

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
TUESDAY 9 NOVEMBER 2021
COMMENCING AT 1.00PM
COUNCIL CHAMBERS, MORANBAH

JEFF STEWART-HARRIS

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 Moriarty

LOCAL GOVERNMENT ACT 2009

Local Government Regulation 2012

Chapter 8, Part 2 Local Government Meetings and Committees

Division 1A, Requirements for Local Government Meetings Generally

Section 254J Closed meetings

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

Conflict of Interest Obligations

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

CORPORATE, GOVERNANCE AND FINANCIAL SERVICES

STANDING COMMITTEE MEETING

OF ISAAC REGIONAL COUNCIL

TO BE HELD ON

TUESDAY 9 NOVEMBER 2021

COUNCIL CHAMBERS, MORANBAH

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

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1. OPENING OF MEETING

2. APOLOGIES

3. DECLARATION OF CONFLICTS OF INTEREST

4. CONFIRMATION OF MINUTES

Corporate, Governance and Financial Services Standing Committee Meeting of Isaac Regional Council held in Council Chambers, Moranbah, commencing 1:00pm on Tuesday 12 October 2021.

5. OFFICER REPORTS

5.1 ISAAC REGIONAL COUNCIL MONTHLY FINANCIAL REPORT AS AT 33 OCTOBER 2021

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 WORK, HEALTH AND SAFETY UPDATE

EXECUTIVE SUMMARY

This report is provided as an update to Council on the current status of Work, Health and Safety Management Systems (WHSMS).

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5.3 2021-2022 ANNUAL OPERATIONAL PLAN – 1ST QUARTER PERFORMANCE REPORT

EXECUTIVE SUMMARY

The purpose of this report is to provide Council with the 1st quarterly performance report, for period ending 30 September 2021, on progress towards implementing the 2021-2022 Annual Operational Plan.

5.4 UPDATE ON LOCAL PREFERENCE POLICY IMPACTS

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on the performance of the Local Preference Policy (STAT-POL-086) as adopted by Council Resolution 7024. At the time when Council adopted the revised policy, a recommendation was made to endorse the amended Local Preference Policy on a trial basis with a reassessment following analysis of the policy impacts after 12 months. The policy has now been in place for the full 12 months.

5.5 POLICY UPDATE – DEALING WITH COMPLAINTS INVOLVING SUSPECTED CORRUPT CONDUCT OF THE CHIEF EXECUTIVE OFFICER

EXECUTIVE SUMMARY

The purpose of this report is to seek Council's consideration of the updated Dealing with complaints involving suspected corrupt conduct of the Chief Executive Officer Policy.

5.6 EXCEPTION BASED CONTRACTUAL ARRANGEMENTS – LOCAL GOVERNMENT REGULATIONS (2012)

EXECUTIVE SUMMARY

The purpose of this report is to seek endorsement for the variation to existing contract IRCT2074-0719-169 for St Lawrence Facilities Maintenance under the exceptions for entering into medium or large sized contractual arrangements within s235(a) of the Local Government Regulations 2012.

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5.7 2020-2021 QUEENSLAND AUDIT OFFICE FINAL MANAGEMENT LETTER AND SIGNED FINANCIAL STATEMENTS

EXECUTIVE SUMMARY

In accordance with the *Local Government Regulation 2012* (s213), the Mayor must present a copy of the auditor-general's observation report about the audit of the Local Government's Financial Statements at the next ordinary meeting of the Local Government.

Isaac Regional Council has received an unmodified audit opinion issued with the 2020-2021 Financial Statements.

5.8 2021- 2022 1ST QUARTER BUDGET REVIEW

EXECUTIVE SUMMARY

A review of the budget for the 2021-2022 financial year has been undertaken with each of the respective Department Managers and then reviewed by their respective Directors and Executive Leadership Team (ELT) as at 30 September 2021.

The review proposes a \$147K decrease to the budgeted operating surplus, along with a \$2.6M decrease to capital revenue and a \$5.1M decrease to the capital expenditure program.

As the variations to the 2021/2022 budget are balanced within the financial year, the forward estimates for the adopted Long-Term Financial Forecast are retained.

CONFIDENTIAL REPORT – CLOSED SESSION

Closed under s254J (3) (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; and Closed under S254J (3) (g) negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interest of the local government

5.9 CLERMONT VILLAGE DEVELOPMENT STAGE 2 - UPDATE

EXECUTIVE SUMMARY

The purpose of this report is to present to Council an update on current status of dealings with Clermont Development Pty Ltd and Watermark Group Australia Pty Ltd, and proposed way forward in dealing with the 13 private land holders within the Stage 2 development of the Clermont village.

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6. INFORMATION BULLETIN

6.1 CORPORATE, GOVERNANCE AND FINANCIAL SERVICES INFORMATION BULLETIN – NOVEMBER 2021

EXECUTIVE SUMMARY

The Corporate, Governance and Financial Services Directorate Information Bulletin for November 2021 is provided for Committee review.

7. GENERAL BUSINESS

8. CONCLUSION

UNCONFIRMED MINUTES

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

HELD ON
TUESDAY, 12 OCTOBER 2021
COMMENCING AT 1.00PM

ISAAC REGIONAL COUNCIL
UNCONFIRMED MINUTES OF THE
CORPORATE, GOVERNANCE AND FINANCIAL SERVICES
STANDING COMMITTEE MEETING
HELD IN COUNCIL CHAMBERS, MORANBAH
ON TUESDAY 12 OCTOBER 2021

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ISAAC REGIONAL COUNCIL
UNCONFIRMED MINUTES OF THE
CORPORATE, GOVERNANCE AND FINANCIAL SERVICES
STANDING COMMITTEE MEETING
HELD IN COUNCIL CHAMBERS, MORANBAH
ON TUESDAY 12 OCTOBER 2021 COMMENCING AT 1:00PM

ATTENDANCE Cr Jane Pickels, Division Seven (Chair)
Mayor Anne Baker,
Cr Sandy Moffat, Division Two
Cr Carolyn Moriarty, Division Six (*via video conference*)
Cr Viv Coleman, Division Eight

OFFICERS PRESENT Mr Darren Fettell, Director Corporate, Governance and Financial Services
Ms Liza Perrett, Manager Governance and Corporate Services (*via video conference*)
Mr Michael Krulic, Manager Financial Services
Mr Beau Jackson, Manager Brand, Media and Communications
Mr Warren Clough, Senior Safety Business Advisor
Mrs Nicole Money, Executive Assistant
Ms Dannette Barfield, Executive Assistant Corporate, Governance and Financial Services

1. OPENING

The Chair declared the meeting open at 1.00pm and acknowledged the traditional custodians of the land on which we meet today and paid her respects to their Elders past, present and emerging.

ATTENDANCE

Mr John Squire, Manager Contracts and Procurement entered the meeting at 1.01pm
Mr Robert Kane, Chief Information Officer entered the meeting room at 1.01pm
Mr Bilal Akhtar, Strategic Asset Manager joined the meeting by video conference at 1.01pm

Resolution No.: CGFS0673

Moved: Cr Moffat

Seconded: Cr Coleman

That the Corporate, Governance and Financial Services Standing Committee accepts Cr Carolyn Moriarty's participation by video conference.

Carried

2. APOLOGIES

No apologies this meeting.

3. DECLARATION OF CONFLICTS OF INTEREST

No conflicts of interest declared.

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 1.00pm on Tuesday 14 September 2021.

Resolution No.: CGFS0674

Moved: Cr Moffat

Seconded: Cr Coleman

That the minutes from the Corporate, Governance and Financial Services Standing Committee meeting held at Council Chambers, Moranbah, commencing at 1.00pm on Tuesday 14 September 2021 are confirmed.

Carried

Resolution No.: CGFS0676

Moved: Cr Moffat

Seconded: Cr Coleman

That the Committee recommends that Council:

1. Note the Work Health and Safety Report and attachments listed

Carried

5.3

Allocation of Funds to Asset Management and Legacy Reserve

EXECUTIVE SUMMARY

In accordance with Councils Reserves Policy (CORP-POL-089), this report seeks Councils endorsement to allocate \$2M into the Asset Management and Legacy Reserve as a result of these funds no longer being required to be constrained to contract liabilities in relation to the Anne Street Development in Nebo.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

1. ***Endorse \$2M to be allocated to the Asset Management and Legacy Reserve as a result of these funds no longer required to be constrained as a contract liability for the Anne Street Development in Nebo.***

Resolution No.: CGFS0677

Moved: Cr Moffat

Seconded: Cr Coleman

That the Committee recommends that Council:

1. **Endorse \$2M to be allocated to the Asset Management and Legacy Reserve as a result of these funds no longer required to be constrained as a contract liability for the Anne Street Development in Nebo.**

Carried

5.4 State Emergency Service (SES) Plant for Disposal

EXECUTIVE SUMMARY

This report is to inform Council and seek approval for the disposal of plant that have reached the end of their lifespan. The plant items were supplied by the State Government and ownership transferred to Council in accordance with the Memorandum of Understanding (MOU) between State Government acting through Queensland Fire and Emergency Services (QFES).

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

- The following State Emergency Service (SES) assets be disposed of via auction and in accordance with Council's "Disposal Policy – (CORP-POL-113)"***
 - QGBH41 the Mitsubishi FM600 ex-fire truck***

Resolution No.: CGFS0678

Moved: Cr Moriarty

Seconded: Cr Coleman

That the Committee recommends to Council:

- The following State Emergency Service (SES) assets be disposed of via auction and in accordance with Council's "Disposal Policy – (CORP-POL-113)"**
 - QGBH41 the Mitsubishi FM600 ex-fire truck**

Carried

5.5 Policy Update - Public Interest Disclosure Policy

EXECUTIVE SUMMARY

The purpose of this report is to seek Council's consideration of the updated Public Interest Disclosure Policy.

OFFICER'S RECOMMENDATION

That the Committee recommends to Council to:

- Adopt the updated 'Public Interest Disclosure Policy (GOV-POL-054)***

Resolution No.: CGFS0679

Moved: Cr Moffat

Seconded: Cr Coleman

The Committee recommends to Council to:

1. **Adopt the updated 'Public Interest Disclosure Policy (GOV-POL-054)**

Carried

5.6 Policy Updates - Right to Information Policy

EXECUTIVE SUMMARY

The purpose of this report is to seek Council's consideration of the updated Right to Information Policy.

OFFICER'S RECOMMENDATION

That the Committee recommends to Council to:

1. **Adopt the updated 'Right to Information' Policy (CORP-STAT-049)**

Resolution No.: CGFS0680

Moved: Cr Moriarty

Seconded: Cr Moffat

The Committee recommends to Council to:

1. **Adopt the updated 'Right to Information' Policy (CORP-STAT-049)**

Carried

5.7 Policy Updates - Conflicts of Interest and Election Signage

EXECUTIVE SUMMARY

This report seeks Council's consideration to review and consider updated Policies from the Corporate Policy Register. These Policies were reviewed, however required minor amendments and therefore have been consolidated into one report for efficiency.

ATTENDANCE

Mr Beau Jackson left the meeting room at 1.42pm and returned to the meeting room at 1.44pm

5.9 Exceptions to Local Government Regulations (2012) - Recruitment Advertising Services

EXECUTIVE SUMMARY

The purpose of this report is to retrospectively ratify and obtain ongoing approval for advertising and recruitment of vacant positions through the Seek website as an exception to the competitive bidding requirements under s235 (a) and (b) of the *Local Government Regulations 2012* for medium or large sized contractual arrangements.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Resolves it is satisfied that there is only one (1) supplier who is reasonably available;**
- 2. Resolves that because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders;**
- 3. Endorse the following exception to enter into medium or large sized contractual arrangements as per s235 of the Local Government Regulations (2012):**

<u>Company</u>	<u>Service provided/engaged for delivery of</u>
SEEK Limited	Recruitment services limited to the provision of advertising platforms for Isaac Regional Council vacancies.

- 4. Authorise the Chief Executive Officer or delegate to negotiate, execute and vary the agreements as required.**

Resolution No.: CGFS0683

Moved: Cr Coleman

Seconded: Cr Moffat

That the Committee recommends that Council:

- 1. Resolves it is satisfied that there is only one (1) supplier who is reasonably available noting compatibility with Isaac Regional Council's recruitment platform and due to their regional market dominance;**

2. Resolves that because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders;
3. Endorse the following exception to enter into medium or large sized contractual arrangements as per s235 of the Local Government Regulations (2012):

<u>Company</u>	<u>Service provided/engaged for delivery of</u>
SEEK Limited	Recruitment services limited to the provision of advertising platforms for Isaac Regional Council vacancies.

4. Authorise the Chief Executive Officer or delegate to negotiate, execute and vary the agreements as required.

Carried

6. INFORMATION BULLETIN REPORTS

6.1

Corporate, Governance and Financial Services Information Bulletin – October 2021

EXECUTIVE SUMMARY

The Corporate, Governance and Financial Services Information Bulletin for October 2021 is provided for Committee review.

OFFICER'S RECOMMENDATION

That the Committee:

1. *Note the Corporate, Governance and Financial Services Information Bulletin for October 2021.*

Resolution No.: CGFS0684

Moved: Cr Coleman

Seconded: Cr Moffat

That the Committee:

1. Note the Corporate, Governance and Financial Services Information Bulletin for October 2021.

Carried

NOTE: Refresher for Councillors to be scheduled for a future Strategic Planning Day on risk related to the management and disposal of information when working from home.

MEETING MINUTES

7. GENERAL BUSINESS

No general business this meeting.

8. CONCLUSION

There being no further business, the Chair declared the meeting closed at 2.17pm.

These minutes were confirmed by the Committee at the Corporate, Governance and Financial Services Committee Meeting held in Moranbah on Tuesday 9 November 2021.

.....
Chair

..... / /
DATE

MEETING DETAILS	Corporate, Governance and Financial Service Standing Committee Meeting Tuesday 9 November 2021
AUTHOR	Michael Krulic
AUTHOR POSITION	Manager Financial Services

REPORT 5.1

ISAAC REGIONAL COUNCIL MONTHLY FINANCIAL REPORT AS AT 31 OCTOBER 2021

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.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Receives the financial statements for the period ended 31 October 2021 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 2021/2022	Budget adopted 30 June 2021
Financial Statements 2020/2021	

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.

It is noted that the first quarter budget review is underway with minor adjustments expected.

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

Report prepared by: MICHAEL KRULIC Manager Financial Services Date: 27 October 2021	Report authorised by: DARREN FETTELL Director Corporate, Governance and Financial Services Date: 27 October 2021
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ATTACHMENTS

- Attachment 1 – Monthly Financial Statements 31 October 2021

REFERENCE DOCUMENT

- Nil

FINANCIAL STATEMENTS REPORT TO COUNCIL

Current as at 31 October 2021

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



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FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2021

EXECUTIVE SUMMARY

At the end of October, the operating result is \$6,989,174 ahead of budgeted operating position. The positive result is due to the timing of operational expenditure.

Capital revenue for October was \$1,023,505 which combined with the operating position leads to a net surplus of \$16,835,042.

PRELIMINARY OCTOBER FINANCIAL STATEMENTS AT A GLANCE					
	YTD Actual	YTD Revised Budget	Variance	Full Year Revised Budget	Completion
	\$	\$	\$	\$	%
Total operating revenue	50,341,329	51,661,050	(1,319,721)	127,274,563	39.6%
Total operating expenses	34,529,791	42,838,686	8,308,894	125,766,034	27.5%
Operating position	15,811,538	8,822,364	6,989,174	1,508,529	1048.1%
Capital revenue	1,023,505	322,500	701,005	14,084,038	7.3%
Net result	16,835,042	9,144,864	7,690,178	15,592,567	108.0%

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 October 2021. Actual amounts are compared against year to date Revised Budget figures. (See appendix 1 for detailed financial statements).

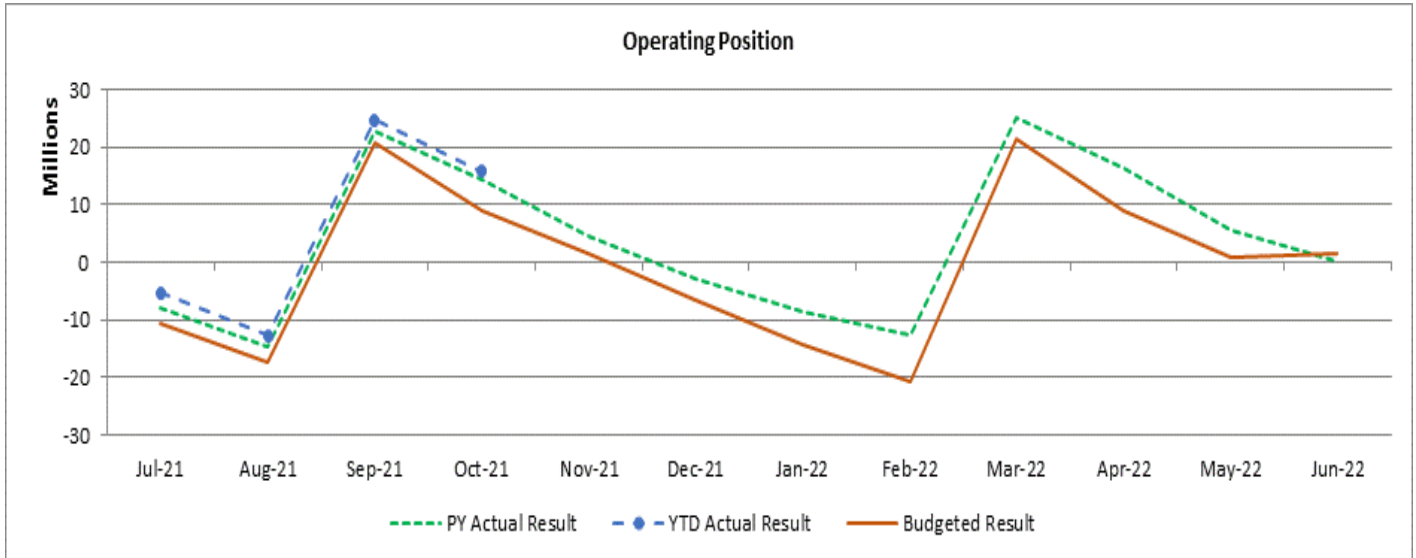
It is noted that to meet earlier reporting timelines for statutory meetings that this reporting period has been closed earlier than normal (21 October 2021) which impacts on YTD actual results throughout the report.

It is also noted that the 1st Quarter Budget Review is currently underway which will be presented to Council in November.

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

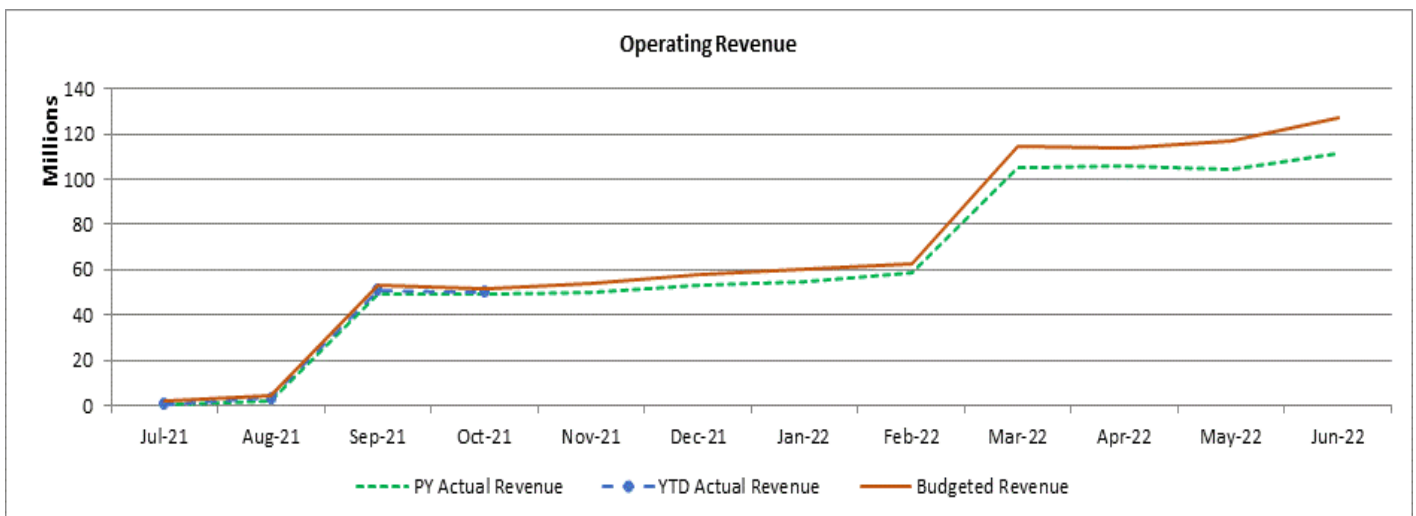
It should be noted that figures provided are accurate as at date of publication. Figures reported are cumulative year to date which may include adjustments for revenue or expenses accrued to prior accounting periods.

OPERATING POSITION



The current operating position for October has resulted in a surplus of \$15,811,538. This is favourable when compared to the YTD budget by \$6,989,174. Operating Revenue is \$1,319,721 unfavourable compared to YTD budget offset by Operating Expenses which are \$8,308,894 favourable when compared to YTD budget.

OPERATING REVENUE

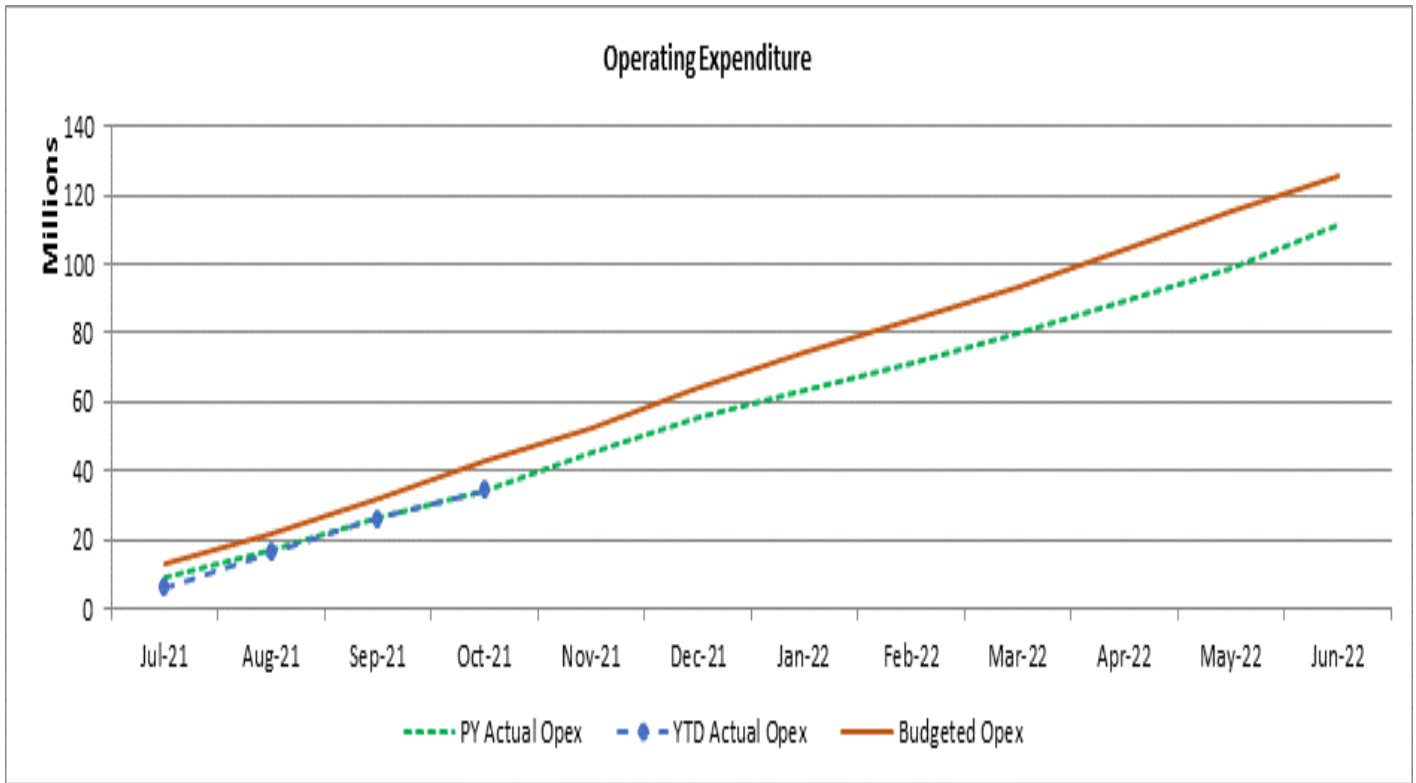


Operating Revenue comprises the following items – Rates and Utility Charges, Fees and Charges, Rental Income, Interest Received, Sale of Contract and Recoverable Works, Operating Grants, Subsidies and Contributions, Other Recurrent Revenue.

The operating revenue for October was \$50,341,329 which is unfavourable when compared to the budget by \$1,319,721. This unfavourable position is due to the delay of the revenue for the TMR project works offset by the timing of discount on general rates, unbudgeted grant revenue and cashflowing of the Federal Assistance Grant.

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

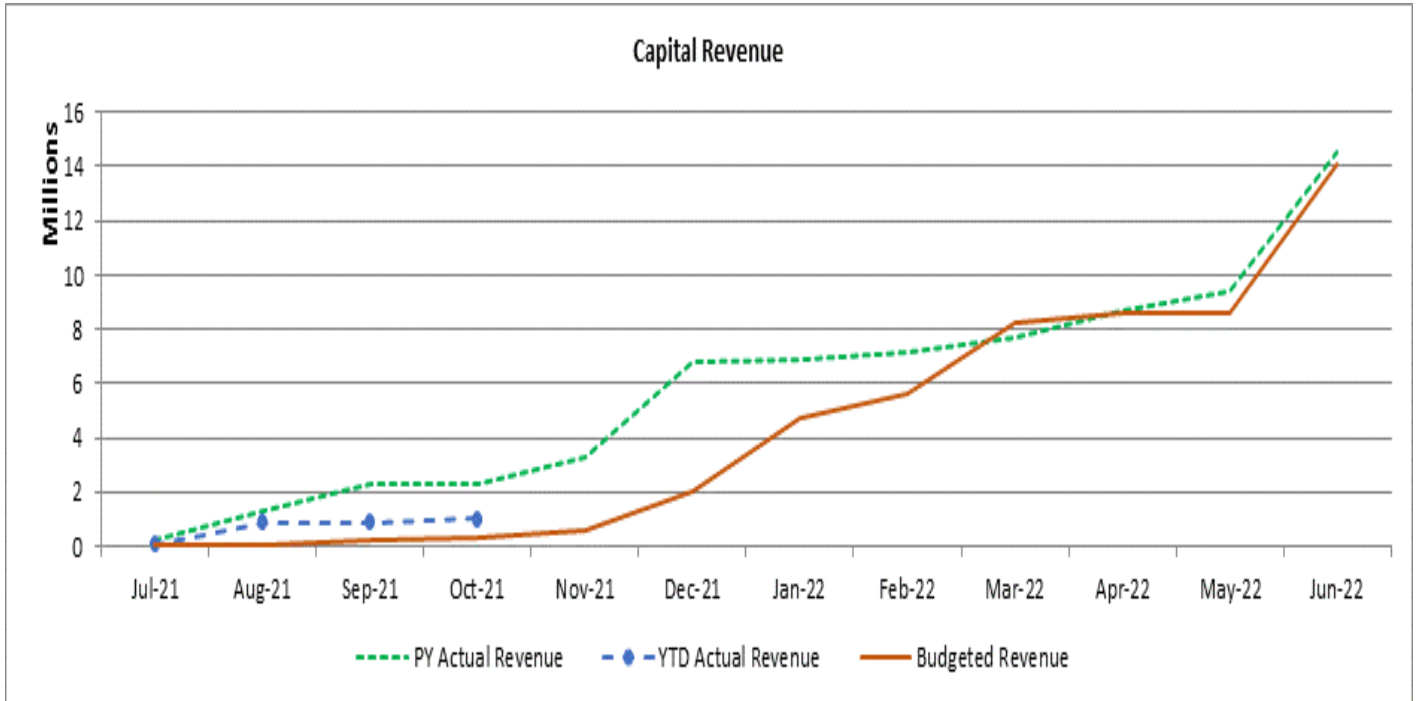


Operating expenditure consists of Employee Expenses, Materials and Services, Finance Costs and Depreciation.

Actual operating expenditure for October was \$34,529,791 which is favourable to budget by \$8,308,894. This favourable result is mainly due the delay in start of TMR funded works, the accrual of expenditure relating to the 20/21 financial year (employee expenses and operating expenses) through end of year process and the allocation of budgeted cashflow.

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

CAPITAL REVENUE



Capital Revenue for October YTD is \$1,023,505 which consists of grants, contributions and proceeds from the disposal of assets. The current favourable variance is due primarily to the timing of grant receipts.

Some of our budgeted major capital grants for 21/22 are:

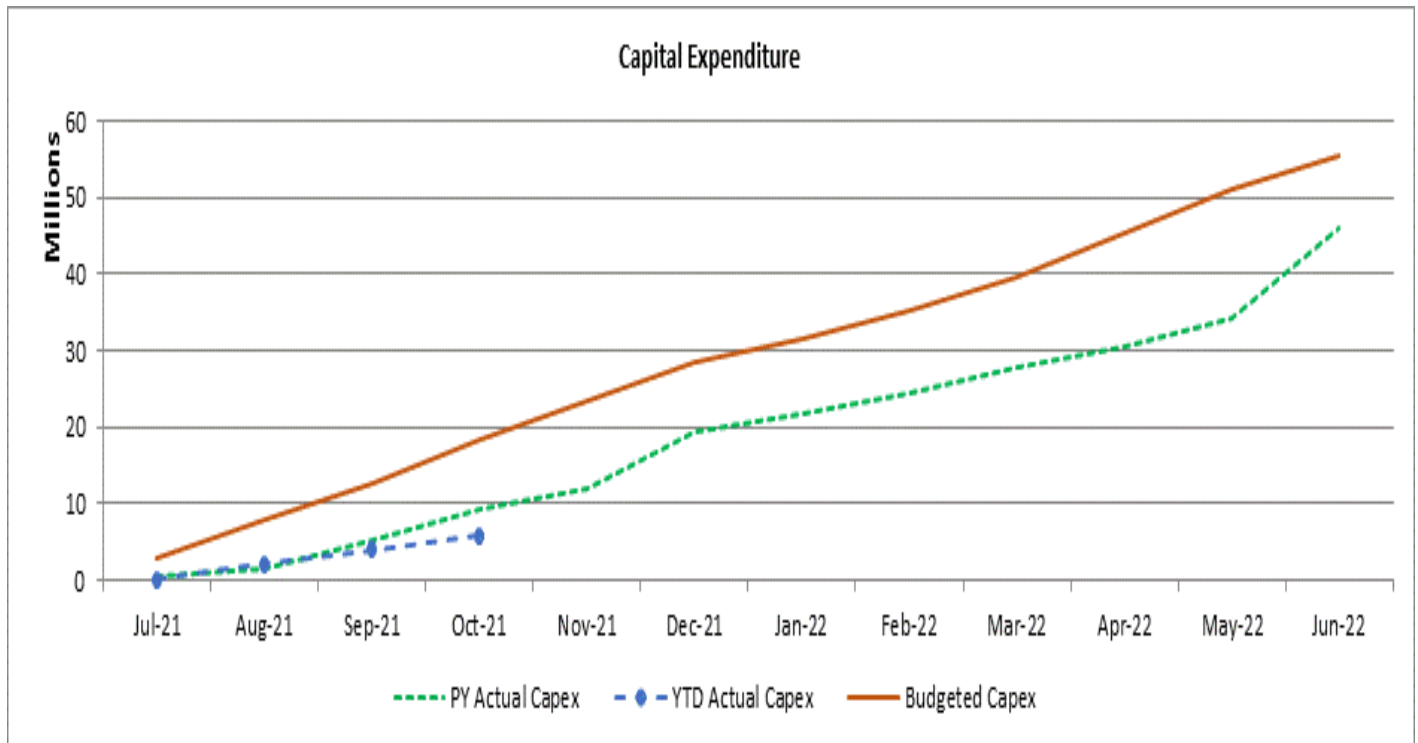
- Black Spot Funding
- Bridges Renewal Program
- Grant - TIDS
- Local Roads & Community Infrastructure Grants
- QRRRF
- Regional Recovery Partnership
- RTR Grant funds
- Works for QLD 21 - 24

Major Funding received to date:

- QRRRF
- Works for QLD 21 - 24
- Blackspot funding

The Quarter 1 Budget review will make adjustment for carryforward grant funding and the removal of grant revenue for unsuccessful grant applications.

CAPITAL EXPENDITURE



Capital expenditure is under budget excluding commitments, noting however that it is early in the financial year. It is anticipated that expenditure will come in line throughout the financial year.

The major budgeted projects for 21/22 financial year are:

- Rural Unsealed Roads Resheeting
- Clermont Saleyard & Showgrounds Revitalisation
- Valkyrie Road Pavement Works
- Moranbah Community Centre
- Surfacing Renewal Program
- Rural Pavement Rehabilitation Program
- Peakvale Road Drummond Creek Floodway Upgrade
- Moranbah Landfill Phase 2 Stage 2
- CORP Sewer relining
- Greg Cruickshank Aquatic Centre
- Moranbah 400ML raw water dam - remediation
- Moranbah Interagency Transfer of Bundera Place
- Clermont Design and Construct - Principal Cycle Network Expansion
- Dysart WWTP Trickling filters

It should be noted that the Quarter 1 Budget Review will be examining some of the above projects which were previously anticipated to be grant funded or partially grant funded for which Council has received notification of unsuccessful grant applications.

CAPITAL FUNDING AND PROJECT COMMITTALS

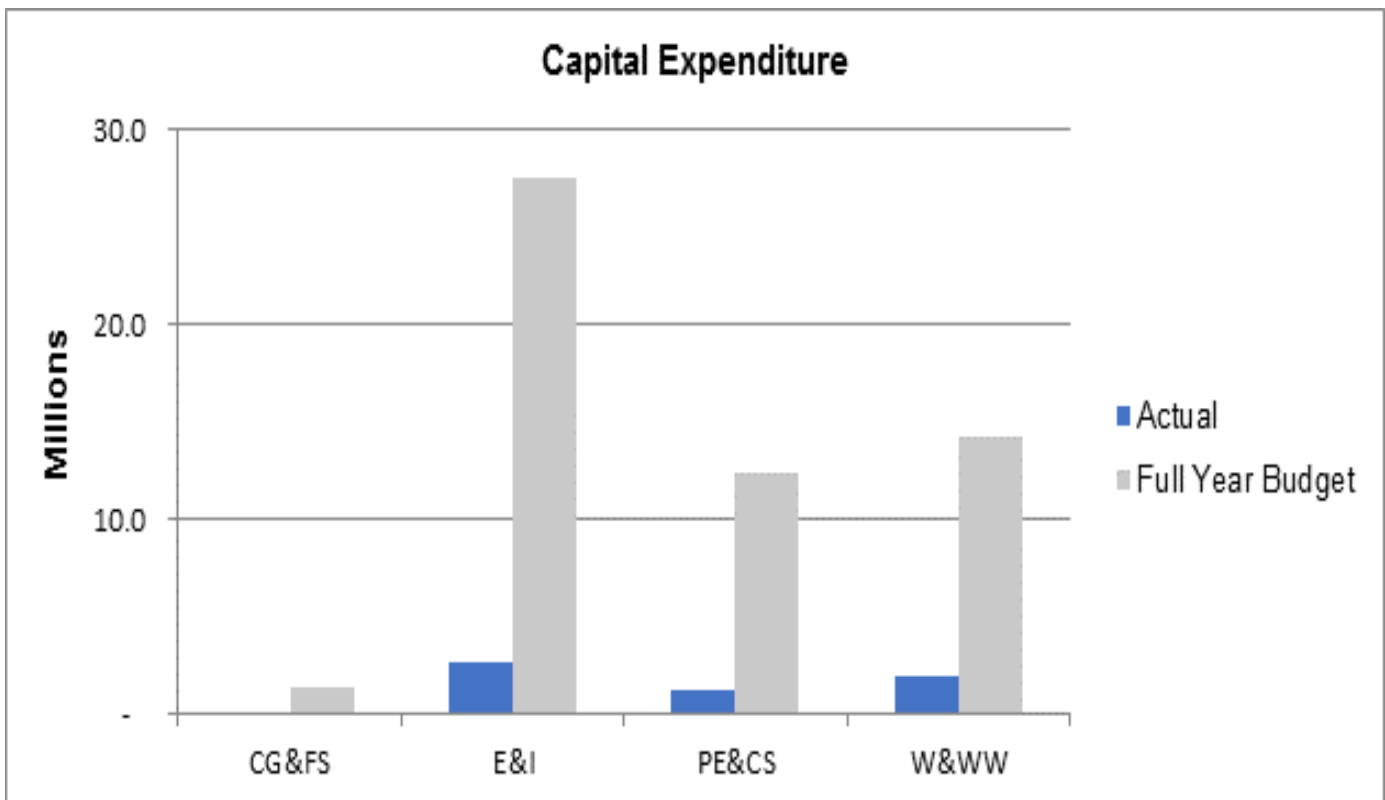
Capital expenditure is financed through loan borrowings, proceeds on disposal of assets, general reserves and the future capital sustainability reserve.

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 October 2021.

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	29,340	53,236	82,576	1,411,740	2.1%	5.8%
E&I	2,669,699	7,519,523	10,189,221	27,575,640	9.7%	37.0%
PE&CS	1,158,988	745,456	1,904,444	12,344,406	9.4%	15.4%
W&WW	1,987,680	1,267,308	3,254,987	14,288,253	13.9%	22.8%
TOTAL	5,845,706	9,585,523	15,431,229	55,620,039	10.5%	27.7%

The following graph illustrates the data above.



STATE DEVELOPMENT, INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING FINANCIAL SUSTAINABILITY RATIOS

In accordance with s169(5) of the Local Government Regulation 2012, the 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	31.41%	0 - 10%	No	1.20%
		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	-98.82%	<=60%	Yes	-2.88%
		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	35.39%	>90%	No	93.50%
		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	16.6	2	Yes	9.24
		Interest plus current borrowings				
Cash Expense Ratio	This ratio provides a guide as to the ability of the Council to pay its costs within the short term.	Current cash balance	9.31 Months	3 Months	Yes	2.34 Months
		Operating expenses less depreciation and finance costs				

1. **Operating Surplus Ratio** - This ratio is an indicator of the extent to which revenues raised cover the operational expenses only or are available for capital funding purposes. The target result for this ratio is between 0-10% per annum (on average over the long term). With the net operating profit year to date a surplus of \$15,811,538, the ratio is currently positive 31.41%, which is above Council's budget and benchmark range. The ratio has decreased from the previous month spike (due to the issuing of rates in September) and is expected to return to benchmark range over the remainder of the financial year.
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 98.82%.
3. **Asset Sustainability Ratio** - This ratio is a guide as to whether infrastructure assets managed by Council are being replaced as they reach the end of their useful lives. Council's target is to have a result of greater than 90%. With capital expenditure just commencing the ratio is low at 35.39%, which is below the 90% benchmark. This ratio is expected to improve throughout the financial year.
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 16.6 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 9.31 months as at 31 October 2021. This is above the targeted benchmark of three (3) months.

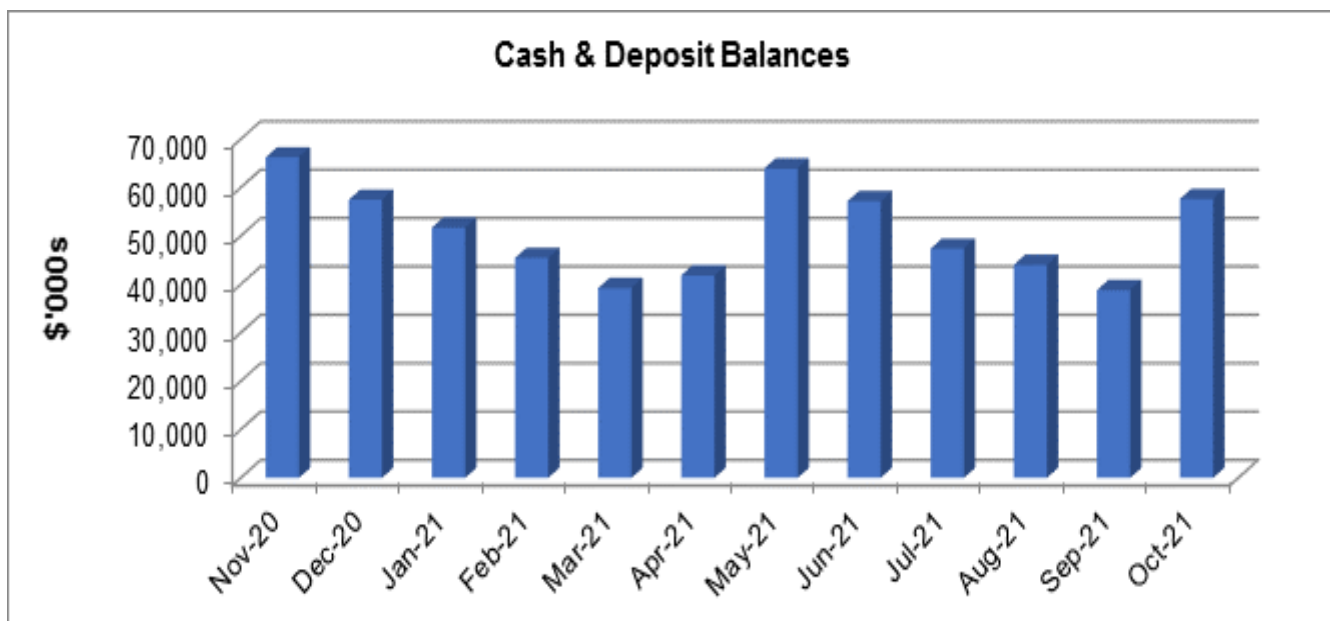
INVESTMENTS AND CASH BALANCES

The following is a list of all investments held by Council as at the period ending 31 October 2021.

ISAAC REGIONAL COUNCIL					
Investments					
For the Period Ended 31 October 2021					
Account	Description	Institution	Amount	Maturity Date	Interest Rate
10-000-1111	Cash at bank-QCCU	QCCU	3,099		0.00%
10-000-1113	Cash at Bank - ANZ	ANZ	3,067,372		0.00%
10-000-1116	QTC Operating Fund	QTC	48,278,981		0.50%
10-000-1117	ANZ Business Premium Saver	ANZ	6,308,165		0.05%
10-000-1131	Petty Cash		3,750		
10-000-1132	Floats		6,380		
Total Investments			57,667,747		

Bank	Credit Rating	% of Funds	Policy Total Profile
Queensland Treasury Corporation	QTC	83.72%	No Limit
ANZ Banking Group	AA-	16.27%	Maximum 40%
QCCU	BBB	0.01%	Maximum 10%

The following chart outlines the Council's cash and deposit balances for the previous twelve months up to the period ending 31 October 2021.



