	10,119,531	(68,070)	17,347,768	57.9%
Corporate Overheads & Competitive Neutrality Costs		5,837,042	-	5,837,042	5,837,042	-	10,006,358	58.3%
		<b>34,078,965</b>	<b>9,919,254</b>	<b>43,998,219</b>	<b>32,690,545</b>	<b>11,307,674</b>	<b>56,215,752</b>	<b>78.3%</b>
<b>Operating Position Before Capital Items</b>		<b>(30,964,312)</b>	<b>(9,919,254)</b>	<b>(40,883,566)</b>	<b>(29,386,418)</b>	<b>(11,497,148)</b>	<b>(42,669,591)</b>	<b>95.8%</b>
<b>Capital Revenue</b>								
Capital Revenue	6	1,881,191	-	1,881,191	1,416,856	464,335	10,189,764	18.5%
Proceeds from Sale of Land & PPE	7	780,546	-	780,546	450,000	330,546	995,410	78.4%
		<b>2,661,737</b>	<b>-</b>	<b>2,661,737</b>	<b>1,866,856</b>	<b>794,881</b>	<b>11,185,174</b>	<b>23.8%</b>
<b>Net Result Attributable to Council in Period</b>		<b>(28,302,575)</b>	<b>(9,919,254)</b>	<b>(38,221,829)</b>	<b>(27,519,562)</b>	<b>(10,702,267)</b>	<b>(31,484,417)</b>	<b>121.4%</b>
<b>Total Comprehensive Income</b>		<b>(28,302,575)</b>	<b>(9,919,254)</b>	<b>(38,221,829)</b>	<b>(27,519,562)</b>	<b>(10,702,267)</b>	<b>(31,484,417)</b>	<b>121.4%</b>

- 1. Rental Income** is \$135,154 favourable compared to the revised budget for the year to date. The favourable variance of is mainly due to higher than anticipated rental volumes for employee and fatigue accommodation.
- 2. Sales of Contract & Recoverable Works** are unfavourable to the budget by \$526,392. This unfavourable variance is due to the timing of claims for the RMPC partially offset by revenue from recoverable works. This variance has historically corrected itself over the remainder of the financial year.
- 3. Operating Grants, Subsidies & Contributions** are \$133,613 favourable compared to the YTD budget. This favourable variance is due to the receipt of funds for maintenance contributions which are higher than annual budget. This revenue will be reviewed as part of the Quarter 2 Budget Review.
- 4. Employee Expenses** are favourable compared to the revised budget by \$178,401. This favourable variance is predominantly due to employee vacancies, some of which are currently being backfilled through Agency Temp Staff (current actuals \$46K and commitments of \$145K).
- 5. Materials & Services** for the financial year to date are \$11,554,145 unfavourable with \$9,215,061 of actual expenditure and \$9,919,254 in commitments against YTD budget of \$7,580,169. It should be noted that without commitments the variance is still unfavourable by \$1,634,892. This unfavourable variance is predominately due to cashflowing of RMPC and DRFA November 2021 event, unforeseen legal challenge, lower capitalisation of internal plant hire and repairs and maintenance. The Quarter 2 Budget Review will review expenditure for the recoverable works (DRFA, Galilee and Bowen Basin Operations, RMPC) and the subsequent expected revenue associated with the works. Large commitments to note are \$2.9M for RMPC works and \$5.5M Galilee and Bowen Basin recoverable works.
- 6. Capital Revenue** for the financial year is \$464,335 favourable when compared to revised budget. This favourable 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 \$330,546. This favourable variance is due to budgeted cashflow of receipt of funds from the sale of plant. This revenue will be reviewed as part of the Quarter 2 Budget Review.


**ISAAC REGIONAL COUNCIL**

**Statement of Comprehensive Income**

**For the Period Ended 31 January 2024**

**Planning, Environment & Community Service**

	Notes	YTD Actual	Commitments	YTD Actual + Commitments	YTD Revised Budget	Variance	Full Year Revised Budget	Completion
		\$	\$	\$	\$	\$	\$	%
<b>Income</b>								
<b>Operating Revenue</b>								
Fees & Charges	1	1,587,295	-	1,587,295	1,419,258	168,037	2,170,300	73.1%
Rental Income		122,942	-	122,942	125,417	(2,474)	215,000	57.2%
Operating Grants, Subsidies & Contributions		465,252	-	465,252	474,154	(8,901)	906,866	51.3%
Other Recurrent Revenue		2,450	-	2,450	583	1,866	66,000	3.7%
		<b>2,177,940</b>	<b>-</b>	<b>2,177,940</b>	<b>2,019,412</b>	<b>158,528</b>	<b>3,358,166</b>	<b>64.9%</b>
<b>Expenses</b>								
<b>Operating Expenses</b>								
Employee Expenses	2	6,298,208	-	6,298,208	7,131,004	(832,796)	11,961,684	52.7%
Materials & Services	3	4,176,125	1,380,642	5,556,766	4,471,313	1,085,454	7,886,299	70.5%
Finance Costs		278,198	-	278,198	274,442	3,756	504,758	55.1%
Depreciation and Amortisation		1,284,538	-	1,284,538	1,274,714	9,824	2,185,224	58.8%
Corporate Overheads & Competitive Neutrality Costs		1,793,164	-	1,793,164	1,793,164	-	3,073,995	58.3%
		<b>13,830,232</b>	<b>1,380,642</b>	<b>15,210,874</b>	<b>14,944,637</b>	<b>266,237</b>	<b>25,611,960</b>	<b>59.4%</b>
<b>Operating Position Before Capital Items</b>		<b>(11,652,292)</b>	<b>(1,380,642)</b>	<b>(13,032,934)</b>	<b>(12,925,225)</b>	<b>(107,709)</b>	<b>(22,253,794)</b>	<b>58.6%</b>
<b>Capital Revenue</b>								
Capital Revenue		1,687,892	-	1,687,892	1,698,647	(10,755)	6,061,530	27.8%
		<b>1,687,892</b>	<b>-</b>	<b>1,687,892</b>	<b>1,698,647</b>	<b>(10,755)</b>	<b>6,061,530</b>	<b>27.8%</b>
<b>Net Result Attributable to Council in Period</b>		<b>(9,964,400)</b>	<b>(1,380,642)</b>	<b>(11,345,042)</b>	<b>(11,226,578)</b>	<b>(118,464)</b>	<b>(16,192,264)</b>	<b>70.1%</b>
<b>Total Comprehensive Income</b>		<b>(9,964,400)</b>	<b>(1,380,642)</b>	<b>(11,345,042)</b>	<b>(11,226,578)</b>	<b>(118,464)</b>	<b>(16,192,264)</b>	<b>70.1%</b>

- 
- 1. Fees & Charges** are \$1,587,295 compared to the revised budget of \$1,419,258 resulting in a favourable variance of \$168,037. The predominant reason for this favourable variance is higher than anticipated revenue from building and development fees partially offset by lower saleyard revenue. The budgeted amounts for these revenue streams will be reviewed during the Quarter 2 Budget Review.
  - 2. Employee Expenses** are favourable compared to the revised budget by \$832,796. This favourable variance is predominately due to employee vacancies, some of which are currently being backfilled through Agency Temp Staff (current actuals \$272K and commitments of \$156K).
  - 3. Materials & Services** for the financial year to date are \$1,085,454 unfavourable with \$4,176,125 of actual expenditure and \$1,380,642 in commitments against YTD budget of \$4,471,313. This unfavourable variance is due to the inclusion of commitments which relate to future reporting periods. Materials and Services will be reviewed as part of the Quarter 2 Budget Review.

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

**Water & Waste**

	Notes	YTD Actual	Commitments	YTD Actual + Commitments	YTD Revised Budget	Variance	Full Year Revised Budget	Completion
		\$	\$	\$	\$	\$	\$	%
<b>Income</b>								
<b>Operating Revenue</b>								
Net Rates & Utility Charges	1	14,005,875	-	14,005,875	13,852,215	153,660	31,125,679	45.0%
Fees & Charges	2	790,675	-	790,675	675,833	114,842	1,247,000	63.4%
Rental Income		39,212	-	39,212	27,664	11,548	36,303	108.0%
Interest Received		122,998	-	122,998	113,750	9,248	195,000	63.1%
Operating Grants, Subsidies & Contributions		54,811	-	54,811	53,084	1,727	553,084	9.9%
Other Recurrent Revenue	3	6,394,668	-	6,394,668	5,554,668	840,000	9,770,280	65.5%
		<b>21,408,238</b>	<b>-</b>	<b>21,408,238</b>	<b>20,277,214</b>	<b>1,131,024</b>	<b>42,927,346</b>	<b>49.9%</b>
<b>Expenses</b>								
<b>Operating Expenses</b>								
Employee Expenses	4	4,302,309	-	4,302,309	4,605,905	(303,596)	7,723,884	55.7%
Materials & Services	5	9,048,582	5,971,465	15,020,047	10,627,526	4,392,521	17,999,545	83.4%
Finance Costs		27,361	-	27,361	27,085	276	50,004	54.7%
Depreciation and Amortisation		6,392,515	-	6,392,515	6,485,121	(92,606)	11,117,350	57.5%
Corporate Overheads & Competitive Neutrality Costs		3,254,642	-	3,254,642	3,254,642	-	5,579,386	58.3%
		<b>23,025,409</b>	<b>5,971,465</b>	<b>28,996,873</b>	<b>25,000,278</b>	<b>3,996,595</b>	<b>42,470,168</b>	<b>68.3%</b>
<b>Operating Position Before Capital Items</b>		<b>(1,617,171)</b>	<b>(5,971,465)</b>	<b>(7,588,635)</b>	<b>(4,723,064)</b>	<b>(2,865,571)</b>	<b>457,178</b>	<b>(1659.9%)</b>
<b>Capital Revenue</b>								
Capital Revenue		790,681	-	790,681	762,500	28,181	3,510,163	22.5%
		<b>790,681</b>	<b>-</b>	<b>790,681</b>	<b>762,500</b>	<b>28,181</b>	<b>3,510,163</b>	<b>22.5%</b>
<b>Net Result Attributable to Council in Period</b>		<b>(826,490)</b>	<b>(5,971,465)</b>	<b>(6,797,955)</b>	<b>(3,960,564)</b>	<b>(2,837,391)</b>	<b>3,967,341</b>	<b>(171.3%)</b>
<b>Total Comprehensive Income</b>		<b>(826,490)</b>	<b>(5,971,465)</b>	<b>(6,797,955)</b>	<b>(3,960,564)</b>	<b>(2,837,391)</b>	<b>3,967,341</b>	<b>(171.3%)</b>

1. **Net Rates & Utility Charges** is \$153,660 favourable, with actuals of \$14,005,875 compared to a revised budget of \$13,852,215. The favourable variance is predominately due to higher than anticipated water and sewerage access charges.
2. **Fees & Charges** are \$790,675 compared to YTD budget of \$675,833, resulting in a favourable variance of \$114,842. This favourable variance is due to higher than anticipated revenue for Potable Water Sales at Middlemount. This revenue will be reviewed during the Quarter 2 Budget Review.
3. **Other Recurrent Revenue** for the year to date is \$6,394,668 being \$840,000 favourable to budget. This favourable variance is due to septic waste received into the treatment plants and revenue from tip fees being higher than budget.
4. **Employee Expenses** are favourable compared to the revised budget by \$303,596. This favourable variance is predominantly due to employee vacancies some of which are currently being backfilled through Agency Temp Staff (current actuals \$423K and commitments of \$109K).
5. **Materials & Services** for the financial year to date are \$4,392,521 unfavourable, with \$9,048,582 in actual expenditure and \$5,971,465 in commitments against YTD budget of \$10,627,526. The unfavourable variance is due to the inclusion of commitments which relate to future reporting periods (large commitments are noted for waste levy \$1.6M, contractors at IRC's landfills \$1.2M and water purchases \$1.1M).