LOANS

ISAAC REGIONAL COUNCIL							
Loans							
For the Period Ended 31 October 2021							
							Repayment Due 15 Dec 2021
Loan Name	Balance as at 31 October 2021	Rate as at 31 October 2021	Approved Term	Remaining Term	Principal	Interest	Total
Land Purchase - Moranbah	\$11,620,222	5.1	20	11.13	\$192,804	\$148,129	\$340,932
Land Development Moranbah	\$8,916,392	4.37	20	11.63	\$146,167	\$97,412	\$243,578
Waste Loan	\$2,475,077	2.22	20	19.64	\$25,061	\$13,706	\$38,766
Total	\$23,011,692				\$364,031	\$259,246	\$623,277

Debt service repayments are made quarterly. The first quarter repayment for the 21/22 financial year was made on the 15 September 2021. The next repayment for the 21/22 financial year is due 15 December 2021.

ACCOUNTS RECEIVABLE

The following is a breakdown of the Council's accounts receivable by age for the period ending 31 October 2021.

Accounts Receivable Ageing Analysis at 31 October 2021			
Ageing	Number of Invoices	Amount Outstanding	% of Total Outstanding
Current	270	850,326.03	64.35%
30 Days	76	209,669.20	15.87%
60 Days	78	28,627.56	2.17%
90 Days	88	232,652.05	17.61%
TOTAL	512	1,321,274.84	100.00%

The Accounts Receivable balance at 31 October 2021 is \$1,321,274.84 which has decreased from 30 September 2021 balance of \$1,840,049.44 due to large waste invoices being paid this period.

- 30 day balances have increased due to large waste invoices being overdue. The balance predominantly relates to waste invoices and grant funding invoices.
- 60 day balances have increased due to Food Licence invoices that are not yet due ageing to 60 days.
- 90 days and over outstanding receivables have increased slightly due to some housing and library debtors ageing to 90 days. There are no other significant new 90 day debtors.

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 October 2021.

Accounts Payable Ageing Analysis at 31 October 2021			
Ageing	No. of Documents	Amount Outstanding	% of Total Outstanding
Current	189	1,151,757.85	99.17%
30 Days	26	6,658.42	0.57%
60 Days	2	2,992.60	0.26%
90 Days	0	-	0.00%
TOTAL	217	1,161,408.87	100.00%

The outstanding Accounts Payable balance as at 31 October 2021 was \$1,161,408.87. The 30, 60 & 90 day aging accounts total \$9,651.02.

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

- 30 day balances – \$6,658.42 (26 invoices) remain unpaid with all invoices awaiting approval.
- 60 day balances – \$2,992.60 (2 invoices) remain unpaid with 1 invoice (\$1,258.50) having been received late from the supplier and approval of 1 invoice (\$1,734.10) awaiting approval.

YEAR TO DATE RATES REPORT

The following is a breakdown of the Council's rates transactions as at 31 October 2021.

The October month end closing balance for rates outstanding was \$26,712,450.

Rates Balancing Report As At 31 October 2021		
	YTD 31 Oct 2021	YTD 31 Oct 2020
Opening Balance	3,368,557	3,953,039
Rates Charges		
Rates Levied	49,050,178	48,348,564
Interest	86,211	-
Refunds	248,375	13,096
Total Rates	49,384,764	48,361,660
Discounts and Receipts		
Discounts	(1,721,606)	(558,563)
Receipts	(24,238,164)	(11,906,436)
Government Subsidy	(37,800)	(37,665)
Council Subsidy	(108,893)	(111,154)
Remissions	(315)	(1,948)
Write Offs	(674)	(29)
Total Discounts & Receipts	(26,107,452)	(12,615,796)
Legal	66,580	52
Closing Balance	26,712,450	39,698,955

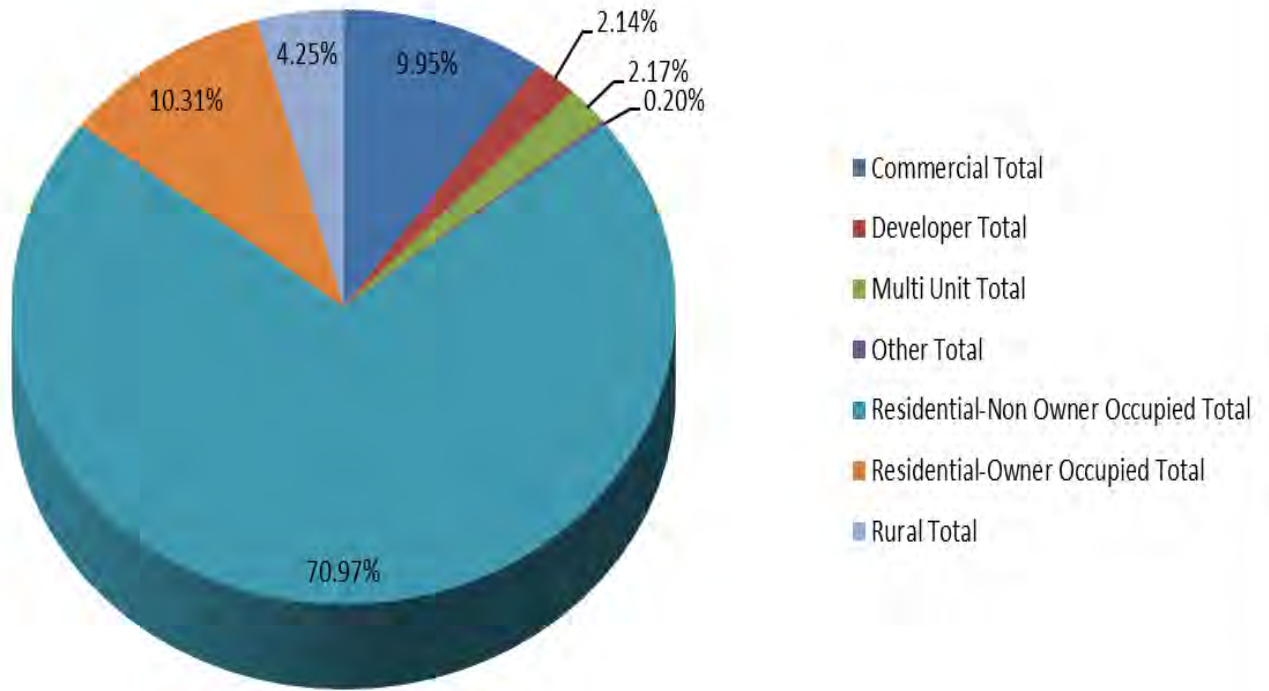
Rates Breakdown	As At 31 Oct 2021
Rates in Credit	(1,477,983)
Rates Not Due Yet	23,925,776
Rates In Arrears	4,264,657
Total Rates Balance	26,712,450

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

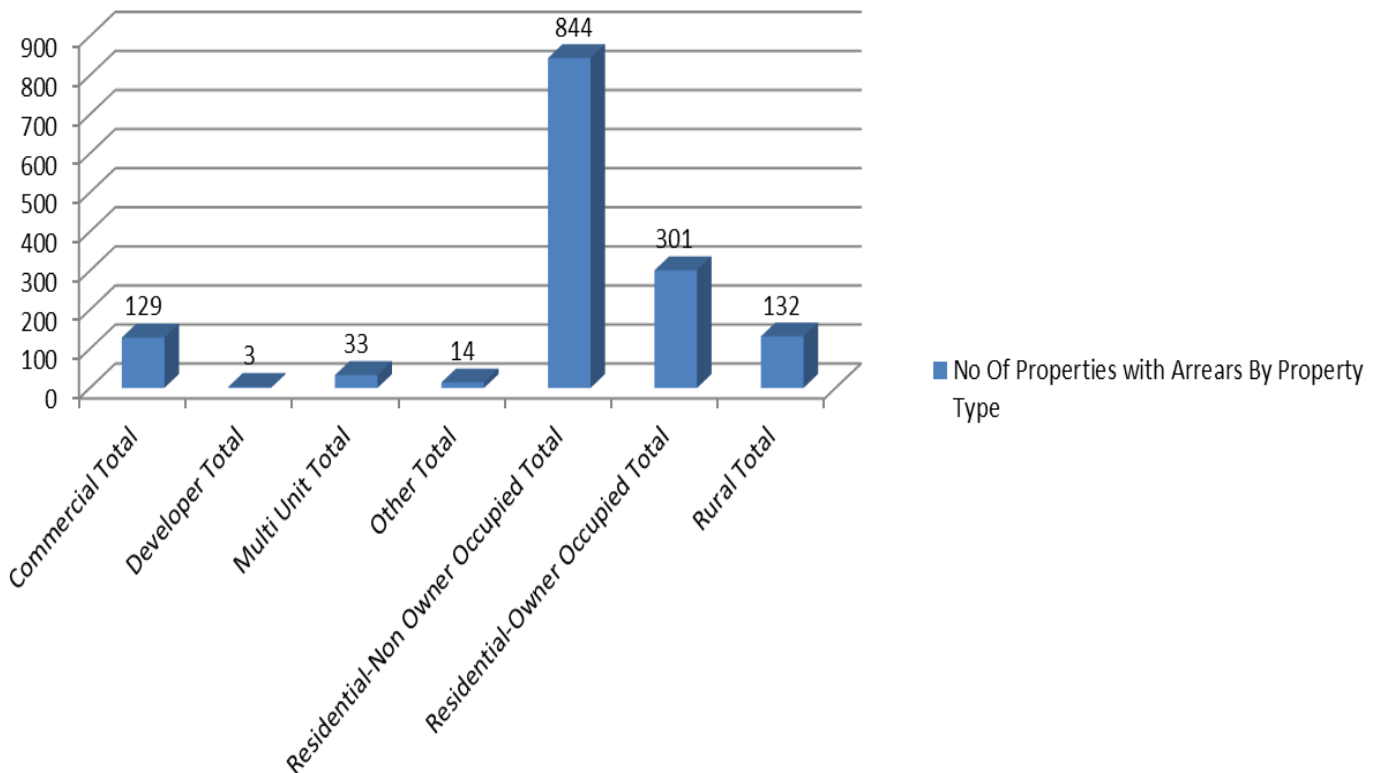
Rate Arrears – Aged by Year

Prior 2016	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
1,449,661	436,816	455,963	454,548	510,637	794,680	162,353	4,264,657
33.99%	10.24%	10.69%	10.66%	11.97%	18.63%	3.81%	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 October 2021. 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 October 2021

	Notes	YTD Actual \$	Commitments \$	YTD Actual + Commitments \$	YTD Revised Budget \$	Variance \$	Full Year Revised Budget \$	Completion %
Income								
Operating Revenue								
Net Rates & Utility Charges	1	44,473,083	-	44,473,083	43,203,363	1,269,721	90,738,785	49.0%
Fees & Charges		1,361,337	-	1,361,337	1,265,017	96,321	3,684,550	36.9%
Rental Income		539,321	-	539,321	484,182	55,139	1,479,854	36.4%
Interest Received		173,362	-	173,362	187,167	(13,805)	601,500	28.8%
Sales of Contract & Recoverable Works	2	214,271	-	214,271	3,257,833	(3,043,563)	16,451,000	1.3%
Operating Grants, Subsidies & Contributions	3	1,371,591	-	1,371,591	1,067,252	304,339	6,856,704	20.0%
Other Recurrent Revenue		2,208,364	-	2,208,364	2,196,237	12,127	7,462,170	29.6%
		50,341,329	-	50,341,329	51,661,050	(1,319,721)	127,274,563	39.6%
Expenses								
Operating Expenses								
Employee Expenses	4	11,746,784	-	11,746,784	12,893,013	(1,146,229)	41,607,376	28.2%
Materials & Services	5	13,026,085	8,075,834	21,101,919	20,614,330	487,589	56,150,510	37.6%
Finance Costs		352,335	-	352,335	408,772	(56,437)	1,240,438	28.4%
Depreciation and Amortisation	6	9,404,587	-	9,404,587	8,922,570	482,017	26,767,710	35.1%
Corporate Overheads & Competitive Neutrality Costs		-	-	-	-	-	-	0.0%
		34,529,791	8,075,834	42,605,625	42,838,686	(233,060)	125,766,034	33.9%
Operating Position Before Capital Items		15,811,538	(8,075,834)	7,735,704	8,822,364	(1,086,661)	1,508,529	512.8%
Capital Revenue								
Capital Revenue	7	1,023,505	-	1,023,505	72,500	951,005	13,136,378	7.8%
Proceeds from Sale of Land & PPE	8	-	-	-	250,000	(250,000)	947,660	0.0%
		1,023,505	-	1,023,505	322,500	701,005	14,084,038	7.3%
Net Result Attributable to Council in Period		16,835,042	(8,075,834)	8,759,208	9,144,864	(385,656)	15,592,567	56.2%
Total Comprehensive Income		16,835,042	(8,075,834)	8,759,208	9,144,864	(385,656)	15,592,567	56.2%
Council's operating position at month end is a \$15.8M surplus								

- 1. Net Rates & Utility Charges** are \$44,473,083 and are \$1,269,721 favourable when compared to the YTD Budget. The favourable variance is predominately due to the timing of the discount on general rates (approx. \$1.1M). Due to the early close for October statements, the final week of rates discount will fall in the November period. It should be noted that General Rates is approx. \$287K above YTD budget and sewerage charges are approx. \$106K below YTD budget.
- 2. Sales of Contract & Recoverable Works** are unfavourable to the adopted budget by \$3,043,563. This unfavourable variance is mainly due to the cashflowing of the revenue for the TMR project works and the RMPC contract. Cashflow for both the TMR works and RMPC will be examined with the Quarter 1 Budget Review.
- 3. Operating Grants, Subsidies & Contributions** are favourable to the revised budget by \$304,339. This favourable variance is due to a variety of reasons including receipt of operational Black Spot funding (unbudgeted), cashflowing of the Federal Assistance Grant and SES grant and higher than anticipated trainee funding. The budget and cashflow will be examined with the Quarter 1 Budget Review.
- 4. Employee Expenses** are favourable to the adopted budget by \$1,146,229. This favourable variance is due to a variety of factors including the first week of the year being accrued back to the previous financial year, long term vacancies within Departments (offset through agency temp staff) and the accrual of backpay to the previous financial year. Employee expenses will face an adjustment in November when the backpay for the new CA agreement is processed.
- 5. Materials & Services** actual expenses for the year to date are \$13,026,085 with \$8,075,834 being recorded in commitments, resulting in an unfavourable variance to adopted budget by \$487,589. This unfavourable variance is due to the inclusion of commitments which relate to future reporting periods. Excluding commitments YTD expenditure would be approximately \$7.6M below YTD budget.
- 6. Depreciation and Amortisation** is unfavourable to the YTD budget by \$482,017. This is primarily due to changes to asset valuations and useful lives post outcomes of the 20/21 Financial Statement audit. The building asset class was revalued as at 30 June 2021 with the depreciation being adjusted to reflect the increase of the valuation of buildings.
- 7. Capital Revenue** for the year to date is \$1,023,505 which is favourable to budget by \$951,005. This favourable variance is predominately due to the advance payment for the W4QLD 21- 24 grant funds.
- 8. Proceeds from Sale of Land & PPE** is currently unfavourable compared to the revised budget by \$250,000. This unfavourable variance is due to budgeted cash flowing of revenue from the sale of plant. This will be examined at the Quarter 1 Budget Review.

ISAAC REGIONAL COUNCIL				
Statement of Financial Position				
For the Period Ended 31 October 2021				
	Notes	Actual YTD	30 June 2021	Variance
		\$	\$	%
Current Assets				
Cash & Cash Equivalents		57,667,747	57,171,729	100.9%
Trade & Other Receivables		24,596,231	15,776,801	155.9%
Inventories		20,246,067	20,225,766	100.1%
Total Current Assets		102,510,044	93,174,296	110.0%
Non-Current Assets				
Property, Plant and Equipment		1,078,062,429	1,086,524,182	99.2%
Capital Work in Progress		18,116,972	12,800,230	141.5%
Total Non-Current Assets		1,096,179,401	1,099,324,411	99.7%
TOTAL ASSETS		1,198,689,444	1,192,498,708	100.5%
Current Liabilities				
Trade & Other Payables		9,607,498	20,259,021	47.4%
Borrowings - Interest Bearing		1,191,138	1,506,500	79.1%
Provisions		7,212,866	6,839,353	105.5%
		18,011,502	28,604,874	63.0%
Non-Current Liabilities				
Borrowings - Interest Bearing		21,906,969	21,906,969	100.0%
Borrowings - Interest Bearing		1,834,641	1,834,641	100.0%
Non Current Provision		1,723,606	1,744,539	98.8%
Non Current Creditors		9,288,278	9,288,278	100.0%
Total Non-Current Liabilities		34,753,494	34,774,427	99.9%
TOTAL LIABILITIES		52,764,996	63,379,301	83.3%
NET COMMUNITY ASSETS		1,145,924,449	1,129,119,406	101.5%
Community Equity				
Retained Surplus		882,673,010	866,891,471	101.8%
Asset revaluation reserve		222,122,422	222,122,422	100.0%
Other reserves		41,129,017	40,105,513	102.6%
TOTAL COMMUNITY EQUITY		1,145,924,449	1,129,119,406	101.5%

ISAAC REGIONAL COUNCIL			
Statement of Cash Flows			
For the Period Ended 31 October 2021			
	Actual YTD	30 June 2021	Variance
	\$	\$	%
Cash Flows from Operating Activities			
Receipts from customers	41,521,898	116,522,240	35.6%
Payments to suppliers and employees	(35,444,448)	(86,328,172)	41.1%
Cash provided by / (used in) net result	6,077,450	30,194,067	20.1%
Cash Flows from Investing Activities			
Profit / (Loss) on sale of capital assets	(30,000)	(6,103,970)	0.5%
Grants, subsidies, contributions and donations	1,023,506	12,840,227	8.0%
Payments for property, plant and equipment	(6,259,576)	(39,336,166)	15.9%
Net movement in loans to Community Organisations			0.0%
Net cash provided by investing activities	(5,266,070)	(32,599,909)	16.2%
Cash Flow from Financing Activities			
Proceeds from borrowings	-	1,035,391	0.0%
Repayment of borrowings	(315,362)	162,542	(194.0%)
Net cash provided by financing activities	(315,362)	1,197,932	(26.3%)
Net Increase / (Decrease) in Cash Held	496,017	(1,207,909)	(41.1%)
Cash at the beginning of the period	57,171,729	58,379,638	97.9%
Cash at the end of the Reporting Period	57,667,747	57,171,729	100.9%

Appendix 2 – Preliminary Executive Level Reports

Executive Level operating statements provide information on the performance of each Directorate for the period ended 31 October 2021.

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 October 2021

Office of the CEO

	Notes	YTD Actual \$	Commitments \$	YTD Actual + Commitments \$	YTD Revised Budget \$	Variance \$	Full Year Revised Budget \$	Completion %
Income								
Operating Revenue								
Operating Grants, Subsidies & Contributions		104,378	-	104,378	51,667	52,711	155,000	67.3%
		104,378	-	104,378	51,667	52,711	155,000	67.3%
Expenses								
Operating Expenses								
Employee Expenses		863,889	-	863,889	894,292	(30,403)	2,906,449	29.7%
Materials & Services	1	318,527	250,625	569,152	491,067	78,086	1,251,642	45.5%
Corporate Overheads & Competitive Neutrality Costs		(1,604,859)	-	(1,604,859)	(1,604,859)	-	(4,814,578)	33.3%
		(422,444)	250,625	(171,818)	(219,501)	47,683	(656,488)	26.2%
Operating Position Before Capital Items		526,821	(250,625)	276,196	271,168	5,028	811,488	34.0%
Capital Revenue		-	-	-	-	-	-	0.0%
Net Result Attributable to Council in Period		526,821	(250,625)	276,196	271,168	5,028	811,488	34.0%
Total Comprehensive Income		526,821	(250,625)	276,196	271,168	5,028	811,488	34.0%

1. Materials & Services for the financial year to date are \$78,086 unfavourable with \$318,527 of actual expenditure and \$250,625 in commitments against YTD budget of \$491,067. This unfavourable variance is due to the inclusion of commitments which relate to future reporting periods.

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 31 October 2021

Corporate, Governance & Financial Service

	Notes	YTD Actual \$	Commitments \$	YTD Actual + Commitments \$	YTD Revised Budget \$	Variance \$	Full Year Revised Budget \$	Completion %
Income								
Operating Revenue								
Net Rates & Utility Charges	1	31,424,219	-	31,424,219	30,054,640	1,369,579	60,106,480	52.3%
Fees & Charges		23,606	-	23,606	18,333	5,272	55,000	42.9%
Rental Income		1,350	-	1,350	-	1,350	-	0.0%
Interest Received		132,817	-	132,817	159,933	(27,117)	519,800	25.6%
Sales of Contract & Recoverable Works		102,797	-	102,797	26,667	76,131	80,000	128.5%
Operating Grants, Subsidies & Contributions	2	542,281	-	542,281	439,802	102,479	3,561,554	15.2%
Other Recurrent Revenue		20,890	-	20,890	35,000	(14,110)	145,000	14.4%
		32,247,960	-	32,247,960	30,734,375	1,513,584	64,467,834	50.0%
Expenses								
Operating Expenses								
Employee Expenses	3	2,284,999	-	2,284,999	2,662,130	(377,131)	8,357,008	27.3%
Materials & Services	4	3,868,090	1,234,795	5,102,885	4,934,568	168,317	10,367,061	49.2%
Finance Costs		160,795	-	160,795	198,806	(38,010)	596,417	27.0%
Depreciation and Amortisation		338,083	-	338,083	326,449	11,634	979,348	34.5%
Corporate Overheads & Competitive Neutrality Costs		(4,833,581)	-	(4,833,581)	(4,833,581)	-	(14,500,743)	33.3%
		1,818,386	1,234,795	3,053,181	3,288,372	(235,191)	5,799,091	52.6%
Operating Position Before Capital Items		30,429,573	(1,234,795)	29,194,779	27,446,003	1,748,775	58,668,743	49.8%
Capital Revenue								
Capital Revenue		73,800	-	73,800	-	73,800	246,000	30.0%
		73,800	-	73,800	-	73,800	246,000	30.0%
Net Result Attributable to Council in Period		30,503,373	(1,234,795)	29,268,579	27,446,003	1,822,575	58,914,743	49.7%
Total Comprehensive Income		30,503,373	(1,234,795)	29,268,579	27,446,003	1,822,575	58,914,743	49.7%

- 1. Net Rates & Utility Charges** are \$1,369,579 favourable when comparing YTD actuals to revised budget. The favourable variance is predominately due to the timing of the discount on general rates (approx. \$1.1M). Due to the early close for October statements, the final week of rates discount will fall in the November period. It should be noted that General Rates is approx. \$287K above YTD budget which will be monitored and adjusted at a Quarterly Review accordingly.
- 2. Operating Grants, Subsidies & Contributions** for the YTD is favourable compared to the revised budget by \$102,479. This favourable variance is predominately due to the cashflowing for the general component of the Federal Assistance Grant and the annual SES subsidy. The cashflow will be examined with the Quarter 1 Budget Review.
- 3. Employee Expenses** for year to date is favourable compared to the budget by \$377,131. This favourable variance is mainly due to the first week of the year being accrued back to the previous financial year through end of year processes. The accrual of the backpay for employees to the previous financial year relating to the new CA is also a factor in this favourable variance which will correct in the November 2021 period when backpays are finalised.
- 4. Materials & Services** for the financial year to date are \$168,317 unfavourable with \$3,868,090 in actual expenditure and \$1,234,795 in commitments against the YTD budget of \$4,934,568. This unfavourable variance is due to the inclusion of commitments which relate to future reporting periods.

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 31 October 2021

Engineering & Infrastructure Services

	Notes	YTD Actual \$	Commitments \$	YTD Actual + Commitments \$	YTD Revised Budget \$	Variance \$	Full Year Revised Budget \$	Completion %
Income								
Operating Revenue								
Fees & Charges		76,978	-	76,978	81,933	(4,955)	245,800	31.3%
Rental Income		460,218	-	460,218	429,182	31,036	1,287,545	35.7%
Sales of Contract & Recoverable Works	1	111,449	-	111,449	3,231,167	(3,119,718)	16,371,000	0.7%
Operating Grants, Subsidies & Contributions	2	458,348	-	458,348	340,700	117,648	2,551,650	18.0%
Other Recurrent Revenue		5,526	-	5,526	-	5,526	-	0.0%
		1,112,519	-	1,112,519	4,082,982	(2,970,463)	20,455,995	5.4%
Expenses								
Operating Expenses								
Employee Expenses	3	3,730,192	-	3,730,192	4,070,258	(340,067)	13,228,339	28.2%
Materials & Services	4	2,451,972	1,336,949	3,788,921	6,874,942	(3,086,021)	20,051,474	18.9%
Depreciation and Amortisation	5	5,233,140	-	5,233,140	4,901,327	331,813	14,703,981	35.6%
Corporate Overheads & Competitive Neutrality Costs		2,985,896	-	2,985,896	2,985,896	-	8,957,689	33.3%
		14,401,200	1,336,949	15,738,149	18,832,423	(3,094,274)	56,941,484	27.6%
Operating Position Before Capital Items		(13,288,681)	(1,336,949)	(14,625,630)	(14,749,442)	123,812	(36,485,489)	40.1%
Capital Revenue								
Capital Revenue		168,124	-	168,124	72,500	95,624	6,074,178	2.8%
Proceeds from Sale of Land & PPE	6	-	-	-	250,000	(250,000)	947,660	0.0%
		168,124	-	168,124	322,500	(154,376)	7,021,838	2.4%
Net Result Attributable to Council in Period		(13,120,556)	(1,336,949)	(14,457,506)	(14,426,942)	(30,564)	(29,463,651)	49.1%
Total Comprehensive Income		(13,120,556)	(1,336,949)	(14,457,506)	(14,426,942)	(30,564)	(29,463,651)	49.1%

- 1. Sales of Contract & Recoverable Works** are unfavourable to the budget by \$3,119,718. This unfavourable variance is mainly due to the cashflowing of the revenue for the TMR project works and the RMPC contract. Cashflow for both the TMR works and RMPC will be examined with the Quarter 1 Budget Review.
- 2. Operating Grants, Subsidies & Contributions** for the YTD is favourable compared to the revised budget by \$117,648. This favourable variance is predominately due to a receipt of the advance payment for the Black Spot Funding operational work (unbudgeted). The budget will be adjusted accordingly at the Quarter 1 Budget Review for this additional funding.
- 3. Employee Expenses** are favourable compared to the adopted budget by \$340,067. This favourable variance is due to a variety of factors including the accrual for the first week of the year back to the previous financial year and employee vacancies which are currently being backfilled through Agency Temp Staff.
- 4. Materials & Services** for the financial year to date are \$3,086,021 favourable with \$2,451,972 of actual expenditure and \$1,336,949 in commitments against YTD budget of \$6,874,942. This favourable variance is primarily due to delay in expenses relating to TMR project works which aligns with the reduced revenue.
- 5. Depreciation and Amortisation** is currently unfavourable to the YTD revised budget by \$331,813. This is primarily due to changes to asset valuations and useful lives post outcomes of the 20/21 Financial Statement audit. The building asset class was revalued as at 30 June 2021 with the depreciation being adjusted to reflect the increase of the valuation of buildings.
- 6. Proceeds from Sale of Land & PPE** is currently are unfavourable compared to the revised budget by \$250,000. This unfavourable variance is due to budgeted cash flowing of revenue from the sale of plant. This will be examined at the Quarter 1 Budget Review.

ISAAC REGIONAL COUNCIL								
Statement of Comprehensive Income								
For the Period Ended 31 October 2021								
Planning, Environment & Community Service								
Notes	YTD Actual	Commitments	YTD Actual + Commitments	YTD Revised Budget	Variance	Full Year Revised Budget	Completion	
	\$	\$	\$	\$	\$	\$	\$	%
Income								
Operating Revenue								
Fees & Charges	771,456	-	771,456	747,750	23,706	2,131,250		36.2%
Rental Income	77,753	-	77,753	51,667	26,086	155,000		50.2%
Sales of Contract & Recoverable Works	25	-	25	-	25	-		0.0%
Operating Grants, Subsidies & Contributions	209,273	-	209,273	187,583	21,689	541,000		38.7%
Other Recurrent Revenue	3,673	-	3,673	2,667	1,006	8,000		45.9%
	1,062,178	-	1,062,178	989,667	72,512	2,835,250		37.5%
Expenses								
Operating Expenses								
Employee Expenses	1	3,040,600	-	3,040,600	3,161,246	(120,646)	10,274,049	29.6%
Materials & Services	2	2,126,258	760,377	2,886,635	2,413,048	473,588	7,055,399	40.9%
Finance Costs		175,385	-	175,385	195,846	(20,461)	587,537	29.9%
Depreciation and Amortisation	3	658,974	-	658,974	552,462	106,512	1,657,385	39.8%
Corporate Overheads & Competitive Neutrality Costs		1,389,983	-	1,389,983	1,389,983	-	4,169,950	33.3%
		7,391,200	760,377	8,151,577	7,712,584	438,993	23,744,320	34.3%
Operating Position Before Capital Items		(6,329,022)	(760,377)	(7,089,399)	(6,722,918)	(366,481)	(20,909,070)	33.9%
Capital Revenue								
Capital Revenue	4	777,600	-	777,600	-	777,600	5,616,200	13.8%
		777,600	-	777,600	-	777,600	5,616,200	13.8%
Net Result Attributable to Council in Period		(5,551,422)	(760,377)	(6,311,799)	(6,722,918)	411,119	(15,292,870)	41.3%
Total Comprehensive Income		(5,551,422)	(760,377)	(6,311,799)	(6,722,918)	411,119	(15,292,870)	41.3%

- Employee Expenses** are favourable compared to the YTD budget by \$120,646. This favourable variance is predominately due employee vacancies, which are currently being backfilled through Agency Temp Staff, offset by Council's ongoing management of the Moranbah pool. It should be noted that the original budget had the Moranbah pool facilities leased which will be adjusted with the Quarter 1 Budget Review.
- Materials & Services** for the financial year to date are \$473,588 unfavourable with \$2,126,258 of actual expenditure and \$760,377 in commitments against YTD budget of \$2,413,048. This unfavourable variance is due to the inclusion of commitments which relate to future reporting periods.
- Depreciation and Amortisation** is currently unfavourable to the YTD revised budget by \$106,512. This is primarily due to changes to asset valuations and useful lives post outcomes of the 20/21 Financial Statement audit. The building asset class was revalued as at 30 June 2021 with the depreciation being adjusted to reflect the increase of the valuation of buildings.
- Capital Revenue** for the year to date is \$777,600 which is favourable to budget by \$777,600. This favourable variance is predominately due to the advance payment for the W4QLD 21- 24 grant funds.

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 31 October 2021

Water & Waste

	Notes	YTD Actual \$	Commitments \$	YTD Actual + Commitments \$	YTD Revised Budget \$	Variance \$	Full Year Revised Budget \$	Completion %
Income								
Operating Revenue								
Net Rates & Utility Charges	1	13,048,864	-	13,048,864	13,148,723	(99,858)	30,632,305	42.6%
Fees & Charges		489,298	-	489,298	417,000	72,298	1,252,500	39.1%
Rental Income		-	-	-	3,333	(3,333)	37,309	0.0%
Interest Received		40,545	-	40,545	27,233	13,312	81,700	49.6%
Operating Grants, Subsidies & Contributions		57,312	-	57,312	47,500	9,812	47,500	120.7%
Other Recurrent Revenue		2,178,275	-	2,178,275	2,158,570	19,705	7,309,170	29.8%
		15,814,295	-	15,814,295	15,802,360	11,935	39,360,484	40.2%
Expenses								
Operating Expenses								
Employee Expenses	2	1,827,104	-	1,827,104	2,105,086	(277,982)	6,841,531	26.7%
Materials & Services	3	4,261,238	4,493,088	8,754,326	5,900,707	2,853,619	17,424,934	50.2%
Finance Costs		16,155	-	16,155	14,121	2,034	56,483	28.6%
Depreciation and Amortisation		3,174,390	-	3,174,390	3,142,332	32,058	9,426,996	33.7%
Corporate Overheads & Competitive Neutrality Costs		2,062,561	-	2,062,561	2,062,561	-	6,187,683	33.3%
		11,341,449	4,493,088	15,834,537	13,224,807	2,609,730	39,937,626	39.6%
Operating Position Before Capital Items		4,472,846	(4,493,088)	(20,242)	2,577,553	(2,597,795)	(577,143)	3.5%
Capital Revenue								
Capital Revenue		3,980	-	3,980	-	3,980	1,200,000	0.3%
		3,980	-	3,980	-	3,980	1,200,000	0.3%
Net Result Attributable to Council in Period		4,476,826	(4,493,088)	(16,262)	2,577,553	(2,593,815)	622,857	(2.6%)
Total Comprehensive Income		4,476,826	(4,493,088)	(16,262)	2,577,553	(2,593,815)	622,857	(2.6%)

- 1. Net Rates & Utility Charges** is \$99,858 unfavourable, with actuals of \$13,048,864 compared to a YTD revised budget of \$13,148,723. This unfavourable variance is predominantly due to reduced sewerage charges. This unfavourable variance will be monitored throughout the year and assessed at the Quarter 3 Budget Review following second rates notice issuance.
- 2. Employee Expenses** are favourable compared to the YTD budget by \$277,982. This favourable variance is due to a variety of factors including the accrual for the first week of the year back to the previous financial year and employee vacancies which are currently being backfilled through Agency Temp Staff.
- 3. Materials & Services** for the financial year to date are \$2,853,619 unfavourable, with \$4,261,238 in actual expenditure and \$4,493,088 in commitments. The unfavourable variance is due to the inclusion of commitments which relate to future reporting periods (commitment for contractors at IRC's landfill for the financial year is \$1.3M and commitment for water purchase \$1.5M).

MEETING DETAILS	Corporate, Governance and Financial Services Standing Committee Meeting Tuesday 9 November 2021
AUTHOR	Alexis Coutts
AUTHOR POSITION	Manager Safety and Resilience

5.2

WORK, HEALTH AND SAFETY UPDATE

EXECUTIVE SUMMARY

This report is provided as an update to Council on the current status of Work, Health and Safety Management Systems (WHSMS).

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

1. *Notes the Work, Health and Safety Report.*

BACKGROUND

Review of safety statistics to monitor effectiveness of Workplace Health and Safety Management Systems (WHSMS) and identify incident trends, discuss relevant Work Health and Safety issues, referring to statistics in the attached report.

IMPLICATIONS

That the system is monitored to ensure compliance and continuous improvement of WHSMS. To ensure that recommendations from the LGW audit are implemented to support continuous improvement of the WHSMS.

CONSULTATION

Executive Leadership Team

WHS Operational and Strategic Safety Committee

Joint Consultative Committee

Safety and Resilience Team

BASIS FOR RECOMMENDATION

Ongoing monitoring and improvement of the Workplace Health and Safety Management Systems.

ACTION ACCOUNTABILITY

Manager Safety and Resilience

KEY MESSAGES

Positive progression of the safety improvement, strategic objectives and updated KPI's amendments.
Renovation of the safety team to reflect Wellness, Disaster and Rehabilitation in its title.

Report prepared by: ALEXIS COUTTS Manager Safety and Resilience Date: 27 October 2021	Report authorised by: DARREN FETTELL Director Corporate, Governance and Financial Services Date: 27 October 2021
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ATTACHMENTS

- Attachment 1 – Safety and Resilience Report for November Meeting

REFERENCE DOCUMENT

- Nil

SAFETY AND RESILIENCE MONTHLY REPORT

DATE	October 1 st 2021
TO	November 1 st 2021, Council Meeting
FROM	Manager Safety and Resilience

1. SUMMARY

I'm pleased to announce that the safety reset briefing was conducted with Council in September and the new strategic direction of the current Organisational Safety team to Safety and Resilience, which is more representative of the role that the department plays in the organisation.

This month is safe work month and mental health awareness week beginning 9th October. Our town talks are centred around our strategies to support workers and reduce stigma around mental health.

Explanatory Note:

The green section lists the objective and the target measure.

OBJECTIVE – what we plan to achieve.

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

STATUS – this is current monthly update, there may be graphs to reflect the YTD or rolling statistic, as well as general comments under relevant headings.

2. BEST PRACTICE SYSTEM

Monitoring and continuously improving our systems, aiming for best practice documentation. This includes regularly reporting to committees on document development and monitoring documents are not out of date.

OBJECTIVE to review all Policies, Procedures and work instructions biennially.

TARGET 100% of documents reviewed within required timeframes.

STATUS: needs progression, regularly reported to WHS Strategic Committee.

Currently policies outstanding to be reviewed, this has been delayed due to the departmental transition and change of CEO. These will be progress in the next few months.

3. OBJECTIVES AND TARGETS

OBJECTIVE To establish annual KPI's to support the policy and Maintain the WHS improvement plan.

TARGET Complete quarterly review of the WHS improvement plan. Set KPI's and monitor.

STATUS: The improvement has been endorsed at Strategic Committee. The next meeting of the strategic committee is December 2021.

SAFETY AND RESILIENCE MONTHLY REPORT

4. RISK MANAGEMENT

RISK ASSESSMENTS

Risk management procedure and processes are under review. Safety and Resilience team continues to work with the governance team in updating the corporate and operational risk registers as they apply to safety.

HAZARD HUNTER WINNERS

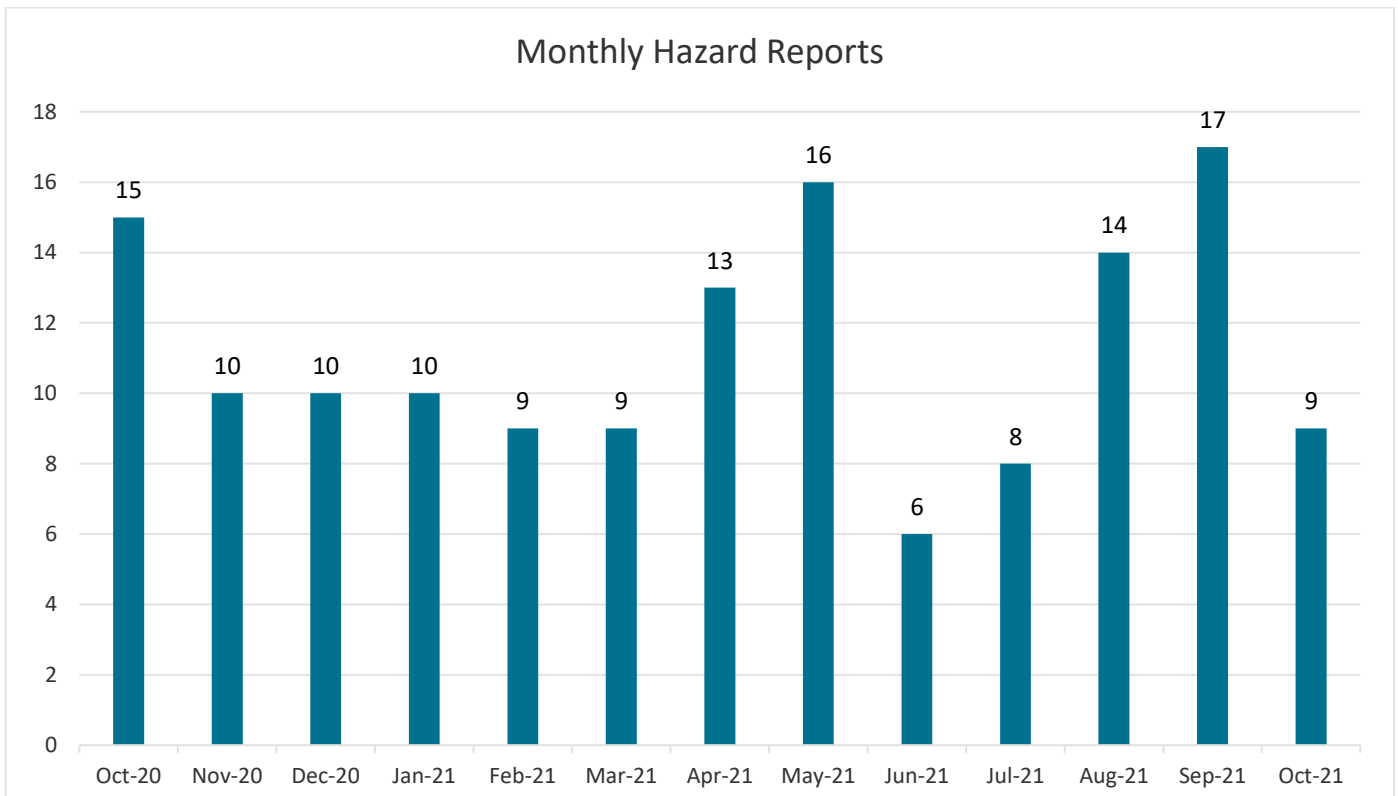
Hazard hunter winners continue, thank you to all who have contributed.

OBJECTIVE to ensure risk management activities are undertaken by identifying hazards.

TARGET Number of hazards reported and rectified.

STATUS 9 hazards identified, 5 have been fully completed. This is a pleasing increase from last month where there were 17 hazards identified and only 3 fully completed.

5. HAZARD REPORTS MONTHLY COMPARISONS



INCIDENT REVIEW

Formal investigations are being completed and forwarded for approval to the manager and executive leadership team for endorsement of proposed corrective actions.

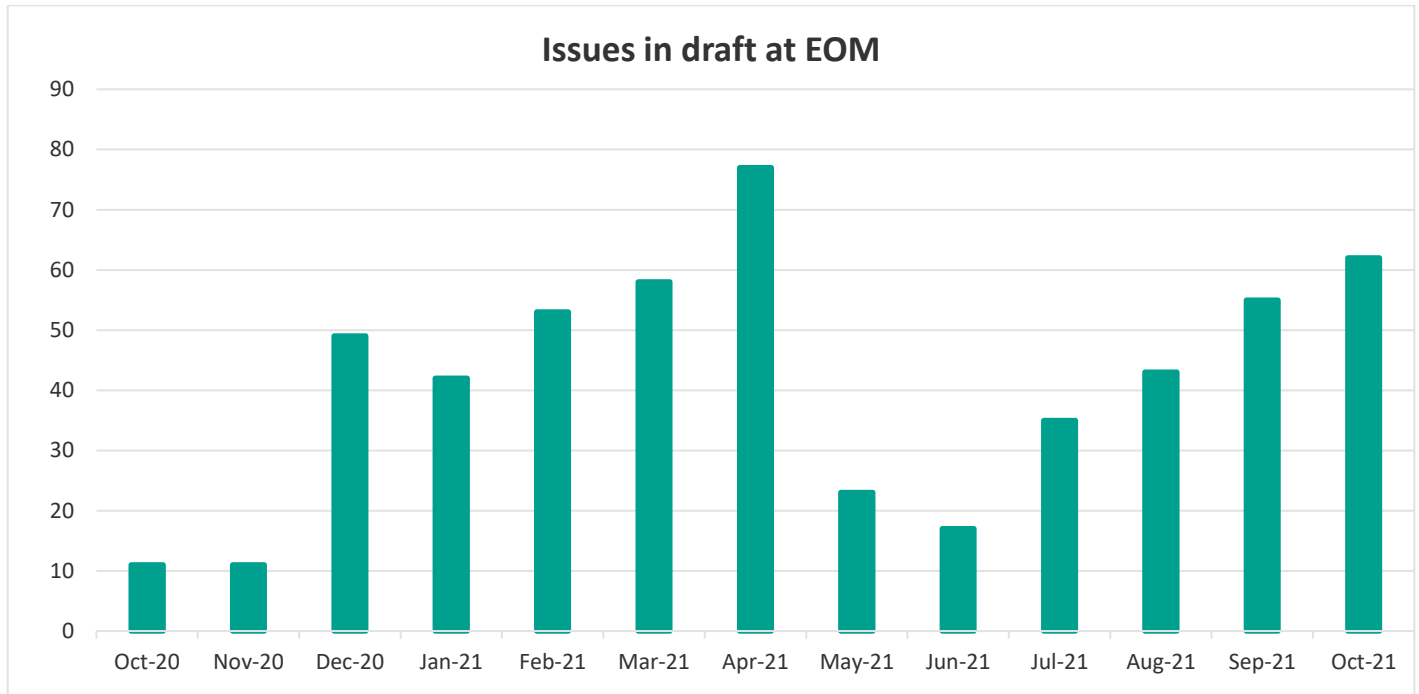
OBJECTIVE Risk management activities to support our systems, investigate accidents in a timely manner.

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

SAFETY AND RESILIENCE MONTHLY REPORT

STATUS 62 incident in draft for all date range

Incidents in draft continue to rise. A reminder to Responsible Managers of their due diligence to manage assigned issues within 48hrs of receiving the notification.



TRAINING

Cultural Leadership Program project plan is being developed by P&P. Training procedures will be presented to ELT for endorsement in October.

EMERGENCY MANAGEMENT COMMITTEE

Emergency Control Organisations have met around the region. There have been further updates around emergency response guides for presentation to the EMC.

6. CONSULTATION

A workshop to restructure the WHS committee and the roles of members. This will focus on including wellness into this group to ensure they remain of value to Council. This is now completed and will commence roll out in October

HEALTH, SAFETY AND WELLBEING COMMITTEES

The previous WHS committees have been restructured and renamed in line with embedding wellbeing into the committees. A new term of reference has been developed.

OBJECTIVE Completed schedules of meetings.

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

STATUS on-track against new 2021 plan.

7. CONTRACTOR MANAGEMENT

The Safety Team reviewed the Contractor Status language and determined that having only two status options was a more well-rounded approach to compliance visibility. The 'Under Review' status has been removed, and only a Company Status of either Approved or Not Approved will now be available. Either a Company has or has not met their obligations of providing and maintaining mandatory documentation, and/or has or has not provided a standard of work in line with our contractor and project management framework.

A doing business with Council project is underway to better inform our contractors and potential contractors of what is required /expected by Council in safety management.

OBJECTIVE Evaluation of contractor and project management documentation and processes.

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

STATUS:

APPROVED contractor companies – **168**

NOT APPROVED contractor companies (failed in their obligations) – **120**

8. WELLBEING & FITNESS FOR WORK

VACCINATIONS

Currently the COVID vaccination roll out is as per government guidelines, we encourage all employees to seek advice from their doctor. Vaccine pop up centres are being established around the region and are also available at some pharmacies and doctors' surgeries. We are continuing to evolve our procedures for staff management through the Emergency Management Committee

DRUG & ALCOHOL TESTING

Testing is currently being arranged.

WORKERS COMPENSATION & REHABILITATION

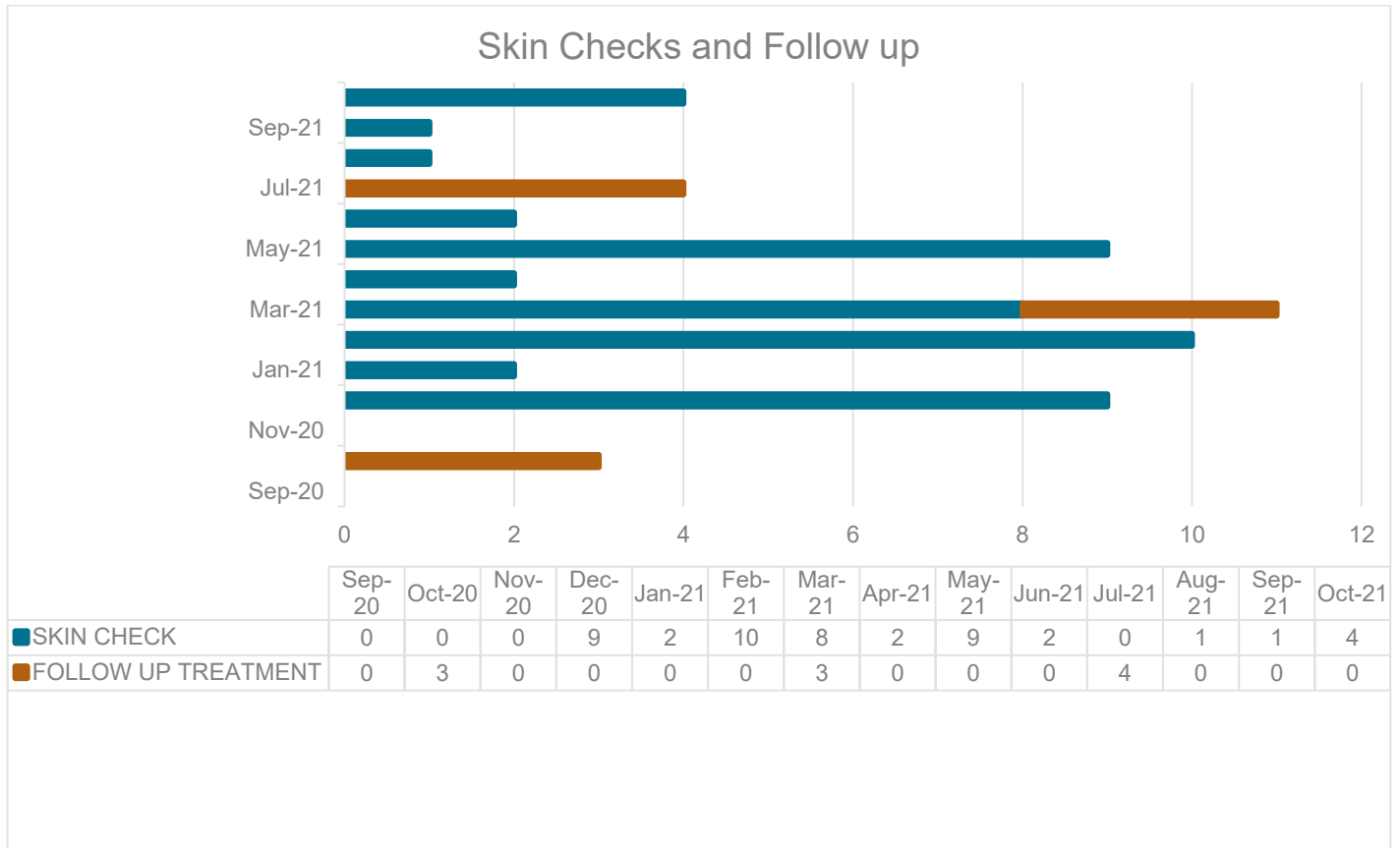
Rehabilitation and Wellness Officer continues to actively monitor all work and non-work-related injuries and illnesses.

The worker support program continues to support our workers with individual concerns and supports the workplace to support them.

SKIN CHECKS/FOLLOWUPS, FLU SHOTS, & WORKER SUPPORT

The statistics recorded are based on emails/PO confirmation as well as Invoices received. The monthly data may fluctuate due to invoices from previous months not being received until the following month.

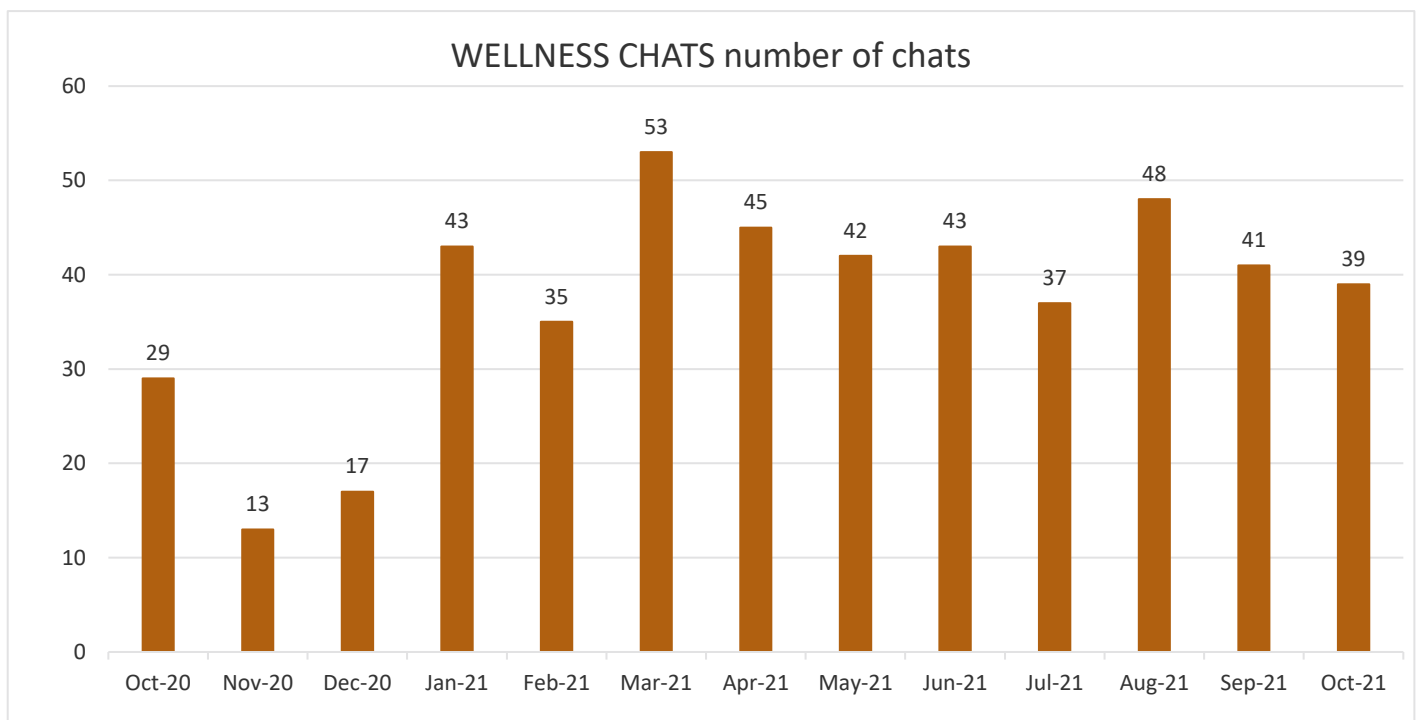
SAFETY AND RESILIENCE MONTHLY REPORT



WELLBEING

Social responsibility, psychological safety and resourcing have been removed, pending the review of safety

The current status of wellness chats – 39 wellness chats for October



SAFETY AND RESILIENCE MONTHLY REPORT

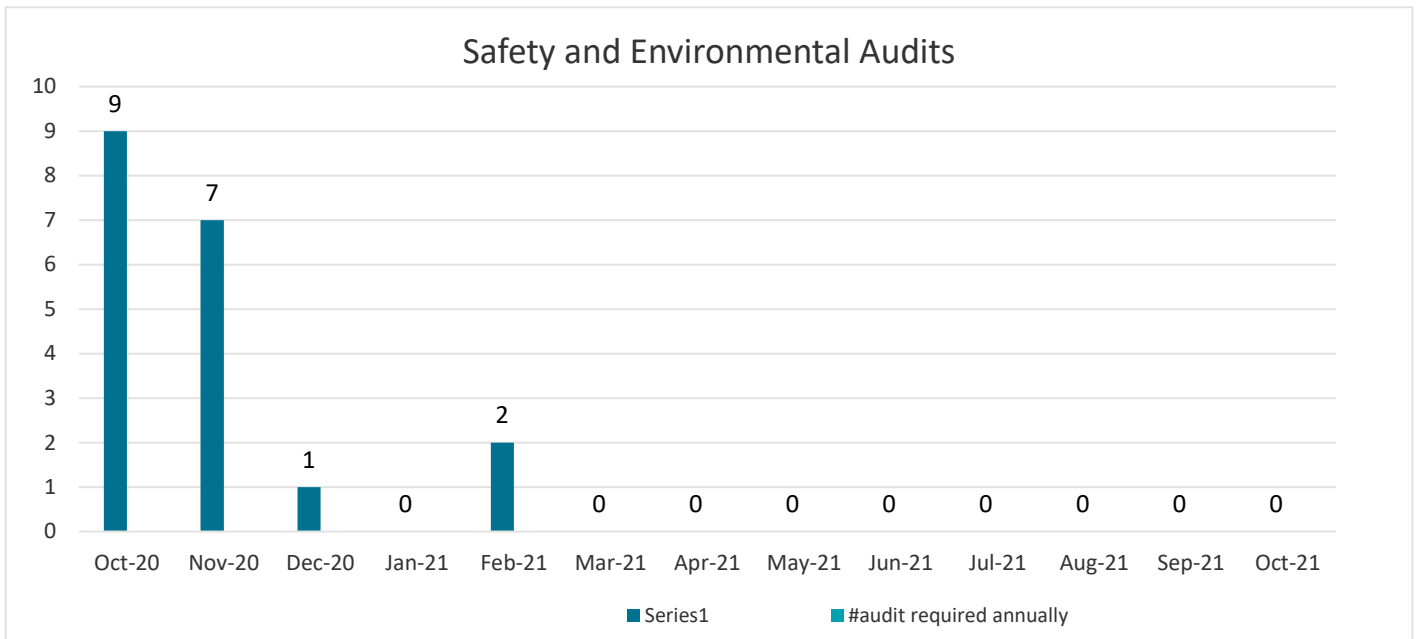
9. AUDIT/ INSPECTIONS

A new audit plan has been developed but will be revisited with staff changes. The new schedule is also more risk orientated. As part of review of the HSW committees and team changes, this will be reinvigorated in 2022.

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

TARGET 100% of audits completed against plan.

STATUS: 0 WHS audits completed for October



10. CORRECTIVE ACTIONS

The target and methodology for tracking actions has been amended since the May report. All expired actions as well as expired actions greater than 30 days will now be captured so trends can be recorded and seen.

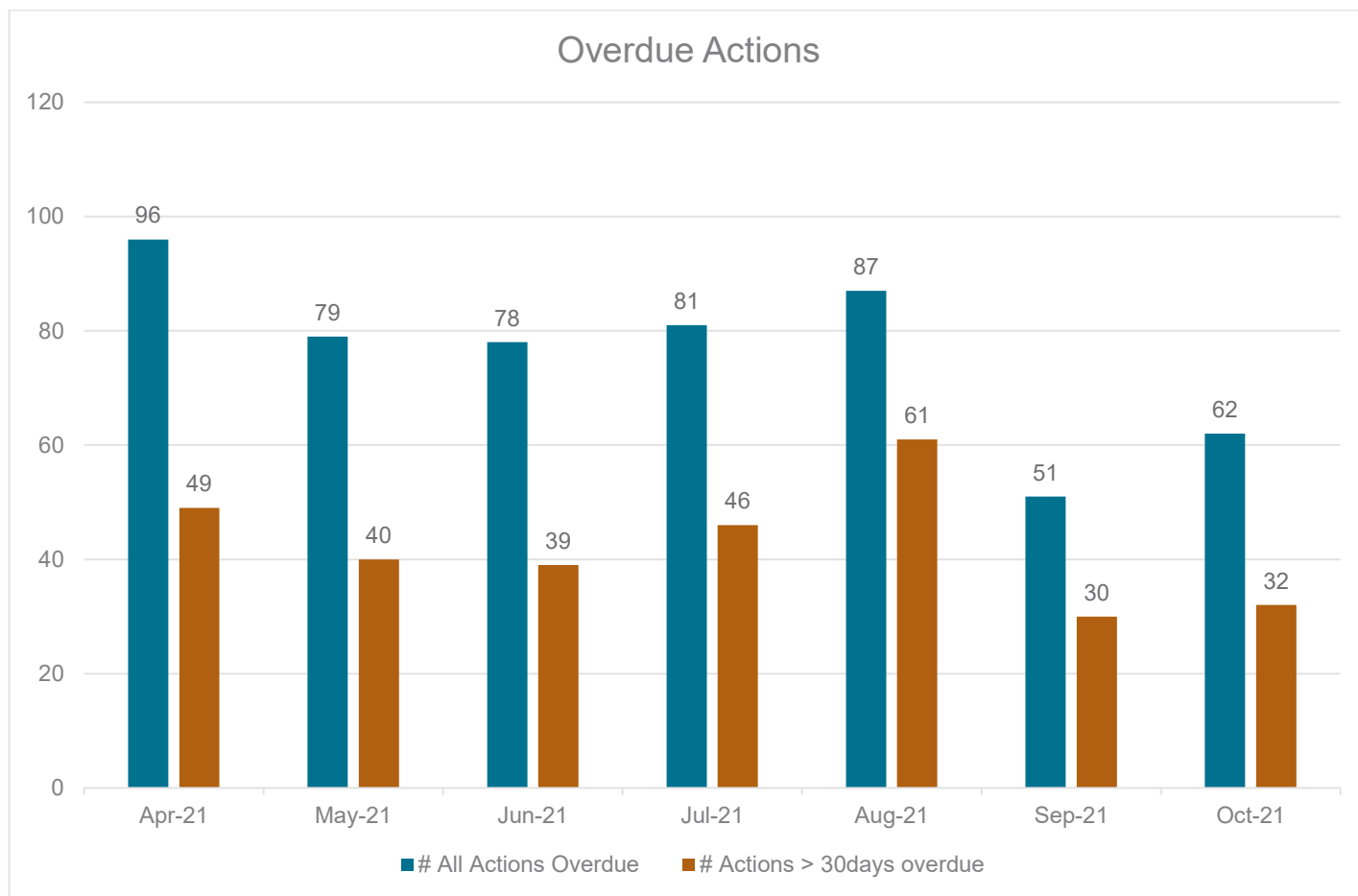
The Safety and Systems Resilience Partner has set up an additional notification to be sent to a person's manager when their assigned safety action has become 5 days overdue. A focus on training will continue as required.

OBJECTIVE Ensure identified corrective actions are followed to completion

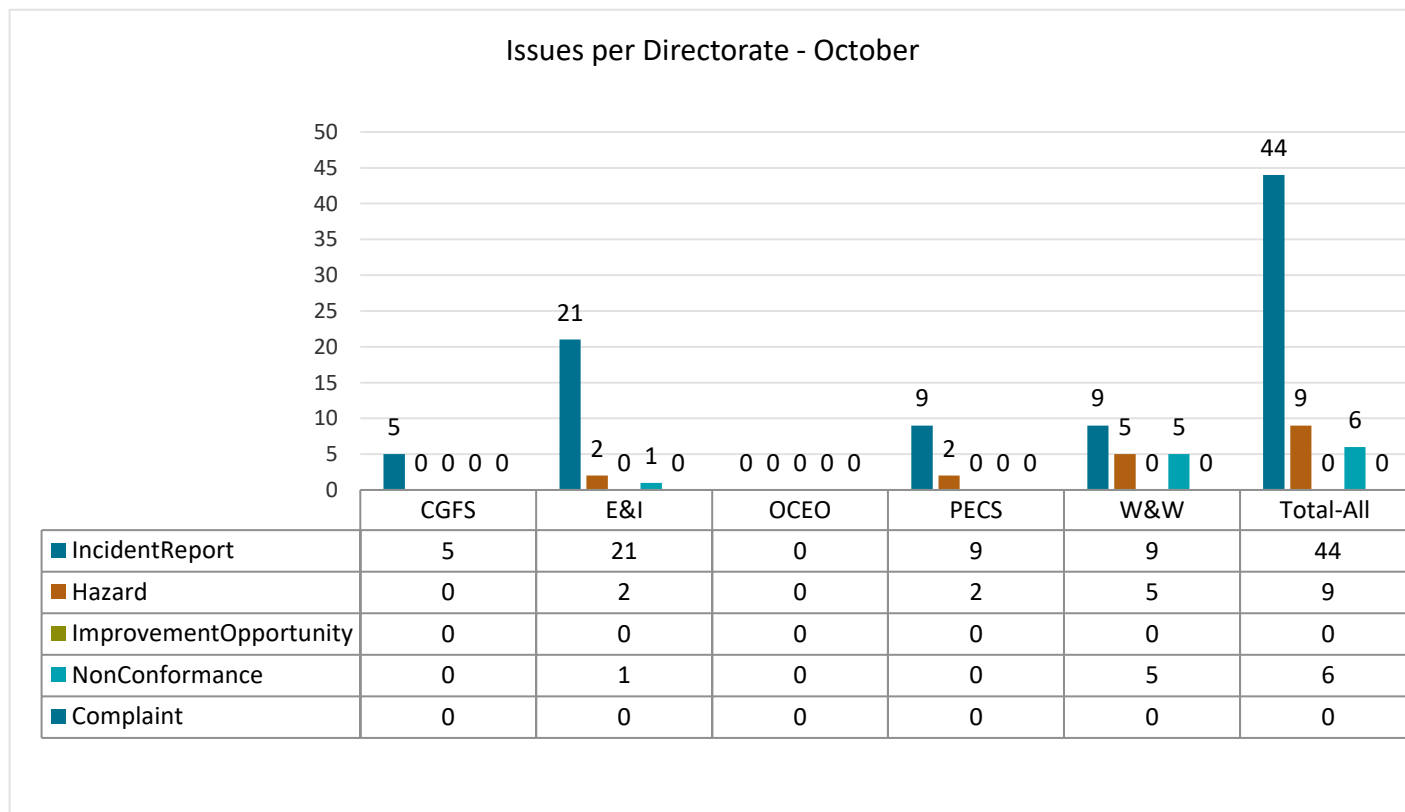
TARGET 0 actions greater than 30 days overdue

64 overdue expired actions as at end of month. **32** overdue greater than 30 days. These figures are expired actions from both the Incident and Inform Modules combined.

SAFETY AND RESILIENCE MONTHLY REPORT



10. ISSUES BY DIRECTORATE



SAFETY AND RESILIENCE MONTHLY REPORT

11. INDIVIDUAL KEY PERFORMANCE INDICATORS

Each Director determines who is to complete WHS KPI's, based on their role and responsibilities. This supports the achievement of our overall safety objectives. As part of the WHS Objectives and Improvement Plan, the current KPI requirements will experience some changes, and these changes will be reflected as of the September 2021 WHS Report KPI Statistics. Refer to ECM_3643474_v7_WHS Objectives and Improvement Plan and the new 5.2 Attachment 4 – Key Performance Indicators 2021 update. The changes have also been captured and highlighted in the tables below for viewing.

OBJECTIVE Establish KPI's for individual managers

TARGET of one KPI communication and one KPI action completed per individual per month; the total target is 20 per year to allow for annual leave and other variations.

STATUS KPI's have been tracking extremely well in recent months, this is very encouraging.

SAFETY ACTION - comments mandatory as well as evidence if applicable					
1. Conducted and recorded a 'Safety Chat' (discussion of a safety process) Complete via SMART Inform = 1 x Safety Action	2. Conducted and recorded a 'Wellbeing Chat' with someone. Completed via SMART Inform = 1 x Safety Action	3. Provided feedback on a WHS procedure with comments to the safety team. (Procedural Review) = 1 x Safety Action	4. Participation in an Incident Investigation/analysis i.e. ICAM or Debrief = 1 x Safety Action	5. Participate in a Procedural Audit – Directors and M3's being audited by the Safety Team = 1 x Safety Action	6. Conducted and recorded a Site Hazard inspection. Inspection via SMART Inform = 1 x Safety Action
SAFETY COMMUNICATION - comments mandatory as well as evidence if applicable					
1. Attended an Operational WHS Committee Meeting (M3's and invitees) = 1 x Safety Communication	2. Attend any Town Talk meeting and presented a 'safety share' = 1 x Safety Communication	3. Present at Town Talks on topics relevant to workforce = 1 x Safety Communication	4. Conducted a Team Talk or Morning Talk with your team and documented minutes in SMART = 1 x Safety Communication	5. Attend a WHS Strategic Meeting (Directors and invitees) = 1 x Safety Communication	

Change in language from 'raw' KPI's to 'total' KPI's. This indicates exactly what has been completed across the individual action and communications areas, but then allows us to identify whether target has been met.

1. CGFS OLT Target list: 12 people/positions. 12x2 KPI=24 target per month.

October Monthly outcome: 11 people/positions completed their target KPI's. 11 people x 2 KPI's = target of 22 (Actual target is 24). Leaves a deficit of 2 (1 x 2 KPI's). Reason: 1 person did not complete monthly KPI's.

2. PECS OLT Target list: 29 people/positions. 29x2=58 target per month.

SAFETY AND RESILIENCE MONTHLY REPORT

October Monthly outcome: 25 people/positions completed their target KPI's. 25 people x 2 KPI's = target of 50 (Actual target is 58). Leaves a deficit of 8 (4 x 2 KPI's). Reason: 2 persons did not complete monthly KPI's, 1 person did not complete correctly, and 1 person is new and directed to commence KPI's in October for November stats.

3. E&I OLT Target list: 41 people/positions. 41x2=82 target per month.

October Monthly outcome: 25 people/positions completed their target KPI's. 25 people x 2 KPI's = target of 50 (Actual target is 82). Leaves a deficit of 32 (16 x 2 KPI's). Reason: 2 positions are vacant, 2 did not complete correctly and 12 persons did not complete.

4. W&W OLT Target list: 16 people/positions. 16x2=32 target per month.

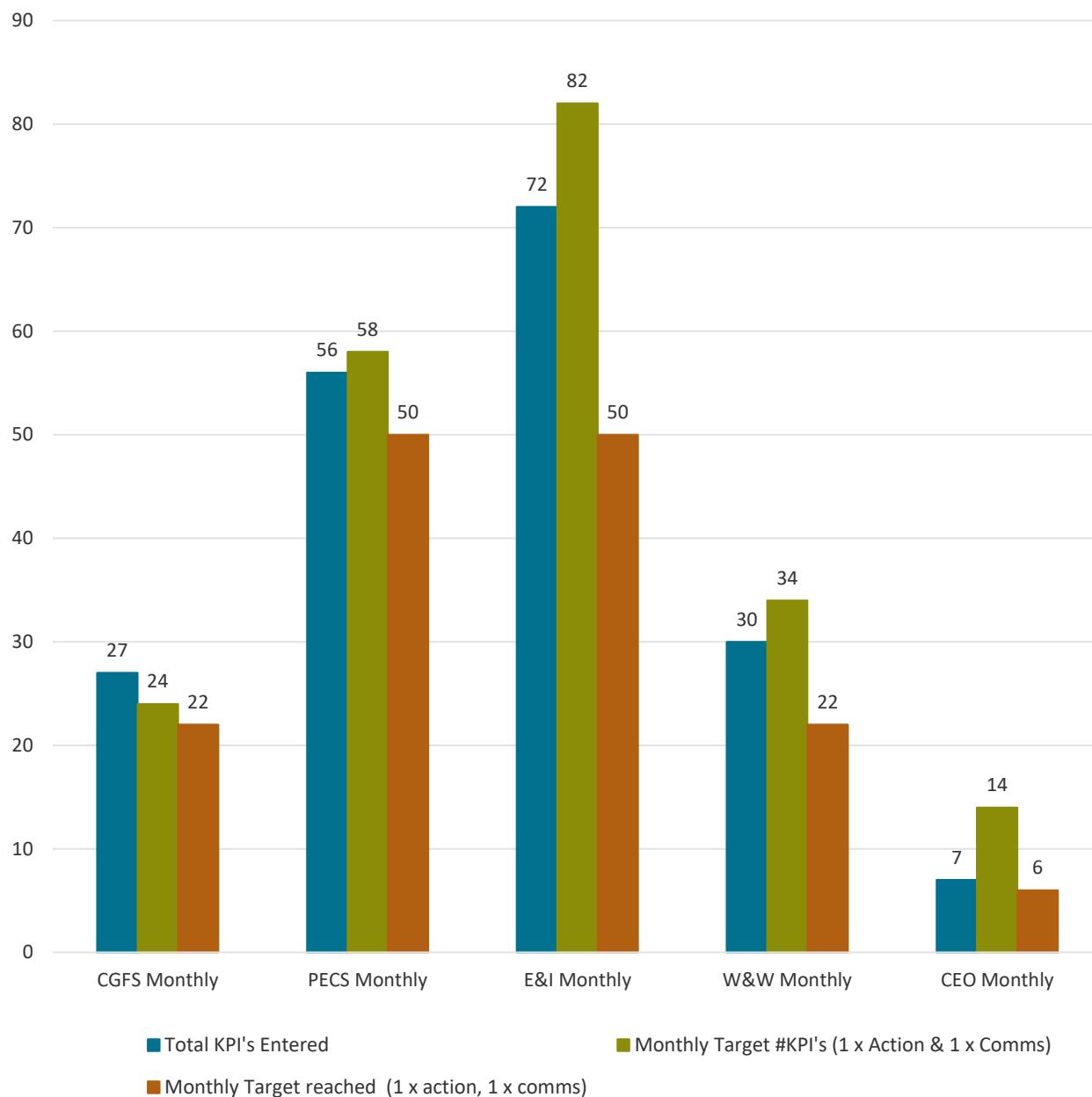
October Monthly outcome: 11 people/positions completed their target KPI's. 11 people x 2 KPI's = target of 22 (Actual target is 32). Leaves a deficit of 10 (5 x 2 KPI's). Reason: 3 people did not complete monthly KPI's, 1 position is vacant, and 1 person is directed to not complete KPIs until further notice.

5. OCEO OLT Target list: 7 people/positions. 7x2=14 target per month.

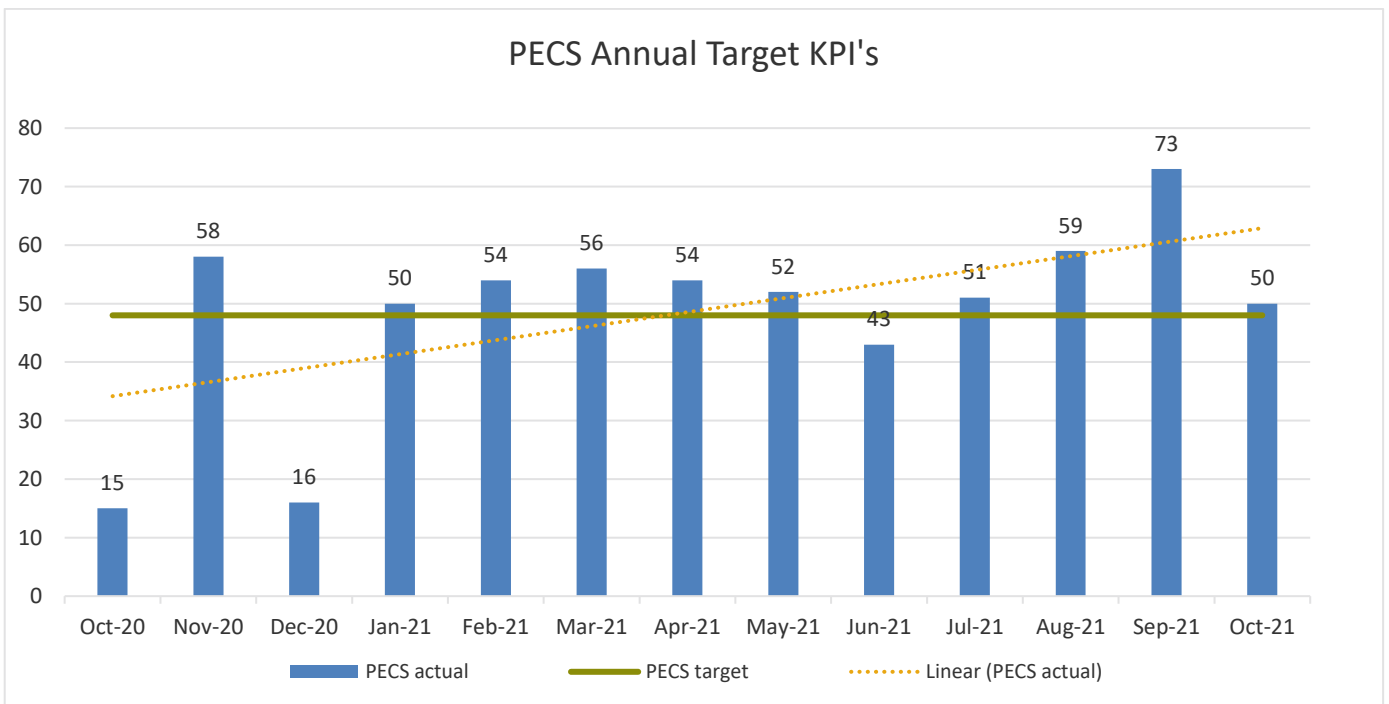
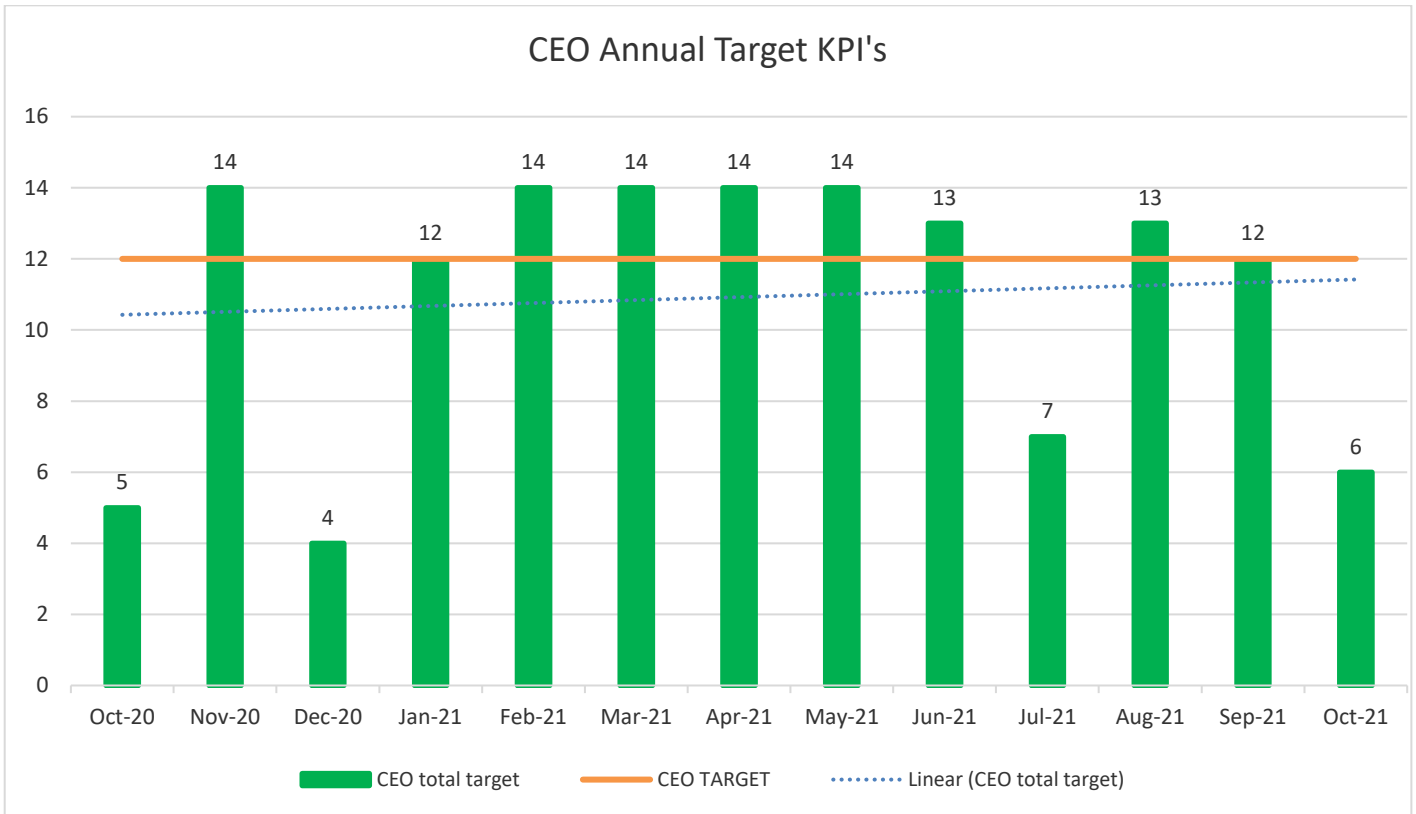
October Monthly outcome: 3 people/positions completed their target KPI's. 3 people x 2 KPI's = 6 in total. Target is 14. Leaves a deficit of 8 (4 people x 2 KPI's). Reason: 3 people did not complete at all; 1 person did not complete correctly.

SAFETY AND RESILIENCE MONTHLY REPORT

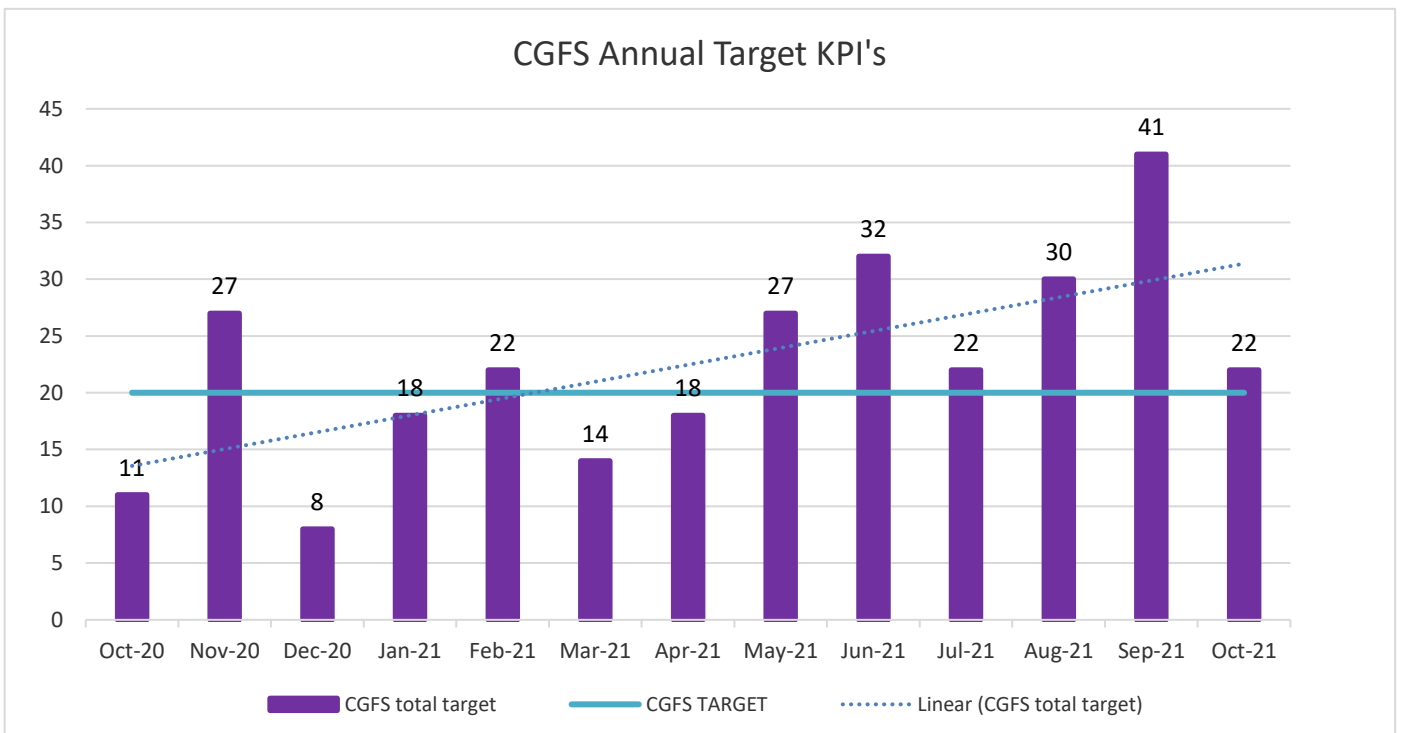
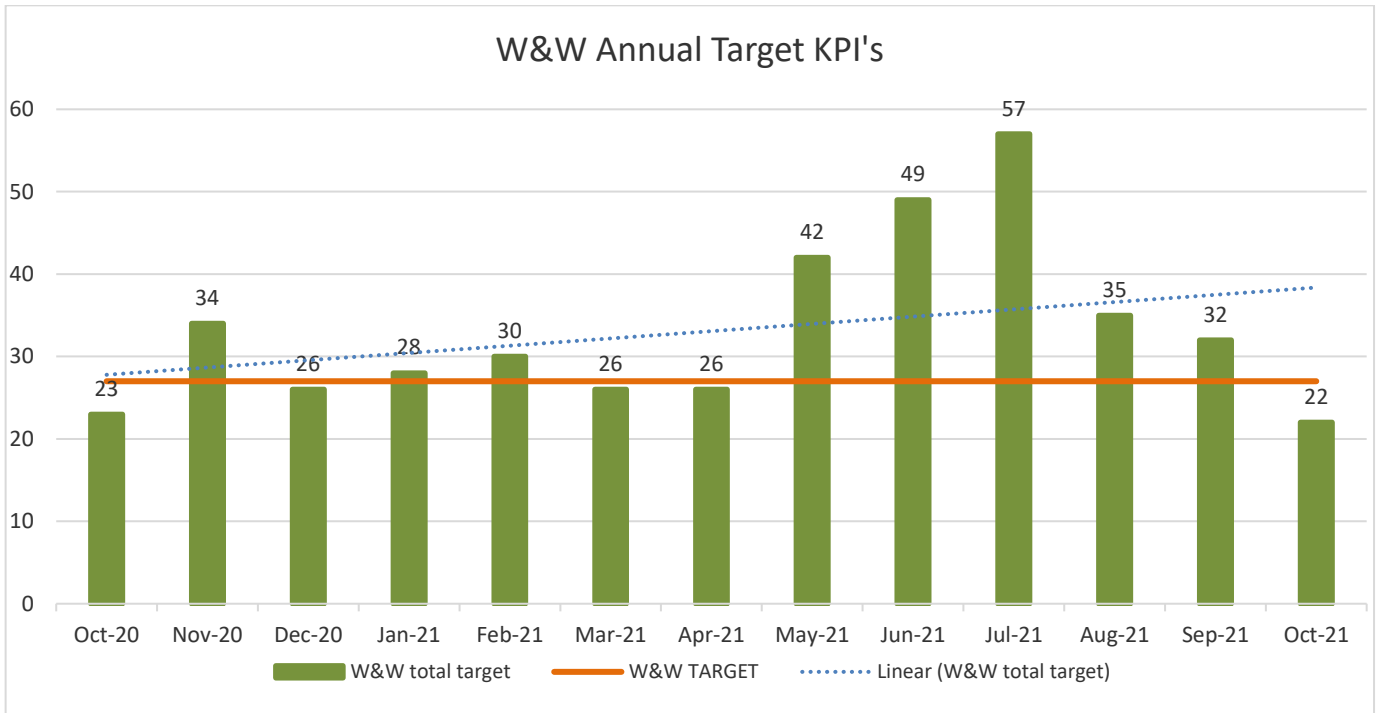
Key Performance Indicators for the month