---

## MEETING DETAILS

**Corporate, Governance and Financial Services Standing Committee Meeting**

Wednesday 21 February 2024

---

## AUTHOR

Warren Clough

---

## AUTHOR POSITION

Senior Safety Resilience Partner

---

**5.2**

## **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.

<b>Report Prepared By:</b> WARREN CLOUGH <b>Senior Safety Resilience Partner</b>  Date: 7 February 2024	<b>Report Authorised By:</b> DARREN FETTELL <b>Director Corporate, Governance and Financial Services</b>  Date: 8 February 2024
---	---

## ATTACHMENTS

- Attachment 1 – Safety and Resilience Report – January 2024

## REFERENCE DOCUMENT

- Nil



# SAFETY AND RESILIENCE MONTHLY REPORT

---

DATE	January 2024
TO	February 2024, Ordinary Council meeting
FROM	Senior Safety and Resilience Partner

---

## 1. SUMMARY

January has been a busy month for the Safety and Resilience team, supporting staff through our risk management processes, including facilitating risk assessments for the introduction of a weighbridge at Clermont Waste Services. The team has also been conducting a gap analysis on our system in readiness for our LGW audit in the second half of 2024.

### 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

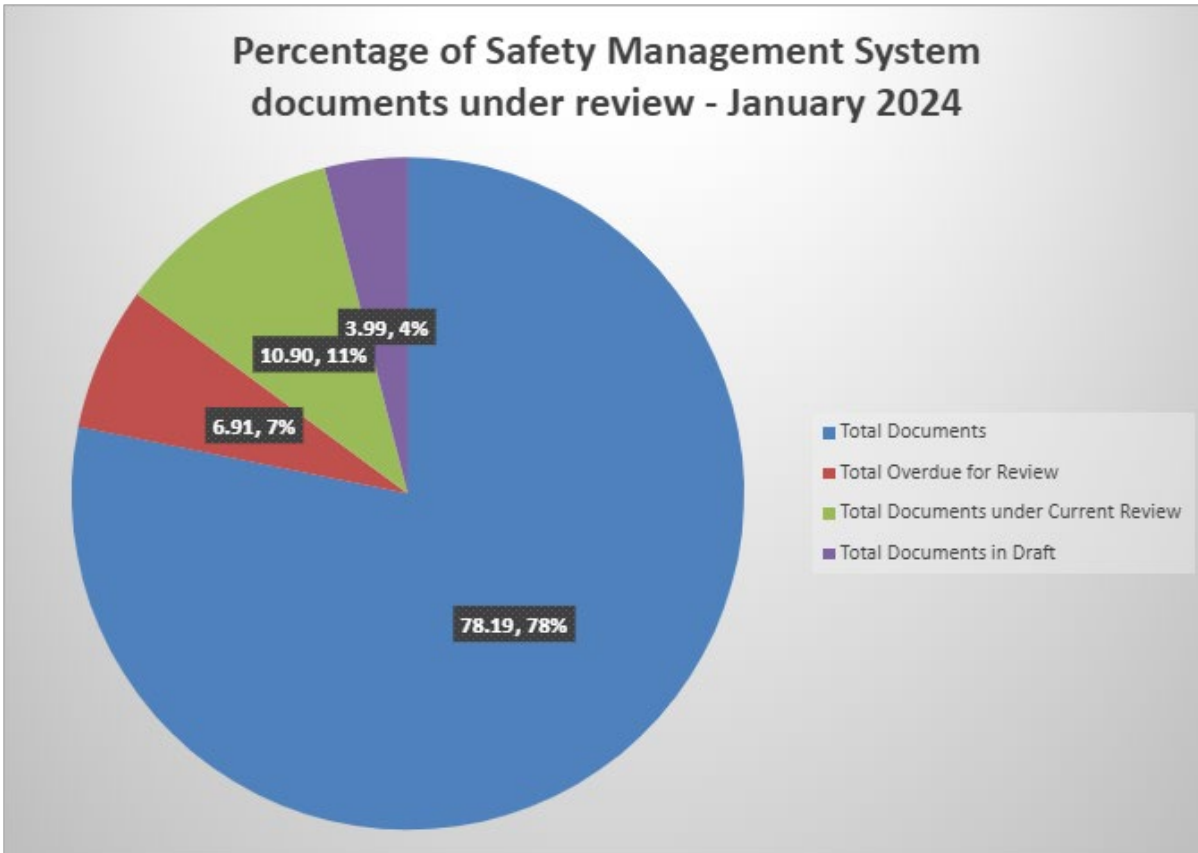
## 2. BEST PRACTICE SYSTEM

*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:** there is a significant improvement in the documentation.



## 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.*

### 3.1 RISK ASSESSMENTS

The Safety and Resilience Partners have been supporting our staff at Clermont Waste Services with facilitating a risk assessment for the introduction of a weighbridge onsite. This included identifying key stakeholders and involving them in the process.

# SAFETY AND RESILIENCE MONTHLY REPORT

## 3.2 HAZARD HUNTER

**OBJECTIVE** to ensure risk management activities completed by identifying hazards.

TARGET: Number of hazards reported and rectified.

**STATUS** 11 hazards were identified for January, and 4 have been fully managed.

Noted improvement in hazard reports for January, 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.

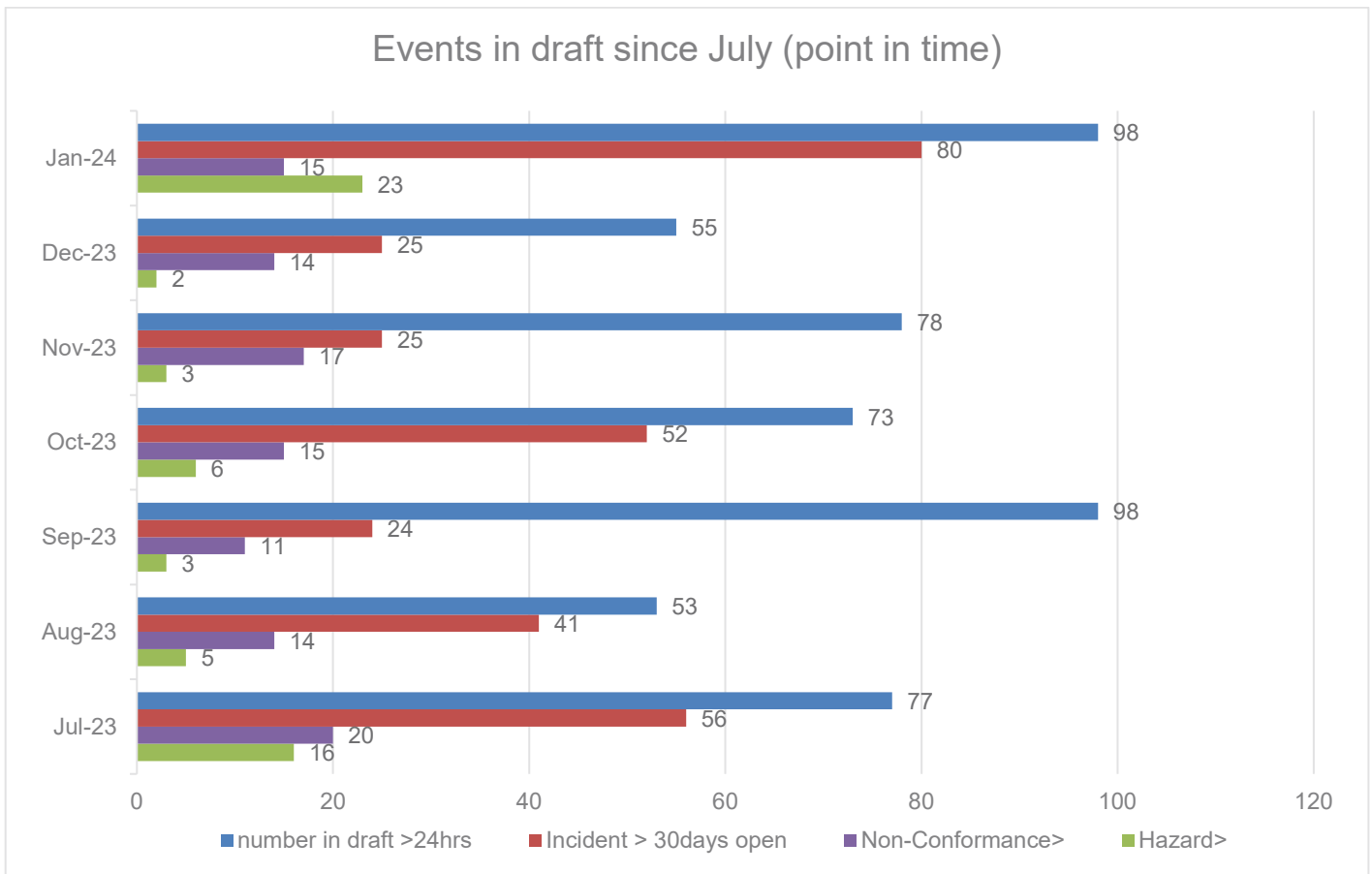
## 3.3 EVENT REVIEW

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

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

**STATUS** 98 events in draft for all date range.

This graph shows the trending of events still in draft >24-hour, there is a noted increase in the January period. However, this trend also occurred during the same period in 2023, suggesting the Xmas closure influences this result.



# 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. 21 events were entered during the month of January.

One highlighted example is a hazardous manual handling task, that resulted in injury to an employee bicep.

### 3.5 EMERGENCY MANAGEMENT COMMITTEE

Progress continues for the Clermont Administration Office rectification, with recent work allowing staff who have elected to, the ability to return to the office.

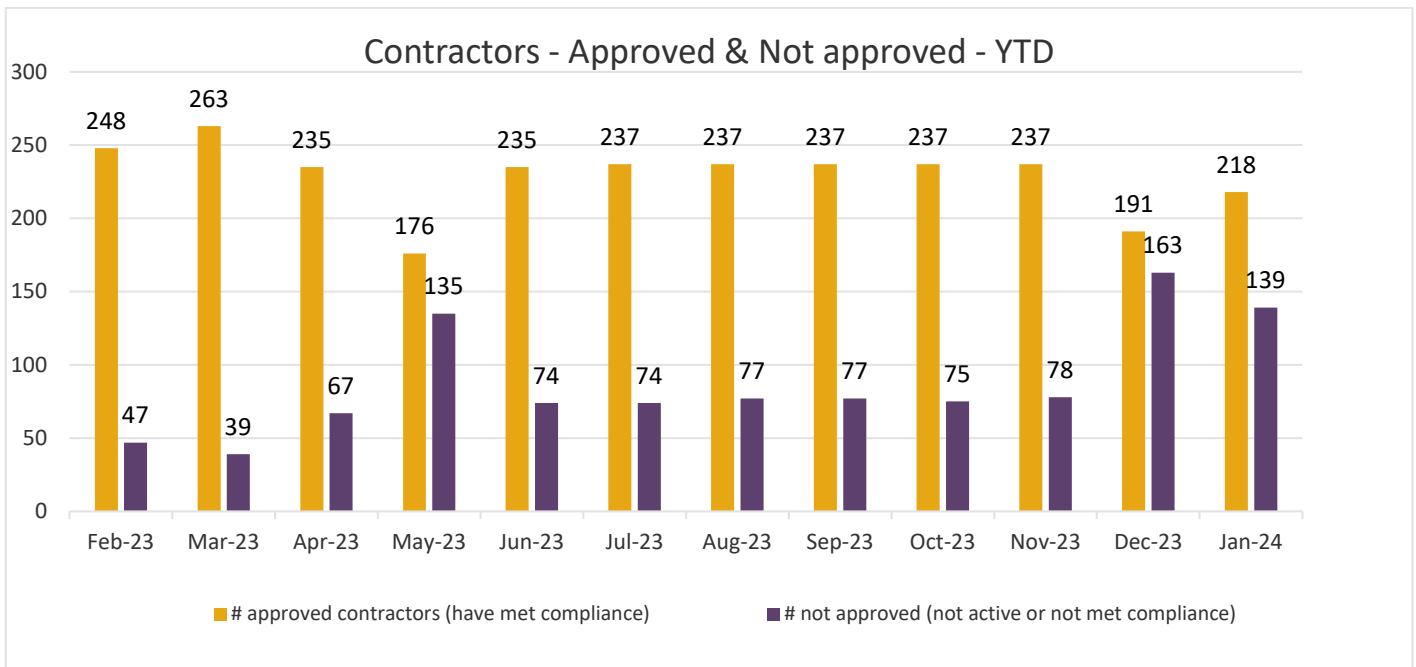
### 3.6 CONTRACTOR MANAGEMENT

#### OBJECTIVE Evaluation of contractor and project management documentation and processes.

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

**STATUS: # APPROVED contractor companies –218 # NOT APPROVED – 139**

S&R team undertook a review of contractor compliance during December 2023, which has been reflected in the updated approved/non-approved contractor compliance numbers recorded during December 2023. There is a noted improvement in January 2024, supporting the work being undertaken by the team in assisting our contractors maintain compliance.