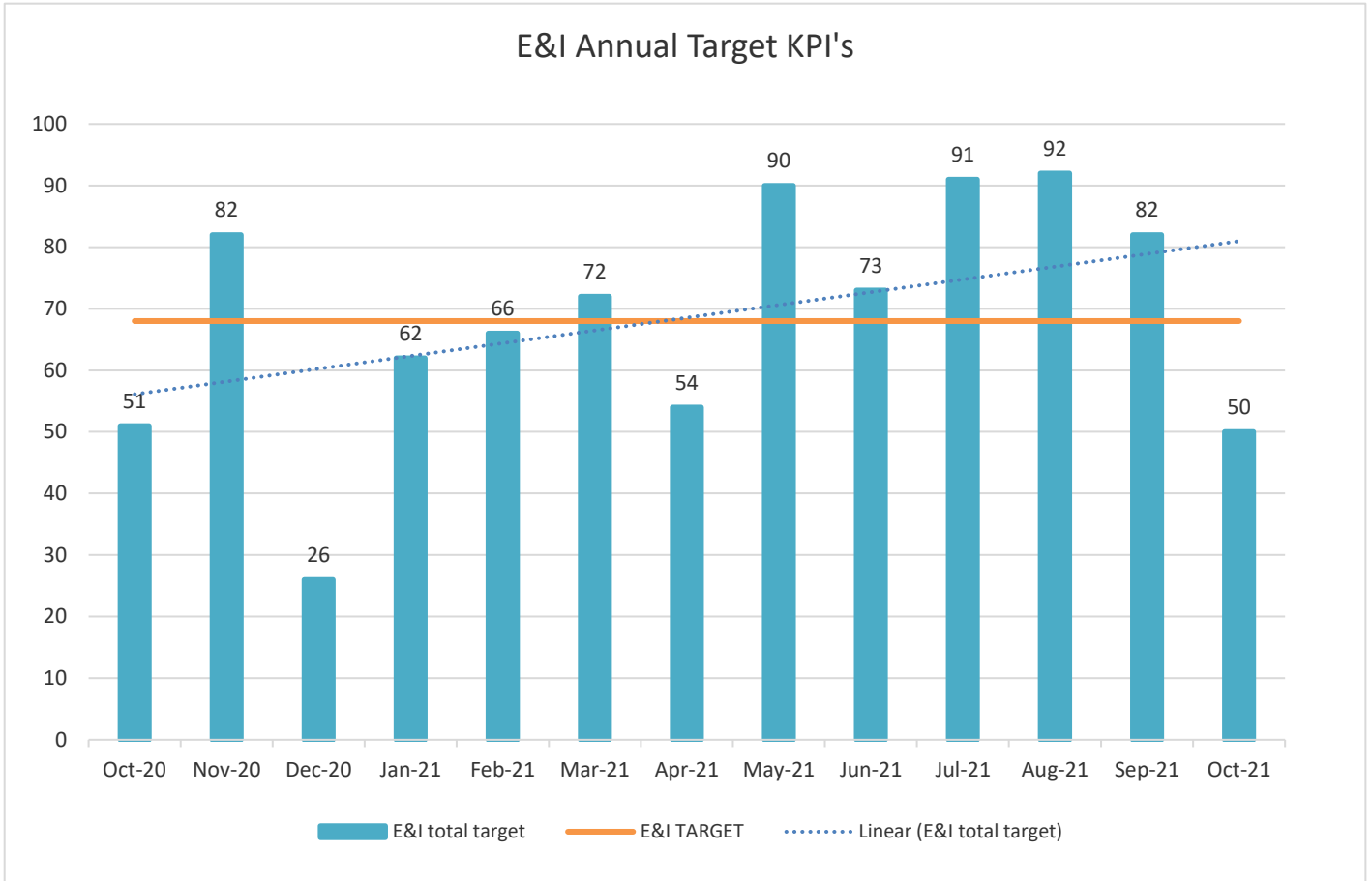
SAFETY AND RESILIENCE MONTHLY REPORT



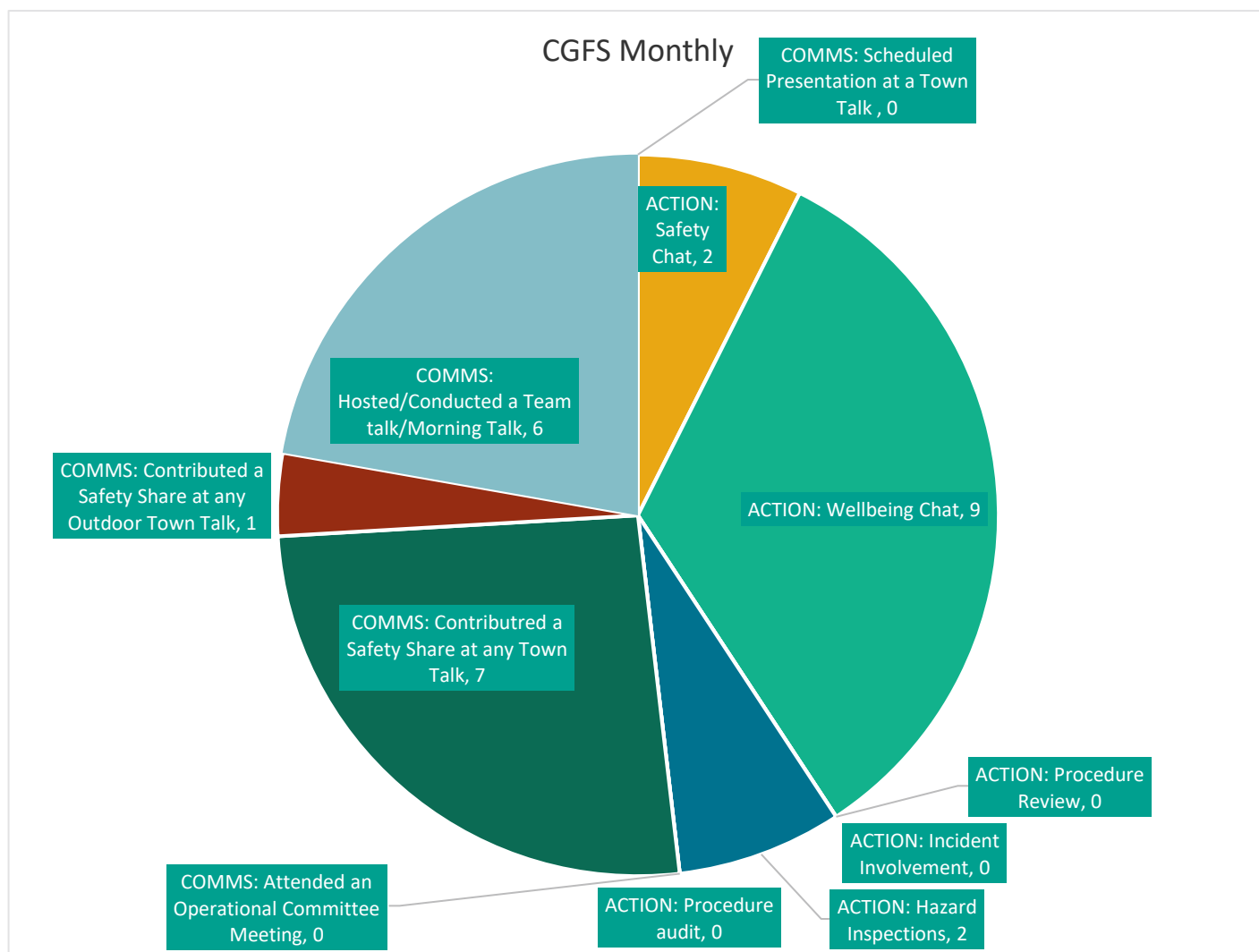
SAFETY AND RESILIENCE MONTHLY REPORT



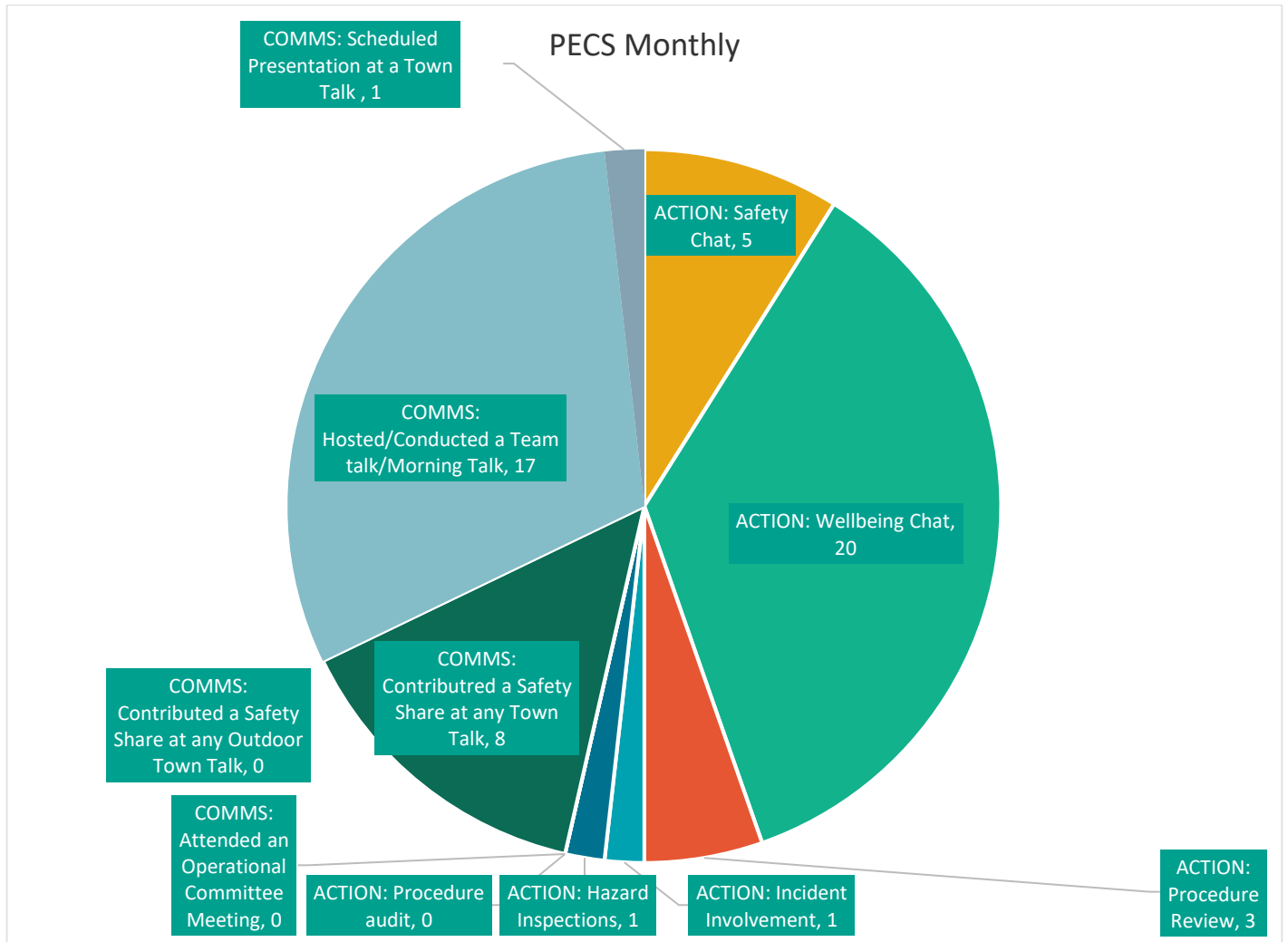
SAFETY AND RESILIENCE MONTHLY REPORT



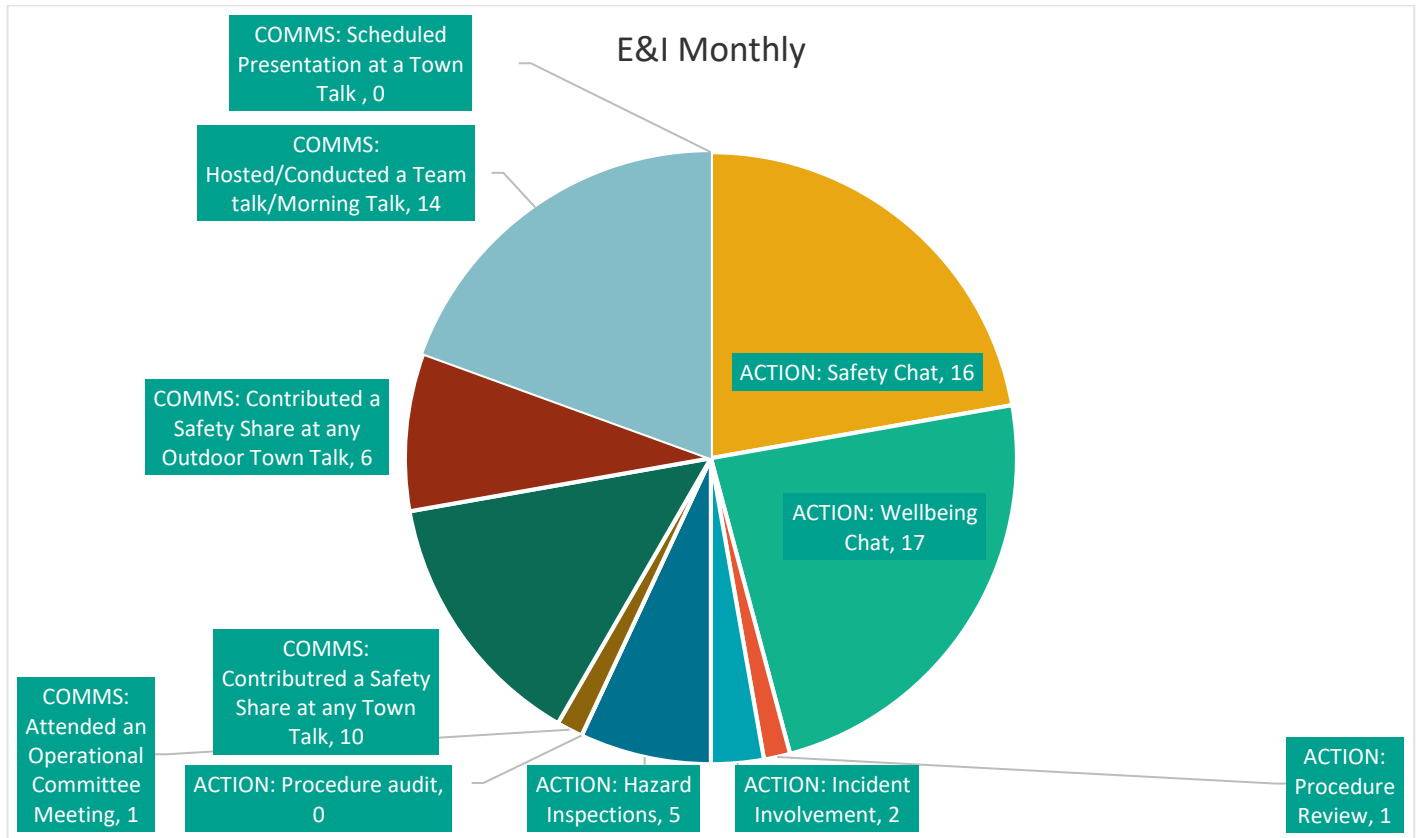
SAFETY AND RESILIENCE MONTHLY REPORT



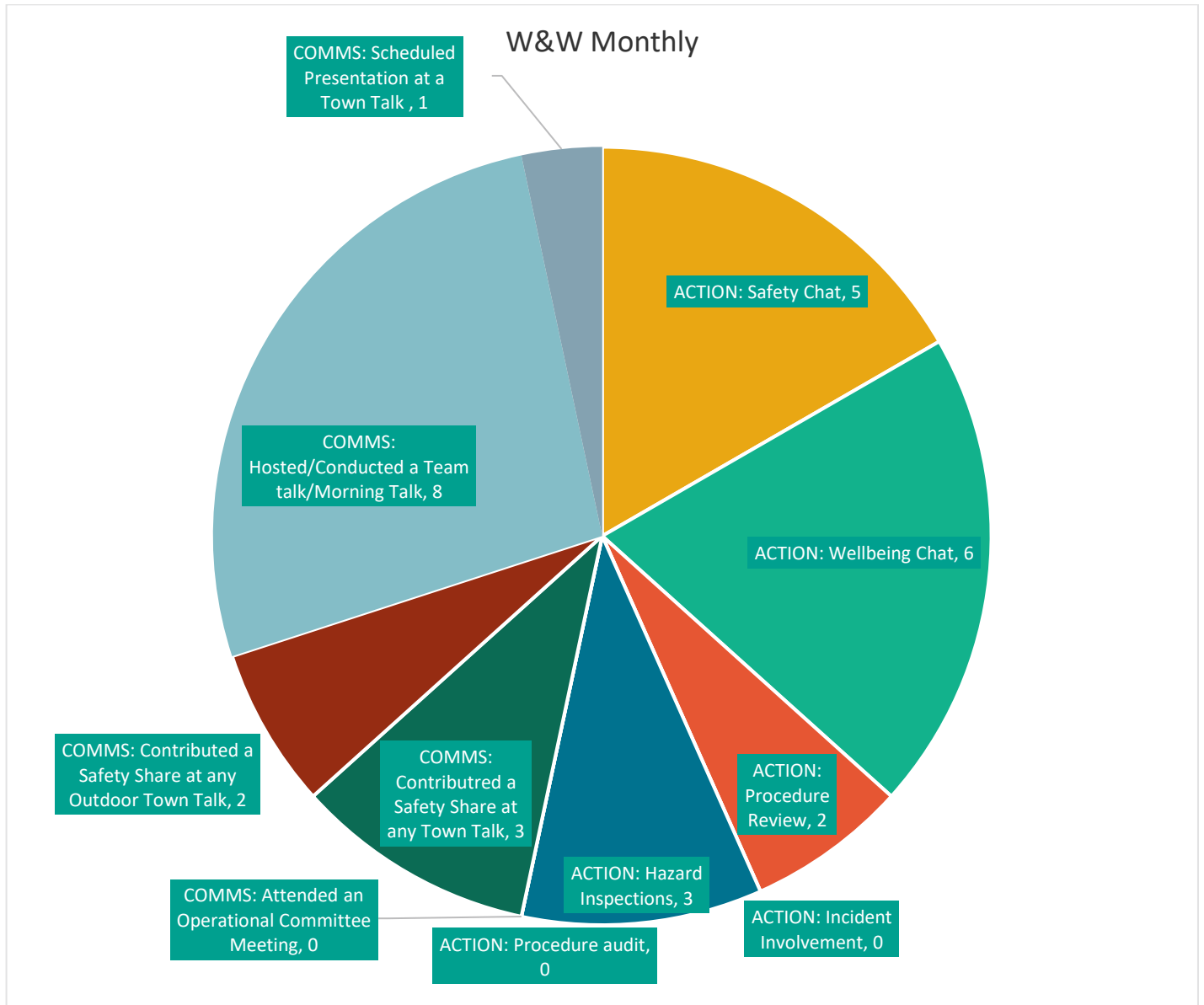
SAFETY AND RESILIENCE MONTHLY REPORT



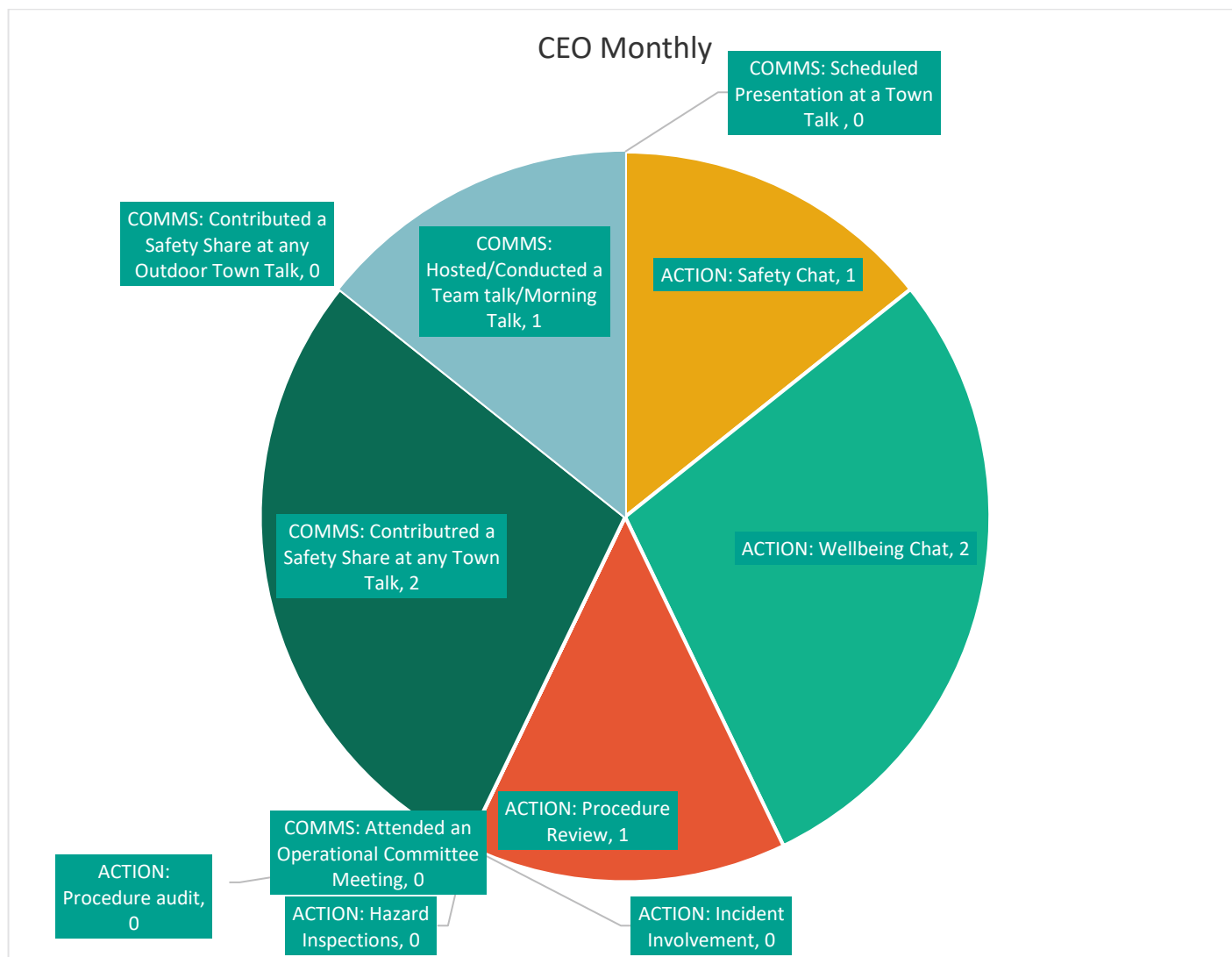
SAFETY AND RESILIENCE MONTHLY REPORT



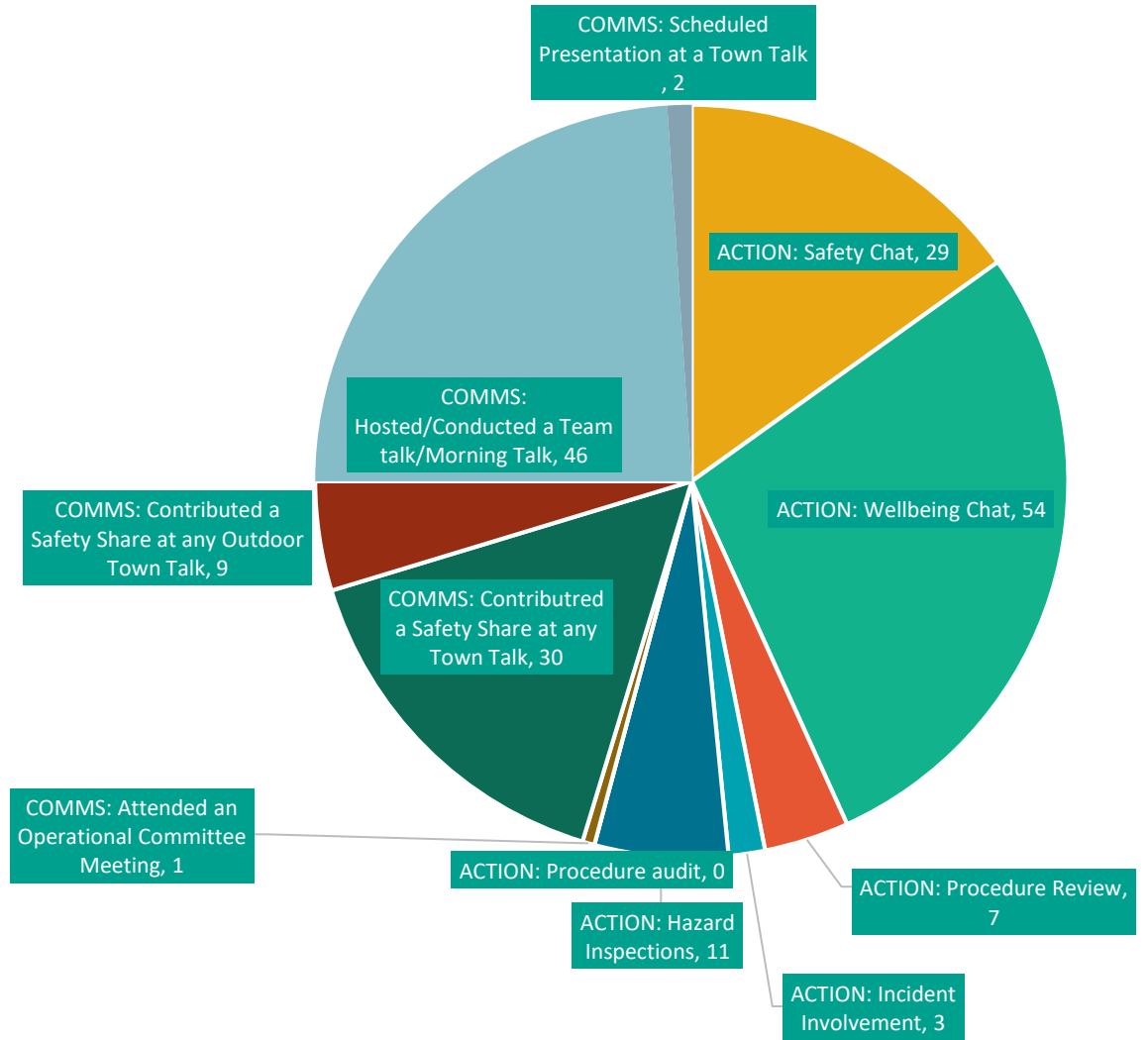
SAFETY AND RESILIENCE MONTHLY REPORT



SAFETY AND RESILIENCE MONTHLY REPORT



Total Isaac Actions & Comms



MEETING DETAILS	Corporate, Governance and Financial Services Standing Committee Meeting Tuesday 9 November 2021
AUTHOR	Liza Perrett
AUTHOR POSITION	Manager Governance and Corporate Services

5.3 2021-2022 ANNUAL OPERATIONAL PLAN – 1ST QUARTER PERFORMANCE REPORT

EXECUTIVE SUMMARY

The purpose of this report is to provide Council with the 1st quarterly performance report, for period ending 30 September 2021, on progress towards implementing the 2021-2022 Annual Operational Plan.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Receives and notes the 1st Quarterly Performance Report on the 2021-2022 Annual Operational Plan, for period ending 30 September 2021.***

BACKGROUND

Council adopted the 2021-2022 Annual Operational Plan at its meeting held 30 June 2021 (resolution number 7329).

The Annual Operational Plan outlines programs, activities and targets that Isaac Regional Council will deliver within the 2021-2022 financial year. These programs and activities are aligned to the five key priority areas in Council's 5 Year Corporate Plan – Isaac 2017-2022. The Operational Plan is also the foundation of Council's 2021-2022 annual budget which provides resourcing for the identified programs and activities.

Each quarter, the Chief Executive Officer provides Council with an assessment of the organisation's performance via the Performance Report. Attached to this report is the 1st Quarter Performance Report: July – September 2021, providing Council with a performance review highlighting the progress in implementing the priorities and projects identified in the 2021-2022 Annual Operational Plan.

Following its adoption, the 1st Quarter Performance Report: July – September 2021 will be made available on Council's website.

IMPLICATIONS

It is a legislative requirement (*Local Government Act 2009, Local Government Regulations 2012*) that the Council receives a written assessment of Council's progress towards implementing the Annual Operational Plan on a quarterly basis.

CONSULTATION

Executive Leadership Team

All Managers

Senior Advisor

BASIS FOR RECOMMENDATION

Legislative requirement for Council to be provided and review how it is performing against the Annual Operational Plan.

ACTION ACCOUNTABILITY

Upon approval, the Manager Governance and Corporate Services will arrange for the Performance Report to be published on Council's website.

KEY MESSAGES

Council is demonstrating transparency on how it is performing against the Annual Operational Plan.

Report prepared by: LIZA PERRETT Manager Governance and Corporate Services Date: 18 October 2021	Report authorised by: DARREN FETTELL Director Corporate, Governance and Financial Services Date: 27 October 2021
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ATTACHMENTS

- Attachment 1 – 1st Quarterly Annual Operational Plan Performance Report – as at 30 September 2021

REFERENCE DOCUMENT

- Nil

2021-2022

helping to energise the world

Annual Operational Plan Performance Report

Isaac Regional Council

1st Quarter Performance Report
Period Ending 30 September 2021
Resolution Number XXXX

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ANNUAL OPERATIONAL PLAN PERFORMANCE REPORTING OVERVIEW

Council adopted its 2021-2022 Annual Operational Plan on 30 June 2021 (resolution number 7329). The Annual Operational Plan provides an activity and program-based plan on how and what Council will do during the financial year to respond to the priorities in Council's and the Communities long term planning documents.

The Annual Operational Plan is structured against the five key priority areas of Council's five-year Corporate Plan - Isaac 2017-2022:

- Communities,
- Economy,
- Infrastructure,
- Environment; and
- Governance.

The following provides an overview of council's progress towards implementing the 2021-2022 Annual Operational Plan for the period ending 30 September 2021.

Each Program/Activity has been given a status on how each is progressing, identifying where targets are being met or highlighting where exceptions are occurring or expected in future quarters. The following legend provides an overview on the actions and their status.

LEGEND	TOTAL ACTIONS
On Target	137
Monitor	19
Below Target	3
Did Not Proceed	1
Completed	3
TOTAL	163

Carry over actions/projects from 2020-2021 have been identified with an asterix *

HIGHLIGHTS OF THE 1ST QUARTER PERFORMANCE – JULY TO SEPTEMBER 2021

Councillor Carolyn Moriarty joined the Council in August 2021

Renaming of regions signature tourism body to include Isaac in this consumer facing name, now called Mackay Isaac Tourism

Supported activities for the Middlemount 40th anniversary celebrations and events

Supported International Legends of League exhibition game against an Isaac All Stars team at Darryl Brooke Oval on 16-18 September 2021.

RECOVERY RESPONSE

Council progressed its Strategic & Tactical COVID-19 Response Framework and the continued implementation of the COVID 19 Strategic Recovery Plan. The Recovery Plan outlines strategy items that Isaac Regional Council will deliver to support the Isaac Region's long-term recovery from the COVID-19 pandemic and the recessionary impacts experienced, particularly to small and medium businesses.

The Recovery Plan contains 50 separate strategies responding to:

- Business Resilience
- Council Sustainability
- Disaster Recovery
- Community Resilience; and
- Advocacy.

ADVOCACY

In its five-year corporate plan, Council specifically noted its commitment to advocacy, in particular looking for opportunities to proactively lobby for the benefit of our economic, social and infrastructure needs. Activities in the 1st quarter included, but not limited to:

- Preparation and submission of three motions for the Local Government Association of Queensland (LGAQ) scheduled for October:
 - Resourcing Support for Development and Implementation of Reconciliation Action Plans (RAPS)
 - Action to Address Regional Inequality
 - Stronger Rural Health Strategy – Is It Hitting the Mark?
- Detailed submission to the Senate Select Committee on Job Security
- Advocacy Group considered the Federal Government Inquiry into Housing Affordability and Supply in Australia and Federal Government Inquiry into the Provision of General Practitioner and Related Primary Health Services to Outer Metropolitan, Rural and Regional Australians

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed	
COMMUNITIES								
C1 Provide, operate and maintain venues and community facilities to deliver, safe, efficient and cost effective services								
Library Operations	Provide a modern and engaged library service, including program delivery	Delivery of Library Programs	On Target	184 in-house activities were delivered in July-August 2021, engaging with 953 patrons. 43 outreach visits were undertaken engaging with a further 762 young people.	Engaged Communities - Community Hubs	30-Jun-22	25%	
		A well utilised library service	On Target	Average monthly visitation to branch libraries is 3769. Total borrowing for July-August 2021 was 11,183 items, of which 41 % were online e-resources.	Engaged Communities - Community Hubs	30-Jun-22	25%	
		50% of population that are library members	On Target	10,560 residents were library members at the start of FY21-22, approximately 50% of the population. A further 145 members have joined as at 31 August 2021.	Engaged Communities - Community Hubs	30-Jun-22	25%	
IRC Halls & Centres Recreation Halls and Gyms	Provide and operate halls and centres to deliver safe, efficient and cost-effective services	75% overall satisfaction	On Target	The existing customer survey template is currently under revision with a new form to be released ASAP. During the reporting period, no reports or complaints of dissatisfaction have been received. Reactive maintenance is being carried out within specified thresholds. No safety breaches have been identified. A HACCP inspection of the Moranbah Community Centre kitchen has been arranged for the next quarter.	Community Facilities	30-Jun-22	25%	
		Provide effective and timely solutions to maintenance issues	90% compliance	On Target	Reactive and planned maintenance is being carried out in accordance with schedules and within specified reaction thresholds.	Community Facilities	30-Jun-22	25%
		Deliver annual capital works program	Scheduled program delivered by 30 June 2022	On Target	Projects under Departmental Management are progressing in accordance with timeframes.	Community Facilities	30-Jun-22	15%
IRC halls and centres	Moranbah community Centre revitalisation	Completion of Stage 1 Design (concept) Completion of Community Consultation Submit application by deadline Funding Announcement Completion of Stage 2 Design (construction) Tender preparation and release	On Target	Council submitted an application to Round 1, Resource Community Infrastructure Fund. Advise of successful application will not be known until November 2021.	Capital & Project Program Manager	30-Jun-22	25%	
Airstrips	Provide efficient and timely solutions to maintenance issues	90% compliance	On Target	All maintenance requirements being met, annual CASA site audit completed, and proactive renewals being enacted.	Economy & Prosperity	30-Jun-22	25%	
IRC Aquatic Centres	Undertake regular audits to ensure an efficiently run and customer service focused environment	4 Inspections/per quarter	On Target	The mobilization of the new Lessee has taken significant focus. The first round of Lessee meetings will be conducted during early October, this will coincide with site audits. Additionally, this will coincide with a full month of opening time at each site.	Community Facilities	30-Jun-22	25%	
	One (1) x Customer surveys per year	65% + customer satisfaction	On Target	At this time, it is anticipated that the Annual Survey will be conducted during early 2022.	Community Facilities	30-Jun-22	25%	

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
	Deliver annual capital works program - Maintain sustainable community facilities to deliver safety and efficiency to the community users	Scheduled program delivered by 30 June 2022	On Target	Capital Works at the pools is ongoing. Preparations are nearing completion for the release of the Greg Cruickshank Aquatic Centre water park Request for Tender. Inherent difficulties have been presented with manufacturer delays, supply chain lead and lag times and Contractor commitments.	Community Facilities	30-Jun-22	15%
Recreational Infrastructure	Provide access to well-maintained recreational facilities	90% of Council's Service Level Standards met	On Target	Standards being consistently maintained. Levels of Service currently under revision.	Parks & Recreation	30-Jun-22	25%
	Continue to deliver capital and operational program, renewal and compliance activities on our parks, open spaces, recreational facilities etc	> 90 % of budget expended with 90% of projects within +/- 10% of Budget > 90% of Projects delivered	On Target	Most capital projects on target, with two projects delayed due to cost, one delayed due to lack of information and two delayed by land ownership issues.	Parks & Recreation	30-Jun-22	25%
C2 Facilitate a focused range of social, cultural, sporting, recreational, health and education services and programs that build thriving, connected and resilient communities							
Museums & Galleries	Facilitate and deliver a calendar of events and programs which celebrate the Isaac Region, its diverse communities and interests	An Annual Calendar of exhibitions	On Target	Exhibition program at Coalface Gallery in Q1 included Deeper Water by Alaina Earl. Reflections of Resilience exhibition continuing through FY21-22 at Clermont Historical Centre.	Engaged Communities - Community Hubs	30-Jun-22	25%
	Provide culturally supportive and historically relevant museum and gallery services at regional venues	30-June-2021	On Target	Planning commenced for FY22 exhibition at Nebo Museum acknowledging 150th anniversary of Saltbush Races.	Engaged Communities - Community Hubs	30-Jun-22	25%
Cultural development	Collaborate on cultural development through initiatives	Administration of Regional Arts Development Fund Grant - Timely acquittals to Arts Queensland	On Target	RADF program administered in accordance with guidelines.	Engaged Communities - Community Engagement, Programs & Events	30-Jun-22	25%
		Facilitate the bi-annual Queensland Music Festival (QMF)	Not Proceeding	Event not proceeding due to change in QMF business model, looking at alternate event offerings.	Engaged Communities - Community Engagement, Programs & Events	30-Jun-22	0%
Community Compliance	Implement the Community Education and Compliance Policy Actions	Develop and Implement supporting Community Education and Compliance work instructions	On Target	Status of work instructions development: Animal Management - - Dog Wandering Collection - 90% - Dog attack investigation - 40% - Desexing Voucher - 100% - Wandering at large – not under effective control. 85% - Barking Dog Investigations - 100% Local Laws Compliance - - Overgrown allotments 100% - Abandoned and Nuisance Vehicles On Council Owned – 100%	Community Education & Compliance	30-Jun-22	25%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
Community Events	Facilitate Middlemount 40th anniversary	Support the Middlemount 40th anniversary celebrations and events	Completed	Collaborated with community stakeholders to deliver weekend celebration in September 2021 inclusive of street parade and fun run as well as supporting community bush dance, gala anniversary night and multi-media song project.	Engaged Communities - Community Engagement	30-Sep-21	100%
Youth Services	*Identify priorities from youth unmet needs study	Develop and implement strategies in response to youth unmet needs study.	On Target	Council formally received study report at end of Quarter 1. Engagement process under development to develop community response to unmet needs study outcomes.	Engaged Communities - Community Engagement	30-Jun-22	10%
C3 Facilitate and encourage strategic partnerships that enable self-sustainable community associations and volunteer groups to pursue their diverse aspirations yet come together to tackle common opportunities and challenges							
Community Engagement	Deliver best practice community engagement initiatives	Effectively Support other Isaac Regional Council business areas to develop and deliver other engagement programs virtually and in community.	On Target	Community engagement support delivered in line with organisational requirements.	Engaged Communities - Community Engagement, Programs & Events	30-Jun-22	25%
Grant Program	Administer annual Community Grants Program	Funding distributed in accordance with guidelines not number of applications	On Target	Major grant support (grants >\$1000) during Quarter 1 FY21-22 totalled \$109,000; Minor grants support and bursaries (grants < \$1000) for Q1 totalled \$27,967.50 and multi-year commitment for the years totalled \$68,800 against an annual budget of \$336,000.	Engaged Communities - Community Engagement, Programs & Events	30-Jun-22	25%
C4 Undertake programs to promote liveability (including urban design and affordable housing), health and wellbeing and community safety across the region							
Social Infrastructure	Adopt an Environmental Impact Statement and Social Impact Assessment Framework	30-June-2022	On Target	Research and drafting of EIS/SIA Framework has commenced.	Liveability & Sustainability	30-Jun-22	25%
Plan, Design and Project Manage	2021-22 Technical Services Capital Works Program (new, renewal & upgrades)	Projects completed by 30 June 2022 + / - 10% budget	On Target	Tracking at 24% after 1st quarter.	Infrastructure Planning and Technical Services	30-Jun-22	25%
Private Works	Process permits & applications	<10 working days	On Target	No back logs experienced since appointment of Technical Officer.	Infrastructure Planning and Technical Services	30-Jun-22	25%
Traffic/Vehicle Permits	Assess and approve Heavy Vehicle Permit applications	<10 working days	On Target	Average turnaround 1.2days. Total permits processed YTD 1444.	Galilee and Bowen Basin Operations	30-Jun-22	25%
C5 Promote programs that celebrate the uniqueness and diversity of our communities including appropriate recognition of our Indigenous communities							
Cultural heritage	Partner with First Peoples of Isaac to identify and develop respectful Indigenous tourism experiences	Develop a Region-wide planned network of indigenous tourism experiences reflecting the significance of country and indigenous cultural heritage	Monitor	Individual engagement has occurred with some TO's, assistance to Koinjmal people in development of the St Lawrence Wetlands weekends cultural heritage experiences winning Gold in MITL's Event category and planning for 2022 event underway.	Engaged Communities - Community Engagement, Programs & Events	30-Jun-22	20%
Supporting Diversity	Develop and deliver programs, events, projects supported by external organisations, groups that celebrate all of our community and cultures facilities etc	30-June-2022	On Target	NAIDOC week celebrations delivered in partnership with traditional owners.	Engaged Communities - Community Engagement, Programs & Events	30-Jun-22	25%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
Indigenous Relations	*Adopt Indigenous Relations Framework, in line with the First Nations People Policy	Develop a Reconciliation Action Plan and Develop Memorandum of Understanding/s on engagement	On Target	Underway, Policy adopted, internal working group to be announced.	Office of Director Planning Environment and Community Services	30-Jun-22	15%
C6 Facilitate urgent and visible support during times of stress to the community (such as mental health support, crime prevention and assisting those from a lower socio-economic level).							
Recovery & Resilience	Maintain and ensure currency and awareness for the Isaac Recovery Plan	Implement COVID-19 Strategic Recovery Plan initiatives	On Target	Annual review conducted, 24 strategy items in Business resilience & Tourism recovery 19 on target, 3 completed, 1 monitor and 1 not proceeding.	Engaged Communities Economy & Prosperity	30-Jun-22	25%
C7 Improved engagement /partnerships with service providers to improve outcomes for the region							
Procurement	Review and monitor the Local Preference Policy	30-June-2022	On Target	Interim Report on Local Preference Policy impacts was accepted by Council at the April 2021 Council meeting resolution no CGFS0616. Further report to be presented in the second quarter on the further analysis of the impacts of the Policy.	Contracts & Procurement	30-Jun-22	50%
Community Leasing	*Deliver the community leasing program to support efficient and effective use of community facilities	Adopt updated Leasing Strategy with associated Policies	On Target	The Leasing Framework has been completed in draft and is nearing readiness for presentation to ELT and thereafter, CTFAC. Delays have been experienced with the emergence of new requirements for inclusion and the re-alignment of existing protocols.	Community Facilities	30-Jun-22	70%
ECONOMY							
EC1 Plan, design and provide sustainable infrastructure, facilities and services that encourage and support economic growth and development.							
Economic Development	Develop and deliver a sub-brand and marketing strategy to promote Isaac as a place to live, work, invest and do business	30-June-2022	On Target	Completion of Live work brochure and Invest brochures and economic development targeted video in Quarter 1 to complement Industry and Visitor guides, marketing region at National Economic Development Conference.	Economy & Prosperity	30-Jun-22	50%
Asset Management	*Conduct master planning for Council's Nebo Showgrounds	Plan & Advocacy document completed	On Target	Nebo showgrounds Advisory Committee endorsed and first meeting in October to progress 1st and 2nd stage public consultations.	Economy & Prosperity	30-Jun-22	50%
	Deliver the Revitalisation of the Clermont Saleyards & Showgrounds (Stage 2)	All funded projects delivered on time and to budget +/- 90%	On Target	Projects running to timeline, Stage 2 \$2,95m Revitalisation projects in differing elements of design stage and first due for procurement.	Economy & Prosperity	30-Jun-22	35%
	Effective and efficient asset management of Saleyards, Showgrounds,	90% compliance	On Target	Maintenance activities being met, with proactive renewals to occur in Stage 2 Revitalisation project commencement.	Economy & Prosperity	30-Jun-22	25%
EC2 Proactively engage with and support all industry sectors, commerce and government to foster constructive partnerships to support and promote ongoing economic vitality							
External Relationships	Continue to participate with GW3 and deliver the Isaac Region transformational project	30-June-2022	On Target	Council endorsed application to the CRC TiME program conducted, site analysis conducted and progressing for the Resources Social and Environmental Excellence hub.	Office of Director Planning Environment and Community Services	30-Jun-22	35%
Local Business Support	*Develop, through engagement, the Isaac Region business alliance network	30-June-2022	On Target	Consultancy conducted business engagement in Quarter 1 and report on options for alliance models due Quarter 2.	Economy & Prosperity	30-Jun-22	40%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
Procurement	Review and refresh the panels of preferred and pre-qualified suppliers	30-June-2022	On Target	RPQS Panel Arrangements are reviewed as required. Where suitable IRC shall leverage the Local Buy panel arrangements.	Contracts & Procurement	30-Jun-22	50%
EC3 Identify opportunities for economic development through strategic analysis of regional resources and the provision of planning and policies that support sustainable economic development							
Economic Development	Implement the Economic Development Strategy Framework	Delivery of Action Plan Priorities developed and delivered to plan	On Target	Priority actions identified for delivery in the Strategic Recovery plan with investment attraction framework and associated marketing a highlight.	Economy & Prosperity	30-Jun-22	25%
Small Business Week	Delivery of Small Business Week Activities across region	Development and rollout of Educational Program - with 95% positive feedback	On Target	Small Business Week due for May 2022, initial planning conducted.	Economy & Prosperity	30-Jun-22	15%
Investment Attraction	*Implementation of Investment Attraction Framework	Develop and adopt: Investment Attraction Policy, Investment Facilitation Guideline and industry-based investment prospectus	On Target	Investment brochure completed. Progressing actions of the Investment Attraction Framework being marketing collateral and communication plan.	Economy & Prosperity	30-Jun-22	50%
EC4 Undertake Council's commercial businesses with appropriate business and entrepreneurial acumen, as effective participants in the region's economic activity							
Land Development	Through the Land Development Advisory Committee identify commercial opportunities	30-June-2022	On Target	Opportunities being explored through Land Development Advisory Committee. Stage 4 Workplan has been developed to guide committee deliverables.	Liveability & Sustainability	30-Jun-22	25%
Clermont Saleyards	Engage in business development planning for the Clermont Saleyards	30-June-2022	On Target	Cattle throughput numbers continuing to exceed projected income, Qld country Life saleyards guide advertisement and online ad completed.	Economy & Prosperity	30-Jun-22	25%
Land Development - IRC housing estates	Develop land Sale strategy for Isaac Regional Council residential land developments	Finalise Anne Street, Nebo housing Strategy	On Target	Progressed external legal review of existing sales contract, with progression of development of a land sales strategy for Anne St commencing in Quarter 2.	Economy & Prosperity	30-Jun-22	25%
EC5 Promote and advocate for the region and our diverse range of industries, to attract people to live, invest in and visit the region							
Tourism	Develop and implement the Tourism Strategy	30-June-2022	On Target	Strategy actions progressing with priority actions identified in the Strategic Recovery Plan. Highlights include Mackay Isaac tourism adoption of Isaac in its consumer facing name.	Economy & Prosperity	30-Jun-22	25%
	Conduct master planning for Council's Theresa Creek Dam	31-December-2021	On Target	Initial research and consultancy engaged, Council briefing with consultants conducted and public consultation to commence in Quarter 2.	Economy & Prosperity	31-Dec-21	30%
	Raise the Isaac Region's Tourism profile	30-June-2022	On Target	Strategy actions progressing with priority actions identified in the Strategic Recovery plan. Highlights include Mackay Isaac tourism MIT adoption of Isaac in its consumer facing name, submission of St Lawrence wetlands in MIT and Qld Tourism awards.	Economy & Prosperity	30-Jun-22	25%
EC6 Proactively promote and support local businesses within the region							
Local Business Support	Implementation of Local Business Support Strategy	Implement and promote Isaac businesses through the Shop Isaac, Buy Local Program	On Target	Rebranding of Shop Isaac conducted in Quarter 1. with new logo and marketing retail campaign to promote proposed for Quarter 2.	Economy & Prosperity	30-Jun-22	25%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
		Support Isaac region business in recovery of COVID-19 impacts through the actions in the Strategic Recovery Plan	On Target	As per Strategic Recovery plan strategy actions, business engagement conducted and continuing with highlights being the Isaac business alliance project, e-bulletin development for information distribution to business networks.	Economy & Prosperity	30-Jun-22	25%
	Host small business week and delivery of education program	30-June-2022	On Target	SBM due for May 2022, initial planning conducted.	Economy & Prosperity	30-Jun-22	15%
INFRASTRUCTURE							
I1 Plan, provide and maintain effective and sustainable road infrastructure to meet the needs of key economic and community activities							
Road Management	Implement the Roadside Vegetation Management Strategy	30-March-2022	Monitor	Draft document reviewed to meet IRC standard and requirement.	Infrastructure Planning and Technical Services	30-Mar-22	20%
	Deliver Council's maintenance grading program	Programmed maintenance works completed within FY +/- 10% budget	On Target	Maintenance grading program - currently on track. Some areas will be impacted by water availability. Maintenance Grading Tender is currently been prepared for road network to be undertaken externally. This is expected to be issued by mid-2nd Quarter with works to commence in early 3rd Quarter.	Infrastructure	30-Jun-22	15%
Road Infrastructure	Deliver the annual Road Infrastructure Capital Works Program including externally funded projects (Roads to Recovery, Transport Infrastructure Development Scheme, etc) <i>Acronyms:</i> - BBRRTG: Bowen Basin Regional Roads Transport Group - TIDS: Transport Infrastructure Development Scheme funding arrangement	Schedule delivered +/- 10% budget	On Target	All major procurement activities have been finalised and awarded with commencement of works now underway. Significant Major Projects include: 1. Surfacing Renewal Program: project forms part of the BBRRTG with option to extend previous 2020/21 contract services to Boral Resources. Works programmed to be completed by 30 November 2021. 2. One of the main Capital projects: Valkyrie Road Pave and Seal, part of the TIDS project, has experienced some delays due to finalising the design component. Now expected to commence mid-2nd Quarter. This project will be undertaken by IRC internal crews with external subcontractor plant hire. 3. Other Capital Works programs: Resheeting of Unsealed network and Rural Rehabilitation works. Both programs are well underway with a number of roads completed across the region. 4. Drainage Works program - Music Street & Sarchedon Drive, these respective projects are expected to be issued for tender by late 2nd Quarter. Delays have been further incurred for these projects as a result of drainage culvert material supply. Works are anticipated to commence mid-3rd Quarter.	Infrastructure	30-Jun-22	15%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
Bridge Renewal/ Replacement Program	Conduct Bridge inspection and maintenance operations program	Monitor and manage standard of service with appropriate intervention levels as required Level 4&5 structures to be addressed in 21/22FY	Monitor	Working with IPR to effect maintenance works on bridges. Proposing Level 2 inspection on bridges in order to draft comprehensive repair works through Request for Tender.	Infrastructure Planning and Technical Services	30-Mar-22	10%
I2 Provide effective and sustainable water supply and sewerage infrastructure while progressively achieving environmental compliance							
	Refer Water & Waste Update						
I3 Provide and maintain a network of parks, open spaces and natural features to support the community's quality of life.							
Parks, Open Spaces and Recreational Areas	Implement the Recreation and Open Space Strategy	Schedule delivered +/- 10% budget	On Target	Strategy actions on target within resourcing constraints.	Parks & Recreation	30-Jun-22	25%
Community Infrastructure	Foot path renewal and extension works	30-June-2022	On Target	Current works in program underway with Contractor. Construction works potentially delayed in Dysart locality due to works corridor permit approvals. It is still expected works to be completed by end Quarter Two (2).	Galilee & Bowen Basin	30-Jun-22	40%
Road Infrastructure - Operational Works	Delivery of Infrastructure's operational works (minor drainage, shoulder and pavement issues)	Schedule delivered +/- 10% budget	On Target	Request for Quotation has closed and currently been evaluated for drainage clearing works along Coastal region as per program. These works are expected to be completed by late Quarter Two (2).	Infrastructure	30-Jun-22	25%
	Deliver operations programs for signage replacement and footpath repairs	30-June-2022	Monitor	Operational works are been undertaken for signage replacement for Coastal and Nebo areas. Routine maintenance conducted and ongoing.	Infrastructure	30-Jun-22	20%
Road Infrastructure - Private Works	Cost effective planning and execution of contracted works	Programmed maintenance/private works +/- 10% budget	Monitor	No minor private works were required to be undertaken in Quarter One (1). Ongoing inspections will continue to monitor and determine works to be programmed.	Infrastructure	30-Jun-22	25%
Asset Management	Continue to deliver the capital program, including maintenance on our community infrastructure; e.g. Teresa Creek Dam Septic	Schedule delivered +/- 10% budget	On Target	Parks capex program on target, with exception of two projects delayed by cost issues, two projects affected by land ownership and one project carried forward due to lack of information.	Parks & Recreation	30-Jun-22	20%
I4 Maintain high preparedness and capability to respond to natural disasters that impact on regional communities and infrastructure							
Disaster Management	Continue to liaise, consult and strengthen relationships with all key stakeholders for emergency management (state government agencies, QFES, SES, QPS, key community groups, etc)	30-June-2022	On Target	Continuing involvement in training, district and agency meetings and distribution of Disaster Management Plans, meeting agendas and minutes. Establishing local community committees to further support relationship building.	Safety & Resilience	30-Jun-22	25%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
Resilience/ Recovery	Disaster Recovery Funding Arrangements (DRFA) - Cyclone Trevor Infrastructure works	Program Finalisation/Closeout	On Target	DRFA - Ex Cyclone Trevor Event 2019, construction works were completed within 2020/21 FY, however the program is advanced stages through the financial acquittal process with the Queensland Reconstruction Authority (QRA). Expected to be finalised and closed out by end Quarter Two (2).	Infrastructure	30-Jun-22	90%
Disaster Management – Local Disaster Management Plan (LDMP)	Review and update Local Disaster Management Plan (LDMP) & Sub Plans	Target by 30 November 2021 in preparation for storm season	Monitor	The LDMP has been circulated for 2021 review in September with the intent of endorsement in November 2021. The subplans are also being reviewed.	Safety & Resilience	30-Nov-21	20%
Disaster Management – Community preparedness and awareness	Communication program to inform the community of Get Ready programs (October - March)	30-March-2022	On Target	Get ready initiatives continue annually. In May/June 2021 a competition was run to increase awareness about disaster management and get ready. Continuing development of the disaster dashboard and implementation of Disaster Management Facebook page.	Safety & Resilience	30-Mar-22	25%
I5 Strategically operate, maintain and utilise and review the delivery of Council assets to ensure the efficient and cost-effective services to the community are met and continuously improved							
Asset Management	Continue to develop the Capital Works program Development process (Project Accountability Gateway)	2021/22 Project Budget Bids taken through PAG process	On Target	A review of Project Accountability Gateway (PAG) process is in progress to identify opportunities for improvement.	Strategic Asset Management	30-Jun-22	25%
	Maintain the Asset Management Framework, including development of the Asset Registers	30-June-2022	On Target	Ascetic Predictor software has been upgraded to a cloud-based platform so that we can improve our data-driven asset management methodologies to make better decisions and prioritise available resources in the optimal way to manage our assets and services. Our current data will also be transferred into the latest version of Predictor.	Strategic Asset Management	30-Jun-22	30%
	Implement the Strategic Asset Management Plan	30-June-2022	On Target	Officers across the Council have been identified to assist in the development of Asset Management Plans (AMP) for each asset class. Options analysis is in progress in relation to common assets (e.g. land, buildings, IT etc) and linkages with our organisation structure.	Strategic Asset Management	30-Jun-22	25%
Tenancy / Housing Asset Management	Develop the Residential Housing Strategy incorporate long term Acquisition and Disposal Plan	Adoption of the proposed Housing Strategy and long-term Acquisition and Disposal Plan	On Target	Project is on target. This is subject to Housing Strategy endorsement, Draft housing strategy to be re-written with endorsement proposed for June 2022. The long term Acquisition and Disposal Plan will form part of the above with the Acquisition and Disposal Plan forming part of the 2023/24 Budget proposals. Project is across two years anticipated to be completed by November 2022.	Corporate Properties	30-Jun-22	20%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
Corporate Properties - Capital Delivery	Review and implement the 5 year residential and facility upgrade and renewal program	Review of the 5 Year Renewal Plan to guide budget preparations	On Target	Draft document is commenced, remaining program scope to be completed and budget costed for inclusion in 2022/23 Capital Budget bids - target completion date is early November 2021.	Corporate Properties	30-Nov-21	50%
	Delivery Capital Works Program within Budget and timeframes	Programmed works completed +/- 10% of budget	On Target	2021/2022 Capital delivery is currently meeting projected work program.	Corporate Properties	30-Jun-22	30%
I6 Ensure that the assets maintained and constructed are appropriate to the current and future needs of the region's industries.							
Road Infrastructure	Implement the Roads Upgrade Prospectus	Review Prospectus - by June 2022 Identify funding opportunities - annually/ongoing	On Target	All Grant Funding Programs always pursued. Proposing the development of a draft Roads Investment Strategy document to ensure sustainability and optimised asset management processes.	Infrastructure Planning and Technical Services	30-Jun-22	25%
TV and Radio Broadcasting - Glenden and the Isaac coast	Develop a TV/Radio service transition strategy (coastal regions)	Strategy endorsed by Council	Monitor	Draft strategy presented to IT Steering Committee in August with revised strategy to be presented in November prior to workshop with Council.	Information Services	30-Jun-22	50%
Asset Management - Fleet, Plant	Develop long term capital replacement program (Facilities and Fleet & Plant)	30-June-2022	Completed	This is completed, the 10 Year Fleet and Plant Replacement Program is reviewed annually as with internal fleet and plant hire rates.	Corporate Properties & Fleet	30-Jun-22	100%
Infrastructure Agreements	Liaise with industry and negotiate appropriate agreements (i.e. Compensation agreements, road infrastructure agreements)	Maintain strong relationships with industry and ensure appropriate agreements and approvals are met for the security and support of the community	On Target	Continuous engagement with various mining proponents.	Galilee & Bowen Basin	30-Jun-22	25%
Recoverable Works	Maintenance of State Controlled Roads through Council's Roads Maintenance Performance Contract (RMPC)	Deliver RMPC Contract for State Controlled Roads	Below Target	Delays experienced in finalising RMPC Contract 2021/22, expected finalised Contract and agreed works by relevant parties by early November 2021. Progress Claims to be submitted and Invoiced by end 2nd Quarter. Tenders are in the process of been developed for Major Works i.e. Stabilisation and bitumen sealing works. It is anticipated that these tenders will be awarded and works commenced by mid-3rd Quarter.	Infrastructure	30-Jun-22	10%
ENVIRONMENT							
EN1 Adopt responsible strategic land use planning to balance community, environmental and development outcomes							
Land Planning	IRC Planning Scheme Implementation and Review (amendments, mapping etc.)	Commence the first amendment process for the IRC Planning Scheme.	On Target	Monitoring of Planning Scheme implementation ongoing and issue register being compiled and reviewed to determine highest priority amendment needs.	Liveability & Sustainability	30-Jun-22	25%
Environmental Land Management	*Finalise the Biosecurity Strategy, to implement the Biosecurity Plan 2020-2023	Delivery of the IRC Biosecurity Strategy	On Target	Biosecurity Strategy undergoing final drafting and due for adoption in early- 2022.	Liveability & Sustainability	30-Jun-22	50%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
Social Infrastructure	*Develop and implement a Social Infrastructure Strategy and Action Plan	Adopt a Social Infrastructure Strategy	On Target	Research and drafting of Social Infrastructure Framework has commenced.	Liveability & Sustainability	30-Jun-22	20%
Social Planning	*Finalisation and implementation of the Social Sustainability Policy Action Plan	Adoption of a Social Sustainability Action Plan	On Target	The Social Sustainability Policy Organisational Implementation Plan has been drafted and is due for council consideration in early 2022.	Liveability & Sustainability	30-Jun-22	50%
EN2 Manage and promote natural resources, including culturally significant sites and coastal environments in a responsible and sustainable manner							
Integrated Planning	Implement the QCoast 2100 Coastal Hazards Adaption Strategy actions	100% completion of the Isaac Region Coastal Hazard Adaptation Strategy	On Target	Public consultation of the Draft Strategy is due to commence in late 2021.	Liveability & Sustainability	30-Jun-22	75%
Natural Resources	Develop and adopt a Corporate Sustainability and Regional Resilience Framework	30-June-2022	On Target	Action item as part of the broader corporate sustainability and regional resilience framework.	Office of Planning, Environment and Community Services	30-Jun-22	15%
EN3 Minimise Council's impact on the natural environment through effective waste management, recycling and environmental management policies and programs							
	Refer Water & Waste Update						
EN4 Advocate to all forms of government on matters which impact on the health, wellbeing and sustainability of our region's natural environment							
Advocacy	Continue advocacy activities with State and Federal Government	30-June-2022	On Target	Advocacy activities continued with various submissions and representations made with government agencies and industry bodies. Refer to Highlights.	Office of the CEO	30-Jun-22	25%
EN5 Partner with industry and community to minimise environmental harm through appropriate education and regulation							
Wildlife Management	Develop programs to educate community and manage wildlife	Implement Flying Fox Education Program	On Target	Spring De-fox campaign is being delivered. Other activities such as publication of public notices, letter box drops and door knocking exercises have been undertaken.	Liveability & Sustainability	30-Jun-22	25%
		Undertake Pest Control Activities - two (2) rounds per annum	On Target	A round of 1080 baiting was completed in October 2022.	Liveability & Sustainability	30-Jun-22	50%
EN6 Through proactive communication and partnering, increase community awareness of the benefits of having a healthy and diverse environment							
Community Education	*Develop and implement engaging education and awareness program to ensure the community is aware of both the rules that apply throughout the Region	30-June-2022	On Target	This is a work in progress. Animal Management Education 60%: Illegal dumping Education 40%.	Community Education & Compliance	30-Jun-22	55%
Environmental Health – Illegal dumping	Reduction of illegal dumping through education campaign	30-June-2022	On Target	The Illegal Dumping Management and Intervention Plan (the Pilot Plan) was adopted by Council in August 2020. The pilot plan deliverables are in progress.	Community Education & Compliance	30-Jun-22	55%
GOVERNANCE							
G1 Inform, collaborate with and facilitate the empowerment of the community and community groups to make local decisions through effective promotion, communication and engagement							
Media Relations	Effective and regular media and communication activities	Number of proactive/positive media stories per month - 8/month	On Target	Regular media stories have been communicated to the Community. Average of 10 stories/month are being released.	Brand, Media & Communications	30-Jun-22	25%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
Community Satisfaction	Undertake the biennial Community Satisfaction survey	Target to release survey by 31 October 2021	Monitor	Working group has developed questions, based on previous surveys. Awaiting endorsement by Council, due to be released late October/early November.	Office of Planning, Environment and Community Services	31-Oct-21	20%
	Report on findings of the biennial Community Satisfaction survey	Target to present findings to Council by 31 January 2022	On Target	Not yet commenced, awaiting survey to be conducted.	Office of Planning, Environment and Community Services	31-Dec-21	0%
External Communication - Proactive external publications	Continue to delivery organisational and community publications to inform our stakeholders	Publish Isaac News editions delivered to all residents	On Target	Continuation of publishing Isaac News editions. Clermont Rag is continuing to be published whilst under review.	Brand, Media & Communications	30-Jun-22	25%
G2 Develop policies, strategic plans and processes to address local and regional issues, guide service provision and ensure operational effectiveness							
Annual Operational Plan	Adopt the 2022-2023 Annual Operational Plan	30-June-2022	On Target	Not yet commenced. Development of the Departmental Business Plans for 2022/23 to commence in the 2nd Quarter.	Governance & Corporate Services	30-Jun-22	5%
Corporate Plan	Develop new 5-year Corporate Plan and Community Plan	1st Draft Community Plan and 5-year Corporate Plan for further community consultation for adoption by Dec 2022	On Target	Developing Terms of Reference which will define the base working group to assist facilitate the project/s. Development of a project brief/scope and plan in progress with the CEO.	Governance & Corporate Services	30-Jun-22	10%
Workplace Health & Safety	Maintain and implement Workplace Health & Safety programs and activities as a priority – Safety First	30-June-2022	On Target	Ongoing development of the safety management systems and processes continues. Review of safety language, planning documents and inclusion of mental health following feedback from audits and reviews with various committees and ELT has been undertaken.	Safety & Resilience	30-Jun-22	25%
	Workplace Health & Safety Strategic Committee	Workplace Health & Safety Committee meetings to be held at least quarterly (includes regular review of policies, procedures and audits)	On Target	The WHS committees have been renamed to Health, Safety and Wellbeing Committees. The TOR reworked to improve the outcomes for all staff.	Safety & Resilience	30-Jun-22	25%
Advocacy	Continue advocacy program across all areas of Council, the community and for the local industries	Review and promote IRC's Advocacy Strategy	On Target	Ongoing review of Advocacy Strategy.	Office of the CEO	30-Jun-22	25%
Controlled Entities - Governance	Oversight and identify improved policy positions on controlled entities	30-June-2022	On Target	Ongoing oversight of controlled entities.	Office of the CEO	30-Jun-22	25%
Compliance	*Review of local laws	Commence planning of systematic review of local laws, which will include community engagement activities	Monitor	Planning in progress.	Governance & Corporate Services	30-Jun-22	5%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
Human Resources	Continue to develop and implement key human resources organisational policies and frameworks to support one of our most important assets, e.g. Attraction and Retention Strategy, Performance Management Framework	30 June 2022	Monitor	<p>Policies and Procedures – P&P continue to review and update policies and procedures.</p> <p>Our People Strategy 2019 – 2022 P&P continue to work through strategy /framework based on the four (4) focus areas of “Attract our Talent”, “Grow Our Own”, “Energise Our People” and “Plan Our Future”.</p> <p>The Attraction and Retention Strategy has been developed and awaiting to be presented to ELT.</p> <p>Performance Management Framework is in its final stages which will be presented for review and endorsement by ELT.</p>	People & Performance	30-Jun-22	15%
Customer Service	*Review innovative customer service opportunities	Review and develop an updated Customer Service Strategy and Charter	On Target	Underway in conjunction with the CX Strategy.	Officer of PECS/Engaged Communities	30-Jun-22	5%
	Review innovative customer service opportunities	Develop a Customer Experience Strategy	On Target	Working group established, finalising community satisfaction survey and other data sets for presentation to the working group in Dec/Jan for strategic review.	Office of PECS/Engaged Communities	30-Jun-22	10%
Strategic Policies	Development of a whole of Council Environment and Social Impact Assessment Guideline	30 June 2022	On Target	Investigations have commenced and the action is also captured as a deliverable in the Social Sustainability Policy Organisational Implementation Plan which is currently under development.	Liveability & Sustainability	30-Jun-22	20%
G3 Pursue financial sustainability through effective use of Council’s resources and assets and prudent management of risk							
Risk Management	Continue to enhance the Business Continuity Plan and IT Business Continuity Plan, including scenario testing	30-June-2022	On Target	Ongoing improvements continuing. Emergency Management Committee has oversight.	Governance & Corporate Services	30-Jun-22	25%
Risk Management	Review and monitor Strategic and Operational Risk Registers	30-June-2022	On Target	Regular reviews undertaken, with reports presented to Audit & Risk Committee as a standing item on the agenda.	Governance & Corporate Services	30-Jun-22	25%
Contract /Tender Management	Quarterly percentage of tender documents that are compliant	100%	On Target	All tender documents to date are compliant.	Contracts & Procurement	30-Jun-22	25%
Plant & Fleet	Plant & Fleet optimisation	Conduct a Plant & Fleet review and develop a Fleet, Plant and Equipment Acquisition and Disposal program (10-year Replacement Plan and Strategy)	On Target	The Fleet and Plant review is being finalised (ELT Nov/Dec) The 10 Year Fleet and Plant acquisition and Disposal Plan is complete, The Fleet and Plant Management Strategy is to be in 1st Draft by Dec 2021, Final endorsement projected to be completed by June 2022.	Fleet	30-Jun-22	50%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
Financial Management	Financial Asset Management	Timely reporting and depreciation methodology reviewed and applied	On Target	Budget adopted 30 June 2021 within statutory obligations. Financial Statements for final review with Council's auditors as at 6 October 2021. New valuation provided for building assets. Depreciation methodology has been reviewed and applied. All other asset classes depreciation methodology to be reviewed through course of the year.	Financial Services	30-Jun-22	50%
Information Technology	IT Strategy	Review and maintain the implementation of the IT Strategy IT Steering Committee to meet regularly	On Target	Draft scope sent to CEO for approval in Aug. Once approved, we will seek quotes to develop a formal scope document. IT Steering Committee meeting held 5 August 2021.	Information Services	30-Jun-22	15%
Risk Management	Continue to enhance the Enterprise Risk Management Framework reporting regime	Improve/enhance reporting regime	On Target	Policy and Procedure to be reviewed in line with the 2yearly Corporate Policy Framework. Preparing workshop approach/plan to review Council's risk appetite/profile.	Governance & Corporate Services	30-Jun-22	15%
Procurement (Compliance)	*Adopt a Strategic Procurement Framework	30-June-2022	On Target	The Strategic Procurement Reference Group has been established. Compliance is one facet to be addressed by this Committee.	Contracts & Procurement	30-Jun-22	25%
G4 Deliver unique customer focused and responsive services that are based upon a program of continuous improvement							
Customer Service	Frontline customer service delivery and effective relationship management	30-June-2022	On Target	Delivered in accordance with business needs and Customer Service Charter.	Engaged Communities - Community Hubs	30-Jun-22	15%
Customer Service /Communications	Digital Communication - Enhance corporate website	Delivery of refreshed corporate website by 30 June 2022	Monitor	Research on platforms to enhance councils web presence commenced, including considerations for improved functionality and design.	Brand, Media & Communications	30-Jun-22	50%
Information Technology	Continue to improve how we do business internally and with our customers using best practice and new technology	Maintain robust information technology systems and applications, including regular audits/assessments	On Target	SD-WAN hub completed in Sept - now testing the rollout of individual offices. Draft design for Teams rollout completed. Internal Audit Cyber Security undertaken and action plan from recommendations being prepared.	Information Services	30-Jun-22	25%
G5 Provide transparent and accountable planning, decision making, performance monitoring and reporting to the community in order to continuously improve							
Internal Audit	Review/Adopt Three-year Rolling Internal Audit Annual Program	30-August-2021	Completed	Three year rolling Internal Audit Plan endorsed by Audit & Risk in July 2021 and subsequently by Council in August 2021.	Governance & Corporate Services	30-Jun-22	100%

Service Area	Description	Measure of Success/Target	Status	1st Quarterly update on actions/comments toward meeting success	Accountability	Expected Completion	% Completed
Internal Audit	Conduct four (4) internal audits as per approved internal audit plan	100%	On Target	Audits being undertaken as per the Internal Audit Plan.	Governance & Corporate Services	30-Jun-22	25%
Audit and Risk Program	Hold at least four (4) Audit & Risk Committee Meetings	30-June-2022	On Target	Audit & Risk Committee meetings scheduled and being held as per the Work Plan - five per year.	Governance & Corporate Services	30-Jun-22	25%
Annual Report	Publish the adopted 2020/2021 Annual Report	30-November-2021	On Target	Collating information and drafting content for the Annual Report. On Track to be adopted as per legislative requirements.	Governance & Corporate Services	30-Jun-22	60%
Transparent and timely reporting	Percentage of documents (i.e. operational plan assessments, capital project reports and financial reports to Council) delivered in accordance with approved time frames and legislative requirements	100%	On Target	All reports and reviews actioned within legislative timeframes.	Office of the CEO	30-Jun-22	25%
	Production of appropriate legislative and statutory reporting (budget, operational plan performance reports, annual report)	30-June-2022	On Target	All reporting meeting legislative requirements.	Governance & Corporate Services	30-Jun-22	25%
Strategy	*Establish integrated planning framework	30-June-2022	On Target	Scoping in progress.	Governance & Corporate Services	30-Jun-22	15%

WATER & WASTE

Themes/Strategies	Service Area	Description	Measure of Success - Target	Status	1st Quarterly update on actions/comments toward meeting success	Expected Completion	% Completed
Directorate oversight							
I2 - Provide effective and sustainable water supply and sewerage infrastructure while progressively achieving environmental compliance	Water Supply Agreements	Maintain water supply arrangements with third parties	Negotiate water supply agreements Target 30 June 2022	On Target	Preferred Supplier Arrangements (PSA) for water supply to Moranbah advertised. Pembroke agreement finalised and CEO delegated authority to progress in September 21. Anglo Agreement for Moranbah and Middlemount progressed. Council has requested accelerated outcome so that water restrictions at Middlemount can be addressed.	Ongoing	25%
G5 - Provide transparent and accountable planning, decision making, performance monitoring and reporting to the community in order to continuously improve	Water & Wastewater Strategic Planning & Asset Management	Maintain the Integrated Water Cycle Management Strategy (IWCMS) and Strategic Asset Management Plan for each community, including a Dam Safety Plan	Target 30 June 2022	On Target	IWCMS and Integrated Quantity and Quality Model (IQQM) reported to council in July 21' for updated directions. IQQM not progressed. Template and structure for Class Based Asset Plans being finalised. Annual Dam Safety statement and Emergency Action Plan for Theresa Creek Dam submitted by due date. Inspections of regulated Effluent Storage Dams and actions arising from previous inspections underway and or completed.	30-Jun-22	25%
G5 - Provide transparent and accountable planning, decision making, performance monitoring and reporting to the community in order to continuously improve	Employee Training	Mandatory training for all Water and Waste employees	100% identified and/or up to date	On Target	All mandatory training needs have been identified and appear on the W&W Training Matrix in SMART. Closing record gaps continues to remain a priority. 147 mandatory training gaps have been closed out this quarter.	Ongoing	25%
G5 - Provide transparent and accountable planning, decision making, performance monitoring and reporting to the community in order to continuously improve	Safety Management	Manage safety incidents	Restricted Work Injury (RWI) - target <5 Per annum Lost Time Incident (LTI) - target <2 Per annum	On Target	0 RWI and 0 LTI for Quarter 1.	Ongoing	25%
I5 - Strategically operate, maintain and utilise and review the delivery of Council assets to ensure the efficient and cost-effective services to the community are met and continuously improved		Ensure safety management of water and waste sites and observation of Workplace Health & Safety procedures	Repeat of Non-conformances - target <2 Per annum	On Target	No repeat non-conformances for Quarter 1.	Ongoing	25%
EN3 - Minimise Council's impact on the natural environment through effective waste management, recycling and environmental management policies and programs	Safety & Environmental management	Ensure there is appropriate Safety & Environmental Interactions & Management, including reporting environmental incidences	Safety KPIs - target >320 pa	On Target	108 KPIs recorded for the July to September 2021 period.	30-Jun-22	25%

Themes/Strategies	Service Area	Description	Measure of Success - Target	Status	1st Quarterly update on actions/comments toward meeting success	Expected Completion	% Completed
Business Services							
C1 -Provide, operate and maintain venues and community facilities to deliver, safe, efficient and cost-effective services	Customer Service	Miwater system and Taggle enquiries investigated and customer provided a response	Response time (business day) target <7 Days	On Target	All MiWater system and taggle enquiries have been responded to within 7 days.	30-Jun-22	25%
		W&W emergent works – task created, and customer provided a response	Response time (business day) - target: within same business day	On Target	Customers provided response within same business day for all W&W emergent works.	30-Jun-22	25%
Sewerage Utility Charge Five-Year Price Path		Develop a Sewerage Utility Charge Five-Year Price Path target 30 June 2022	On Target	Workshops scheduled for late 21' in accordance with works plan and in keeping with Guiding Principles.	30-Jun-22	25%	
Water rates notice errors due to incorrect data input		No. of remissions - target <10 Per annum	Below Target	11 remissions provided for June 2021 billing and were processed in 2021/22 Quarter 1. Breakdown of remissions as follows: AMR read errors (6), incorrect previous read (2), parent/child meter error (2), manual read error (1). To avoid further AMR issues, AMR exception reports will continue to be processed to ensure data integrity and minimise remissions.	30-Jun-22	25%	
G2 - Develop policies, strategic plans and processes to address local and regional issues, guide service provision and ensure operational effectiveness							
G4 - Deliver unique customer focused and responsive services that are based upon a program of continuous improvement							
I5 - Strategically operate, maintain and utilise and review the delivery of Council assets to ensure the efficient and cost-effective services to the community are met and continuously improved	Integrated Management System	Ensure appropriate compliance and maintain the implementation of the Integrated Management System for Water and Waste	Maintain certification target 30 June 2022	On Target	IMS Certification remains current. External Audit scheduled for October 21'.	Ongoing	25%
EN3 - Minimise Council's impact on the natural environment through effective waste management, recycling and environmental management policies and programs	Environmental management	Effective environmental management including Observance of Environmental procedures & Field Audits	Field Audits - target >10 per annum	On Target	Two IMS Audits were conducted for Quarter 1 at the Moranbah WTP and Moranbah Plumbers Shed.	Ongoing	20%

Themes/Strategies	Service Area	Description	Measure of Success - Target	Status	1st Quarterly update on actions/comments toward meeting success	Expected Completion	% Completed
Operations and Maintenance							
I2 - Provide effective and sustainable water supply and sewerage infrastructure while progressively achieving environmental compliance	Water Services	Water mains breaks	Per 100 km / annum - target <40	On Target	31 x water mains breaks reported during Quarter 1.	30-Jun-22	25%
		Water quality related complaints	Per 1,000 connections - target <20 per annum	On Target	2 x water quality complaints reported in St Lawrence.	30-Jun-22	25%
		Drinking water quality	% of samples tested with no E. coli detection / annum - target 100% compliance	On Target	No E. coli present in water samples.	30-Jun-22	25%
		Construct/activate a new water connection within the following timeframes once the invoice has been paid by the property owner	A standard water connection - target: Within 30 business days	Monitor	Request for submeter connections for clubs on Sarchedon Drive to be installed for Parks and Recreation remains pending (under Capital Works).	30-Jun-22	25%
			A non-standard water connection target: within 50 business days	On Target	No non-standard water connections for Quarter 1 have been requested.	30-Jun-22	25%
		Compliance with Australian Drinking Water Guidelines	Reportable incidents - target <10 per annum	On Target	0 reportable incidents for Quarter 1. Target being met. Annual report submitted	30-Jun-22	25%
G4 - Deliver unique customer focused and responsive services that are based upon a program of continuous improvement		Incidents of unplanned interruptions	Per 1,000 connections / annum - target <70	On Target	3 x unplanned interruptions during Quarter 1.	30-Jun-22	25%
		Time to respond to water incidents – water quality complaints, burst mains, supply interruption	% of response to incident <12 hours - target <4 hours	On Target	All water incidents involving water quality complaints, burst mains and supply interruption were responded to within 4 hours.	30-Jun-22	25%

Themes/Strategies	Service Area	Description	Measure of Success - Target	Status	1st Quarterly update on actions/comments toward meeting success	Expected Completion	% Completed
I2 - Provide effective and sustainable water supply and sewerage infrastructure while progressively achieving environmental compliance	Wastewater Services	Sewer mains breaks and chokes (blockages)	Per 100 km - target <40 per annum	Monitor	16 x reported sewer blockages for Quarter 1.	30-Jun-22	25%
		Sewerage complaints – overflow on properties and odour	Per 1,000 connections - target <15 per annum	Monitor	5 x reported sewerage complaints for Quarter 1.	30-Jun-22	25%
		Construct/activate a new connection within the following timeframes once the invoice has been paid by the property owner	A standard water connection - target: Within 30 business days	On Target	No sewage connection connections requested for Quarter 1.	30-Jun-22	25%
			A non-standard water connection - target: within 50 business days	On Target	No sewage connection connections requested for Quarter 1.	30-Jun-22	25%
		Time to respond to sewerage incidents – blockages, chokes, overflows	% of response to incident <12 hours - target <4 hours	On Target	All sewerage incidents - blockages, chokes, overflows responded to within 2 hours.	30-Jun-22	25%
C1 - Provide, operate and maintain venues and community facilities to deliver, safe, efficient and cost and effective services	Wastewater Services	Compliance with Environmental Authority	Reportable environmental incidents - target <10 per annum	On Target	No reportable environmental incidents for Quarter 1. We are working on compliance for EA and ERA63 as per agreed actions with regulator.	30-Jun-22	25%
EN5 - Partner with industry and community to minimise environmental harm through appropriate education and regulation		Water and Wastewater Services	Provision of reliable water supply and wastewater services	Water & Wastewater Service Area Review - target 30 June 2022	Monitor	There is currently no resource to progress this and a significant body of work is involved. A plan is proposed to progressively assess for each town. Clermont is a priority.	30-Jun-22
I5 - Strategically operate, maintain and utilise and review the delivery of Council assets to ensure the efficient and cost-effective services to the community are met and continuously improved	Water and Wastewater Services	Total water and sewerage complaints (any nature)	Per 1,000 water connections - target <100 per annum	Monitor	49 x reported water and sewage complaints reported for Quarter 1.	30-Jun-22	25%
G4 - Deliver unique customer focused and responsive services that are based upon a program of continuous improvement							

Themes/Strategies	Service Area	Description	Measure of Success - Target	Status	1st Quarterly update on actions/comments toward meeting success	Expected Completion	% Completed
I5 - Strategically operate, maintain and utilise and review the delivery of Council assets to ensure the efficient and cost-effective services to the community are met and continuously improved	Asset Management	Ensure proactive Asset Management of water and waste assets	Review & progress all Asset Management Plans target 30 June 2022	Monitor	SAMP adopted. AMP's progressing however completion is dependent on assistance being provided by Strategic Assets Team as well as the implementation of the W&W Functions Review to provide the required resource.	30-Jun-22	20%
		Asset Register and Condition Assessments	All assets inspected and identified as not meeting condition or serviceability standards included in operational and capital works plans Priority needs addressed through maintenance, 10-year plans updates, 21/22 PAG proposals developed target 30 June 2022	Monitor	22' PAG projects proposals commenced based on scheme capacity to deliver renewals and improvements. Progression is dependent on resourcing identified in Functions Review being provided.	Ongoing	20%
I6 - Ensure that the assets maintained and constructed are appropriate to the current and future needs of the region's industries.		Effective asset management with the implementation of programmed (preventive) maintenance across all key assets (WTP/WWTP/SPS)	Work orders produced by computer maintenance management system - target >2 new tasks developed per quarter	On Target	current content adequate.	Ongoing	25%
Waste Services							
EN5 - Partner with industry and community to minimise environmental harm through appropriate education and regulation	Waste Services	Illegal Dumping	Collaborate cross-departmentally on implementing an Illegal Dumping Strategy	On Target	Update report provided to Council in July on Amnesty days.	30-Jun-22	25%

Themes/Strategies	Service Area	Description	Measure of Success - Target	Status	1st Quarterly update on actions/comments toward meeting success	Expected Completion	% Completed
G4 - Deliver unique customer focused and responsive services that are based upon a program of continuous improvement	Waste Collection Services	Missed services	Number of missed services / month - target <10 per 5000 services	On Target	Target <395 for Quarter 1. Actual performance was 81 Missed collections for Quarter 1.	30-Jun-22	25%
		Collection of missed services	Response time for collection of missed services - target 90% within 36 hours	On Target	Target >90%. Actual performance was 93%.	30-Jun-22	25%
		Bin repair / replacement requests	Response time to repair / replacement requests - target 90% within 5 working days	On Target	Target >90%. Actual performance was 95 completed within 5 working days out of 99 requests = 95%.	30-Jun-22	25%
EN3- Minimise Council's impact on the natural environment through effective waste management, recycling and environmental management policies and programs	Landfills & Transfer Stations	Diversion of Waste from Landfill	Percentage of all IRC-managed waste diverted from landfill target >25%	Below Target	23% for Quarter 1. 28% was achieved for the month of September.	30-Jun-22	25%
Compliance with Environmental Authority		Reportable incidents (not including Nuisance Complaints) target <10 per annum	On Target	1 reportable incident for Quarter 1. Target being met. Annual report submitted.	30-Jun-22	25%	
Notice of scheduled site closures		Public notices - target >7 days	On Target	One Public Notice completed > 7days prior to closure.	30-Jun-22	10%	
G4 - Deliver unique customer focused and responsive services that are based upon a program of continuous improvement	Complaints	Customer complaints non-price related	Number of complaints / 1,000 transactions / site - target <10 per annum	On Target	1 non-price related complaints received. Water runoff from rehab project at Moranbah Waste Management Facility into neighbouring club grounds.	30-Jun-22	25%
		Nuisance complaints (odour / litter)	Number of complaints / 1,000 transactions / site - target <20 per annum	On Target	1 Complaint from neighbouring property to Moranbah WMF.	30-Jun-22	25%

Themes/Strategies	Service Area	Description	Measure of Success - Target	Status	1st Quarterly update on actions/comments toward meeting success	Expected Completion	% Completed
Planning Projects							
I6 - Ensure that the assets maintained and constructed are appropriate to the current and future needs of the region's industries.	Project & Delivery (Internal)	Ensure inclusion of O&M staff in all design aspects	Sign off by O&M staff on designs of all projects - target 100%	On Target	Processes include sign offs from Operations. New initiative of weekly capital update to operations in relation to project activates which impact plants.	30-Jun-22	25%
G3 - Pursue financial sustainability through effective use of Council's resources and assets and prudent management of risk	Project & Delivery (External)	Complaints from the community on Capital Works projects	Interruption >4 hours above planned outage - target <5 per annum	On Target	There have been no complaints received from the community. There have been positive posts on Facebook with the Dump Points being installed.	30-Jun-22	25%
		Project delivery	% of Annual Capital Program (Actuals + committed) - target >90%	Monitor	Slow start to delivery due to resources and contract management. As of 5th October, actuals sit at 11% with commitments 21.7%.	30-Jun-22	25%

MEETING DETAILS	Corporate, Governance and Financial Services Standing Committee Meeting Tuesday 9 November 2021
AUTHOR	John Squire
AUTHOR POSITION	Manager Contracts and Procurement

5.4

UPDATE ON LOCAL PREFERENCE POLICY IMPACTS

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on the performance of the Local Preference Policy (STAT-POL-086) as adopted by Council Resolution 7024. At the time when Council adopted the revised policy, a recommendation was made to endorse the amended Local Preference Policy on a trial basis with a reassessment following analysis of the policy impacts after 12 months. The policy has now been in place for the full 12 months.