## 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 is currently being developed in consultation with OCEO. Once approved it will be posted on IRIS and on the Lucidity Home Page News Items.

# SAFETY AND RESILIENCE MONTHLY REPORT

**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 Safety and Resilience team members are qualified to facilitate Drug and Alcohol testing. The team has been discussing a plan that will allow for more regular testing of individual departments within our towns, rather than whole of town testing.

No tests were completed for December. 0 non-negative test results.

### 5.3 FIT TESTING - RESPIRATORY FACE MASK

Nil completed for January.

### 5.4 WORKER'S COMPENSATION & 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 & FLU SHOTS

The Wellness and Resilience Partners continue to advocate this initiative, nil conducted in December.

## 6. AUDIT/ INSPECTIONS

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

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 January against the plan.

## 7. CONTINUOUS IMPROVEMENT

*This is the ongoing verification of due diligence activities.*

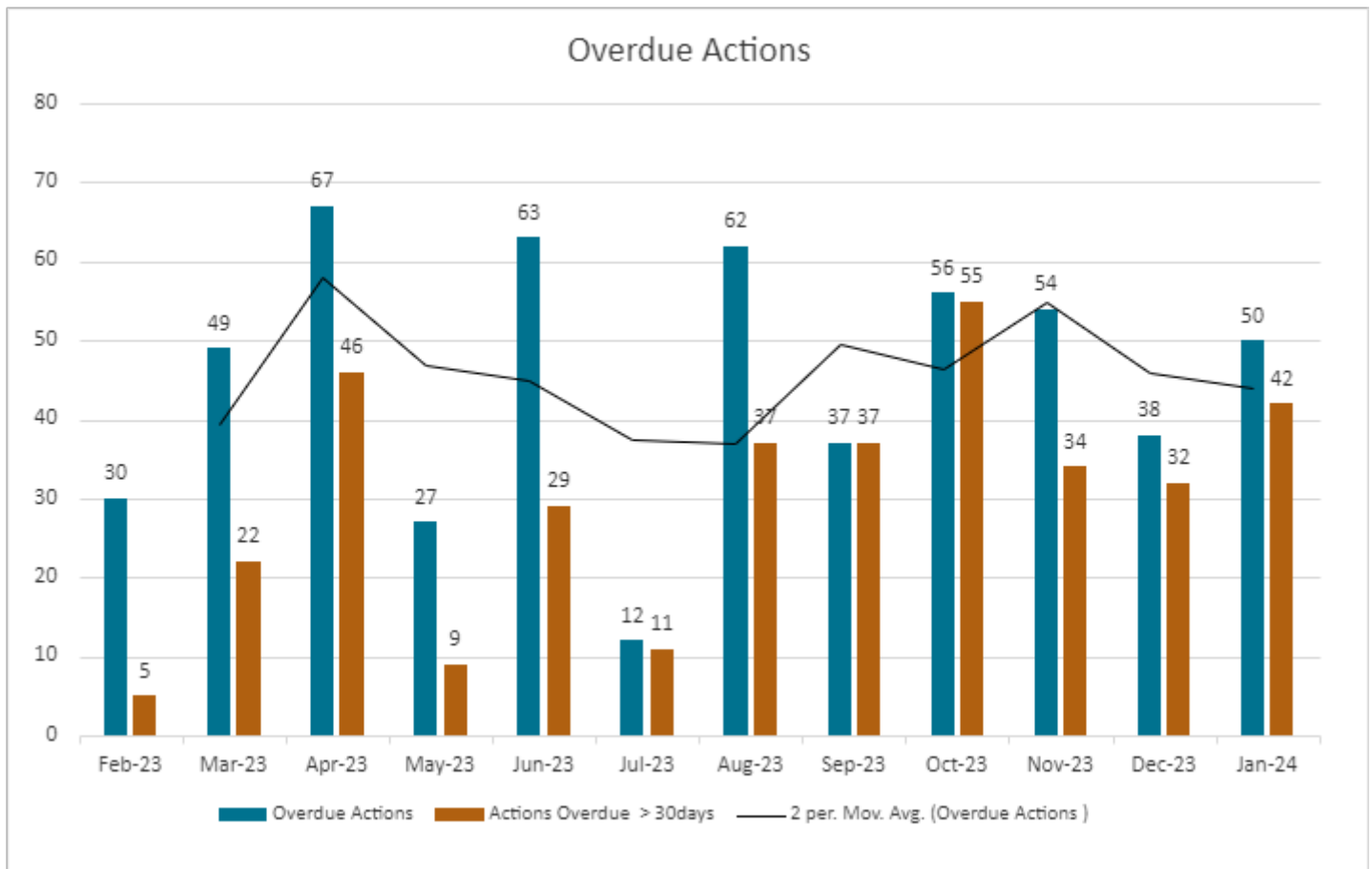
# SAFETY AND RESILIENCE MONTHLY REPORT

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 50 overdue actions, 42 overdue >30 days. This is a noted increase for overdue actions from last month, whilst noting the number above >30 days has also increased. A similar trend occurred within in the same period of 2023, suggesting the Xmas closure influences this result.



## 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.

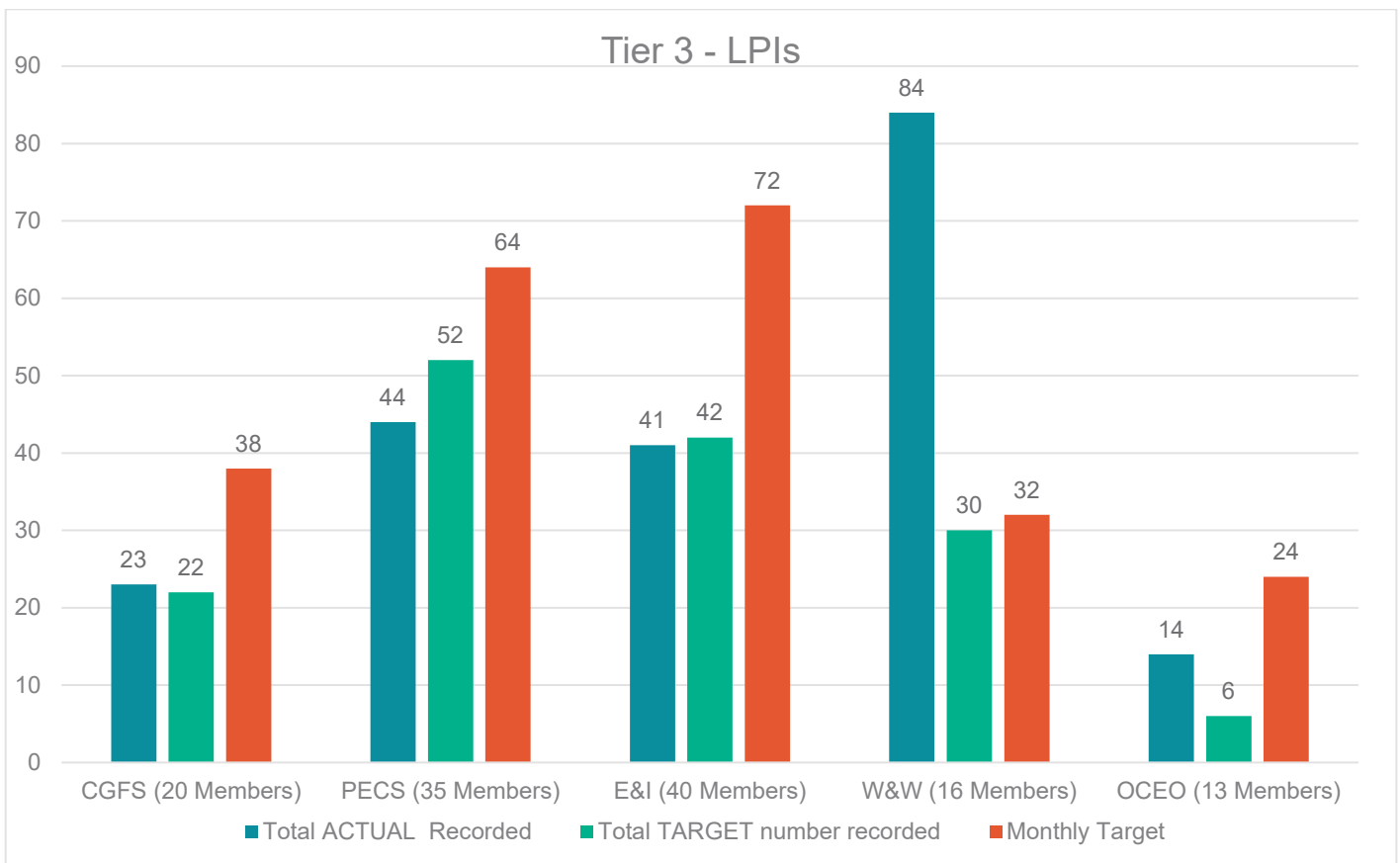
**TIER 3 LPIs – ELT, SLT & OLT Members**

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

# SAFETY AND RESILIENCE MONTHLY REPORT

## 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
---------------------------------	-------------------------------------	----------------------------------	---	--	---	---	------------------------------------	----------------------------	--



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

---

## MEETING DETAILS

**Corporate, Governance and Financial Services Standing Committee Meeting**

Wednesday 21 February 2024

---

## AUTHOR

Michael Krulic

---

## AUTHOR POSITION

Manager Financial Services

---

---

## 5.3

## CONTROLLED ENTITIES FINANCIAL STATEMENTS

### EXECUTIVE SUMMARY

Council has received the audited financial statements for the Moranbah Early Learning Centre Pty Ltd (MELC), Isaac Affordable Housing Trust (IAHT) and the Isaac Affordable Housing Fund Pty Ltd (IAHF) for the year ended 30 June 2023. As per Section 213 (B) (3) of the *Local Government Regulation 2012* the Mayor must present the copy of the audited financial statements at the next ordinary meeting of the local government.

### OFFICER'S RECOMMENDATION

*That the Committee recommends that Council:*

- 1. Receives the financial statements from Moranbah Early Learning Centre Pty Ltd, Isaac Affordable Housing Trust and Isaac Affordable Housing Fund Pty Ltd for the period ended 30 June 2023 pursuant to and in accordance with the Local Government Regulation 2012 (s213B).***

### BACKGROUND

This report is prepared on behalf of the Mayor, pursuant to Section 213 (B) (3) of the *Local Government Regulation 2012*, presenting a copy of the audited financial statements for its controlled entities at the next ordinary meeting of the local government.

Council received the signed financial statements for MELC, IAHT and IAHF on the 17 January 2024.

### IMPLICATIONS

By receiving the financial statements Council will meet the relevant compliance requirements as per the *Local Government Regulation 2012*.

### CONSULTATION

- Mayor
- Councillors
- Chief Executive Officer
- Director Corporate, Governance and Financial Services



## BASIS FOR RECOMMENDATION

### Local Government Regulation 2012

#### **213B Local government to obtain copy of audited financial statements of controlled entities**

- (1) This section applies if the financial statements of a controlled entity of a local government are audited under the *Auditor-General Act 2009*.
- (2) The local government must obtain a copy of the audited financial statements of the controlled entity from —
  - (a) the controlled entity; or
  - (b) if the controlled entity is subject to the control of another entity and the other entity is subject to the control of the local government—the other entity.
- (3) The mayor must present the copy of the audited financial statements at the next ordinary meeting of the local government.
- (4) The local government must ensure that, within 14 days after the copy of the audited financial statements is presented at the meeting, the copy is, or a link to the copy is, published on the local government's website.