OFFICER'S RECOMMENDATION

That the Committee recommends Council:

- 1. Receives the final update report on the Impacts of the revised Local Preference Policy (STAT-POL-086).**
- 2. Endorses the continuation of the current Local Preference Policy**

BACKGROUND

In accordance with the five (5) sound contracting principles included in the *Local Government Act 2009*, specifically section 104(3)(c), Council may encourage the development of competitive local business and industry when procuring the supply of goods and/or services (including works).

Following discussion and stakeholder engagement, Council resolved to adopt a revised Local Preference Policy which increased the weighting attached to a supplier's location for the purpose of evaluating supplier responses when sourcing goods and services, from 10% to 20%. In addition, it was recommended that a vendor's locality be assessed as a criterion independent of price when assessing contractual arrangements by removing the \$15,000 capping. The scoring method for a vendor's location remained unchanged with 10/10 for Isaac vendors, 7/10 for Neighbouring regions, 5 /10 for greater QLD, and 3/10 for Interstate vendors.

A comparative analysis of local preferencing policies with 5 other Local Government organisations was performed, revealing a variety of methodologies in place. Overall it is believed that with Council electing to increase the Local Preference weighting and remove the capping that Isaac now has one of, if not the most generous local preference policy.

IMPLICATIONS

Overall the total percentage of council spend with local suppliers is trending upwards as expected. This comes mainly at the expense of Southern based vendors. The overall results are also influenced heavily by a

southern based vendor establishing a presence in Isaac, with the Local Preference Policy possibly having had some influence in their decision to invest in the area.

Whilst this trend is a positive for the Isaac region and Isaac suppliers, a key concern was the potential financial impact this could have on Council. Noting restrictions on the data available for analysis outlined in the report, the cost to Council from a large sample size (36% of total spend) is shown to be around \$400,000. If this cost was extrapolated out over the total spend of Council then the cost of the increased local preference policy would be estimated at around \$1.1M for the 12 month period.

CONSULTATION

Executive Leadership Team

BASIS FOR RECOMMENDATION

On balance it is believed that the intent of the increase in the weighting for the local preference policy has achieved the intended purpose of Council. It is acknowledged that ongoing efforts around internal and external communication and procurement processes will further assist the promotion of local suppliers.

On the evidence provided and in considering recent and current budget reviews, it is considered feasible to continue with the existing Local Preference Policy. The financial impact will continue to be monitored and any material impact to be reported to Council for further consideration.

ACTION ACCOUNTABILITY

The Manager Contracts and Procurement proceed with communication and education of the Local Preference Policy both internally and externally in conjunction with Economy & Prosperity Department.

The Manager Contracts and Procurement to continue to monitor impacts of the Local Preference Policy and provide updated reporting as appropriate.

KEY MESSAGES

The revised Local Preference Policy is having a positive impact on the percentage of Council spend with local suppliers.

Report prepared by: JOHN SQUIRE Manager Contracts and Procurement Date: 27 October 2021	Report authorised by: DARREN FETTELL Director Corporate Governance and Financial Services Date: 27 October 2021
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ATTACHMENTS

- Attachment 1 – Report Local Preference Impacts

REFERENCE DOCUMENT

- Nil

LOCAL PREFERENCE POLICY

IMPACTS FROM CHANGES

Current as at 25.10.2021

Presented by **John Squire / Contracts and Procurement**



LOCAL PREFERENCE POLICY – CHANGE IMPACTS

POLICY OBJECTIVE

The objective of the Local Preference Policy, in accordance with section 104(3)(c) of the Local Government Act 2009, is to encourage the development of competitive local business and industry when procuring the supply of goods and/or services.

The policy aims to encourage and support local suppliers and support local economic activity, where it is efficient and cost effective to do so, while achieving the legislative Sound Contracting Principles, including Council's 'overall value-for-money' objectives.

BACKGROUND

At the July 2020 Ordinary Meeting of Council, the Local Preference Policy (PRO-050) was repealed in favour of an amended Local Preference Policy (STAT-POL-086) (Resolution 6716).

The policy was endorsed under a trial basis with a reassessment of the impacts of the revised policy after 12 months.

The purpose of this report is to provide statistical information on the impacts of this policy change over the last 12 months.

POLICY CHANGES

PREVIOUS POLICY

The previous Local Preference Policy (2015) applied financial recalculations and considerations into the evaluations.

For the purposes of the evaluation, a price discount of 10% was applied to the local supplier's price (capped at a maximum adverse financial impact of \$15,000).

Additionally, it required an evaluation of the Net Costs attributable to local content, however how this was taken into consideration was not outlined.

Both these aspects were poorly understood and inconsistently applied, and in terms of fair dealing in the evaluation process presented a risk to Council.

The weighting attached to the local preference criteria was mandated at 10%.

In practice, the application of this policy had eroded over the years and in its place a revised methodology for evaluation purposes was applied which was based on a supplier's location according to the following scale;

- 10/10 – Local Vendors
- 7/10 – Vendors in Neighbouring Council regions
- 5/10 – Vendors within the broader regions of Queensland
- 3/10 – Vendors based Interstate

The weighting attached to local preference remained at 10%.

POLICY CONSIDERATIONS

Comparative Policies

When undertaking the review of IRC's Local Preference Policy, it was a logical starting place to gain an understanding of the policies of other regional councils. A comparative analysis of local preferencing policies with 5 other Local Government organisations was performed, revealing a variety of methodologies in place. The Councils that were revised included;

- Mackay Regional Council
- Whitsunday Regional Council
- Central Highlands Regional Council
- Barcaldine Regional Council; and
- Livingstone Regional Council

Some methods included;

- Exclusive arrangements
- Tiered weightings
- Price capping
- Tiered price discounts (for evaluation purposes)
- Variations/combinations of the above.

Many policies were determined to be either overly complex and/or were potentially too restrictive in terms of encouraging market competition.

IRC Local Preference Policy

The pros and cons of the IRC Local Preference Policy that was in place at the time were also evaluated and it was determined that the price should be decoupled from the location of the vendor and treated as two separate criteria in the evaluation process. This would simplify the evaluation process; removing the need to adjust the value of a local supplier's submission by reducing the amount according to the discount within the policy for the purpose of the evaluation.

The scoring system that had been getting used to evaluate location was also analysed and a number of alternative scoring patterns proposed based on a possible score out of 10 (As summarised in table 1).

Supplier Location	Option 1 -	Option 2 -	Option 3 -	Option 4 -
	Town-based straight-line scoring	Current scoring skewed towards IRC	Steeper skew scoring towards IRC	Steepest skew scoring towards IRC
Town based proximity	10			
Isaac Region	8	10	10	10
Neighbouring Council LGA	6	7	6	5
Other QLD LGA	4	5	3	1
Interstate	2	3	1	0

Table1 Alternative scoring patterns for Local Preference evaluations

Note - Option 1 was discounted due to the difficulties in evaluating situations where the works are to be performed between townships, but mainly because it did not promote the “One Isaac” culture, which following amalgamation of the former councils would be regressive.

In addition, analysis was conducted on the effect increasing the weighting attached to local preference from 10% to 20% had on the overall balanced assessment, and if this change would alter the outcome of the evaluation.

Finally, there was discussion on what defined a supplier as being a local.

A thorough consultative process was undertaken to discuss the various options at both ELT and Council level leading up to the proposed revised policy being put before Council for formal endorsement.

REVISED POLICY

The revised Local Preference policy which was passed by Council Resolution 6716, confirmed the following key attributes.

- The proportion of weighting for Local Preference increased from 10% to 20% of the overall balanced scorecard.
- Simplified process, where all financial considerations have been removed from the Local Preference Policy so that when evaluating a respondent on this criterion, it is purely based on their location.
- There is no requirement to review a local supplier’s submitted price and apply a reduction for the purpose of establishing an evaluation price.
- The local preference criterion applies regardless of the project value – ie no capping.
- There are no tiers or bands of weighting.
- There are no exclusive arrangements locking out suppliers from other regions from competing to supply Council with goods and services.
- The scoring system when evaluating a respondent’s location remained as skewed towards local vendors
 - 10/10 – Local Vendors
 - 7/10 – Vendors in Neighbouring Council regions
 - 5/10 – Vendors within the broader regions of Queensland
 - 3/10 – Vendors based Interstate

In order to determine a supplier’s location, a local supplier is defined as a supplier which:

- a) is beneficially owned by persons who are residents or rate payers in the Isaac Region; or
- b) has its principal place of business within the Isaac Region; or
- c) otherwise operates an office or branch within the Isaac Region and pays rates on that premises.

These changes make the application of the Policy easier for IRC staff and members of the community to understand. It also makes the IRC Local Preference Policy extremely generous compared to other councils. It has the highest percentage of the weighted criteria when compared to other councils, including not having a limit imposed on the value of the purchase. This allows for stronger local competition, particularly for the more valuable contracts.

POLICY IMPACTS

The key concern when increasing the proportion of weighting from 10% to 20% of the overall assessable criteria was the potential impact this decision would have on Council's finances.

As a general rule of thumb, smaller local providers have higher overhead costs and do not have the buying power or economy of scale to compete on an even footing with larger metropolitan suppliers.

While this increased weighting favours local business and attempts to develop sustainable, competitive industry within the region, it needs to be balanced with a responsible use of ratepayer funds.

At the time Council made the decision to proceed with the increase in weighting to 20%, it was based on presumptive modelling, which can now be compared with 12 months of empirical data to determine if the current policy is suitable, or if it should be modified or repealed.

REPORT CONSIDERATIONS

Data Inconsistencies

For the purposes of assessing the impacts of the policy changes, a customised report was constructed, which uses the vendor's postcode address details held within Tech1. This is often contained within the payment address for the vendor and therefore does not take into consideration larger vendors that have purchased property in the region to establish a branch. As previously stated, a local supplier is defined as a vendor that;

- a) is beneficially owned by persons who are residents or rate payers in the Isaac Region; or
- b) has its principal place of business within the Isaac Region; or
- c) otherwise operates an office or branch within the Isaac Region and pays rates on that premises.

Therefore, some discrepancies in the data are to be expected where a supplier may operate from a local base within Isaac and fits this definition, however has their accounts department located elsewhere.

A specific example of this is Durack Civil who, late last year, purchased property on Goonyella Rd, Moranbah. By virtue of this investment in the Isaac Region are ratepayers and therefore regarded as a local supplier. Durack are originally from the Gold Coast and retain their Gold Coast address for account correspondence. The report used to generate the data was not able to identify these circumstances and this information had to be manually altered. There were some prominent high value projects that were awarded to Durack and hence the scrutiny applied in this case.

It should be noted that no further investigations into supplier addresses have been conducted.

Subcontractor Local Content

Secondly, this methodology does not take into consideration the instances of large scaled engagements where a Principal Contractor has engaged local subcontractors. The value of the works allocated to local subcontractors has not been determined in this report.

Data Volatility

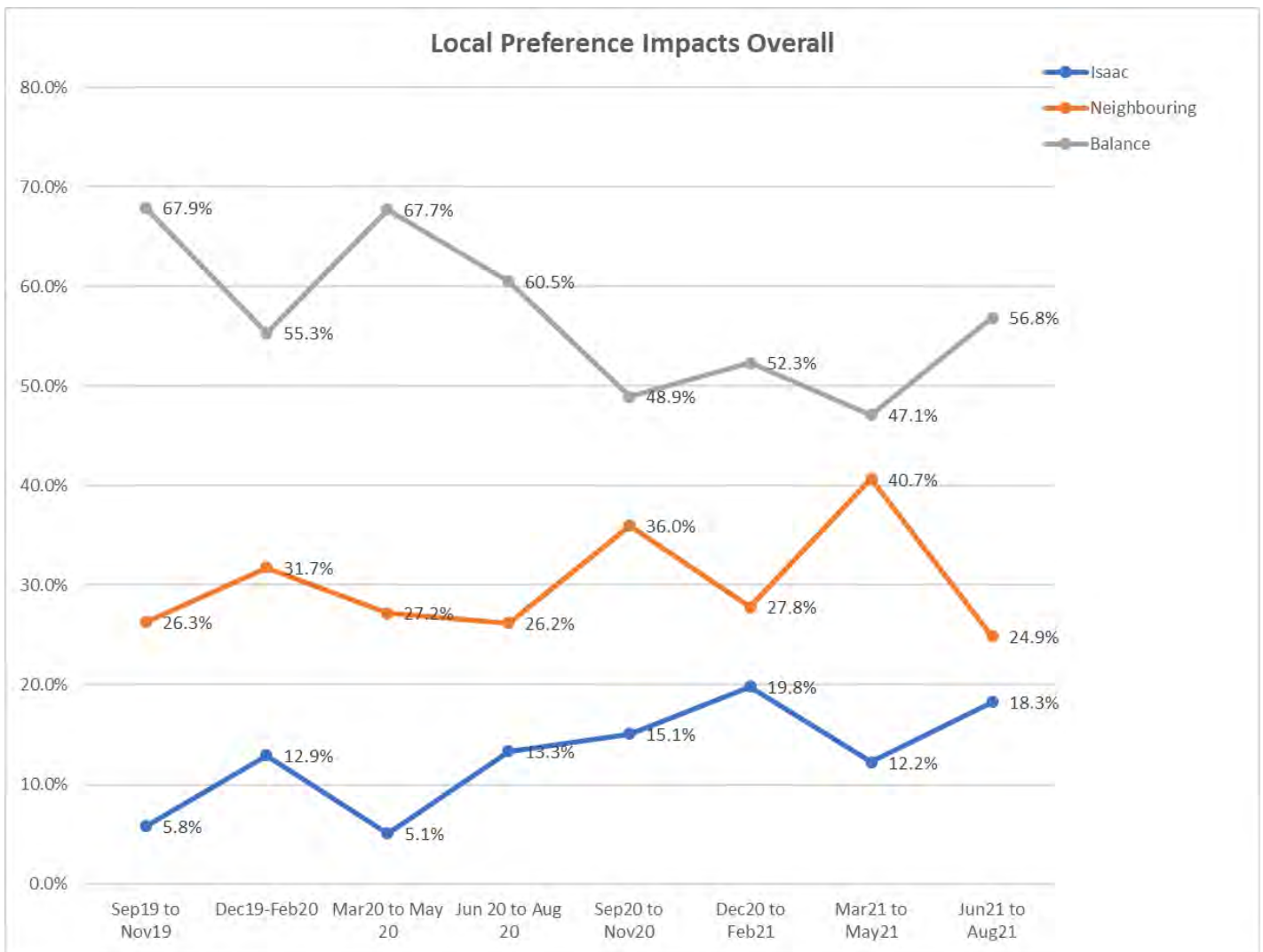
Due to the volatility in the data, spend has been consolidated using time periods of 3-months. When the data is viewed in monthly time periods there is no discernible pattern.

There was a lag in the introduction of the 20% increase as there were various Tenders and Requests for Quotation that had already been issued to market under the previous policies weighting of 10% and therefore had to be evaluated accordingly. The impacts of the policy change can only be assessed based on the data for the periods including and subsequent to Sep20 to Nov20.

SHIFT IN SOURCING PATTERNS

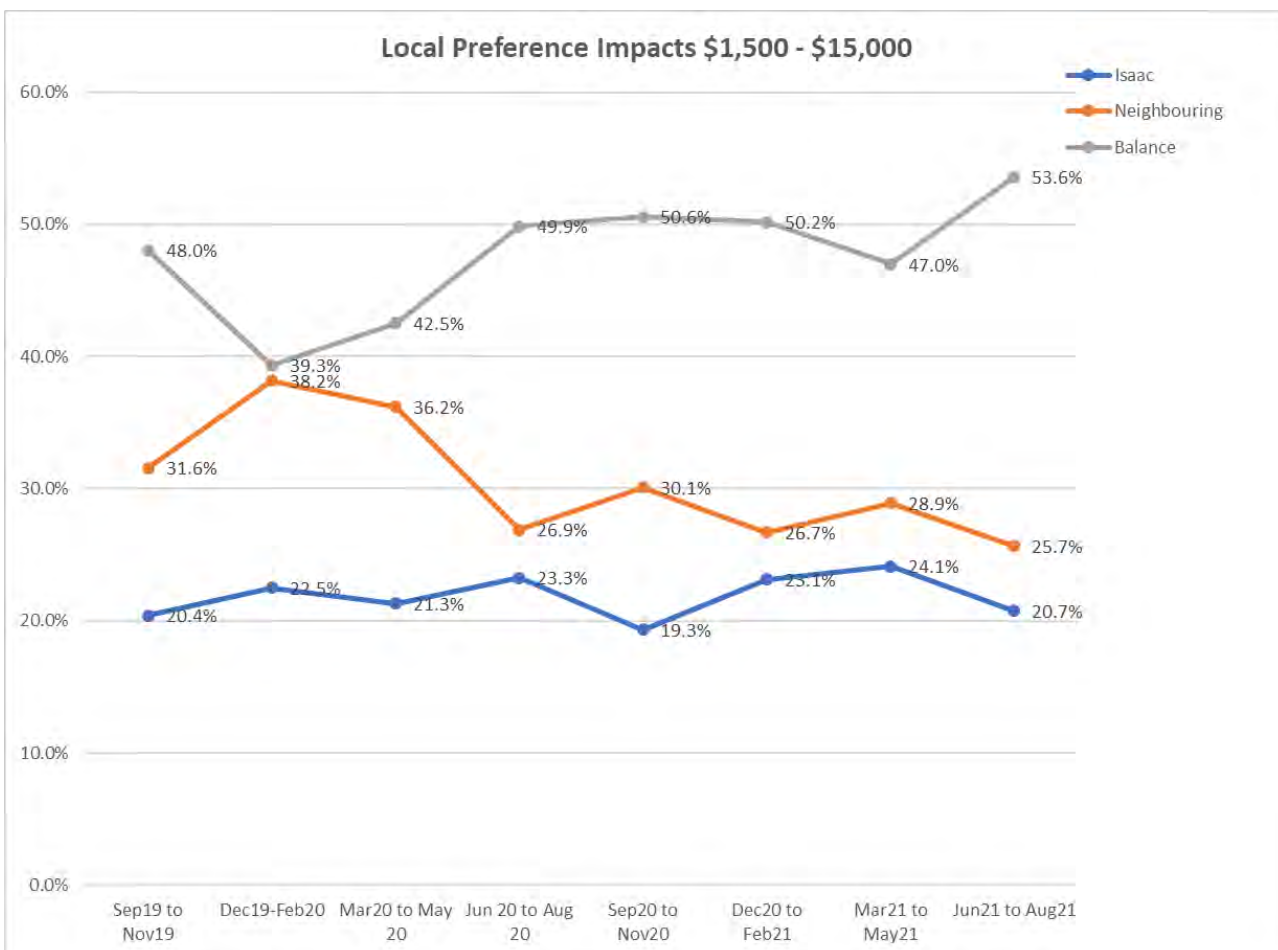
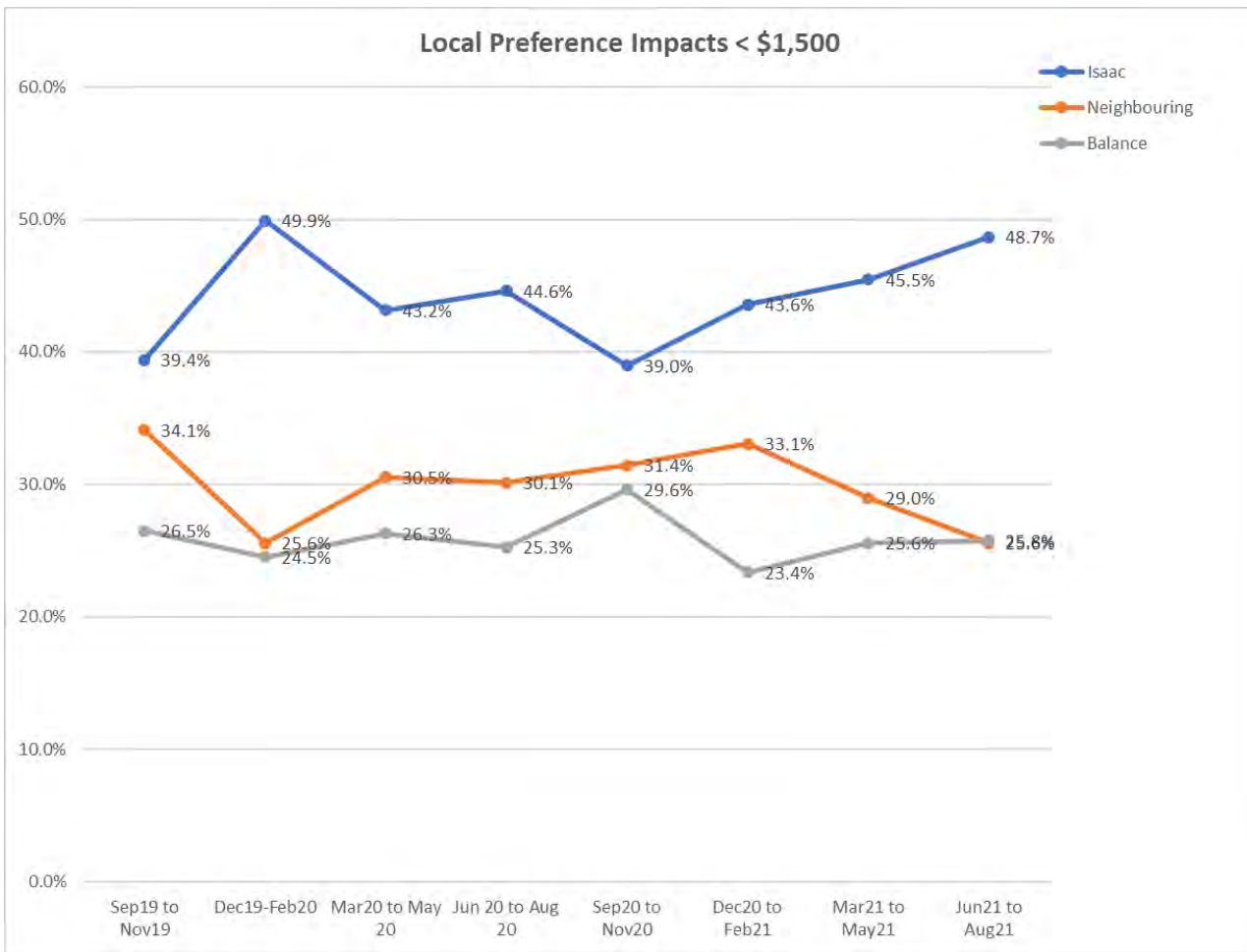
Overall the total percentage of council spend with local suppliers is trending upwards as expected. This comes mainly at the expense of Southern based vendors. The overall results are also influenced heavily by the repositioning of Durack Civil as a southern based vendor to an Isaac vendor, particularly for larger sized contract arrangements. The Local Preference Policy weighting may have had some influence in their decision to invest in the area.

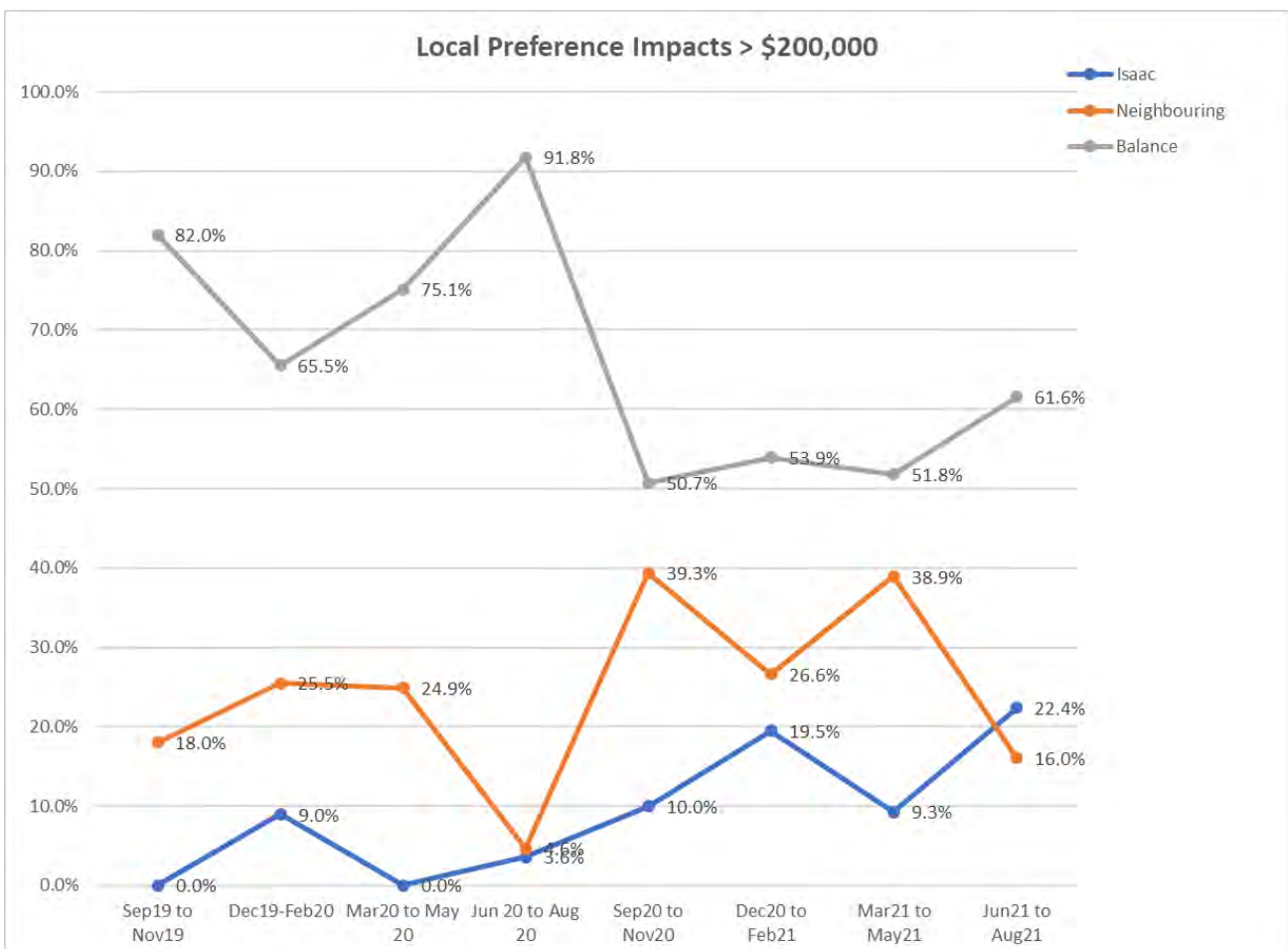
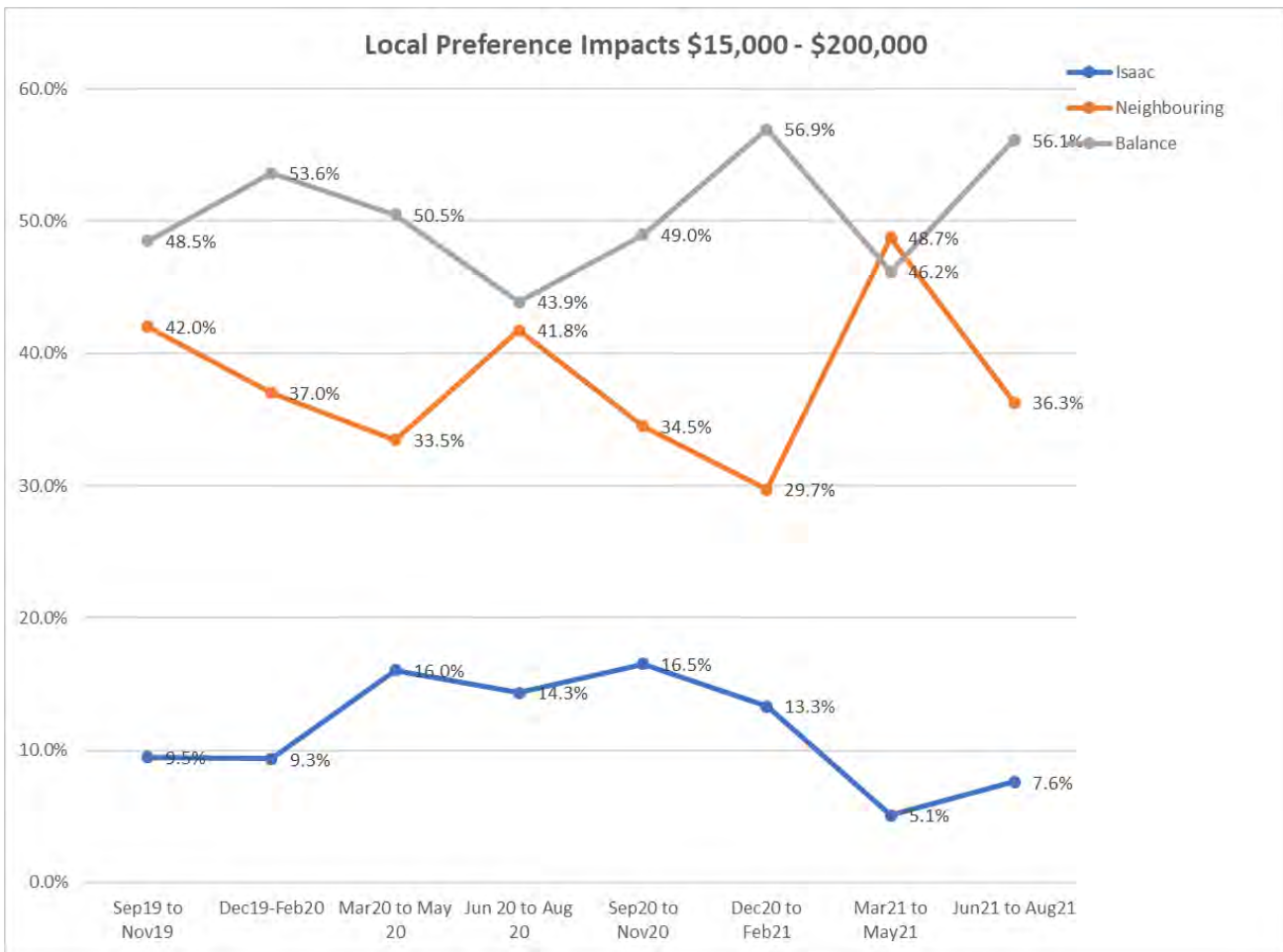
The concerted efforts to include local suppliers in all sourcing exercises has been an ongoing practice well before the implementation of the revised local preference policy, and the trends towards greater local supplier spend are evident in the periods prior to the policy change.

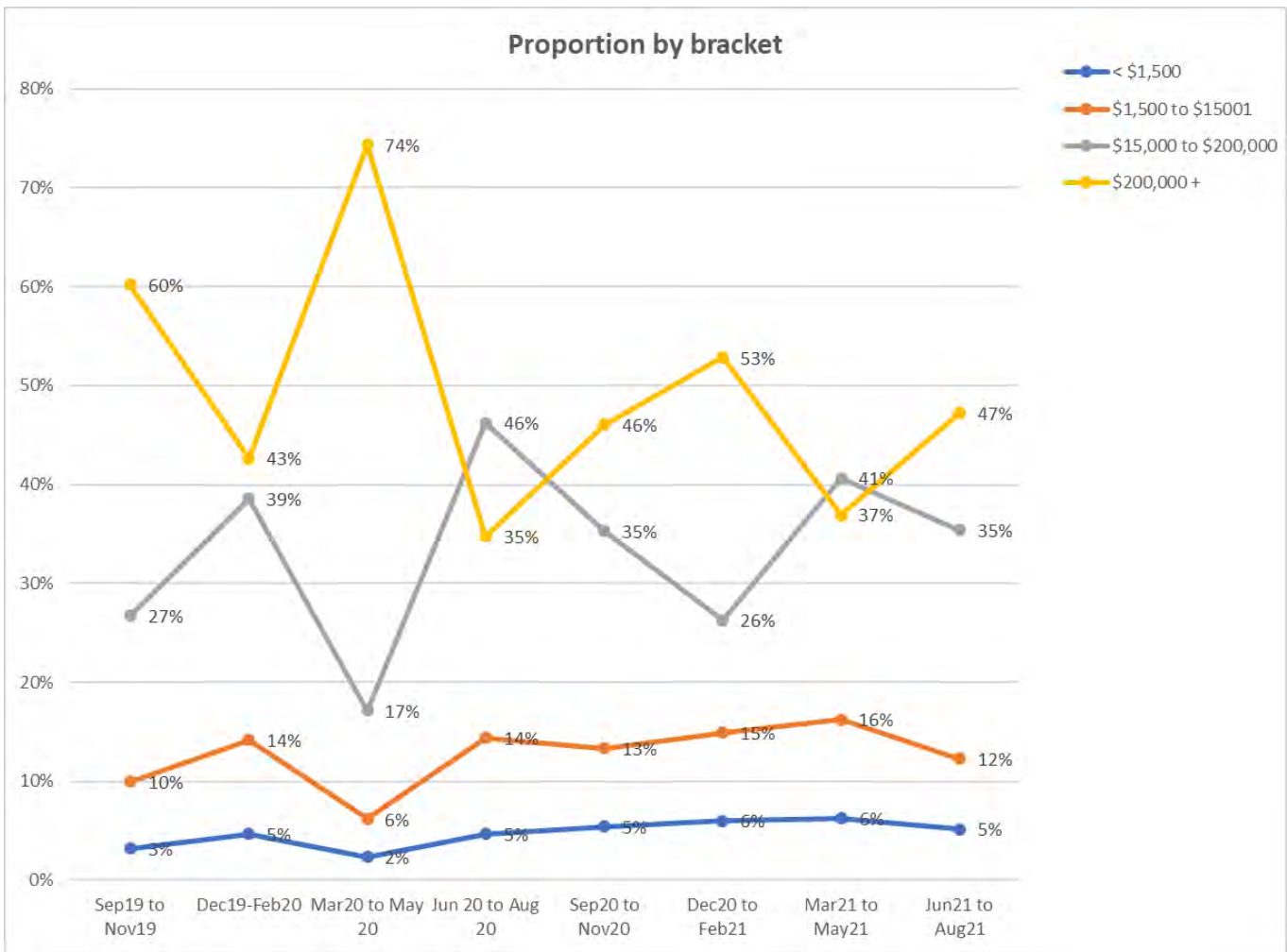


The following series of graphs illustrate the shift in percentage of spend by vendor segment, in accordance with the Procurement Policy competitive bidding spend brackets.

At the lower end of purchasing (< \$1500) the expenditure mainly resides with local suppliers.







COST IMPLICATIONS

Determining the cost to council for the implementation of this policy change is unable to be determined through Tech1 system extracts. It is not a matter of simply comparing annual spend between years as the annual budget is reflective of the frugal budget imposed and is also subject to the variability around works reliant upon funding available through NDRRA, and other external grant programs.

To determine the financial impact of the change in weighting to Local Preference, the evaluation scorecards for the RFQ and RFT exercises would need to be compared with a hypothetical evaluation where the Local Preference criterion was reduced by 10% and an alternative criterion (ie Price) increased by 10%. The assumption being that Price would have received a higher weighting in lieu of the revised local preference weighting.

Data for procurement evaluations is not loaded into Council's financial system meaning that assessments undertaken are manual, and the generation of hypothetical evaluations for the purpose of the comparison are also manual.

Given the size of this task, a considerable representative sample of 115 procurement exercises have been reviewed using this methodology. Of these, on 9 occasions the increased percentage to the local preference weighting could have potentially impacted the result (in lieu of being supplemented by the Price criterion). This is 7.8% of the sampled procurement exercises.

Total spend over the 12-month period was approximately \$57.53m and the estimated value of the 115 procurement exercises was \$20.575m. In terms of the cost to council, the estimated impact over the sample is estimated at \$392,286 which is approximately 1.9% of the sampled spend.

When this percentage (1.9%) is extrapolated over the total expenditure for the year, it results in an additional financial burden of \$1,096,900.

	Number of RFx	Value of RFx (\$)
Total of Sampled Data	115	\$20,574,830.02
Potential instances which could have been impacted	9	\$392,286.02
Percentages	7.8%	1.9%

Spend over the 12-month period September 2020 to August 2021 (As per Tech1 data)	\$57,530,868.87
Projected Cost to Council based on sample data	\$1,096,900

LOCAL SUPPLIER ENGAGEMENT

Of the sample data evaluated, the number of times the local supplier has been successful in being awarded the work is almost a third of the time.

Location of Successful Supplier	# of Successful Suppliers	% of Successful Suppliers
Isaac Regional Council	37	32.2%
Neighbouring Regional Council Areas	39	33.9%
Other QLD Council Areas	34	29.6%
Interstate	5	4.3%
	115	100%

It is also worth noting that of the 115 RFx analysed, on 56 of these occasions there was no Isaac based respondents. In most cases this is an indication of the capability of suppliers within the Isaac region, which often lack the skillset required for the type of work.

Isaac suppliers have been successful on 37 of the 59 occasions or 62.7% of times which had an Isaac respondent, and while the average number of respondents per RFx was around 3.5, for the RFx involving Isaac respondents there was an average of 2 Isaac based respondents.

Local businesses are supported by being identified for select sourcing exercises. On 44 occasions Council officers approached the market by select sourcing – determining which suppliers would be invited to place a submission. Of these events there were 21 which had respondents from the Isaac region and an Isaac vendor was successful on 15 of these occasions.

As we migrate away from using the IsaacRfx email to perform Select Sourcing exercises, and begin to use the VendorPanel Marketplace forum, there will be less reliance on officer knowledge of the marketplace. This process is much more transparent. Another key benefit of using VendorPanel Marketplace is its ability to alter the search radius to adjust the competitive pool as appropriate for the particular activity.

Council have communicated by direct email notification and also through the council website encouraging potential suppliers to register with both the VendorPanel and LocalBuy forums as a means of becoming aware of market opportunities that are within the Isaac Region and beyond.

Tenders are advertising through the Council webpage advising of projects that are open to the market.

Another initiative involves the ongoing development of website media for engaging the suppliers and business owners within the community who are keen to get an understanding of Council requirements, either as a supplier to Council or regarding regulatory and compliance requirements for their business. This is a combined effort between the Brand Media and Communications team, the Economic Development team and Contracts and Procurement Team.

DEFINITIONS

Preferred Supplier Arrangement (PSA) – An agreement with a vendor as the sole point of supply to provide the requested goods or service at the contractually agreed rates for the duration of the agreed term. Note that this can include ranked panel arrangements and successful appointment under these arrangements are no guarantee of receiving an order for the supply of goods or services.

Register of Pre-Qualified Suppliers (RPQS) - A panel of suppliers who are considered by Council as having the technical, financial and managerial capability necessary to perform contracts on time and in accordance with agreed requirements. Successful appointment to the panel is no guarantee of receiving an order for supply of goods or services.

RFx - A short-form term used within Strategic Sourcing and Procurement departments to collectively describe a formal request process that could take the form of a Request for Quote (RFQ), a Request for Tender (RFT), a Request for Information (RFI) or a Request for Proposal (RFP).

Select Sourcing – this term describes the method of engaging the marketplace in which the buyer identifies potential sellers and subsequently invites these specific sellers to submit a bid for the supply of the requirements.

Open Tender - An Open Tender is in contrast to a Select Sourcing exercise. In an open tender situation, the Buyer will publicly display the requirements on an open forum for potential suppliers to access and submit a response in a bid to secure the work / supply of goods or services.

“VendorPanel” – is the software used by Council as the forum for engaging the market when procuring Goods or Services.

“VendorPanel Marketplace” – is an additional function available through the VendorPanel software (currently not in use by Council). This function is a simplified method for extracting quotations from the market. It does not require a supplier to have met any pre-qualification hurdles.

MEETING DETAILS	Corporate, Governance and Financial Services Standing Committee Meeting Tuesday 9 November 2021
AUTHOR	Liza Perrett
AUTHOR POSITION	Manager Governance and Corporate Services

5.5 POLICY UPDATE – DEALING WITH COMPLAINTS INVOLVING SUSPECTED CORRUPT CONDUCT OF THE CHIEF EXECUTIVE OFFICER

EXECUTIVE SUMMARY

The purpose of this report is to seek Council's consideration of the updated Dealing with complaints involving suspected corrupt conduct of the Chief Executive Officer Policy.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Adopts the updated 'Dealing with complaints involving suspected corrupt conduct of the Chief Executive Officer' Policy (GOV-POL-062)***

BACKGROUND

Management are continuing to review their policies, in line with the Corporate Policy Framework, to ensure they are up to date, meet compliance and best practice principles and assist in sound decision making.

In line with our Corporate Policy Framework the Dealing with complaints involving suspected corrupt conduct of the Chief Executive Officer Policy has been reviewed. There are no amendments aside from general formatting, grammar/punctuation and policy reference updates, as attached with mark-up changes.

This policy's requirement is in line with best practice and a model policy to support legislative obligations. Therefore, there is no requirement for extensive organisational consultation.

The updated Policy was updated in consultation with the Chief Executive Officer and Director Corporate, Governance and Financial Services, as key stakeholders.

Attached is the updated 'Dealing with complaints involving suspected corrupt conduct of the Chief Executive Officer' Policy for consideration.

IMPLICATIONS

Legislation/Best Practice

Ensure that Council's Policies are up to date, meet best practice principles and forms the basis of sound decision making in the future.

CONSULTATION

Chief Executive Officer

Director Corporate, Governance and Financial Services

BASIS FOR RECOMMENDATION

Implementation of the Policy aligns with Corporate Policy Framework and values of continuous improvement. To ensure Council is meeting its legislative responsibilities through effective management of its Policies and Procedures.

ACTION ACCOUNTABILITY

Manager Governance and Corporate Services to update the Policy Register, IRIS and external website and ensure training /awareness is continued.

KEY MESSAGES

Council is committed to meeting its legislative responsibilities and ensuring effective Policies and Procedures to support the operations of Council, community and employees.

Report prepared by: LIZA PERRETT Manager Governance and Corporate Services Date: 18 October 2021	Report authorised by: DARREN FETTELL Director Corporate, Governance and Financial Services Date: 27 October 2021
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ATTACHMENTS

- Attachment 1 – 'Dealing with complaints involving suspected corrupt conduct of the Chief Executive Officer' Policy (GOV-POL-062) - updated

REFERENCE DOCUMENT

- Corporate Policy Framework
- Crime and Corruption Act 2001*

DEALING WITH COMPLAINTS INVOLVING SUSPECTED CORRUPT CONDUCT OF THE CHIEF EXECUTIVE OFFICER POLICY

APPROVALS

POLICY NUMBER	GOV-POL-062	DOC.ID	4446932
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CATEGORY	Statutory Policy
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POLICY OWNER	Governance and Corporate Services
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APPROVAL DATE	25 June 2019	RESOLUTION NUMBER	6115
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OBJECTIVE

The Chief Executive Officer (CEO), is the public official of the Isaac Regional Council (IRC) for the purposes of the *Crime and Corruption Act 2001* (CC Act).

This policy sets out how the IRC will deal with a complaint, information or matter that involves or may involve corrupt conduct of its CEO as defined in the CC Act.

The policy is designed to assist IRC to:

- Comply with s48A of the *Crime and Corruption Act 2001*
- Promote public confidence in the way suspected corrupt conduct of IRC's CEO is dealt with (s34(c) of the CC Act)
- Promote accountability, integrity and transparency in the way the IRC deals with a complaint that may involve corrupt conduct of the CEO

SCOPE

This policy applies to the treatment of a complaint that involves, or may involve, corrupt conduct by the CEO.

This policy is to guide the general public, community, staff of IRC and agencies in how to deal or make a complaint against the CEO.

DEFINITIONS

TERM / ACRONYM	MEANING
Crime and Corruption Commission (CCC)	the Commission continued in existence under the <i>Crime and Corruption Act 2001</i>
CC Act	<i>Crime and Corruption Act 2001</i>
CEO	Chief Executive Officer
Complaint	includes information or matter. See definition provided by s48A(4) of the <i>Crime and Corruption Act 2001</i>
Contact details (of Nominated Person)	Phone: (07) 4846 3549 Email: Scott.GreensillDarren.Fettell@isaac.qld.gov.au Postal: PO Box 97 MORANBAH QLD 4744 Grosvenor Complex, Batchelor Parade MORANBAH QLD 4744

Corruption	corrupt conduct or police misconduct (Schedule 2 (Dictionary) of the <i>Crime and Corruption Act 2001</i>)
Corrupt conduct	see s15 of the <i>Crime and Corruption Act 2001</i>
Deal with	see Schedule 2 (Dictionary) of the <i>Crime and Corruption Act 2001</i>
IRC	Isaac Regional Council
Nominated person	Director Corporate, Governance & Financial Services
Public Official/CEO	see Schedule 2 (Dictionary) and also s48A of the <i>Crime and Corruption Act 2001</i>

For the purposes of this Policy, IRC's a Public Official is its CEO

POLICY STATEMENT

This policy applies:

- If there are grounds to suspect that a complaint may involve corrupt conduct of a CEO of the IRC
- To all persons who hold an appointment in, or are employees of IRC

For the purpose of this policy, reference to a complaint includes information or matter

NOMINATED PERSON

Having regard to s48A(2) and (3) of the CC Act 2001, this policy nominates the Director Corporate, Governance & Financial Services to notify the CCC of the complaint and to deal with the complaint under the CC Act

Once IRC nominates a person, the CC Act applies, as if a reference about notifying or dealing with the complaint to the CEO is a reference to the nominated person.

COMPLAINTS ABOUT A CEO

Where a complaint involves an allegation of corrupt conduct of a CEO of IRC, the complaint may be reported to:

- The nominated person
- A person to whom there is an obligation to report under an Act (this does not include an obligation imposed by ss37, 38 and 39(1) of the CC Act)

If there is uncertainty about whether or not a complaint should be reported, it is best to report it to the Nominated person

If the nominated person reasonably suspects the complaint may involve corrupt conduct of a CEO they are to:

- Notify the CCC of the complaint
- Deal with the complaint, subject to the CCC's monitoring role, when directions issued under s40 apply to the complaint, if any, or
- Pursuant to s46, the CCC refers the complaint to Nominated person to deal with

If a CEO reasonably suspects that the complaint may involve corrupt conduct on their part, and there is a nominated person, the CEO must:

- Report the complaint to the nominated person as soon as practicable and may also notify the CCC, and
- Take no further action to deal with the complaint unless requested to do so by the nominated person in consultation with the Mayor.

Where there is a nominated person, and if directions issued under s40 apply to the complaint:

- The nominated person is to deal with the complaint, and
- The CEO is to take no further action to deal with the complaint unless requested to do so by the nominated person in consultation with the Mayor.

RESOURCING THE NOMINATED PERSON

If, pursuant to s40 or ss46 of the Act, the Nominated person has responsibility to deal with the complaint:

- IRC will ensure that sufficient resources are available to the Nominated Person to enable them to deal with the complaint appropriately, and
- the Nominated person is to ensure that consultations, if any, for the purpose of securing resources sufficient to deal with the complaint appropriately are confidential and are not disclosed, other than to the CCC, without:
 - authorisation under a law of the Commonwealth or the State, or
 - the consent of the Nominated person responsible for dealing with the complaint

The Nominated person must, at all times, use their best endeavours to act independently, impartially and fairly, having regard to the:

- Purposes of the CC Act
- Importance of promoting public confidence in the way suspected corrupt conduct in the IRC is dealt with
- IRC's statutory, policy and procedural framework.

If the Nominated person has responsibility to deal with the complaint, they:

- Are delegated the same authority, functions and powers as the CEO to direct and control staff of the IRC, for the purposes of dealing with the complaint only
- Are delegated the same authority, functions and powers as the CEO to enter into contracts on behalf of the IRC for the purpose of dealing with the complaint
- Do not have any authority, function or power that cannot, under the law of the Commonwealth or the State, be delegated by the Council, Mayor or CEO, to the Nominated person.

LIAISING WITH THE CCC

The CEO is to keep the CCC and the Nominated person informed of:

- Contact details for the CEO and the Nominated person
- Any proposed changes to this policy

CONSULTATION WITH THE CCC

The CEO will consult with the CCC when preparing any policy about how IRC will deal with a complaint that involves or may involve corrupt conduct of the CEO.

STATUTORY REFERENCES

Unless otherwise stated, all statutory references are to the *Crime and Corruption Act 2001*.

LEGISLATIONS AND RELATED GUIDELINES

- *Local Government Act 2009*
- *Local Government Regulations 2012*
- *Crime and Corruption Act 2001*
- *Right to Information Act 2009*
- ~~*IRC Code of Conduct*~~
- *Information Privacy 2009*
- *Public Sector Ethics Act 1994*

REFERENCES

TYPE	ID	DOCUMENT ID/NAME
	CORP-POL-079	Code of Conduct
POLICY	=	

PROCEDURE

MEETING DETAILS	Corporate, Governance and Financial Services Standing Committee Meeting Tuesday 9 November 2021
AUTHOR	John Squire
AUTHOR POSITION	Manager Contracts and Procurement

5.6 EXCEPTION BASED CONTRACTUAL ARRANGEMENTS – LOCAL GOVERNMENT REGULATIONS (2012)

EXECUTIVE SUMMARY

The purpose of this report is to seek endorsement for the variation to existing contract IRCT2074-0719-169 for St Lawrence Facilities Maintenance under the exceptions for entering into medium or large sized contractual arrangements within s235(a) of the *Local Government Regulations 2012*.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Resolves it is satisfied that, because of the nature of the specialised or confidential services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders;***
- 2. Endorses the following exceptions to enter into medium or large sized contractual arrangements as per s235 of the Local Government Regulations (2012).***

BACKGROUND

In July 2019, a Request for Tender (RFT) was released to the market for the provision of maintenance of various facilities within the St Lawrence District. The contract at that time was issued for maintenance including ground mowing, maintenance and cleaning of amenities buildings at St Lawrence Recreation Grounds and Waverley Creek Rest Area.

The RFT closed on the 21 August with only two responses received. Following evaluation, the contract was awarded to Kent Svendsen (formerly Kentscapes) for a two-year contract with an extension option of one (1) year. The optional extension was exercised on 1 October 2021 and this contract will now expire 30 September 2022.

Discussion

In September 2021, the Department of Transport and Motoring (TMR) advised that the Clairview Rest area would become operational and along with Waverly Creek Rest Area, the responsibility for maintenance for this facility rests with Council.

A quote was obtained from Kent Svendsen to provide this additional service as a variation to the current contract as it was considered that seeking further quotes via a Request for Quote (RFQ) process would not be the best option for Council given the facilities' location and the current maintenance contract in place.

Due to the immediate requirement for the maintenance services of the Clairview Rest Area, and the current similar contractual arrangements in the Isaac Coast region, it is therefore proposed that Council considers the variation to the existing contract for an amount of \$32,200 (ex GST);

Under section 235 of *Local Government Regulations 2012*, a local government may enter into a medium-sized contractual arrangement or large-sized contractual arrangement without first inviting written quotes or tenders if;

(b) the local government resolves it is satisfied that, because of the nature of the specialised or confidential services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders;

It is both impractical and not in Council's best interest to go out to market for this single parcel of additional maintenance work. A tender will be reissued next year for a new contract to commence from 1 October 2022 for the full St Lawrence maintenance works schedule, to take effect upon expiration of the current contract including this variation.

IMPLICATIONS

Endorsing this proposal has the following benefits;

- Meets legislation and procurement policies and procedures
- Provides an efficient and uninterrupted service arrangement in partnership with TMR
- Is congruent to the Local Preference Policy

The potential risks associated are;

- Disruption of maintenance services for Clairview Rest Area if not endorsed

CONSULTATION

Technical Officer Project Management – Engineering and Infrastructure

Acting Manager Infrastructure – Engineering and Infrastructure

BASIS FOR RECOMMENDATION

Compliance with s235 of the *Local Government Regulations (2012)*.

ACTION ACCOUNTABILITY

Manager – Contracts and Procurement; is accountable for compliance with s235 of the *Local Government Regulations (2012)*, and the Procurement Policy.

Acting Manager Infrastructure; is accountable for ensuring the works are carried out in accordance with the approved variation contractual arrangements.

KEY MESSAGES

The exception of the *Local Government Regulations (2012)* under s235 (a) require Council resolution to ensure compliance.

Report prepared by: JOHN SQUIRE Manager Contracts and Procurement Date: 28 October 2021	Report authorised by: DARREN FETTELL Director Corporate, Governance and Financial Services Date: 3 November 2021
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ATTACHMENTS

- Nil

REFERENCE DOCUMENT

- *Local Government Regulations 2012*
- Isaac Regional Council Procurement Policy
- Isaac Regional Council Local Preference Policy

MEETING DETAILS	Corporate, Governance and Financial Services Standing Committee Meeting Tuesday 9 November 2021
AUTHOR	Michael Krulic
AUTHOR POSITION	Manager Financial Services

5.7 2020-2021 QUEENSLAND AUDIT OFFICE FINAL MANAGEMENT LETTER AND SIGNED FINANCIAL STATEMENTS

EXECUTIVE SUMMARY

In accordance with the *Local Government Regulation 2012* (s213), the Mayor must present a copy of the auditor-general's observation report about the audit of the Local Government's Financial Statements at the next ordinary meeting of the Local Government.

Isaac Regional Council has received an unmodified audit opinion issued with the 2020-2021 Financial Statements.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. Receives the auditor-general's Final Management Letter along with Financial Statements for Isaac Regional Council for the 2020-2021 financial year, pursuant to and in accordance with the Local Government Regulation 2012 (s213).**

BACKGROUND

This report is prepared on behalf of the Mayor, pursuant to Section 213 of the *Local Government Regulation 2012*, to present a copy of the auditor-general's observation report about the audit of the Local Government's Financial Statements at the next ordinary meeting of the Local Government.

On Thursday 28 October 2021, the Queensland Audit Office forwarded the certified General Purpose Financial Statements where Isaac Regional Council has received an unmodified audit opinion issued with the 2020-2021 financial statements.

IMPLICATIONS

Isaac Regional Council has met all compliance requirements with the *Local Government Act 2009* and the *Local Government Regulation 2012* related to the preparation and audit of a Local Government's General Purpose Financial Statements and Financial Sustainability Statements.

CONSULTATION

Director Corporate, Governance and Financial Services
Financial Services
Pitcher Partners

BASIS FOR RECOMMENDATION

Unmodified audit opinion received from Queensland Audit Office.

ACTION ACCOUNTABILITY

Not Applicable

KEY MESSAGES

Council has received an unmodified audit opinion for the 2020-2021 Financial Statements.

Report prepared by: MICHAEL KRULIC Manager Financial Services Date: 1 November 2021	Report authorised by: DARREN FETTELL Director Corporate, Governance and Financial Services Date: 3 November 2021
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ATTACHMENTS

- Attachment 1 – Queensland Audit Office Final Management Letter IRC 2021
- Attachment 2 – 2021 Isaac Regional Council Financial Statements – signed

REFERENCE DOCUMENT

- Nil

1 November 2021

Mayor Anne Baker
Isaac Regional Council
PO Box 97
MORANBAH QLD 4744

Dear Mayor Baker

Final Management Report for Isaac Regional Council

We have completed our 2021 financial audit for Isaac Regional Council. An unmodified audit opinion was issued on your financial statements.

The purpose of this letter is to update you on any matters that have arisen since we issued our closing report on 25 October 2021. Please note that under section 213 of the Local Government Regulation 2012, you must present a copy of this letter at the next ordinary meeting of the Council.

Reporting on issues identified after the closing report

I can confirm that we have not identified significant issues since the issuance of our closing report. Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A to this letter. Our rating definitions for internal control deficiencies are shown in Appendix B.

Report to parliament

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

This year we intend to include the results of our audit of Isaac Regional Council in our report to Parliament on the results of the Local Government sector. In this report we will comment on the results of our audit of your financial report, any significant internal control issues we identified, and the overall results of the sector, including major transactions and events. We will discuss the proposed content of our report with your Chief Executive Officer and will continue to consult as we draft our report. Formally, you will have an opportunity to comment on our report and for these comments to be included in the final report.

Audit fee

The final audit fee for this year is \$149,400 exclusive of GST (2020: \$142,780). This fee is unchanged from that estimated in our external audit plan.

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

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on (07) 3222 8444 or the engagement manager Clayton Russell on 3222 8304.

Yours sincerely



Jason Evans
Partner

Enc.

Appendix A1—Internal control issues




Significant deficiencies, deficiencies and other matters

The following table details control deficiencies and other matters identified since our interim report dated 18 May 2021. It includes a response from management.

Our risk ratings are as follows—refer to [Our rating definitions](#) for more detail.

 **Significant deficiency**  **Deficiency**  **Other matters**

 Deficiencies
<p>21FR-1 Terminated staff with active online banking profiles</p> <p>Control Activities</p> <p>Observation</p> <p>During our review of online banking users (ANZ), we observed that one former finance employee was still listed as an active user. It was confirmed that the employee had not logged into the online banking portal since they ceased employment with Council.</p> <p>Implication</p> <p>There is a risk of inappropriate activity arising where processes are not implemented to deactivate online banking user profiles as part of the employee offboarding process.</p> <p>QAO recommendation</p> <p>It is recommended that steps be taken to deactivate the user's online banking access, and that management consider whether offboarding processes need to be updated to ensure this occurs on a more timely basis in future.</p> <p>Management response</p> <p>Council can confirm that the terminated staff member with an online banking profile was created by the bank. As a result, only the bank is in position to remove her from the banking profile, not Council administrators. Council has already sent the required forms to remove the terminated staffer from the system, however, currently this has not been enacted. Council will continue to pursue to ensure ex-staffer has been removed.</p> <p>Status</p> <p>Work in progress</p> <p>Action date</p> <p>31 December 2021</p>



Appendix A2—Financial reporting issues



The following tables detail financial reporting issues identified through our audit since our interim management report dated 18 May 2021. It includes a response from management.

Our risk ratings are as follows—refer to [Our rating definitions](#) for more detail.



High



Medium



Low



High risk issues

21FR-2 Landfill rehabilitation provisions

Observation

In undertaking our audit procedures on landfill restoration provisions, we identified the following errors:

- The cost of rehabilitation works completed during FY21 exceeded the amount of the provision recognised as at 30 June 2021. This excess was recognised as capital works in progress (asset) at 30 June 2021 in the draft financial statements. We understand that this expenditure formed part of a broader project which also encompassed the creation of new stormwater assets at the landfill site, and that the project remained ongoing at 30 June 2021. On analysis of the project cost, it was confirmed that approx. \$4.1m related to rehabilitation works.
- The provision did not incorporate any amount for post-closure monitoring costs, on the basis that such costs have historically been considered immaterial and that the expenditure is expected to form part of Council's operational, rather than capital, budget. The provision value attributable to these costs is material based on the latest estimate provided by an independent expert during FY21.
- Changes in the value of the provision, and revaluation changes in the associated asset, were recognised in the asset revaluation surplus in the draft financial statements. Council has historically recorded revaluation decrements against the waste management asset class of \$1.8m in profit and loss in prior years. Council is required to recognise any subsequent revaluation increments against this asset class in profit and loss, to the extent that such increments reverse previous decrements through profit and loss. Accordingly, all changes in the rehabilitation provision and revaluations of the associated asset for FY21 are required to be recognised in profit and loss, rather than in the revaluation surplus.

Implication

The above items created a risk that the financial statements, in particular landfill rehabilitation provisions and capital expenditure, may be materially misstated.

QAO recommendation

It was recommended that adjustments be processed in the financial statements to correct the issues identified.

Management response

Management has processed the adjustments as noted above in the final draft of the financial statements

Status

Resolved





— Medium risk issues

21FR-3 Long-service leave liability calculations

Observation

In undertaking our audit procedures on long-service leave (LSL) liability calculations, we identified the following issues:

- Yields on government bonds have been applied in sequential order based on their maturity, rather than being match based on proximity to future balance dates. To highlight this, we note that the discount rate applied to cash flows for the 2022-23 financial year is -0.015% (yield on bonds maturing 22 July 2022) when the appropriate discount rate is 0.050% (yield on bonds maturing 21 April 2023 – that is, the bond maturity date most closely aligned with the financial year end date). This has the effect of overstating the total LSL liability.

Council is required to recognise as a current liability the amount of LSL provisions for which it does not have an unconditional right to defer settlement beyond 12 months of balance date. The determination of LSL classification has been made based on the expected timing of LSL payments, rather than the contractual entitlement of employees to LSL. For example, managers are entitled to take LSL after 5 years. Total nominal LSL entitlement for managers who have completed or will have completed 5 years of service in the next 12 months is \$576,102. The current liability for this class of employee should therefore be the net present value of this nominal entitlement, based on expectations around the timing of payment. The current liability recognised by Council is \$133,250, which is the net present value of payments expected to be paid out in FY22. In this instance, the carrying value of current LSL provisions is therefore understated.

Implication

There is a risk that LSL provision balances, and in particular the classification of long-service leave provisions, may be misstated as a result of the above.

QAO recommendation

It is recommended that management review the items above and update LSL calculations in future periods to account for these items.

Management response

Council accepts the recommendation provided and will ensure Long Service leave in future periods is calculated based on yields on government bonds are applied on proximity of future balance dates as opposed to sequential order of maturity. This is noted and will be reflected in subsequent financial years liability calculations.

Status

Work in progress

Action Date

30 June 2022



Appendix A3—Matters previously reported



Status

The following table summarises previously reported control deficiencies, financial reporting issues and other matters that we reported this year in our interim management letter and unresolved issues raised in in prior years.

Our risk ratings are as follows—refer to [Our rating definitions](#) for more detail.

Internal control issues


Financial reporting issues

Internal control issues			Financial reporting issues		
Significant deficiency	Deficiency	Other matters	High	Medium	Low
Reference	Rating	Issue	Status / Comment Action Date		
Internal control issues					
16IR-1		<p>Business Continuity and IT Disaster Recovery Plan</p> <p>It was identified that council does not have a documented business continuity plan incorporating IT disaster recover. While there is evidence of a plan being drafted in earlier years, no such plans have ever been adopted by Council.</p>	<p>Work in progress</p> <p>Phase 1 draft of the BCP has been released for stakeholder feedback. Further information to support the BCP is being collated. The ICT BCP has been redesigned to compliment the master BCP and is being progressed.</p> <p>Action date: 31 December 2021</p>		
Financial reporting issues					
18FR-1		<p>Accounting for Write-offs on Asset Capitalisation</p> <p>Prior year audits have identified errors in the processes applied by Council in accounting for write-offs of assets. These included lack of consideration of asset componentisation in the write-off calculation and inconsistencies in the basis for the write-off calculation.</p>	<p>Resolved</p> <p>Audit testing completed on write-offs for the current year confirmed that management has appropriately actioned audit's recommendations made in previous years. No misstatements were identified in this area during the current period audit.</p>		



Appendix A3—Matters previously reported (continued)






Reference	Rating	Issue	Status / Comment Action Date
Financial reporting issues (continued)			
20CR-1		<p>Incremental borrowing rate used in calculation of lease liabilities</p> <p>It was observed that a consistent incremental borrowing rate was applied in the determination of lease liabilities in the prior year. The rate applied was the QTC quoted fixed borrowing rate for 20 year borrowings as at 30 September 2018. The rate was both outdated and did not factor in the variation in the length of Council’s leases.</p> <p>There was therefore a risk that lease liabilities may be misstated as a result of application of the incorrect borrowing rate, and it was recommended that Council’s processes be updated in future periods to ensure an appropriate incremental borrowing rate is determined for all new lease liabilities.</p>	<p>Resolved</p> <p>Management has updated processes to ensure that appropriate incremental borrowing rates are applied in the calculation of lease liabilities going forward.</p>






Appendix B—Our rating definitions



Internal rating definitions

	Definition	Prioritisation of remedial action
Significant deficiency 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> • the risk of material misstatement in the financial statements • the risk to reputation • the significance of non-compliance with policies and applicable laws and regulations • the potential to cause financial loss including fraud, or • where management has not taken appropriate timely action to resolve the deficiency. 	This requires immediate management action to resolve.
Deficiency 	A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.	We expect management action will be taken in a timely manner to resolve deficiencies.
Other matter 	An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.	Our recommendation may be implemented at management's discretion.

Financial reporting issues

	Potential effect on the financial statements	Prioritisation of remedial action
High 	We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.	This requires immediate management action to resolve.
Medium 	We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements.	We expect management action will be taken in a timely manner.
Low 	We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.	We recommend management action to resolve; however, a decision on whether any action is taken is at management's discretion.



ISAAC REGIONAL COUNCIL

Financial Statements
For the year ended 30 June 2021

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Addendum to the financial statements

Long-term Measures of Financial Sustainability

ISAAC REGIONAL COUNCIL

Statement of Comprehensive Income
For the year ended 30 June 2021

		2021	2020
	Note	\$	\$
Income			
Recurrent revenue			
Rates and levies	3 (a)	84,771,410	84,932,226
Sale of goods and major services		5,850,094	6,291,172
Fees and charges		4,439,823	4,531,822
Sales of contract and recoverable works		5,621,159	6,620,941
Grants, subsidies, contributions and donations	3 (b) (i)	9,953,603	7,601,557
Total recurrent revenue		110,636,089	109,977,718
Recurrent other income			
Rental and levies		1,560,443	1,395,230
Interest received		642,092	1,016,538
Other recurrent income		322,400	523,320
Total recurrent revenue		2,524,935	2,935,088
Total operating revenue		113,161,024	112,912,806
Capital revenue			
Grants, subsidies, contributions and donations	3 (b) (ii)	12,768,083	25,139,640
Capital income	4	3,624,361	431,566
Total capital revenue		16,392,444	25,571,206
Total income	2 (b)	129,553,468	138,484,012
Expenses			
Recurrent expenses			
Employee benefits	5	(39,783,131)	(40,301,239)
Materials and services	6	(41,578,486)	(44,600,717)
Finance costs	7	(2,308,192)	(1,469,068)
Depreciation and amortisation	8	(28,125,008)	(26,358,338)
Total operating expenses		(111,794,817)	(112,729,362)
Capital expenses			
Other capital expenses	9	(15,540,268)	(10,178,859)
Total expenses	2 (b)	(127,335,085)	(122,908,221)
Net result		2,218,383	15,575,791
Other comprehensive income			
Items that will not be reclassified to net result			
Decrease in asset revaluation surplus	20	(13,196,095)	(6,186,538)
Total other comprehensive income for the year		(13,196,095)	(6,186,538)
Total comprehensive income for the year		(10,977,712)	9,389,253

The above statement should be read in conjunction with the accompanying notes and information about these financial statements.

The above statement excludes transactions and balances of controlled entities. Refer to note 26 for controlled entities that have not been consolidated.

ISAAC REGIONAL COUNCIL

Statement of Financial Position
As at 30 June 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	10	57,171,729	58,379,637
Receivables	11 (a)	9,507,231	10,834,628
Inventories	12 (a)	1,276,139	1,194,805
Contract assets	19 (a)	1,621,491	1,861,848
Other assets	14	4,061,680	4,190,599
Total current assets		73,638,270	76,461,517
Non-current assets			
Receivables	11 (b)	5,435,307	5,503,326
Inventories	12 (b)	18,949,628	15,254,624
Property, plant and equipment	15	1,091,431,191	1,095,784,301
Intangible assets		18,359	21,709
Total non-current assets		1,115,834,485	1,116,563,960
TOTAL ASSETS		1,189,472,755	1,193,025,477
Current liabilities			
Trade and other payables	16 (a)	15,231,253	10,480,130
Provisions	17 (a)	6,662,552	8,214,269
Borrowings	18 (a)	1,555,096	1,407,771
Contract liabilities	19 (b)	4,258,127	4,735,353
Construction Retentions		221,895	819,823
Total current liabilities		27,928,923	25,657,346
Non-current liabilities			
Trade and other payables	16 (b)	47,453	48,812
Provisions	17 (b)	13,722,201	8,125,194
Borrowings	18 (b)	23,651,122	22,733,508
Contract liabilities	19 (b)	180,041	2,175,456
Total non-current liabilities		37,600,817	33,082,970
TOTAL LIABILITIES		65,529,740	58,740,316
NET COMMUNITY ASSETS		1,123,943,015	1,134,285,161
Community equity			
Asset revaluation surplus	20	222,122,422	235,318,517
Retained surplus		861,715,081	855,418,757
Reserves		40,105,512	43,547,887
TOTAL COMMUNITY EQUITY		1,123,943,015	1,134,285,161

The above statement should be read in conjunction with the accompanying notes and information about these financial statements.

The above statement excludes balances of controlled entities. Refer to note 26 for controlled entities that have not been consolidated

ISAAC REGIONAL COUNCIL

Statement of Changes in Equity
For the year ended 30 June 2021

	Note	Total		Retained surplus		Reserves		Asset revaluation surplus Note 20	
		2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Balance at beginning of the year		1,134,285,161	1,112,778,268	855,418,757	837,791,995	43,547,887	33,481,218	235,318,517	241,505,055
Error correction to opening balance	27	635,566	3,561,290	635,566	3,561,290	-	-	-	-
Adjustment on initial application of AASB 15 / AASB 1058		-	8,556,350	-	8,556,350	-	-	-	-
Restated opening balances		1,134,920,727	1,124,895,908	856,054,323	849,909,635	43,547,887	33,481,218	235,318,517	241,505,055
Net result		2,218,383	15,575,791	2,218,383	15,575,791	-	-	-	-
Other comprehensive income for the year									
Revaluations:		-	-	-	-	-	-	-	-
Property, plant & equipment	15	(13,196,095)	(6,186,538)	-	-	-	-	(13,196,095)	(6,186,538)
Total comprehensive income for the year		(10,977,712)	9,389,253	2,218,383	15,575,791	-	-	(13,196,095)	(6,186,538)
Transfers (to) from retained earnings and recurrent reserves		-	-	495,698	276,398	(495,698)	(276,398)	-	-
Transfers (to) from retained earnings and capital reserves		-	-	2,946,677	(10,343,067)	(2,946,677)	10,343,067	-	-
Balance at end of the year		1,123,943,015	1,134,285,161	861,715,081	855,418,757	40,105,512	43,547,887	222,122,422	235,318,517

The above statement should be read in conjunction with the accompanying notes and information about these financial statements.
The above statement excludes balances of controlled entities. Refer to note 26 for controlled entities that have not been consolidated.

ISAAC REGIONAL COUNCIL

Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts			
Receipts from customers		104,427,612	103,861,922
Operating grants, subsidies and contributions		9,404,941	7,712,009
Interest received		658,316	1,033,390
Payments			
Payments to suppliers and employees		(81,593,754)	(92,612,404)
Interest expense		(1,071,021)	(1,175,976)
Net cash inflow (outflow) from operating activities	25	<u>31,826,094</u>	<u>18,818,941</u>
Cash flows from investing activities			
Commonwealth government grants		3,624,783	2,760,357
State government subsidies and grants		7,419,657	35,477,843
Capital contributions		40,021	878,209
Payments for property, plant and equipment		(42,954,869)	(50,931,299)
Payments for site rehabilitation		(4,099,689)	-
Payments for intangible assets		-	(5,702)
Net transfer (to) from cash investments		-	2,000,000
Proceeds from sale of property, plant and equipment		1,808,317	478,606
Repayment of loans from controlled entities		71,616	-
Net cash inflow (outflow) from investing activities		<u>(34,090,164)</u>	<u>(9,341,986)</u>
Cash flows from financing activities			
Proceeds from borrowings	18 (i)	2,500,000	-
Repayment of borrowings	18 (i)	(1,300,735)	(1,240,341)
Repayments made on leases	18 (ii)	(143,103)	(103,624)
Net cash inflow (outflow) from financing activities		<u>1,056,162</u>	<u>(1,343,965)</u>
Net increase (decrease) in cash and cash equivalents held		(1,207,908)	8,132,990
Cash and cash equivalents at beginning of the financial year		58,379,637	50,246,647
Cash and cash equivalents at end of the financial year	10	<u><u>57,171,729</u></u>	<u><u>58,379,637</u></u>

The above statement should be read in conjunction with the accompanying notes and information about these financial statements.

The above statement excludes balances of controlled entities. Refer to note 26 for controlled entities that have not been consolidated.

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements For the year ended 30 June 2021

1 Information about these financial statements

1.1 Basis of preparation

These general purpose financial statements are for the period 1 July 2020 to 30 June 2021 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention, except for the following:

- financial assets and liabilities, certain classes of property, plant and equipment which are measured at fair value
- land held for sale which are measured at fair value less cost of disposal.

Recurrent/capital classification

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income.

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

The following transactions, when reported in the Statement of Comprehensive Income, are classified as either "Capital Income" or "Capital Expenses" depending on whether they result in accounting gains or losses:

- disposal and write-off of non-current assets
- discount rate and valuation adjustments to restoration provisions
- revaluations and impairments of property, plant and equipment

All other revenue and expenses have been classified as "recurrent".

1.2 Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period.

Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS.

The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

1.3 Constitution

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

1.4 New and revised Accounting Standards adopted during the year

The Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2020. None of the standards had a material impact on reported position, performance and cash flows.

1.5 Date of authorisation

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

1.6 Currency

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

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements For the year ended 30 June 2021

I Information about these financial statements

1.7 Standards issued by the AASB not yet effective

The AASB has issued a number of Australian Accounting Standards and Interpretations which are not yet effective at 30 June 2021. Council has not elected to early adopt any of these standards and accordingly they will be applied from their future effective date. There are no such standards or interpretations expected to have a significant impact on Council's financial statements in the period of initial application.

1.8 Estimates and judgements

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

Valuation and depreciation of property, plant and equipment - note 15

Impairment of receivables - note 11 and 28

Provisions - note 17

Contingent liabilities - note 23

Revenue recognition - note 3

1.9 Rounding and comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

1.10 Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax, Goods and Services Tax ("GST") and payroll tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

1.11 Impacts from the COVID-19 pandemic

Council has assessed the impact of the COVID-19 global pandemic and found there were no material implications for the financial year ended 30 June 2021.

Council acknowledges that the COVID-19 restrictions have impacted some industries within the region and has initiated the following relief / stimulus measures:

- Moratorium on debt collection and interest on overdue rates effective July 2020 to December 2020 \$203,941.
- Temporary development assessment fee reductions for small and medium enterprises \$152,445.
- Provide Special Emergency Community grants to Community groups experiencing financial hardship \$82,378.

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements For the year ended 30 June 2021

2 Analysis of results by function

The activities relating to the Council's components reported on in Note 2 (b).

(a) Components of Council functions

Office of the CEO

The Office of the Chief Executive Officer is responsible for the organisational leadership, administration and strategic management of the organisation. This is undertaken in conjunction with the Isaac Regional Councillors, with the objective of providing open and transparent governance. This includes organisational development and training, human resources, advocacy, day to day management of all functions of Council and to ensure that decisions and policy of Council is carried out. The Chief Executive Officer also provides advice to the Councillors and is the custodian of records and documents of Council.

Corporate, Governance & Financial Services

Corporate, Governance and Financial Services provide the following functions; strategic and business continuity planning, legal and insurance administration, brand, media, and communication, governance, risk management, disaster management, asset management, financial services, internal audits, information technology, geographical information services, records management, organisational safety, procurement, stores, tenders and contracts. The objective of Corporate and Governance is to be open, accountable, transparent and deliver value for money outcomes. While Financial Services objective is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

Engineering & Infrastructure

Engineering and Infrastructure provide the following functions; parks and recreation, corporate property management, engineering design and projects, roads and urban services. The objective of Engineering and Infrastructure is to provide essential transport, drainage, parks infrastructure, maintenance, construction, company housing and operational services to the community.

Planning, Environment & Community Services

Planning, Environment and Community Services provide the following functions; economic development and tourism, customer service, community relations programs including youth programs, grants administration and management, stock route management, arts and library services, community development, planning, regulatory and building compliance, native title, commercial operations, community leasing, tenancy, local laws and environmental services. It also manages the land development business unit. The objective of Planning, Environment and Community Services is to facilitate the sustainable planning and development of the region through the above functions and provide safe and cost effective community facilities and venues while catering for the diverse needs of our communities.

Land Development

The land development area within Planning, Environment and Community Services manages Council's land held for development and sale with the objective of facilitating the optimal utilisation of these resources.

Plant, Fleet, Workshops & Depot

The fleet department within Engineering and Infrastructure manages Council's large plant and vehicles and the workshop operations within Council. This activity has the objective of providing support to Council to perform functions and provide services to the community.

Water

The water area within the Water and Waste Directorate manages Council's water treatment plants, pump stations, water pipeline network and water metering with the objective of supplying safe and reliable water to the community.

Wastewater

The wastewater area within the Water and Waste Directorate manages Council's sewerage treatment plants, pump stations, sewerage pipeline network, effluent treatment plants and effluent water pipeline network with the objective being the sustainable management of wastewater infrastructure.

Waste Management

The waste management department within Water and Waste Directorate manages Council's refuse collection facilities, including recycling activities and kerbside collection of waste with the objective of protecting and supporting the community and natural environment by sustainably managing refuse.

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2021

2 Analysis of results by program

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

Programs	Gross program income				Total income	Gross program expenses		Total expenses	Operating surplus/(deficit) from recurrent operations	Net result for year	Assets
	Recurrent revenue		Capital revenue			Recurrent	Capital				
	Grants	Other	Grants	Other							
2021 \$	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$		
Office of the CEO	215,865	21	-	-	215,886	539,883	-	539,883	755,769	755,769	-
Corporate, Governance & Financial Services	3,310,179	58,082,605	2,485	9,490	61,404,759	(8,648,914)	(34,084)	(8,682,998)	52,743,870	52,721,761	84,031,780
Engineering & Infrastructure	4,860,820	6,124,648	10,475,382	30,531	21,491,381	(47,042,149)	(6,200,383)	(53,242,532)	(36,056,681)	(31,751,151)	697,351,310
Planning, Environment & Community Services	708,647	2,278,999	1,801,990	-	4,789,636	(20,791,464)	(1,044,370)	(21,835,834)	(17,803,818)	(17,046,198)	65,051,809
Land Development	-	-	-	-	-	2,659,491	-	2,659,491	2,659,491	2,659,491	18,949,628
Plant, Fleet, Workshops & Depot	204,698	(68,848)	-	1,113,170	1,249,020	43,141	(6,500)	36,641	178,991	1,285,661	17,169,130
Water	515,037	15,727,511	448,205	-	16,690,753	(18,748,545)	(520,701)	(19,269,246)	(2,505,997)	(2,578,493)	174,177,920
Wastewater	-	10,740,162	-	-	10,740,162	(9,595,317)	(42,228)	(9,637,545)	1,144,845	1,102,617	110,894,478
Waste Management	-	10,460,680	-	2,511,191	12,971,871	(10,210,943)	(7,692,002)	(17,902,945)	249,737	(4,931,074)	21,846,700
Total	9,815,246	103,345,778	12,728,062	3,664,382	129,553,468	(111,794,817)	(15,540,268)	(127,335,085)	1,366,207	2,218,383	1,189,472,755

For the year ended 30 June 2020

Programs	Gross program income				Total income	Gross program expenses		Total expenses	Operating surplus/(deficit) from recurrent operations	Net result for year	Assets
	Recurrent revenue		Capital revenue			Recurrent	Capital				
	Grants	Other	Grants	Other							
2020 \$	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$		
Office of the CEO	131,930	690	-	-	132,620	745,643	-	745,643	878,263	878,263	-
Corporate, Governance & Financial Services	3,367,135	58,150,802	22,365	-	61,540,302	(5,357,433)	(75,439)	(5,432,872)	56,160,504	56,107,430	87,832,530
Engineering & Infrastructure	3,244,670	7,013,073	21,142,344	668,251	32,068,338	(42,840,113)	(5,887,319)	(48,727,432)	(32,582,370)	(16,659,094)	692,842,201
Planning, Environment & Community Services	359,082	1,865,323	958,481	-	3,182,886	(22,447,989)	(1,091,682)	(23,539,671)	(20,223,584)	(20,356,785)	76,878,137
Land Development	-	-	-	-	-	(465,284)	-	(465,284)	(465,284)	(465,284)	15,254,624
Plant, Fleet, Workshops & Depot	244,216	(42,967)	-	543,243	744,492	(1,543,865)	-	(1,543,865)	(1,342,616)	(799,373)	17,074,095
Water	110,176	16,399,335	1,837,804	104,979	18,452,294	(18,906,089)	(567,349)	(19,473,438)	(2,396,578)	(1,021,144)	174,214,984
Wastewater	-	11,107,275	188,760	104,979	11,401,014	(11,596,612)	(394,810)	(11,991,422)	(489,337)	(590,408)	109,862,637
Waste Management	1,972	10,960,094	-	-	10,962,066	(10,317,620)	(2,162,260)	(12,479,880)	644,446	(1,517,814)	19,066,269
Total	7,459,181	105,453,625	24,149,754	1,421,452	138,484,012	(112,729,362)	(10,178,859)	(122,908,221)	183,444	15,575,791	1,193,025,477

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements For the year ended 30 June 2021

	2021	2020
	\$	\$
3 Revenue		
(a) Rates and levies		
Rates and annual charges are recognised as revenue when Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	61,622,365	61,173,352
Disaster management levy	279,053	278,533
Water	10,454,227	10,483,683
Water consumption, rental and sundries	3,846,554	4,345,144
Wastewater	10,310,510	10,289,343
Wastewater trade waste	1,431	5,107
Garbage charges	4,752,458	4,759,851
Rates and utility charge revenue	91,266,598	91,335,013
Less: Discounts	(6,272,979)	(6,171,851)
Less: Pensioner remissions	(222,209)	(230,936)
Net rates and utility charges	84,771,410	84,932,226

(b) Grants, subsidies, contributions and donations

Grant income under AASB 15

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

The performance obligations are varied based on the agreement but include service delivery and community engagement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations for grants are assessed to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally an input method based on either costs or time incurred as a percentage of total expected cost/time is deemed to be the most appropriate method to reflect the transfer of benefit.

Grant income under AASB 1058 other than capital grants

Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Where Council receive funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with total project costs incurred as a percentage of total budgeted project cost.

Donations and contributions

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

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

ISAAC REGIONAL COUNCIL

**Notes to the Financial Statements
For the year ended 30 June 2021**

	2021	2020
	\$	\$
Note		
Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.		

Developers also pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are generally within the scope of AASB 1058 since there is no enforceable performance obligation associated with them and therefore the infrastructure charges are recognised as revenue when received.

(i) Recurrent

General purpose grants	5,435,777	5,601,406
Commonwealth subsidies and grants	222,254	244,216
State government subsidies and grants	1,474,073	656,427
DRFA flood damage grants for operational repairs	2,683,142	957,132
Donations	8,806	7,515
Cash contributions	129,551	134,861
Total recurrent revenue	9,953,603	7,601,557

(ii) Capital

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

(a) Monetary revenue designated for capital funding purposes:

Commonwealth government grants	3,624,783	2,760,357
State government subsidies and grants	4,382,482	20,372,506
DRFA flood damage grants for capitalised repairs	4,720,797	1,016,891
Cash contributions	40,021	878,209
	12,768,083	25,027,963

(b) Non-monetary revenue received:

Donations from third parties at fair value	-	111,677
	-	111,677

Total capital revenue

	12,768,083	25,139,640
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During the course of the financial year Council granted developer concessions inline with its pandemic response recovery plan.

(iii) Timing of revenue recognition for grants, subsidies, contributions and donations

Revenue recognised at a point in time

Grants and subsidies	5,950,870	6,262,981
Contributions	159,572	975,747
Donations	8,806	7,515
	6,119,248	7,246,243

Revenue recognised over time

Grants and subsidies	16,592,438	25,494,954
Contributions	10,000	-
	16,602,438	25,494,954

4 Capital income

Gain on disposal of non-current assets		1,113,170	431,566
Asset revaluation recovery of adjustment to rehabilitation provision	15	2,511,191	-
		3,624,361	431,566

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements For the year ended 30 June 2021

	2021	2020
	\$	\$
5 Employee benefits		
Employee benefit expenses are recorded when the service has been provided by the employee.		
Total staff wages and salaries	30,998,404	30,702,524
Councillors' remuneration	733,837	719,199
Annual, sick and long service leave entitlements	5,397,896	6,037,259
Superannuation	3,976,039	4,028,661
	24	
	41,106,176	41,487,643
Other employee related expenses	803,786	770,715
	41,909,962	42,258,358
Less capitalised employee expenses	(2,126,831)	(1,957,119)
	39,783,131	40,301,239

Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.

	Number	Number
Total Council employees at 30 June		
Elected members	9	9
Administration staff	236	235
Depot and outdoors staff	177	176
Total full time equivalent employees	422	420

6 Materials and services

Expenses are recorded on an accruals basis as Council receives the goods or services:

Audit fees - Queensland Audit Office *	149,400	171,335
Professional fees	3,943,944	3,462,634
Donations paid	579,402	362,662
Electricity	2,947,167	3,270,924
Refuse collection	2,187,742	2,337,761
Plant and vehicle	1,307,428	1,434,233
Information, communications and technology	3,739,008	3,571,999
Contractors	2,181,967	609,162
Insurance	2,018,182	1,868,579
Employee related expenses	702,115	812,911
Equipment and tools	2,923,338	3,319,475
Repairs and maintenance	11,128,477	12,266,737
Waste levy	1,310,423	1,433,909
(Reversal of impairment)/impairment of inventory land value	(3,070,652)	29,498
Raw water purchases	3,392,928	2,637,093
Inventory / Stock issues	1,577,544	1,986,331
Other material and services	4,560,073	5,025,474
	41,578,486	44,600,717

* Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial statements are \$149,400 (2020: \$171,335 paid).

7 Finance Costs

Finance costs charged by the Queensland Treasury Corporation	1,035,975	1,095,284
Less capitalised interest	(624,352)	-
Interest on leases	33,572	69,653
Other interest costs	142	8,621
Bank charges	185,881	174,397
Impairment of receivables and bad debts written-off	1,601,781	11,916
Refuse sites - unwinding of discount rate on provision	75,193	109,197
	2,308,192	1,469,068

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements For the year ended 30 June 2021

		2021	2020
		\$	\$
8 Depreciation and amortisation			
(a) Depreciation of non-current assets			
Land and improvements		1,614,872	1,428,288
Buildings		2,918,493	2,128,637
Plant and equipment		3,631,069	3,582,365
Road, bridge and drainage		10,238,525	9,949,783
Water		5,301,002	4,954,074
Wastewater		3,272,773	2,942,600
Waste management		815,002	893,821
Aerodrome		198,527	262,906
		<u>27,990,263</u>	<u>26,142,474</u>
(b) Amortisation of right of use assets			
Land		131,395	131,834
		<u>131,395</u>	<u>131,834</u>
(c) Amortisation of intangible assets			
Computer software		3,350	84,030
		<u>3,350</u>	<u>84,030</u>
Total depreciation and amortisation		<u>28,125,008</u>	<u>26,358,338</u>
	Note		
9 Capital expenses			
Loss on write-off of capital assets	15	7,852,685	8,895,655
Revaluation down of property, plant and equipment	15	-	747,653
Movement in Refuse site provision	17	7,687,583	535,551
Total capital expenses		<u>15,540,268</u>	<u>10,178,859</u>

10 Cash and cash equivalents

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

Cash and deposits at call are held in the following banks: ANZ Bank, Queensland Country Bank and Queensland Treasury.