## ACTION ACCOUNTABILITY

Not Applicable

## KEY MESSAGES

Not Applicable

<b>Report Prepared By:</b> MICHAEL KRULIC Manager Financial Services  Date: 7 February 2024	<b>Report Authorised By:</b> DARREN FETTELL Director Corporate, Governance and Financial Services  Date: 8 February 2024
---	--

## ATTACHMENTS

- Attachment 1 – Moranbah Early Learning Centre Financial Statements 2023 – Signed
- Attachment 2 – Isaac Affordable Housing Trust Financial Statements 2023 – Signed
- Attachment 3 – Isaac Affordable Housing Fund Financial Statements 2023 – Signed

## REFERENCE DOCUMENT

- Nil

**Moranbah Early Learning Centre Pty Ltd**  
A.C.N. 154 322 308

<b>Financial Statements for the year ended 30 June 2023</b>	<b>Page</b>
Directors' Report	2
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Financial Statements	8
Directors Declaration	14
Independent Auditor's Report	15

The Financial Statements of the Moranbah Early Learning Centre Pty Ltd are special purpose financial reports prepared in accordance with the prescribed requirements per Note 1 of the financial statements.

**Moranbah Early Learning Centre Pty Ltd**  
A.C.N. 154 322 308

## **DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2023.

### **Directors**

The names of the directors in office at any time during, or since the end of the year are:

Mrs Anne Michelle Baker  
Mrs Melissa Anne Westcott  
Mrs Kelly Maree Vevea  
Mr Simon West (Appointed 8th March 2023)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### **Review of Operations**

The income of the company for the financial period after providing for income tax amounted to a profit of \$255,185. (2022: \$38,481).

### **Significant changes in the State of Affairs**

No significant changes in the company's state of affairs occurred during the financial period.

### **Principal Activities**

The principal activities of the company during the financial period were the operation of a child care facility and provision of Outside School Hours Care (OSHC).

### **Events Subsequent to the End of the Reporting Period**

No events have occurred subsequent to the end of the reporting period up to the date of this report which impact up on amounts recognised or disclosures made within the financial statements.

---

### **Environmental Regulation**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### **Dividends**

There were no dividends paid throughout the year.

### **Options**

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Moranbah Early Learning Centre Pty Ltd  
A.C.N. 154 322 308

**DIRECTORS' REPORT**

**Indemnification of Officers**


No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

**Proceedings on Behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

Signed in accordance with a resolution of the Board of Directors:

Director:.....   
Mrs Anne Baker

Director:.....   
Mrs Kelly Veava

Dated this 13<sup>th</sup> day of December, 2023.

**Moranbah Early Learning Centre Pty Ltd**  
**Statement of Comprehensive Income**  
**For the year ended 30th June 2023**

	Notes	2023 \$	2022 \$
<b>Income</b>			
Revenues			
Childcare Fees		1,762,588	1,655,980
Government Assistance		1,510,080	1,118,540
Grants and Donations		156,202	148,531
Reimburse Paid Parental Leave		11,374	-
<b>Total income</b>		<b>3,440,244</b>	<b>2,923,051</b>
<b>Expenses</b>			
Centre Purchases	3	160,014	176,806
Administration and Consulting Fees	2	366,529	427,755
Interest	4	5,805	2,142
Salaries and Wages	5	2,126,198	1,839,391
Depreciation Expense		50,018	50,254
Other Operating Costs		476,495	388,222
<b>Total expenses</b>		<b>3,185,059</b>	<b>2,884,570</b>
<b>Operating Surplus</b>		<b>255,185</b>	<b>38,481</b>
<b>Total comprehensive income</b>		<b>255,185</b>	<b>38,481</b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes

**Moranbah Early Learning Centre Pty Ltd**  
**Statement of Financial Position**  
**As at 30 June 2023**

	Notes	2023 \$	2022 \$
<b>Current assets</b>			
Cash at Bank	6	900,240	687,103
Receivables	7	48,186	48,852
<b>Total current assets</b>		948,426	735,955
<b>Non current assets</b>			
Property, Plant and Equipment	8	421,282	460,949
<b>Total non current assets</b>		421,282	460,949
<b>Total assets</b>		1,369,708	1,196,904
<b>Current liabilities</b>			
Payables	9	63,604	84,240
Payroll Liabilities	10	217,305	204,294
Unsecured Loan	11	95,686	95,168
<b>Total current liabilities</b>		376,595	383,702
<b>Non current liabilities</b>			
Unsecured Loan	11	369,268	459,667
Payroll Liabilities	10	37,054	21,929
<b>Total non current liabilities</b>		406,322	481,596
<b>Total liabilities</b>		782,917	865,298
<b>Net Assets</b>		586,791	331,606
<b>Equity</b>			
Issued Capital	12	10	10
Retained Earnings		331,596	293,115
Current Year Operating Surplus		255,185	38,481
<b>Net equity</b>		586,791	331,606

The Statement of Financial Position should be read in conjunction with the accompanying notes

Moranbah Early Learning Centre Pty Ltd  
Statement of Changes in Equity  
For the year ended 30th June 2023

	Issued Capital	Retained Profits/ (Accumulated Losses)	Total
	\$	\$	\$
Balance at 1 July 2021	10	293,115	293,125
Operating Surplus	-	38,481	38,481
<b>Balance as at 30 June 2022</b>	<b>10</b>	<b>331,596</b>	<b>331,606</b>

	Issued Capital	Retained Profits/ (Accumulated Losses)	Total
	\$	\$	\$
Balance at 1 July 2022	10	331,596	331,606
Operating Surplus	-	255,185	255,185
<b>Balance as at 30 June 2023</b>	<b>10</b>	<b>586,781</b>	<b>586,791</b>

Moranbah Early Learning Centre Pty Ltd  
Statement of Cash Flows  
For the year ended 30th June 2023

	Notes	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
<b>Inflows</b>			
Receipts from Customers		1,774,531	1,655,045
Grants		156,202	148,531
Government Assistance		1,510,080	1,118,540
Reimburse Paid Parental Leave		11,374	-
GST Collected		15,180	10,977
<b>Outflows</b>			
Payment to Suppliers and Employees		(3,071,203)	(2,729,866)
Interest Paid		(5,805)	(2,279)
GST Paid		(76,991)	(84,652)
<b>Net cash provided by/(used in) operating activities</b>	13	<b>313,368</b>	<b>116,296</b>
<b>Cash flows from investing activities</b>			
<b>Outflows</b>			
Payments for Property Plant and Equipment		(10,350)	(15,354)
<b>Net cash provided by/(used in) investing activities</b>		<b>(10,350)</b>	<b>(15,354)</b>
<b>Cash flows from financing activities</b>			
<b>Outflows</b>			
Repayments of borrowings		(89,881)	(93,026)
<b>Net cash provided by/(used in) financing activities</b>		<b>(89,881)</b>	<b>(93,026)</b>
<b>Total increase in cash</b>		<b>213,137</b>	<b>7,916</b>
<b>Cash at beginning of financial year</b>		<b>687,103</b>	<b>679,187</b>
<b>Cash at end of financial year</b>	6	<b>900,240</b>	<b>687,103</b>



**Moranbah Early Learning Centre Pty Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the year ended 30th June 2023**

**1. Summary of Significant Accounting Policies**

**(a) Basis of Preparation**

The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the Australian Charities and Not-for-profits Commission Act 2012 (the Act).

The financial report has been prepared in accordance with the Act, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of the following standards:

- AASB 101 Presentation of Financial Statements
- AASB 107 Statement of Cashflows
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 Interpretation of Standards
- AASB 1054 Australian Additional Disclosures

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

**(b) New and revised accounting standards adopted during the year**

There are a number of new accounting standards and pronouncements issued by the Australian Accounting Standards Board that are applicable for periods ending on or after 1 July 2022. The company has reviewed these and have determined that none of them have a material impact on the company.

**(c) Revenue recognition**

**Childcare services**

Revenue from the provision of childcare services is recognised over time, as the related services are provided.

**Grants and subsidies**

Where grant revenue is earned under an agreement that is enforceable and contains sufficiently specific performance obligations for the company to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 Revenue from Contracts with Customers. In this case, revenue is recognised as the performance obligations are satisfied.

Where the above conditions are not satisfied, revenue is accounted for under AASB 1058 Income of Not-for-profit Entities, whereby revenue is recognised upon receipt of the grant funding, except where the funding is received to construct or acquire a recognisable non-financial asset which will subsequently be controlled by the company. Such grants are recognised as revenue when (or as) the non-financial asset is acquired or constructed.

**(d) Contract assets and contract liabilities**

Where a performance obligation is satisfied by transferring a promised good or service to the customer before consideration is received or an entitlement to invoice for consideration arises under the terms of the contract/funding agreement, a contract asset is recognised, reflecting the revenue recognised to date in accordance with the accounting policy described in note 1(c).

When consideration is received in advance of performance obligations being satisfied, any excess of consideration received over revenue recorded is presented as a contract liability.

**(e) Cash Assets**

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, 'cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

**(f) Receivables**

Receivables are recognised initially at fair value and are subsequently measured at amortised cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value.

Allowance is made for expected credit losses on receivables applying the simplified approach prescribed in AASB 9. Under this approach, the company determines the allowance for credit losses for receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the credit losses that are expected to result from default events over the expected life of the financial asset. As the company does not have a material level of receivables at 30 June 2023, no allowance for credit losses has been recognised.

The gross carrying amount of a receivable is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the trust has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the company. Recoveries, if any, are recognised in profit or loss. All known bad debts have been written off as at 30 June.

**(g) Property, Plant and Equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation and amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Plant and equipment – 2 to 15 years and
- Improvements – Playground - 10 years.

The asset's residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate at each financial year end.

Refurbishment and extension costs relate to the expenses incurred being councils fees and charges and builder reviews to undertake the refurbishment of the centre, and are at cost on the balance sheet. It is unlikely that this project will go ahead in 2024, however once project is started these costs will be capitalised.

**(h) Payables**

Trade creditors are recognised on receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

**(i) Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit and loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at either fair value or cost. Fair value represents the amount for which an asset could be exchanged or liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are issues to determine fair value.

**(j) Taxation**

The Company is registered as Income Tax Exempt under s 50.5 of the Income Tax Assessment Act 1997.

GST credits receivable from or payable to the Australian Taxation Office are recognised and accrued.

**(k) Insurance**

The Company's risks are insured through Qld Local Govt Mutual Liability Pool. The premium is paid as part of Isaac Regional Council's combined insurance package.

**(l) Judgements and Assumptions**

The Directors have made no judgements or assessments that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**(m) Comparatives**

Where required by the Accounting Standards comparative figures have been adjusted to conform with changes in the presentation in the current financial period.

**(n) Date of Authorisation**

The financial report was authorised for issue on the date it was submitted to the Auditors for final signature. This is the date the Director's Declaration is signed.

**(o) Currency**

The Company uses the Australian dollar as its functional currency and its presentation currency.

**(p) Leases**

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the company recognises a right-of-use asset representing its right to use the underlying asset, and a lease liability representing its obligation to make lease payments.

*Leases of 12-months or less and leases of low value assets*

Lease payments made in relation to leases of 12 months or less and leases of low value assets (for which a right-of-use asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

*Leases for below market value*

Right-of-use assets for leases under which the fair value of the consideration payable per the lease agreement is substantially below market value (known as "peppercorn" leases) are measured at cost rather than fair value. Accordingly, no lease liabilities or right-of-use assets are recognised in respect of these leases.

**(q) Rounding off of amounts**

Amounts in the Financial Reports have been rounded to the nearest dollar, unless otherwise stated.

**(r) Going Concern**

The financial report has been prepared on a going concern basis.

**(s) New Accounting Standards of Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided not to early adopt any of the new and amended pronouncements. There are no such standards or interpretations expected to have a significant impact on the financial statements of the company in the period of initial application.

**2. Administration and Consultants Fees**

	2023 \$	2022 \$
Accountant Services	24,947	30,461
Astute Fees	268,929	306,656
Audit Fees	10,298	9,600
Consulting Fees	-	6,280
Employment Hero	2,355	10,621
Enrolment Hub	15,000	18,762
Other Professional Fees	45,000	45,375
	<u>366,529</u>	<u>427,755</u>

**3. Centre purchases**

Food	102,299	96,881
Art and Craft Supplies	10,133	15,235
Equipment	31,259	48,470
Nappies	4,099	2,080
Cleaning	11,868	3,796
Bus Expenses	356	10,344
	<u>160,014</u>	<u>176,806</u>

**4. Interest Paid**

Interest Paid is detailed below

Isaac Regional Council Purchase of Business Loan	5,805	2,142
	<u>5,805</u>	<u>2,142</u>

**5. Wages & Salaries**

Wages &amp; Salaries are detailed below

Salaries & Wages	1,903,582	1,630,743
Superannuation	186,070	151,966
MRAEL - Apprentice & Trainees Expenses	22,879	17,753
Adjustment for Annual Leave	(5,769)	2,825
Adjustment of Wages	(438)	(1,741)
Adjustment of EOY Wages	5,439	30,873
Adjustment for Long Service Leave	15,125	9,821
Adjustment for RDO	(690)	(2,849)
	<u>2,126,198</u>	<u>1,839,391</u>

**6. Cash at Bank**

Cash at bank is detailed below

ANZ - Trading Account	899,970	686,893
ANZ - OSHC Trading Account	130	150
ANZ - BrightKids Trading Account	140	60
	<u>900,240</u>	<u>687,103</u>

**7. Receivables**

Receivable are detailed below

Australian Taxation Office	18,512	15,619
Fees in Arrears - MELC	20,750	10,133
Fees in Arrears - OSHC	1,552	1,447
Fees in Arrears - BrightKids	2,265	16,925
Bond - 10A Watkins	2,187	2,128
Bond - 7A Barcoo Drive	-	2,600
Bond - 12 Rose St	1,920	-
Bond - 2/51 Hannay St	1,000	-
	<u>48,186</u>	<u>48,852</u>

## 8. Property, Plant and Equipment

Property, Plant and Equipment are detailed below

Plant & Equipment at Cost	121,152	121,152
Accumulated Depreciation	<u>(107,690)</u>	<u>(106,455)</u>
	13,462	14,697
Improvements at Cost - Playground	487,834	487,834
Accumulated Depreciation	<u>(105,719)</u>	<u>(56,936)</u>
	382,115	430,898
Refurbishment & Extension Costs	25,705	15,354
Total Property, Plant and Equipment	<u>421,282</u>	<u>460,949</u>

## 9. Payables

Trade creditors are recognised upon receipt of goods and services at the invoiced amount to be paid for the goods and service.

	\$	\$
Trade Creditors	11,284	12,886
Accrued Audit Fees	12,200	12,200
Fees in Advance - MELC	18,152	33,453
Fees in Advance - OSHC	7,194	6,443
Fees in Advance - BrightKids	12,354	13,685
ANZ Credit Card	2,420	5,573
	<u>63,604</u>	<u>84,240</u>

## 10. Payroll Liabilities

Payroll Liabilities are held for accrued wages and employee entitlements

### Current Liabilities

PAYG	29,450	57,119
Superannuation Payable	42,137	-
Annual Leave Accrual	56,287	62,056
End of Year Wages Accrual	80,830	75,390
RDO Accrual	8,601	9,729
	<u>217,305</u>	<u>204,294</u>

### Non-current Liabilities

Long Service Leave Accrual	37,054	21,929
	<u>37,054</u>	<u>21,929</u>

## 11. Unsecured Loan

Isaac Regional Council has made an unsecured loan to the Company. Interest is to be calculated using the Queensland Treasury Corporation indicative rates.

### Current portion of Borrowings from Isaac Regional Council

Purchase of Business Structure	95,686	95,168
	<u>95,686</u>	<u>95,168</u>

### Non-current portion of Borrowings from Isaac Regional Council

Purchase of Business Structure	369,268	459,667
	<u>369,268</u>	<u>459,667</u>

## 12. Issued Capital

10 Ordinary Shares Held	10	10
	<u>10</u>	<u>10</u>

2023  
\$

2022  
\$

### 13. Reconciliation of Operating Surplus to Net Cash provided by Operating Activities

<b>Operating Surplus/(Deficit)</b>	255,185	38,481
Non Cash Operating Items		
Depreciation	50,018	50,254
Change in Assets and Liabilities-		
(Increase)/Decrease in Receivables	666	(8,176)
Increase/(Decrease) in Payables	(20,637)	(9,398)
Increase/(Decrease) in Payroll Liabilities	28,136	45,135
<b>Net cash used in operating activities</b>	<b>313,368</b>	<b>116,296</b>

### 14. Contingencies

As at 30 June 2023 there were no known contingent assets or liabilities of a material nature

### 15. Events after Balance Date

There were no other events after balance date that impact these financial statements.

### 16. Related Party Transactions

MELC is 100% owned by Isaac Regional Council

#### Loan from Isaac Regional Council

As at 30 June 2023, the statement of financial position includes an unsecured loan of \$464,954 (2022: \$554,835) from the Isaac Regional Council. MELC must abide by the following:

- (1) The Principal sum must be repaid by 30 June 2028
- (2) The mortgagor must pay the interest on the principal sum calculated on a monthly basis
- (3) The monthly required principal and interest payment is \$7,974 (2022: \$7,931) commenced 1 July 2021. Prior to that date, interest was capitalised into the loan balance.

#### Interest Calculation:

Resolution 3246 of the Isaac Regional Council states that interest to be charged at a rate equal to the lowest investment rate.

Lowest Investment Rate of QTC Cash Fund in June 2023 is 1.130%

#### Lease of Premises from Isaac Regional Council

As per lease agreement dated 06/09/2022 MELC is to be treated like other childcare centres in the area as the building is owned by IRC and has a peppercorn lease agreement of \$1.

### 17. Company Details

The business address of Moranbah Early Learning Centre Pty Ltd is located at:

221-227 Mills Avenue, Moranbah, Qld, 4744.

The registered office is located at :

Grosvenor Complex, Batchelor Parade, Moranbah Qld, 4744.

**Directors' Declaration**  
**For the year ended 30th June 2023**

The Directors of the Moranbah Early Learning Centre Pty Ltd declare that in their opinion:

(a) the financial statements and notes of the entity are in accordance with the subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Act 2012*, including:


- (i) giving a true and fair view of the entity's financial position as at 30 June 2023 and of its performance for the period ended on that date; and
- (ii) complying with the basis of preparation as disclosed in note 1 to the financial statements and the *Australian Charities and Not-for-profit Commission Act 2012*

(b) there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulations 2022*.

This declaration is made in accordance with a resolution of the Directors.

Anne Baker

  
\_\_\_\_\_  
Director

Kelly Veava

  
\_\_\_\_\_  
Director

Date

13 December 2023

## INDEPENDENT AUDITOR'S REPORT

To the Members of Moranbah Early Learning Centre Pty Ltd

### Opinion

I have audited the accompanying financial report of Moranbah Early Learning Centre Pty Ltd (the company).

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2022* and the financial reporting framework described in Note 1.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

### Basis for opinion

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

I am independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

### Emphasis of matter – basis of accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's directors' report for the year ended 30 June 2023, but does not include the financial report and my auditor's report thereon.



My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

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

### **Responsibilities of the company for the financial report**

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2022 and the financial reporting framework described in Note 1, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In fulfilling this responsibility, the company's directors determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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



David Adams  
as delegate of the Auditor-General

15 December 2023

Queensland Audit Office  
Brisbane



**ISAAC AFFORDABLE HOUSING FUND PTY. LTD.**  
A.C.N. 147 492 993

**AS TRUSTEE FOR**

**ISAAC AFFORDABLE HOUSING TRUST**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

	<b>Page</b>
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to and forming part of the Financial Statements	6
Annual Declaration of the Trustee	12
Independent Auditor's Report	13

The Financial Statements of the ISAAC AFFORDABLE HOUSING TRUST are special purpose financial reports prepared in accordance with the prescribed requirements per Note 2 of the financial statements.

**ISAAC AFFORDABLE HOUSING TRUST**  
**Statement of Comprehensive Income**  
**For the year ended 30th June 2023**

	Notes	2023 \$	2022 \$
<b>Income</b>			
Revenue and Other Income			
Rent Received		189,124	183,286
Interest Income		64,083	3,446
Grants, Subsidies, Contributions and Donations	13	1,662,678	124,129
Revaluation of Land and Buildings		477,306	
<b>Total Income</b>		<u>2,393,191</u>	<u>310,861</u>
<b>Expenses</b>			
Bank Fees		93	276
Depreciation		79,285	79,285
Fees & Subscriptions		24	586
Freight		175	-
Interest		13,917	15,049
Legal Fees		18,769	6,649
Office Supplies		2	-
Property Management	4	81,563	54,694
QAO Audit Fees		10,350	10,350
Rates		94,534	90,908
Secretarial and Accounting Fees	3	87,911	75,778
Water		1,739	933
<b>Total Expenses</b>		<u>388,362</u>	<u>334,508</u>
<b>Operating Surplus/(Deficit)</b>		<u>2,004,829</u>	<u>(23,647)</u>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to operating surplus/(deficit)</i>			
Total Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<u>2,004,829</u>	<u>(23,647)</u>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes

**ISAAC AFFORDABLE HOUSING TRUST**  
**Statement of Financial Position**  
**As at 30th June 2023**

	Notes	2023 \$	2022 \$
<b>Current Assets</b>			
Cash on Hand		10	10
Cash at Bank		3,127,735	2,043,528
Receivables	5	4,630	7,275
Contract Assets	14	71,182	122,365
<b>Total Current Assets</b>		<u>3,203,557</u>	<u>2,173,178</u>
<b>Non Current Assets</b>			
Property, Plant and Equipment	6	7,833,709	5,503,784
<b>Total Non Current Assets</b>		<u>7,833,709</u>	<u>5,503,784</u>
<b>Total Assets</b>		<u>11,037,266</u>	<u>7,676,962</u>
<b>Current Liabilities</b>			
Accrued Expenses	7	12,000	12,000
Payables	8	716,925	33,868
Contract Liabilities	14	658,504	-
<b>Total Current Liabilities</b>		<u>1,387,429</u>	<u>45,868</u>
<b>Non Current liabilities</b>			
Secured Loan	9	4,907,985	4,894,068
<b>Total non Current Liabilities</b>		<u>4,907,985</u>	<u>4,894,068</u>
<b>Total Liabilities</b>		<u>6,295,414</u>	<u>4,939,936</u>
<b>Net Assets</b>		<u>4,741,852</u>	<u>2,737,027</u>
<b>Equity</b>			
Settlement Sum		10	10
Retained Earnings		4,741,842	2,737,017
<b>Net Equity</b>		<u>4,741,852</u>	<u>2,737,027</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes

**ISAAC AFFORDABLE HOUSING TRUST**  
**Statement of Changes in Equity**  
**For the year ended 30th June 2023**

	Settlement Sum	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	10	-	2,760,663	2,760,673
Operating Deficit	-	-	(23,647)	(23,647)
<b>Balance as at 30 June 2022</b>	<b>10</b>	<b>-</b>	<b>2,737,016</b>	<b>2,737,026</b>
	Settlement Sum	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	10	-	2,737,016	2,737,026
Operating Surplus	-	-	2,004,830	2,004,830
<b>Balance as at 30 June 2023</b>	<b>10</b>	<b>-</b>	<b>4,741,842</b>	<b>4,741,852</b>

**ISAAC AFFORDABLE HOUSING TRUST**  
**Statement of Cash Flows**  
**For the year ended 30th June 2023**

	Notes	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
<b>Inflows</b>			
Receipts from Customers		185,757	179,138
Interest		64,083	3,446
Grants, Subsidies, Contributions and Donations		372,365	106,525
Net GST Received		887	29,726
<b>Outflows</b>			
Operating Expenses		(317,145)	(247,711)
<b>Net cash provided by operating activities</b>	<b>10</b>	<u><b>305,947</b></u>	<u><b>71,124</b></u>
<b>Cash flows from investing activities</b>			
<b>Inflows</b>			
RCIF Grant Income		2,200,000	-
<b>Outflows</b>			
Payments for Property, Plant and Equipment		-	(209,370)
RCIF Design & Construction Costs		(1,421,739)	-
<b>Net cash used in investing activities</b>		<u><b>778,261</b></u>	<u><b>(209,370)</b></u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u><b>1,084,207</b></u>	<u><b>(138,246)</b></u>
<b>Cash at beginning of financial period</b>		<u><b>2,043,528</b></u>	<u><b>2,181,774</b></u>
<b>Cash at end of financial period</b>		<u><b>3,127,735</b></u>	<u><b>2,043,528</b></u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes



**ISAAC AFFORDABLE HOUSING TRUST**  
**Notes to and forming part of the Financial Statements**  
**For the year ended 30th June 2023**

**1. Objectives of the Trust**

The Isaac Affordable Housing Trust was settled on the 25th November 2010 for the purpose of receipting all gifts of money, or real and personal property for the following objectives of the Trust:

- (a) The establishment of affordable housing for low to middle income tenants.
- (b) The construction and development of the said affordable housing.
- (c) To establish and maintain a public fund to be called the "Isaac Affordable Housing Fund" for the specific purpose of supporting the objectives of the Trust. The Trust is established to receive all gifts of money or property for this purpose and any money received because of such gifts must be credited to its bank account in accordance with section 30-130 of the *Income Tax Assessment Act 1997*.

**2. Summary of Significant Accounting Policies**

**(a) Basis of Preparation**

In the trustee's opinion, the trust is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (the Act).

The financial report has been prepared in accordance with the Act, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of the following standards:

AASB 101 Presentation of Financial Statements

AASB 107 Statement of Cashflows

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1048 Interpretation of Standards

AASB 1054 Australian Additional Disclosures

**(b) New and revised accounting standards adopted during the year**

There are a number of new accounting standards and pronouncements issued by the Australian Accounting Standards Board that are applicable for periods ending on or after 1 July 2022. The trust has reviewed these and have determined that none of them have material impact on the company.

**(c) Revenue Recognition**  
**Grants and subsidies**

Where grant revenue is earned under an agreement that is enforceable and contains sufficiently specific performance obligations for the Trust to transfer goods or services to a third party on the grantor's behalf, the transaction is accounted for under AASB 15 Revenue from Contracts with Customers. In this case, revenue is recognised as the performance obligations are satisfied. This includes revenue received by the Trust under the National Rental Affordability Scheme (NRAS) where the Trust is required to provide affordable housing under the terms of the funding.

Where the above conditions are not satisfied, revenue is accounted for under AASB 1058 Income of Not-for-profit Entities, whereby revenue is recognised upon receipt of the grant funding, except where the funding is received to construct or acquire a recognisable non-financial asset which will subsequently be controlled by the Trust. Such grants are recognised as revenue when (or as) the non-financial asset is acquired or constructed.

**(d) Contract assets and contract liabilities**

Where a performance obligation is satisfied by transferring a promised good or service to the customer before consideration is received or an entitlement to invoice for consideration arises under the terms of the contract/funding agreement, a contract asset is recognised, reflecting the revenue recognised to date in accordance with the accounting policy described in note 1(c).

When consideration is received in advance of performance obligations being satisfied, any excess of consideration received over revenue recorded is presented as a contract liability.

**ISAAC AFFORDABLE HOUSING TRUST**  
**Notes to and forming part of the Financial Statements**  
**For the year ended 30th June 2023**

**(e) Cash Assets**

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

**(f) Receivables**

Receivables arise from the trust's transactions with its customers and are normally settled within 30 days. Consistent with both the trust's business model for managing the financial assets and the contractual cash flow characteristics of the assets, receivables are subsequently measured at amortised cost.

Allowance is made for expected credit losses on receivables applying the simplified approach prescribed in AASB 9. Under this approach, the trust determines the allowance for credit losses for receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the credit losses that are expected to result from default events over the expected life of the financial asset. As the trust does not have a material level of receivables at 30 June 2023, no allowance for credit losses has been recognised.

The gross carrying amount of a receivable is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the trust has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the trust. Recoveries, if any, are recognised in profit or loss. All known bad debts have been written off as at 30 June.

**(g) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

**Acquisition of Assets**

Actual cost is used for the initial recording of all non-current physical assets acquisitions. Cost is determined as the value given as consideration.

**Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the trust commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	1.90%
Land	N/A

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Land and buildings are held by the trust for the purpose of meeting the trust's service delivery objectives in providing affordable housing to low and middle income tenants. Land and buildings held for this purpose do not meet the definition of investment property under AASB 140 Investment property

## Valuations

Land and improvements and buildings are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 years. This process involves the valuer physically sighting a representative sample of the Trust's assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection. In the intervening years the trust engages independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate asset class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class. On revaluation, accumulated depreciation is eliminated against the gross carrying amount of the asset, such that the gross carrying amount of the asset is revalued to the fair value of the asset, and accumulated depreciation is adjusted to nil. The gross carrying amount of the asset is subsequently depreciated over the asset's remaining useful life.

Land and building assets were valued at 30 June 2021 by Assetic Pty Ltd and APV Valuers and Asset Management respectively. All land and building values have been determined using level 2 valuation inputs. The most significant inputs into this valuation approach are price per square metre, determined by reference to sales prices of comparable assets having due regard to differences in key attributes such as zoning and property size. Sales evidence was sourced through RP Data Pty Ltd and the web site realestate.com.au.

Assets were not subject to independent valuation as at 30 June 2022 or 30 June 2023. The Trust completed an assessment of potential 24 months changes in value, an output of which was an indexation percentage of 4.40% for land and 11.79% for buildings, representing the estimated percentage change in valuation in the past 24 months. These indexation percentages were determined having regard to observable market sales data and indexation percentages disclosed by Isaac Regional Council.

As the cumulative assessed change in value for land since the assets were last subject to comprehensive valuation is less than 5%, the change is not considered to be material and has not been recognised in these financial statements.

As the cumulative assessed change in value for buildings since these assets were last subject to a comprehensive valuation has shown an increase of 11.79%, this change is considered material and has been taken up in the accounts of the trust at 30 June 2023.

## (h) Payables

Trade creditors are recognised on receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

## (i) Borrowings

Borrowings and other financial liabilities are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Interest is calculated at commercial rate of interest using Queensland Treasury Corporation rates as the basis. The Loans are from Isaac Regional Council and are secured over the land and assets of the Trust.

## (j) Financial Instruments

### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the trust commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

### Classification

The trust's only financial assets are cash and receivables, which are subsequently measured at amortised cost. Financial liabilities of the trust, being payables and secured loan debt, are subsequently measured at amortised cost.

## (k) Taxation

The Trust is subject to Goods and Services Tax (GST) and as such, GST credits receivable from/payable to the Australian Taxation Office are recognised and accrued. The Trust has endorsement as an Income Tax Exempt Charity and is not liable for income tax.

**(l) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the trust's accounting policies, the trustee is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

The only judgements, estimates and assumptions that have a potential significant effect on the financial statements are those relating to valuation and depreciation of property, plant and equipment. Further information regarding these is provided in note 1(g).

**(m) Comparatives**

Where required by the Accounting Standards comparative figures have been adjusted to conform with changes in presentation in the current financial period.

**(n) Date of authorisation**

The financial report was authorised for issue on the date it was submitted to the Auditors for final signature. This is the date the trustees declaration is signed.

**(o) Currency**

The Trust uses the Australian dollar as its functional currency and its presentation currency.

**(p) Leases**

*The Trust as a lessee*

The Trust is not a lessee under any leasing arrangements.

*The Trust as a lessor*

Each lease is classified as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The Trust has not entered into any finance leases.

Underlying assets subject to operating leases are presented in the statement of financial position according to the nature of the underlying asset.

Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis, if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

**(q) Rounding off of amounts**

Amounts in the financial report have been rounded to the nearest dollar, unless otherwise stated.

**(r) New Accounting Standards of Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The trustee has decided not to early adopt any of the new and amended pronouncements. There are no such standards or interpretations expected to have a significant impact on the financial statements of the Trust in the period of initial application.

**ISAAC AFFORDABLE HOUSING TRUST**  
Notes to and forming part of the Financial Statements  
For the year ended 30th June 2023

	2023 \$	2022 \$
<b>3. Secretarial and Accounting Fees</b>		
Accounting Monthly Fee	28,800	27,250
Secretarial Services	59,111	48,528
	<u>87,911</u>	<u>75,778</u>
<b>4. Property Management</b>		
Cleaning	2,358	2,773
Consulting - RCIF	-	17,591
Maintenance & Repairs	78,655	34,330
Pest Control	550	-
	<u>81,563</u>	<u>54,694</u>
<b>5. Accounts Receivable</b>		
Accounts receivable detailed below.		
Australian Taxation Office	-	5,511
Rental Arrears	4,630	1,764
	<u>4,630</u>	<u>7,275</u>
<b>6. Property, Plant and Equipment</b>		
Land - Fair Value	<u>1,088,000</u>	<u>1,088,000</u>
Buildings - Fair Value	4,702,949	4,206,950
less Accumulated Depreciation	(177,263)	(79,285)
	<u>4,525,686</u>	<u>4,127,665</u>
Capital Works in Progress - Bushlark Grove	78,747	78,748
Land & Design Costs - 121 Mills Avenue	2,141,276	209,371
	<u>2,220,023</u>	<u>288,119</u>
<b>Total Property, Plant and Equipment</b>	<u><u>7,833,709</u></u>	<u><u>5,503,784</u></u>
<b>7. Accrued Expenses</b>		
Queensland Audit Office	12,000	12,000
	<u>12,000</u>	<u>12,000</u>
<p>Audit fees are paid to the Queensland Audit Office in relation to the audit of the financial statements. No non-audit services were provided. Total audit fees paid to the Queensland Audit Office relating to the audit of the 2022-23 financial statements was \$10,350 (2021-22: \$10,350).</p>		
<b>8. Payables</b>		
Australian Taxation Office	62,084	-
Trade Creditors	651,841	30,366
Rent received in advance	3,000	3,502
	<u>716,925</u>	<u>33,868</u>
<b>9. Secured Loan</b>		
Isaac Regional Council has made secured loans to the Trust.		
Borrowings from Isaac Regional Council		
Opening balance	4,894,068	4,879,019
Interest Charged	13,917	15,049
	<u>4,907,985</u>	<u>4,894,068</u>

**ISAAC AFFORDABLE HOUSING TRUST**  
Notes to and forming part of the Financial Statements  
For the year ended 30th June 2023

**10. Reconciliation of Operating Surplus to Net Cash Provided by Operating Activities**

	2023	2022
	\$	\$
<b>Operating Surplus/(Deficit)</b>	2,004,829	(23,647)
Non-Cash Operating Items		
Depreciation	79,285	79,285
Interest	13,917	15,049
Asset Revaluation Increase	(477,306)	-
RCIF Grant-Capital Revenue	(1,341,496)	-
Change in assets and liabilities-		
(Increase)/Decrease in Contract Assets	51,182	(15,840)
(Increase)/Decrease in Receivables	(2,866)	(2,396)
Increase/(Decrease) in Operating Payables	(21,598)	18,673
<b>Net cash provided by (used in) operating activities</b>	<b>305,947</b>	<b>71,124</b>

**11. Contingencies**

As at 30 June 2023 there were no known contingent assets or liabilities of a material nature (2022:nil).

**12. Related party transactions**

As at 30 June 2023, the statement of financial position includes a unsecured loan of \$4,907,984 from the Isaac Regional Council. The mortgagor (IAHT) must abide by the following:

- (1) The Principal sum must be repaid by 1 July 2024
- (2) The mortgagor must pay the interest on the principal sum calculated on a monthly basis
- (3) Interest on the principal sum accrues from 1 July 2012
- (4) The loan was interest free prior to 1 July 2014. Interest is payable on the first day of each month but is permitted to be capitalised into the outstanding loan balance.

Interest Calculation:

Resolution 3246 states that interest to be charged at a rate equal to the lowest investment rate.  
Lowest Investment Rate of QTC Cash Fund in June 2023 is 0.284% (2022: 0.308%).

Isaac Regional Council is the parent entity of the Isaac Affordable Housing Fund Pty Ltd. Isaac Regional Council has the Power of Appointment of the trustee under the terms of the Trust Deed.

Isaac Regional Council representatives are also the Directors of the trustee company Isaac Affordable Housing Fund Pty Ltd.

**13. Grants, Subsidies, Contributions and Donations**

**Recurrent**

National Rental Affordability Scheme Income	71,182	124,129
Mining House Grant	250,000	-

**Capital**

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. Capital revenue is taken up as RCIF Grant Funding-Capital Revenue in the Statement of Comprehensive Income on a proportional basis, which is based on the completion percentage of the entire project.

RCIF Capital Revenue	1,341,496	-
----------------------	-----------	---

Isaac Affordable Housing Trust was awarded a Resource Community Infrastructure Grant of \$8 million on 7 June 2022. The grant is for the construction of 16 affordable accommodation units at 121 Mills Avenue Moranbah.

**14. Contract Balances**

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the entity presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Isaac Affordable Housing Trust recognises a receivable.

When an amount of consideration is received from a customer/fund provider prior to the entity transferring a good or service to the customer, the trust presents the funds which exceed revenue recognised as a contract liability. The contract liabilities in relation to capital grants relate to fundings received prior to the work being performed since revenue is recognised as the trust constructs the assets. The trust expects to recognise the contract liability as income in the next financial year.

Contract Assets		
National rental Affordability Scheme Income	71,182	122,365
Contract Liabilities		
RCIF Grant Revenue Contract Liability	658,504	-

**15. Trust Details**

The business address of Isaac Affordable Housing Trust is located at:  
Grosvenor Complex, Batchelor Parade, Moranbah, Qld, 4744.

**16. Events After Balance Date**

There were no other events after balance date that impact these financial statements.

**ANNUAL DECLARATION OF THE TRUSTEE**  
**For the year ended 30th June 2023**

The trustee of Isaac Affordable Housing Trust declare that in their opinion:

(a) the financial statements and notes of the entity are in accordance with the subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Act 2012*, including:

(i) giving a true and fair view of the entity's financial position as at 30 June 2023 and of its performance for the period ended on that date; and

(ii) complying with the basis of preparation as disclosed in note 2 to the financial statements and the *Australian Charities and Not-for-profit Commission Act 2012*


(b) There are reasonable grounds to believe the entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulations 2022*.

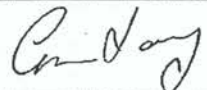
**Trustee's Declaration**

The Annual Resolution of the Trustee for the year ended 30th June 2023 be approved and signed by Anne Baker and Gina Lacey, Directors of the Trustee Company on behalf of the Trustee Company.

Anne Baker

  
\_\_\_\_\_  
Director

Gina T Lacey

  
\_\_\_\_\_  
Director

Date

13 December 2023  
\_\_\_\_\_



## INDEPENDENT AUDITOR'S REPORT

To the Members of Isaac Affordable Housing Fund Pty Ltd as trustee for the Isaac Affordable Housing Trust

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Isaac Affordable Housing Trust (the trust).

In my opinion, the financial report:

- a) gives a true and fair view of the trust's financial position as at 30 June 2023 and its financial performance and cash flows for the year then ended
- b) complies with the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2022 and the financial reporting framework described in Note 2(a).

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the trustees' declaration.

#### Basis for opinion

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

---

I am independent of the trust in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

#### Emphasis of matter – basis of accounting

I draw attention to Note 2(a) to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the trustees' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

### **Responsibilities of the trust for the financial report**

The trustees are responsible for the preparation of the financial report that gives a true and fair view in accordance with the financial reporting framework described in Note 2(a), and for such internal control as the trustees determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In fulfilling this responsibility, the trustees determined that the basis of preparation described in Note 2(a) is appropriate to meet their accountability requirements.

The trustees are also responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the trust's internal control.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the trust.
- Conclude on the appropriateness of the trust's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



David Adams  
as delegate of the Auditor-General

15 December 2023

Queensland Audit Office  
Brisbane

**ISAAC AFFORDABLE HOUSING FUND PTY LTD**  
**ACN: 147 492 993**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2023**

**ISAAC AFFORDABLE HOUSING FUND PTY LTD**  
**ACN: 147 492 993**

**CONTENTS**

Directors Report

Statement of Comprehensive Income

Statement of Financial Position

Notes to the Financial Statements

Directors Declaration

Independent Audit Report

**ISAAC AFFORDABLE HOUSING FUND PTY LTD**  
**ACN: 147 492 993**

**DIRECTORS REPORT**

Your directors present their report on the company for the financial year ended 30 June 2023.

**Directors**

The names of the directors in office at any time during, or since the end of, the year are:

Mrs Anne M Baker  
Mrs Gina T Lacey  
Ms Sandra F Moffat  
Ms Carolyn Therese Moriarty  
Mr Darryl Sweet (Appointed 01 DECEMBER 2021)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Review of Operations**

The profit of the company for the year after providing for income tax amounted to \$Nil (2022:\$Nil).

**Significant changes in the State of Affairs**

No significant changes in the company's state of affairs occurred during the year.

**Principle Activity**

The principle activity of the company during the year was to act as trustee of the Isaac Affordable Housing Trust.

No significant change in the nature of these activities occurred during the year.

**Events Subsequent to the End of the Reporting Period**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in the future years.

**Environmental Regulation**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**Dividends**

There were no dividends paid throughout the year (2022:Nil).

**Options**

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

**ISAAC AFFORDABLE HOUSING FUND PTY LTD**  
**ACN: 147 492 993**

**DIRECTORS REPORT**

**Indemnification of Officers**


No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.


**Proceedings on Behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

Director:.....  
  
Mrs Anne Baker

Director:.....  
  
Mrs Gina T Lacey

Dated this 13th day of December 2023.

ISAAC AFFORDABLE HOUSING FUND PTY LTD  
ACN: 147 492 993

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Profit before income tax	-	-
Income tax expense	-	-
Profit after income tax	-	-
Total Comprehensive Income	-	-



ISAAC AFFORDABLE HOUSING FUND PTY LTD  
ACN: 147 492 993

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023

	2023	2022
	\$	\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1	1
<b>TOTAL CURRENT ASSETS</b>	<u>1</u>	<u>1</u>
<b>TOTAL ASSETS</b>	<u>1</u>	<u>1</u>
<b>NET ASSETS</b>	<u>1</u>	<u>1</u>
<b>EQUITY</b>		
Issued capital	1	1
<b>TOTAL EQUITY</b>	<u>1</u>	<u>1</u>

ISAAC AFFORDABLE HOUSING FUND PTY LTD  
ACN: 147 492 993

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023

	\$	\$	\$
	Retained Earnings	Issued Capital	Total
Balance at 1 July 2021	-	1	1
Operating Surplus/(Deficit)	-	-	-
<b>Balance at 30 June 2022</b>	<b>-</b>	<b>1</b>	<b>1</b>
Balance at 1 July 2022	-	1	1
Operating Surplus/(Deficit)	-	-	-
<b>Balance at 30 June 2023</b>	<b>-</b>	<b>1</b>	<b>1</b>

ISAAC AFFORDABLE HOUSING FUND PTY LTD  
ACN: 147 492 993

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Cash Flows from operating Activities		
Inflows	-	-
Outflows	-	-
Net Cash Provided By (used by) operating Activities	-	-
Net increase (decrease) in cash and cash equivalents	-	-
Cash at beginning of financial period	-	-
Cash at end of financial period	-	-

**ISAAC AFFORDABLE HOUSING FUND PTY LTD**  
**ACN: 147 492 993**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

---

**1 Summary of Significant Accounting Policies**

**Basis of Preparation**

The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this is a special purpose financial report, which has been prepared to satisfy the company's financial reporting requirements to its members.

Isaac Affordable Housing Fund Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Isaac Affordable Housing Fund Pty Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' declaration.

The financial report has been prepared in accordance with the recognition and measurement requirements of all Australian Accounting Standards and Interpretations, and the disclosure requirements of:

- AASB 101: Presentation of Financial Statements
- AASB 107: Statement of Cash Flows
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 Interpretation of Standards
- AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial report.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The accounting policies that have been adopted in the preparation of these statements are as follows:

**a. Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**b. Trust Liabilities and Right of Indemnity**

The company acts solely as trustee of a trust and liabilities have been incurred on behalf of that trust in the company's capacity as corporate trustee.

Liabilities incurred on behalf of the trust are not recognised in the financial statements if it is not probable that the company will have to meet any of the trust liabilities from its own resources. If the company becomes obligated to meet trust liabilities, the trustee has a right to be indemnified from trust assets. If it is probable that there will be a deficiency in trust assets, a liability is recognised by the company to the extent of the deficiency. Details of the trust liabilities, the offsetting right of indemnity and any deficiency in the right of indemnity are disclosed by the way of notes to the financial statements.

**ISAAC AFFORDABLE HOUSING FUND PTY LTD**  
**ACN: 147 492 993**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

---

**2 Trust Liabilities and Right of Indemnity**

Liabilities of Isaac Affordable Housing Trust not recorded in the financial statements of the company were:

	2023	2022
	\$	\$
<b>Current Liabilities</b>		
Accrued Expenses	12,000	12,000
Payables	716,925	28,358
RCIF Grant Revenue-Contract Liabilities	658,504	0
<b>Total Current Liabilities</b>	<u>1,387,429</u>	<u>40,358</u>
<b>Non Current Liabilities</b>		
Secured Loan	4,907,985	4,894,068
<b>Total Non Current Liabilities</b>	<u>4,907,985</u>	<u>4,894,068</u>
<b>Total Liabilities</b>	<u>6,295,414</u>	<u>4,934,426</u>
Rights of indemnity for liabilities incurred by the company on behalf of Isaac Affordable Housing Trust not recorded in the financial statements were:	6,295,414	4,934,426

The assets of the trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the company acting in its own right. The assets of the trust were sufficient to discharge all liabilities of the trust at 30 June 2023.

---

**3 Contingent Liabilities**

A contingent liability exists relative to any future claims which may be made against the company arising from dealings on behalf of the trust. No such claims have been made against the company as at the date of these financial statements.

**4 Related Party Transactions**

The company is a controlled entity of Isaac Regional Council. There were no related party transactions with this entity during the financial year.

**5 Remuneration of Directors**

The total remuneration of directors of the company during the year was nil. (2022: Nil)

**6 Entity Details**

The principal place of business is:

ISAAC AFFORDABLE HOUSING FUND PTY LTD  
Batchelor Parade  
Moranbah Qld 4744

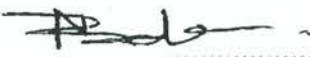
**ISAAC AFFORDABLE HOUSING FUND PTY LTD**  
**ACN: 147 492 993**

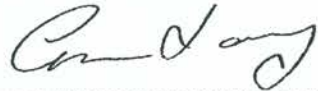
**DIRECTORS DECLARATION**

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

1. In the directors opinion, the financial statements give a true and fair view of the company's financial position as at 30 June 2023 and performance for the year ended on that date in accordance with the accounting policies described in note 1 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: .....  
  
Mrs Anne Baker

Director: .....  
  
Mrs Gina T Lacey

Dated this 13th day of December 2023.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Isaac Affordable Housing Fund Pty Ltd

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Isaac Affordable Housing Fund Pty Ltd (the company).

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the financial reporting framework described in Note 1.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

#### Basis for opinion

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

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

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

#### Emphasis of matter – basis of accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial accountability responsibilities. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the company's directors' report for the year ended 30 June 2023, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

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

### **Responsibilities of the directors for the financial report**

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the financial reporting framework described in Note 1, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In fulfilling this responsibility, the company's directors determined that the basis of preparation described in Note 1 is appropriate to meet their accountability requirements.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

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

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

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



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

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



David Adams  
as delegate of the Auditor-General

15 December 2023

Queensland Audit Office  
Brisbane

---

<b>MEETING DETAILS</b>	<b>Corporate, Governance and Financial Services Standing Committee Meeting</b> Wednesday 21 February 2024
<b>AUTHOR</b>	Darren Fettell
<b>AUTHOR POSITION</b>	Director Corporate, Governance and Financial Services

---

## 6.1 CORPORATE, GOVERNANCE AND FINANCIAL SERVICES INFORMATION BULLETIN – FEBRUARY 2024

### EXECUTIVE SUMMARY

The Corporate, Governance and Financial Services Information Bulletin for February 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 February 2024.*

### BACKGROUND

The attached Information Bulletin for February 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.

---

<b>Report prepared by:</b> DARREN FETTELL <b>Director Corporate, Governance and Financial Services</b> Date: 8 February 2024	<b>Report authorised by:</b> KEN GOULDTHORP <b>Chief Executive Officer</b> Date: 9 February 2024
---	---

## ATTACHMENTS

- Attachment 1 – Corporate, Governance and Financial Services Information Bulletin – February 2024

## REFERENCE DOCUMENT

- Nil

**DATE:** FEBRUARY 2024

## 6.1 CORPORATE, GOVERNANCE AND FINANCIAL SERVICES

### DIRECTORATE HIGHLIGHTS

- Review and finalise Quarter 2 Budget Review
- PAG (Capital) budget development information circulated to SLT for initial capture of Capital requests. Initial project listing due to Directors by 16 February 2024 with finalized listing to Strategic Assets due 23 February 2024
- LDCC moved to Lean Forward in response to TC Kirrily, this was a fantastic opportunity to test preparedness messaging and Triggers and Activations for a sever weather event.

### CONTRACTS AND PROCUREMENT

#### PREVIOUS MONTH'S ACHIEVEMENTS:

01/01/2024 – 31/01/2024	OCEO	CGFS	E & I	W & W	PECS
Active Tenders	2	0	4	3	1
Under development	0	4	5	3	3
Active RFQ's	0	1	10	7	3
Under development	0	0	8	8	10

Active - out to market, under evaluation or award approval stages.

- Key User Training for purchasing and sourcing in TechOne migration to CiA version.
- Internal Audit of procurement findings reviewed and actions in place.
- Procurement Training Schedule for 2024 has been published.

Purchase Requisitions Released	
Month of: (01/01/24 – 31/01/24)	January 2024
Value of Purchase Requisitions processed	\$ 3,454,161.80
No. Purchase Requisitions Released	418
Requisitions Suspended	7

# INFORMATION BULLETIN

---

Exceptions Raised	22	\$ 157,498.66
Variations Raised	9	\$ 758,365.91

The Exceptions include:

- Legal advice for infrastructure access agreement (LB311) - \$ 200k.
- Hire of Rock Crusher (Plant Hire RPQS -156) - \$ 126k.
- Asset Management software licence (LB280) - \$ 79.5k.
- Moranbah Access Rd Investment Strategy (LB312) - \$ 50k.

The Variations include:

- Moranbah WMF Cell2 construction - \$ 88.7k.

## PREVIOUS MONTH'S ISSUES:

- 400MK Raw Water Dam remediation contract terminated. Remaining scope to be performed by an alternative supplier.
- Procurement Support Officer has accepted role as PECS EA. Will need to recruit for the role.
- Recording of fuel issues at Dysart depot.

## FINANCIAL REPORT:

- The budgets for FY23/24.

## OPERATIONAL PLAN:

- Assist IRC staff in navigating procurement compliance requirements (ongoing). Training schedule has been complete for 2023, with training to resume in February 2024.
- Development of scope commenced for procurement for wet/dry hire and trade services panel arrangements.
- Doing Business with Council articulate presentation - combined effort with Safety and Resilience, Economy and Prosperity, BMC.

## ORGANISATIONAL DEVELOPMENT PLAN

- Implementation of Next Gen Ecosystem - Investigating Contract Management via Vendor Panel, Investigating Spend Analysis via ArcBlue. These initiatives have been parked pending investigations into the TechOne functionality.

## NEXT MONTH'S PROGRAM:

- RFTs for Win Crush and Screen of Gravel; Concrete Crushing at MBH WMF; Dysart Pool Management and Operation.
- RFQs for Development Assessment Consultancy; CLM stop drop and go; MBH Footpath Treatments; MBH Landfill rehabilitation consultancy; IRC Swim pool maintenance.
- Developing tender documents for Wet and Dry Hire of Plant, and a variety of trade services, which will lead to the establishment of RPQS panel arrangements across IRC.

# INFORMATION BULLETIN

- 
- Revise Procurement Policy and Local Preference Policy documents,
  - Continue to lobby for threshold increases to the levels contained within the Default Contracting Procedures of the LG Regulations 2012.
  - Continue Tech 1 data cleansing of materials for CiA implementation.
  - Action on findings from the internal audit of procurement.
  - Revise Evaluation Guidelines and Scorecard.

## DEVELOPING INITIATIVES / ISSUES:

- Management of sourcing activity and award during Caretaker period for March elections.
- Unfair Contract Terms legislation changes that have come into effect 9/11/2023.

## FINANCIAL SERVICES

### PREVIOUS MONTH'S ACHIEVEMENTS:

- Finalisation and submission of QTC model.
- Preparation and distribution of documentation associated with Quarter 2 Budget review.
- Close of 2024/25 Budget packs for Directors / Finance initial assessment.
- Commencement of implementation of new banking service provider.
- Referral of outstanding rates to Collection House.
- Ongoing TechOne works – User Acceptance Training along with further works associated with configuration and design of Finance.

### PREVIOUS MONTH'S ISSUES:

Nil

### FINANCIAL REPORT:

Nil

### OPERATONAL PLAN / BUSINESS PLAN – EXCEPTION REPORTING

Strategy (i.e. C5)	Service Area	Description	Highlight/Exception, including explanation
G3	Financial Asset Management	Pursue financial sustainability through effective use of Council's resources and assets and prudent management of risk.	Depreciation methodology and estimates reviewed through valuation and audit applied.

# INFORMATION BULLETIN

---

G5	Annual Budget and Long-Term Financial Forecast	Provide transparent and accountable planning, decision making, performance monitoring and reporting to the community in order to continuously improve.	Budget adoption. Monthly Financial statements required under regulation. Quarterly budget reviews undertaken.
----	--	--	---

## NEXT MONTH'S PROGRAM:

- Review and finalise Quarter 2 Budget Review.
- Finance to review first cut of 2024/2025 Budget Packs.
- Preparation of Audit and Risk Committee meeting reports.
- Preparation for Finance Team meeting, scheduled for 14 March 2024.
- Valuation tender circulation.
- Ongoing works for preparation associated with the 2024/2025 Budget.
- Ongoing works associated with TechOne/CiA project – noting a significant impact to team, currently scheduled for May with a number of staff to be taken offline for a full month. Resourcing and BAU implications to be addressed.
- Progress in implementing Eftsure.

## DEVELOPING INITIATIVES / ISSUES:

- Nil

## GOVERNANCE AND CORPORATE SERVICES

### PREVIOUS MONTH'S ACHIEVEMENTS:

- Access to Information: Finalised the last two Right to Information or Information Privacy Applications.
- Annual Report: The Annual Report was adopted by Council and published. The procurement process for printing hardcopies of the report is underway.
- Audit and Risk Committee: Followed up on current internal Audits for Legal and Compliance – Regulatory Services, Financial Sustainability and Procurement to ensure timely reporting to the Audit and Risk Committee.
- Insurance: Business as usual activities including following up on an interim payment of the Cyber Incident claims costs.
- Internal Audit: The Panel Recommendation Report for a single Internal Audit Service Provider was progressed to the Manager Contracts and Procurement.

### PREVIOUS MONTH'S ISSUES:

Nil

# INFORMATION BULLETIN

---

## FINANCIAL REPORT:

Not applicable

## OPERATIONAL PLAN / BUSINESS PLAN – EXCEPTION REPORTING

Nil

## NEXT MONTH'S PROGRAM:

- Annual Operational Plan: The 2023-2024 1st and 2nd Quarter Annual Operational Plan Reporting will be undertaken following confirmation of performance measures for 2023-2024.
- Audit and Risk Committee: Preparation work for the 6 March 2024 meeting and progressing internal audits and action items from the November and December 2023 meetings.
- Internal Audit:
  - o Working with stakeholders to ensure timely reporting to the Audit and Risk Committee.
  - o Preparation of scope for the remaining FY23/24 audits in line with the Strategic Internal Audit Plan for submission to the single service provider.
  - o Progress Register of Outstanding Audit Findings to ELT per Audit and Risk Committee recommendation.
- Local Laws: Ongoing review of local laws in conjunction with existing workloads.
- Policies: Update out of date policies per Legislative Compliance internal audit findings(ongoing).
- Risk Management: Progress the Risk Appetite and Tolerance Discussions with ELT and Council.

## DEVELOPING INITIATIVES / ISSUES:

- The Governance Officer – Legal position remains vacant following an unsuccessful recruitment campaign. Considering options for temporary resourcing.

## INFORMATION SOLUTIONS

### PREVIOUS MONTH'S ACHIEVEMENTS:

The short, intermittent network dropouts are still being addressed with the hardware manufacturer, but while we seem to be making progress, we have nothing definitive to say the issue is resolved. On the manufacturer's recommendation, we have engaged a third-party to visit Moranbah in mid-February to check our physical setup.

We continue to experience sub-par performance with the new TechOne cloud environment. In addition to the external report mentioned last month, IRC staff have recorded themselves performing various tasks to provide TechOne with evidence of what we have, until now, stated verbally. The external report and the recordings are with TechOne for review.

### PREVIOUS MONTH'S ISSUES:

Nil



# INFORMATION BULLETIN

---

## FINANCIAL REPORT:

Nil

## DEVIATION FROM BUDGET AND POLICY:

Budget review to address TechOne licensing and project implementation in line with total project budget outlined through business case as adopted by council.

## NEXT MONTH'S PROGRAM:

- Rollout of the new IT Service Management tool.
- Resource the digital strategy.
- FY2025 Budgets.

## DEVELOPING INITIATIVES / ISSUES:

- Mobile computing.
- Strategic review of business requirements for the next five years.
- Business continuity planning.

## SAFETY AND RESILIENCE

### PREVIOUS MONTH'S ACHIEVEMENTS:

#### Safety and Resilience Team

- Safety Resilience Partners are working with Clermont Staff; staff who have elected to return to the office have done so, whilst other staff have preferred to continue working from home at present.
- Safety Resilience Partners conducted a team meeting, conducting a gap analysis of our system, in readiness for audit due in the second half of 2024.
- Clermont Safety Resilience Partner facilitated a risk assessment, with staff for the introduction of a weighbridge at Clermont Waste Services.
- Developed the Town Talk schedule for 2024.

#### Wellbeing and Resilience Team

- Wellbeing and Resilience Team conducted audit of all IRC roles against vaccination requirements in line with the Immunisation Handbook.
- Wellbeing and Resilience Team continued case management for work and non-work-related injuries.

#### Disaster Resilience Team

- LDCC moved to Lean Forward in response to TC Kirrily, this was a fantastic opportunity to test preparedness messaging and Triggers and Activations for a severe weather event.
- The LDCC has been downgraded to stand down and resumes normal business.

# INFORMATION BULLETIN

---

## SES Groups

- Dysart – Dysart SES members deployed to SEQ for a week to assist with Storm Damage tasks.
- Isaac SES already received 15 calls for help this year for Road Crash Rescue, Swift Water Rescue, and Ambulance Assists
- The new QFES advanced resuscitation course is being rolled out to all Isaac SES members; this course will enable volunteers to deliver advanced lifesaving techniques to patients in the absence of or limited QAS staff at traumatic incident scenes.
- Work is underway to prepare SES volunteers for the upcoming flood boat course, Isaac has put forward eight volunteers for this course in June.

## PREVIOUS MONTH'S ISSUES:

Nil.

## FINANCIAL REPORT:

Not Applicable.

## DEVIATION FROM BUDGET AND POLICY:

Not Applicable.

## NEXT MONTH'S PROGRAM:

### Organisation Development Plan or Capital Projects

Project Name/ Description	Start Date	Scheduled End Date	Comments/Exceptions
Flood monitoring installations	September 2021	December 2023	All signage is installed and operating, with system configuration being finalised and delivery of staff training.

## DEVELOPING INITIATIVES:

- Disaster Management and SES attended the Middlemount Christmas event on 2 December.
- Investigating the use of Lucidity for risk registers.

### Report authorised by:

DARREN FETTELL

Director Corporate, Governance and Financial Services

DATE: 8 February 2024

# INFORMATION BULLETIN

---

## ATTACHMENTS

- Nil

# INFORMATION BULLETIN

---

<b>TERM / ACRONYM</b>	<b>MEANING</b>
AOP	Annual Operational Plan
CPA	Corporate Procurement Arrangements
EOI	Expression of Interest
NTT	Notice to Tenderers
PCRG	Procurement Compliance Review Group
RFI	Request for Information
RFT	Request for Tender
RFQ	Request for Quote
RPQS	Register of Pre-Qualified Suppliers
PR	Purchase Requisition
PO	Purchase Order
PSA	Preferred Supplier Arrangement
VFM	Value for Money
FAR	Financial Asset Register
OAR	Operational Asset Register
PAG	Project Accountability Gateway
BCP	Business Continuity Planning