Cash at bank and on hand	530,014	666,802
Deposits at call	56,641,715	57,712,835
Balance per Statement of Financial Position	<u>57,171,729</u>	<u>58,379,637</u>

Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. These include externally imposed expenditure restrictions:

Contract liabilities - revenue received in advance	4,438,168	6,910,809
Unspent loan monies	685,228	685,228
Unspent developer contributions	17,715,968	17,858,371
Total unspent external restricted cash held in reserves	<u>22,839,364</u>	<u>25,454,408</u>

Council has resolved to set aside revenue to provide funding for specific future projects that will be required to meet delivery of essential services and meet day to day operational requirements.

Funds set aside by Council to meet specific future funding requirements	34,332,365	32,925,229
Total cash held to contribute to identified funding commitments	<u>57,171,729</u>	<u>58,379,637</u>

Trust funds

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance, corporate funds for community donations and unclaimed monies (e.g. wages). The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	2,429,993	833,528
Security deposits	11,463,348	6,989,747
	<u>13,893,341</u>	<u>7,823,275</u>

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements For the year ended 30 June 2021

		2021	2020
		\$	\$
11 Receivables			
Receivables, loans and advances are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days after the invoice is issued.			
Debts are regularly assessed for collectability and all known bad debts were written off at 30 June 2021. If an amount is recovered in a subsequent period it is recognised as revenue.			
Council is empowered under the provisions of the <i>Local Government Act 2009</i> to sell an owner's property to recover outstanding rate debts.			
Loans and advances are recognised in the same way as other receivables. Terms are as per written agreement with interest charged at negotiated rates. Security is held over assets if applicable.			
	Note		
(a) Current			
Rateable revenue and utility charges		5,990,915	4,699,812
Less: Impairment provision		(1,662,025)	-
		<u>4,328,890</u>	<u>4,699,812</u>
Accrued interest		24,046	45,779
Other debtors		5,275,664	6,274,603
Less allowance for expected credit losses		(212,941)	(275,225)
Loans and advances to controlled entities	26	91,572	89,659
		<u>9,507,231</u>	<u>10,834,628</u>
(b) Non-current			
Loans and advances to controlled entities	26	5,435,307	5,503,326
		<u>5,435,307</u>	<u>5,503,326</u>

For the financial year ended 30 June 2021 interest was charged on outstanding rates at a rate of 8.53% per annum. No interest was charged on other debtors. There were no significant concentrations of credit risk for rates and utility charges, fees and other debtors receivable.

Movement in allowance for expected credit losses (trade and other receivables)			
Balance at beginning of the year		275,225	277,292
Impairment provision for rateable revenue and utility charges		1,662,025	-
Expected credit losses for other debtors		(62,284)	(2,067)
		<u>1,874,966</u>	<u>275,225</u>

An impairment provision has been made for a stalled residential subdivision. Council has assessed that these amounts are likely to be unrecoverable.

12 Inventories

Stores, raw materials and raw water on hand are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost except for land where the costs are allocated to the relevant parcel.

Inventories for internal use are valued at cost and adjusted when applicable for any loss of service potential.

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. Inventory land held for re-sale is treated as non-current for the 2021 financial year as Council has no current plans to sell any land in the foreseeable future. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

(a) Current			
Inventories for internal use			
Quarry and road materials		-	184,512
Raw water on hand		461,111	294,413
Stores and materials		815,028	715,880
		<u>1,276,139</u>	<u>1,194,805</u>
Valued at cost, adjusted when applicable for any loss of service potential.			
(b) Non-current			
Land purchased for development and sale	13	18,949,628	15,254,624
		<u>18,949,628</u>	<u>15,254,624</u>

ISAAC REGIONAL COUNCIL

**Notes to the Financial Statements
For the year ended 30 June 2021**

	2021	2020
13 Land purchased for development and sale		
Balance at beginning of the year	15,254,624	15,284,122
Capitalised interest in year	624,352	-
(Reversal of impairment)/impairment of inventory land value *	3,070,652	(29,498)
Balance at end of the year	<u>18,949,628</u>	<u>15,254,624</u>
Classified as :		
Non-current	<u>18,949,628</u>	<u>15,254,624</u>
	<u>18,949,628</u>	<u>15,254,624</u>

Land purchased for development and sale is valued at the lower of cost and net realisable value.

* The Reversal of impairment for inventory land is due to a valuation being undertaken for the land asset class.

14 Other assets		
GST recoverable	1,463,664	1,288,320
Water charges yet to be levied	1,440,293	1,896,540
Prepayments	1,157,723	1,005,739
	<u>4,061,680</u>	<u>4,190,599</u>

15 Property, plant and equipment

15 (a) Recognition

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Network assets are an aggregate of interrelated assets that perform a specific service which, individually are likely to be below the capitalisation threshold levels, but collectively are above the capitalisation threshold for their class. Networked assets include monitoring equipment and water meters.

15 (b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of consideration plus costs incidental to the acquisition. Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

Property, plant and equipment received in the form of contributions, for significantly less than fair value or as offsets to infrastructure charges are recognised as assets and revenue at fair value.

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised against asset revaluation surplus.

Expenditure incurred in accordance with Disaster Recovery Funding Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

15 (c) Depreciation

Assets are depreciated from the date of acquisition or when an asset is ready for use.

Land, work in progress, road formations and formation work associated with the construction of dams, levee banks and reservoirs are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

The useful life of leasehold improvements is the shorter of the useful life of the asset or the remaining life of the lease.

Where assets have separately identifiable components, these components have separately assigned useful lives.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions.

15 (d) Impairment

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

15 (e) Right-of-use assets

Council recognised right-of-use assets in respect of its leasing arrangements described in note 18.

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

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2021

15 (f) Valuation

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. Every 3-5 years, Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes:

- A management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.
- A "desktop" valuation for land and improvements and buildings asset classes which 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 class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

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

Fair values are classified into three levels as follows:

- Level 1 - fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets, for the asset or liability
- Level 3 - Fair value based on unobservable inputs for the asset and liability

There were no transfers between levels during the year.

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1. The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

	Level 2 (Significant other observable inputs)		Level 3 (Significant unobservable inputs)		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Recurring fair value measurements						
Property, plant and equipment						
- Land and improvements	22,811,016	18,554,873	55,682,043	53,527,883	78,493,059	72,082,756
- Buildings	30,529,905	9,835,835	65,796,581	103,866,989	96,326,486	113,702,824
- Road, bridge and drainage			575,182,367	571,020,072	575,182,367	571,020,072
- Water			172,727,879	172,480,560	172,727,879	172,480,560
- Wastewater			107,524,953	108,192,803	107,524,953	108,192,803
- Waste management			21,155,398	18,605,913	21,155,398	18,605,913
- Aerodrome			8,398,097	8,835,058	8,398,097	8,835,058
	53,340,921	28,390,708	1,006,467,318	1,036,529,278	1,059,808,239	1,064,919,986

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(i) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index consideration	Other interim revaluation adjustment
Land and improvements (level 2)	Market Value	30-Jun-18	Assetic Pty Ltd	Gross market values were derived from sale prices of comparable properties as adjusted for differences in key attributes such as property size. Gross replacement cost unit rates (local projects/data if available, local knowledge and available data sources (Rawlinson's Construction Handbook 2018) and were verified with first principle calculation)	- Land: PDS Live's 3 year recent sales, Valuer General Qld, Queensland Market Monitor Report produced by Real Estate Institute of Queensland (REIQ) and professional judgement (12%) - Improvements: equal weighting applied to indexes Road and Bridge Index, the Engineering Design and Management Index and the Concrete Product Manufacturing Index (0.43%)	Nil
Land and improvements (level 3)	Current replacement cost	30-Jun-18	Assetic Pty Ltd	Accumulated depreciation determined by asset consumption rating scale, professional judgement, asset condition, legal and commercial obsolescence and physical inspection.		
Buildings (level 2)	Market Value	30-Jun-21	AssetVal	Gross market values (sale prices of similar properties in the locality, standard valuation principles and opinions and sentiment from local property agents) Gross replacement cost (valuer's choice of a dollar per square metre approach using Rawlinson's cost data and cost indices for different regions, recent construction data, consideration on building size, material, type and structure and professional judgement)	N/A	Nil
Buildings (level 3)	Current replacement cost	30-Jun-21	AssetVal	Accumulated depreciation was based physical deterioration, functional and economic obsolescence and physical inspection. Useful lives (IPWEA's Asset Management & Financial Management Guidelines - Practise Note 12, 2017 and Isaac Regional Council's Strategic Asset Management Plan).	N/A	Nil
Roads, bridges & drainage (level 3)	Current replacement cost	30-Jun-18	Assetic Pty Ltd	Gross replacement cost valuation unit rates (local projects/data if available, local knowledge and available data sources- Rawlinson's Construction Handbook 2018 and verified with first principle calculations) The unit rates used for this valuation also included an allowance for design, documentation, project management and Council overheads by applying a percentage increase to the calculated current replacement cost of the assets, where deemed applicable Accumulated depreciation was determined by reference to the asset's assessed condition score and the asset's consumption rating scale. The consumption rating scales used were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Council's own engineers, asset management and finance staff	Roads and Bridges Construction index (ABS) (0.00%) Both current and cumulative change in value (since last revaluation date) as a result of indexation, was considered not material. Council considers materiality above 5%	Nil
Water (level 3)	Current replacement cost	30-Jun-19	Cardno (Qld) Pty Ltd	Gross replacement cost unit rates (recent contract data, valuer's database, scheduled rates for construction, cost curves derived by the valuer, building price index tables, supplier's quotations, Rawlinson's Australian Construction Handbook). Asset measurement and age (Council's Geographic Information System (GIS) and periodic physical inspections)	Combining the Road and Bridge index, the Engineering Design & Management Index and the Concrete Product Manufacturing Index, each having equal weighting (0.43%) Both current and cumulative change in value (since last revaluation date) as a result of indexation, was considered not material. Council considers materiality above 5%	Nil
Wastewater (level 3)	Current replacement cost	30-Jun-19	Cardno (Qld) Pty Ltd	Remaining service potential, physical obsolescence and overall condition score (physical inspection)	Combining the Road and Bridge index, the Engineering Design & Management Index and the Concrete Product Manufacturing Index, each having equal weighting (0.43%) Both current and cumulative change in value (since last revaluation date) as a result of indexation, was considered not material. Council considers materiality above 5%	Nil

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For the year ended 30 June 2021

15 Property, plant and equipment

Note	Land and improvements	Buildings	Plant and equipment	Road, bridge and drainage	Water	Wastewater	Waste management	Aerodrome	Works in progress	Right of use - Land	Total plant and equipment
	Valuation Level 2 & 3	Valuation Level 2 & 3	Cost	Valuation Level 3	Valuation Level 3	Valuation Level 3	Valuation Level 3	Valuation Level 3	Cost	Cost	
	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$	2021 \$
Basis of measurement											
Fair value category											
Asset values											
Opening gross value as at 1 July 2020	82,348,969	149,850,513	43,027,054	757,502,766	280,794,668	181,072,847	27,843,174	11,205,922	8,963,739	2,072,590	1,544,682,242
Minor correction to opening balance	-	1,581,700	-	-	-	-	-	-	-	53,952	1,635,652
Additions at cost	-	-	-	-	-	-	-	-	42,356,941	-	42,356,941
Internal transfers from work in progress	2,815,343	2,993,824	3,385,530	22,179,568	6,069,022	2,647,150	857,716	-	(40,948,153)	-	-
Disposals	-	(487,153)	(5,176,249)	-	-	-	-	-	-	-	(5,663,402)
Write-offs	(584,399)	(1,490,348)	(217,913)	(8,042,805)	(1,146,487)	(110,765)	(9,733)	(682,710)	-	-	(12,285,160)
Revaluation adjustment to other comprehensive income	3,142,623	12,070,915	-	(2,911,267)	-	-	-	-	-	-	12,302,271
Revaluation adjustment to capital loss	-	-	-	-	-	-	2,511,191	-	-	-	2,511,191
Internal transfers between asset classes	3,150,616	(3,239,653)	89,037	-	-	-	-	-	-	-	-
Adjustment to right of use assets due to re-measurement of lease liability	-	-	-	-	-	-	-	-	-	(45,175)	(45,175)
Closing gross value as at 30 June 2021	90,873,152	161,279,798	41,107,459	768,728,262	285,717,203	183,609,232	31,202,348	10,523,212	10,372,527	2,081,367	1,585,494,560
Accumulated depreciation and impairment											
Opening balance as at 1 July 2020	10,266,213	36,147,689	23,067,234	186,482,694	108,314,108	72,880,044	9,237,261	2,370,864	-	131,834	448,897,941
Minor correction to opening balance	(4)	946,142	-	(2)	-	(2)	-	-	-	-	946,134
Depreciation expense	1,614,872	2,918,493	3,631,069	10,238,525	5,301,002	3,272,773	815,002	198,527	-	131,395	28,121,658
Depreciation on disposals	-	(150,533)	(4,817,722)	-	-	-	-	-	-	-	(4,968,255)
Depreciation on write-offs	(134,608)	(438,052)	(211,413)	(2,504,491)	(625,786)	(68,536)	(5,313)	(444,276)	-	-	(4,432,475)
Revaluation adjustment to other comprehensive income	-	26,169,197	-	(670,831)	-	-	-	-	-	-	25,498,366
Internal transfers between asset classes	633,620	(639,624)	6,004	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2021	12,380,093	64,953,312	21,675,172	193,545,895	112,989,324	76,084,279	10,046,950	2,125,115	-	263,229	494,063,369
Total written down value as at 30 June 2021	78,493,059	96,326,486	19,432,287	575,182,367	172,727,879	107,524,953	21,155,398	8,398,097	10,372,527	1,818,138	1,091,431,191
Range of estimated useful life in years	5 - 200	5 - 120	5 - 20	5 - 300	15 - 200	15 - 200	5 - 100	5 - 200	-	10-60	-
Addition of renewal assets	1,069,390	2,451,111	3,047,588	15,756,447	3,030,883	2,309,920	85,424	-	-	-	27,750,763
Addition of other assets	771,812	2,661,998	685,217	4,693,231	2,753,759	2,036,920	1,003,241	-	-	-	14,606,178
Total additions in this year	1,841,202	5,113,109	3,732,805	20,449,678	5,784,642	4,346,840	1,088,665	-	-	-	42,356,941

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For the year ended 30 June 2021

15 Property, plant and equipment - prior year

Note	Land and improvements	Buildings	Plant and equipment	Road, bridge and drainage	Water	Wastewater	Waste management	Aerodrome	Works in progress	Right of use - Land	Total plant and equipment
	Valuation Level 2 & 3	Valuation Level 2 & 3	Cost	Valuation Level 3	Valuation Level 3	Valuation Level 3	Valuation Level 3	Valuation Level 3	Cost	Cost	
Basis of measurement	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$	2020 \$
Fair value category	Level 2 & 3	Level 2 & 3		Level 3	Level 3	Level 3	Level 3	Level 3			
Asset Values											
Opening gross value as at 1 July 2019	90,412,757	148,861,045	40,537,471	737,322,531	270,047,991	171,505,068	14,556,800	11,183,853	22,190,545	2,072,590	1,508,690,651
Minor correction to opening balance	(925,047)	-	32,444	3,687,298	1,351,287	-	668,629	-	-	-	4,814,611
Additions at cost	-	-	-	-	-	-	-	-	51,176,685	-	51,176,685
Contributed assets at valuation	-	-	111,677	-	-	-	-	-	-	-	111,677
Internal transfers from work in progress	3,950,005	2,616,891	3,998,906	29,527,508	10,810,404	10,269,497	3,201,336	28,944	(64,403,491)	-	-
Disposals	-	-	(1,419,612)	-	-	-	-	-	-	-	(1,419,612)
Write-offs	(1,004,298)	(1,414,738)	(233,832)	(6,832,533)	(1,430,383)	(853,718)	(1,676,997)	(6,875)	-	-	(13,453,374)
Revaluation adjustment to other comprehensive income	-	-	-	(6,285,091)	-	-	-	-	-	-	(6,285,091)
Revaluation adjustment to capital loss	-	-	-	-	-	-	1,046,695	-	-	-	1,046,695
Internal transfers between asset classes	(10,084,448)	(212,685)	-	83,053	15,369	152,000	10,046,711	-	-	-	-
Closing gross value as at 30 June 2020	82,348,969	149,850,513	43,027,054	757,502,766	280,794,668	181,072,847	27,843,174	11,205,922	8,963,739	2,072,590	1,544,682,242
Accumulated depreciation and impairment											
Opening balance as at 1 July 2019	14,328,084	34,533,963	21,015,834	177,775,373	103,852,153	70,396,352	1,591,888	2,111,161	-	-	425,604,808
Minor correction to opening balance	-	-	-	679,080	375,000	-	199,241	-	-	-	1,253,321
Depreciation expense	1,428,288	2,128,637	3,582,365	9,949,783	4,954,074	2,942,600	893,821	262,906	-	131,834	26,274,308
Depreciation on disposals	-	-	(1,372,572)	-	-	-	-	-	-	-	(1,372,572)
Depreciation on write-offs	(92,575)	(341,934)	(158,393)	(1,841,731)	(863,034)	(458,908)	(797,941)	(3,203)	-	-	(4,557,719)
Revaluation adjustment to other comprehensive income	-	-	-	(98,553)	-	-	-	-	-	-	(98,553)
Revaluation adjustment to capital loss	-	-	-	-	-	-	1,794,348	-	-	-	1,794,348
Internal transfers between asset classes	(5,397,584)	(172,977)	-	18,742	(4,085)	-	5,555,904	-	-	-	-
Accumulated depreciation as at 30 June 2020	10,266,213	36,147,689	23,067,234	186,482,694	108,314,108	72,880,044	9,237,261	2,370,864	-	131,834	448,897,941
Total written down value as at 30 June 2020	72,082,756	113,702,824	19,959,820	571,020,072	172,480,560	108,192,803	18,605,913	8,835,058	8,963,739	1,940,756	1,095,784,301
Range of estimated useful life in years	5 - 200	3-150	5 - 20	5 - 300	15 - 200	15 - 200	5 - 100	5 - 200		7 - 100	

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Notes to the Financial Statements For the year ended 30 June 2021

	2021	2020
	\$	\$
16 Trade and other payables		
Creditors and accruals are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.		
(a) Current		
Accrued Expenses	347,079	295,290
Creditors	10,708,690	8,373,472
Rates received in advance	2,622,358	746,773
QTC interest accrued	41,891	43,223
Accrued wages and salaries	1,334,434	828,764
Other creditors	176,801	192,608
	<u>15,231,253</u>	<u>10,480,130</u>
(b) Non-current		
Creditors	47,453	48,812
	<u>47,453</u>	<u>48,812</u>

17 Provisions

Employee entitlements

Liabilities are recognised for employee benefits such as wages and salaries, sick, annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

Annual leave

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

Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

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

Property restoration

A provision is made for the cost of restoring property where it is probable the Council will be liable, or required, to do this when the use of the facilities is complete.

The provision for refuse restoration is calculated as the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Due to the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. The interest yields attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. Management estimates that the sites will close progressively from 2022 to 2044 and that the restoration will occur progressively over the subsequent four years, with ongoing aftercare costs to 2073.

(a) Current		
Annual leave	4,025,756	3,924,161
Long service leave	2,636,796	2,690,108
Property restoration		
Refuse sites	-	1,600,000
	<u>6,662,552</u>	<u>8,214,269</u>
(b) Non-current		
Long service leave	1,744,539	1,410,619
Property restoration		
Refuse sites	11,977,662	6,714,575
	<u>13,722,201</u>	<u>8,125,194</u>

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For the year ended 30 June 2021

	2021 \$	2020 \$
Details of movements in provisions		
Refuse sites		
Balance at beginning of the year	8,314,575	7,669,827
Unwinding of discount due to passage of time	75,193	109,197
Increase (decrease) due to change in discount rate	15,784	305,478
Increase as a result of revision to expected restoration date	324,971	233,343
Amount expended in year	(4,099,689)	-
Increase (decrease) in estimate of future cost	7,346,828	(3,270)
Balance at end of the year	<u>11,977,662</u>	<u>8,314,575</u>

This is the present value of the estimated future cost of restoring the refuse sites under the State Government environmental regulations at the end of its useful life.

The projected cost of remediation and post closure monitoring is \$15,233,303 and this is expected to be incurred from 2023 to 2073.

Cash funds committed to meet this liability at the reporting date are	<u>2,250,449</u>	<u>3,544,827</u>
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18 Borrowings

(a) Current

(i) Queensland Treasury Corporation	1,464,609	1,300,735
(ii) Lease liabilities	90,487	107,036
	<u>1,555,096</u>	<u>1,407,771</u>

(b) Non-current

(i) Queensland Treasury Corporation	21,906,969	20,871,578
(ii) Lease liabilities	1,744,153	1,861,930
	<u>23,651,122</u>	<u>22,733,508</u>

(i) Queensland Treasury Corporation

Unsecured borrowings are provided by the Queensland Treasury Corporation.

All borrowings are in \$A denominated amounts and carried at amortised cost. Interest is expensed as it accrues except interest relating to land development which historically was capitalised to land held for resale (Refer to note 13). The 2019/20 financial year interest relating to land development was expensed due to decrease in valuation. For 2020/21 financial year interest relating to land development was capitalised.

Expected final repayment dates vary from December 2032 to June 2041.

Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Principal and interest repayments are made quarterly in arrears.

Movements in borrowings

Balance at beginning of the year	22,172,313	23,412,654
Loans raised	2,500,000	-
Principal repayments - cash movement	(1,300,735)	(1,240,341)
Balance at end of the year	<u>23,371,578</u>	<u>22,172,313</u>

The QTC loan market value at the reporting date was \$27,336,879 (2020: \$27,133,529).

This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government.

The following sets out the liquidity risk in relation to the above borrowings and represents the remaining contractual cash flows (principal and interest) at the end of the reporting period.

0 to 1 year	2,492,055	2,338,043
1 to 5 years	9,972,433	9,352,172
Over 5 years	18,010,416	18,022,480
Total contractual outflows	<u>30,474,904</u>	<u>29,712,695</u>
Carrying amount	<u>23,371,578</u>	<u>22,172,313</u>

The contractual outflows are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated.

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Notes to the Financial Statements For the year ended 30 June 2021

	2021	2020
	\$	\$

(ii) Lease liabilities

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is recognised on inception of the lease. Refer to note 15 for Council's accounting policy on right-of-use assets.

Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

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

Subsequent to initial recognition, the lease liability is measured at amortisation cost using the effective interest rate method. The lease liability is re-measured whenever there is a lease modification, or change in the estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the remeasurement.

Exceptions to lease accounting

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

Terms and conditions of leases

Council's leases relate to leases of land. Council has 56 land leases with the Department of Resources (DOR). The length of the leases vary between 10 and 60 years. Two of the leases have communication towers built on the land and the remaining have Council purpose built infrastructure.

The above leases contain renewal options which are reasonably certain to be exercised at Council's discretion. Two of the leases include a fixed annual increase and the others are subject to annual CPI increases.

Movements in lease liabilities

Balance at beginning of the year	1,968,966	2,072,590
Minor error adjustment to opening balance	53,952	-
Principal repayments	(143,103)	(103,624)
Adjustment to right of use assets due to re-measurement of lease liability	(45,175)	-
Balance at end of the year	<u>1,834,640</u>	<u>1,968,966</u>

Maturity analysis

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

Between 0 to 1 year	157,225	175,841
Between 1 to 2 years	159,677	178,455
Between 2 to 3 years	142,410	161,833
Between 3 to 4 years	143,834	163,452
Between 4 to 5 years	145,815	165,613
Over 5 years	1,697,513	2,082,352
Total contractual outflows	<u>2,446,474</u>	<u>2,927,546</u>
Lease liability recognised in the financial statements	<u>1,834,640</u>	<u>1,968,966</u>

(iii) Reconciliation of liabilities arising from finance activities

Loans

Balance at beginning of the year	22,172,313	23,412,654
Loan raised	2,500,000	-
Principal repayments	(1,300,735)	(1,240,341)
Balance at end of the year	<u>23,371,578</u>	<u>22,172,313</u>

Lease liabilities

Balance at beginning of the year	1,968,966	2,072,590
Cash flows during the period	(143,103)	(103,624)
Non cash flows changes in the period	8,777	-
Balance at end of the year	<u>1,834,640</u>	<u>1,968,966</u>

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

ISAAC REGIONAL COUNCIL

**Notes to the Financial Statements
For the year ended 30 June 2021**

	Note	2021 \$	2020 \$
19 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, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.			
When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.			
(a) Contract assets			
Contracts for capital assets		1,076,450	1,861,848
Contracts for operating activities		545,041	-
Current		<u>1,621,491</u>	<u>1,861,848</u>
(b) Contract liabilities			
Funds received upfront to construct Council controlled assets		3,920,003	6,389,023
Deposits received in advance of services to be provided (obligation not yet satisfied)		518,165	521,786
		<u>4,438,168</u>	<u>6,910,809</u>
Current		4,258,127	4,735,353
Non-current		180,041	2,175,456
		<u>4,438,168</u>	<u>6,910,809</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year			
Funds to construct Council controlled assets		4,389,023	1,335,485
Non-capital performance obligations		309,495	208,091
		<u>4,698,518</u>	<u>1,543,576</u>

Significant monies were received in advance in the prior financial year for DRFA works. These works were finalised in the current financial year, with the corresponding liability recognised as revenue.

20 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus. Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

(i) Movements in the asset revaluation surplus

Balance at beginning of the year		235,318,517	241,505,055
Adjustments to the property, plant and equipment through revaluations	15	(13,196,095)	(6,186,538)
Balance at end of the year		<u>222,122,422</u>	<u>235,318,517</u>

(ii) Asset revaluation surplus analysis

The closing balance of the asset revaluation surplus is comprised of the following asset categories

Land and improvements		6,795,470	3,652,847
Buildings		13,962,886	28,061,169
Road, bridge and drainage		94,085,690	96,326,126
Water		76,731,071	76,731,071
Wastewater		30,547,305	30,547,304
		<u>222,122,422</u>	<u>235,318,517</u>

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements For the year ended 30 June 2021

	2021	2020
	\$	\$
21 Commitments for expenditure		
Contractual commitments		
Capital		
Capital commitment for the construction of the following assets contracted for at end of the financial year but not recognised as liabilities.		
Infrastructure	1,898,670	1,972,259
Other Assets	4,234,034	8,044,427
	<u>6,132,704</u>	<u>10,016,686</u>
These expenditures are payable		
Within one year	<u>6,132,704</u>	<u>10,016,686</u>

22 Events after balance date

There were no material adjusting events after the balance date.

23 Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities.

Local Government Mutual

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

As at 30 June 2021 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Isaac Regional Council is a member of the Queensland Local Government workers compensation self-insurance scheme, Local Government Workcare.

Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities.

Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise.

The Council's maximum exposure to the bank guarantee is

	675,092	666,175
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Bank Guarantee

Under the terms of agreement for the supply of water to the Isaac Regional Council, the Council has provided a bank guarantee to the provider. The guarantee expires on 30 June 2025.

The Council's maximum exposure under the bank guarantee is

	1,500,000	1,500,000
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Legal Matters

Council is subject to claims that arise as a result of the operations of Council. Council has not provided for any amounts to date in relation to these claims on the basis that it has been assessed as immaterial or that it cannot be reliably estimated at reporting date. Information in respect of individual claims has not been disclosed in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets on the basis that Council considers such disclosures would seriously prejudice the outcome of the claims.

Residential Subdivision

Council has recently received advice on how to address a stalled residential subdivision where early release of survey plans was granted, however, no bonds, guarantee or securities are held. To date, a large portion of the required infrastructure works have not been completed. Noting the complexity of legal implications and associated options available to Council, it is not possible for Council to quantify the financial implications at reporting date.

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2021

		2021 \$	2020 \$
	Note		
24 Superannuation			
Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the <i>Local Government Act 2009</i> .			
The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the Council level.			
Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of the Council.			
Isaac Regional Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to Council's obligations will only be made on the advice of an actuary.			
The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefit entitlements represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.			
No changes have been made to prescribed employer contributions which remain at 12% of employee assets for this financial year and it is noted that under current proposed Certified Agreement, there will be a change to the rate of contribution in 2022 financial year.			
The next triennial actuarial review is not due until 1 July 2021.			
The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:			
Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.			
Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.			
Superannuation contributions made to the Regional Defined Benefits Fund		24,396	34,326
Other superannuation contributions for employees		3,951,643	3,994,335
		<u>3,976,039</u>	<u>4,028,661</u>
25 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities			
Net result		2,218,383	15,575,791
Non-cash operating items			
Impairment of receivables and bad debts written-off		1,601,782	11,916
Depreciation and amortisation	8	28,125,008	26,358,338
Change in restoration provisions expensed to finance costs		75,193	109,197
Interest accrued on loan to controlled entities		(5,509)	(12,838)
Revaluation of inventory land expensed to materials and services		(3,070,652)	29,498
		<u>26,725,822</u>	<u>26,496,111</u>
Investing and development activities			
Capital grants, subsidies and contributions	3 (b) (ii)	(12,768,083)	(25,139,640)
Capital income	4	(3,624,361)	(431,566)
Capital expenses	9	15,540,268	10,178,859
		<u>(852,176)</u>	<u>(15,392,347)</u>
Financing activities			
Capitalised interest		(624,352)	-
		<u>(624,352)</u>	<u>-</u>
Changes in operating assets and liabilities			
(Increase) decrease in receivables		(272,472)	(250,598)
(Increase) decrease in inventories (excluding land)		(81,334)	248,008
(Increase) decrease in other operating assets		128,919	(411,341)
(Increase) decrease in operating contract assets		(545,041)	58,200
Increase (decrease) in payables		4,749,763	(7,375,632)
Increase (decrease) in provisions		382,203	804,786
Increase (decrease) in other liabilities		-	(986,289)
Increase (decrease) in operating contract liabilities		(3,621)	52,252
		<u>4,358,417</u>	<u>(7,860,614)</u>
Net cash inflow from operating activities		<u>31,826,094</u>	<u>18,818,941</u>

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements For the year ended 30 June 2021

		2021	2020
		\$	\$
26 Controlled entities that have not been consolidated	Note		
Isaac Regional Council has a number of controlled entities that are not consolidated because their size and nature means that they are not material to Council's operations. The audited special purpose financial statements for these controlled entities are published on Council's website and are prepared to meet requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> . The controlled entities are registered not-for-profit entities, meaning Council currently cannot receive any dividends or proceeds from sale on wind up of these entities.			
A summary of those entities, their net assets and results for the year ended 30 June 2021 follows:			
Controlled Entity	Ownership Interest		
Moranbah Early Learning Centre:	100%		
Revenue		3,059,875	2,699,809
Expenses		(2,379,592)	(2,430,565)
Profit / (loss)		680,283	269,244
Assets		1,215,712	548,989
Liabilities		922,587	972,147
The centre provides childcare facilities to the community.			
Moranbah Early Learning Centre liabilities include loans payable of \$647,861 to Isaac Regional Council which are recognised as receivables in these financial statements (refer to Note 11).			
Isaac Affordable Housing Trust:	100%		
Revenue		2,765,056	277,105
Expenses		(259,496)	(361,823)
Profit / (loss)		2,505,560	(84,718)
Assets		7,666,889	5,124,374
Liabilities		4,906,213	4,869,259
The housing trust provides affordable housing to the community.			
Isaac Affordable Housing Trust liabilities include loans payable of \$4,879,018 to Isaac Regional Council which are recognised as receivables in these financial statements (refer to Note 11).			
27 Minor correction for assets not previously recognised			
During the financial year Council became aware of some assets in property plant and equipment that were not previously recognised as well as some assets previously recognised that should not have been recognised.			
Summary details of assets not previously recognised are as follows			
Gross value of property, plant and equipment	15	1,581,700	5,739,658
Less accumulated depreciation	15	(946,134)	(1,253,321)
Gain from assets not previously recognised		635,566	4,486,337
Summary details of assets previously recognised incorrectly are as follows			
Gross value of property, plant and equipment	15	-	(925,047)
Loss on assets previously recognised incorrectly		-	(925,047)
Net result of recognised/derecognised assets		635,566	3,561,290

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements For the year ended 30 June 2021

28 Financial instruments and financial risk management

Isaac Regional Council has exposure to the following risks arising from financial instruments

- credit risk
- liquidity risk
- market risk.

Financial risk management

The Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

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

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

The Council does not enter into derivatives.

Credit risk

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

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

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

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period.

	Note	2021 \$	2020 \$
Financial assets			
Cash at bank and on hand	10	530,014	666,802
Cash investments held with - QTC	10	55,234,857	54,797,998
Cash investments held with other approved deposit taking institutions	10	1,406,858	2,914,837
Financial receivables			
Receivables - rates and utility charges	11	4,328,890	4,699,812
Receivables from controlled entities	11	5,526,879	5,592,985
Receivables - other	11	5,299,709	6,320,382
Other credit exposure			
Guarantees	23	2,175,092	2,166,175
Total		<u>74,502,299</u>	<u>77,158,991</u>

Cash and cash equivalents

Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

ISAAC REGIONAL COUNCIL

Notes to the Financial Statements For the year ended 30 June 2021

28 Financial instruments - continued

Other financial assets

Other investments are held with financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

Trade and other receivables

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of defaults.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area. The local economy depends largely on agriculture and mining and due to this Council is exposed to risk associated with the often cyclical nature of these sectors.

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

At 30 June 2021 the exposure to credit risk (prior to any allowance for expected credit losses) for trade receivables by type of counterparty was as follows:

	2021	2020
	\$	\$
Rates & utility debtors	5,990,915	4,699,812
Other Debtors	1,328,566	1,823,413
Government debtors	3,971,143	4,496,969
Water Levies	1,440,293	1,896,540
Controlled entities	5,526,879	5,592,985
	<u>18,257,796</u>	<u>18,509,719</u>

Expected credit loss assessment as at 30 June 2020 and 30 June 2021

Historically, loss rates observed in respect of rate and utility debtors (due to Council empowerment to sell property to recover debt as described above) has not been significant. However, in the current year, an allowance has been made for expected credit losses against rating receivables in relation to a stalled Residential Subdivision. This is not expected to occur in subsequent years.

The loss allowance for expected credit losses on loans receivable from controlled entities is determined in accordance with the general approach under AASB 9, which requires the loss allowance to be measured at an amount equal to 12-month expected credit losses, unless the credit risk on these loans has increased significantly since initial recognition. No credit losses are expected on these loans receivable within the next twelve months, based on the maturity dates of the loans. Management has determined that the credit risk on these loans has not increased significantly since initial recognition.

Council uses an allowance matrix to measure the expected credit losses on other receivables from individual customers, which comprise a very large number of small balances. Council considers that the risk profile of all subcategories or "other debtors" above is similar, and accordingly assesses the allowance for expected credit losses for these receivables on a collective basis.

As the historical loss rate observed in respect of Government debtors is nil, they have been removed from the other receivables balance when applying the allowance matrix, no allowance is made for expected credit losses against this class of receivable.

Loss rates are calculated based on Council's actual credit loss experience over the past fourteen years and reflect the probability of a receivable progressing through successive stages of delinquency to write-off. Council considers debtors with an outstanding balance greater than 90 days to be in default. Loss rates are adjusted to reflect Council's expectation of future economic conditions, relative to those which prevailed over the period for which historical loss rates were determined. In determining the adjustment required to historical loss rates, Council considers macroeconomic indicators including: unemployment rate, interest rate, coal price volatility and global coal demand, population and household income statistics, and general indicators of mining activity (e.g. predicted mining projects).

ISAAC REGIONAL COUNCIL

**Notes to the Financial Statements
For the year ended 30 June 2021**

2021						
Details	Not passed due date	Passed due 1-30 days	Passed due 31-60 days	Passed due 61-90 days	Passed 90 days	Lifetime expected credit loss
Balance outstanding	1,046,563	48,308	17,423	2,066	214,206	
Expected credit loss	0.19%	0.49%	2.60%	28.53%	97.89%	
Expected credit loss allowance	1,984	237	453	589	209,678	212,941

2020						
Details	Not passed due date	Passed due 1-30 days	Passed due 31-60 days	Passed due 61-90 days	Passed 90 days	Lifetime expected credit loss
Balance outstanding	1,374,374	75,198	9,644	108,062	256,135	
Expected credit loss	0.23%	0.52%	1.98%	26.39%	94.88%	
Expected credit loss allowance	3,111	387	190	28,519	243,018	275,225

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

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

The Council does not have any overdraft facilities at the reporting date.

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC (see note 18 for contractual maturity disclosures).

Market risk

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

Interest rate risk

Isaac Regional Council is exposed to interest rate risk through investments with QTC and other financial institutions.

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

There is no reasonable possible change in interest rate that would cause a material impact to profit or equity.

ISAAC REGIONAL COUNCIL

Financial Statements

For the year ended 30 June 2021

29 Transactions with related parties

(a) Controlled entities

Isaac Regional Council has two controlled entities. These controlled entities are not consolidated as their size and nature means that they are not material to Council's operations. All details of these entities are disclosed in note 26.

The following transactions occurred with the controlled entities:

Controlled entity	Expenses paid	
	2021	2020
	\$	\$
Isaac Affordable Housing Trust	12,091	13,200
Moranbah Early Learning Centre	-	222
	<u>12,091</u>	<u>13,422</u>

Isaac Regional Council paid for expenses on behalf of Isaac Affordable Trust and Moranbah Early Learning Centre. These expenses are to be reimbursed. There are existing loans from Isaac Regional Council to both of these controlled entities (note 26) with interest being accrued on a monthly basis on both loans. The IAHT loan interest is charged at the Mortgagee's (Isaac Regional Council) banker to its customers. The MELC loan interest is charged at the lowest Queensland Treasury Corporation Borrowing Rate as at 31 March each year.

For the period 1 July 2017 to 30 June 2021, a \$1 peppercorn lease exists between Isaac Regional Council and MELC for the property that the MELC is conducted from.

(b) Key Management Personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and all of Council's Executive Leadership Team.

Transactions with KMP, in the form of compensation paid, comprises:

Nature of Compensation	2021	2020
	\$	\$
Short-term employee benefits	2,287,046	2,513,523
Long-term benefits	35,069	22,725
Post-employment benefits	196,136	199,478
	<u>2,518,251</u>	<u>2,735,726</u>

Detailed remuneration disclosures for KMP are provided in Council's annual report.

(c) Other related parties

Other related parties include the close family members of KMP and any entities controlled, or jointly controlled, by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

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

	2021	2020
	\$	\$
Employee expenses for close family members of key management personnel (wages and superannuation)	97,978	87,455
Purchase of materials and services from entities controlled by key management personnel	53,027	41,668
Sponsorship paid to Isaac Regional Charity Trust	-	10,000
	<u>151,005</u>	<u>139,123</u>

(i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

(ii) Materials and Services purchased from entities controlled by key management personnel were at arms length and in the normal course of Council's operations.

(d) Outstanding balances

There were no outstanding balances at the end of the reporting period in relation to receivables and payables transactions with related parties.

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

Most of the entities and people that are related parties of Council live and operate within the Isaac Regional Council. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Using the Councils public swimming pool after paying the normal fee
- Dog registration
- Borrowing books from a Council library

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

ISAAC REGIONAL COUNCIL

FINANCIAL STATEMENTS
For the year ended 30 June 2021

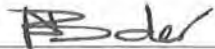
MANAGEMENT CERTIFICATE

For the year ended 30 June 2021

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 30, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor

Name: Cr Anne Baker

Date: 26 / 10 / 2021



Chief Executive Officer

Name: Mr Jeff Stewart-Harris

Date: 26 / 10 / 2021

INDEPENDENT AUDITOR'S REPORT

To the councillors of Isaac Regional Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Isaac Regional Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2021, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

At the date of this auditor's report, the available other information in Isaac Regional Council's annual report for the year ended 30 June 2021 was the current year financial sustainability statement, long-term financial sustainability statement and annual report.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

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

Prescribed requirements scope

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



Michael Claydon
as delegate of the Auditor-General

28 October 2021

Queensland Audit Office
Brisbane

ISAAC REGIONAL COUNCIL

**Current-year Financial Sustainability Statement
For the year ended 30 June 2021**

Measures of financial sustainability

- (i) **Operating surplus ratio**
Operating surplus (Net result excluding all capital items) divided by total operating revenue (excludes capital revenue).
- (ii) **Asset sustainability ratio**
Capital expenditure on the replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets.
- (iii) **Net financial liabilities ratio**
Total liabilities less current assets divided by total operating revenue.

Council's performance at 30 June 2021 against key financial ratios:

	Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
Target	between 0% and 10%	greater than 90%	not greater than 60%
Actual	1.21%	103.90%	-7.17%

Note 1 - Information about these financial statements

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2021.

**Certificate of Accuracy
For the year ended 30 June 2021**

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

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



Mayor

Name: Cr Anne Baker

Date: 26 / 10 / 21



Chief Executive Officer

Name: Mr Jeff Stewart-Harris

Date: 26 / 10 / 2021

INDEPENDENT AUDITOR'S REPORT

To the councillors of Isaac Regional Council

Report on the current-year financial sustainability statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Isaac Regional Council for the year ended 30 June 2021, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Isaac Regional Council for the year ended 30 June 2021 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

At the date of this auditor's report, the available other information in Isaac Regional Council's annual report for the year ended 30 June 2021 was the general purpose financial statements, long-term financial sustainability statement and annual report.

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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

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



Michael Claydon
as delegate of the Auditor-General

28 October 2021

Queensland Audit Office
Brisbane

ISAAC REGIONAL COUNCIL

Long-Term Financial Sustainability Statement

Prepared as at 30 June 2021

Measures of financial sustainability

- (i) **Operating surplus ratio**
Operating surplus (Net result excluding all capital items) divided by total operating revenue (excludes capital revenue).
- (ii) **Asset sustainability ratio**
Capital expenditure on the replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets.
- (iii) **Net financial liabilities ratio**
Total liabilities less current assets divided by total operating revenue.

Council's performance at 30 June 2021 against key financial ratios:

Target		Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
Actuals at 30 June 2021		between 0% and 10%	greater than 90%	not greater than 60%
Projected for the years ended	30 June 2022	1.21%	103.90%	-7.17%
	30 June 2023	1.20%	93.50%	-2.88%
	30 June 2024	1.66%	104.83%	-0.18%
	30 June 2025	1.79%	104.80%	-2.79%
	30 June 2026	1.90%	104.39%	-5.45%
	30 June 2027	2.02%	102.76%	-8.16%
	30 June 2028	2.13%	102.71%	-10.93%
	30 June 2029	2.27%	102.67%	-13.77%
	30 June 2030	2.40%	102.62%	-16.69%
		2.55%	102.58%	-19.68%

Financial Management Strategy

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

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2021

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

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



Mayor

Name: Cr Anne Baker

Date: 26/10/21



Chief Executive Officer

Name: Mr Jeff Stewart-Harris

Date: 26/10/2021

MEETING DETAILS

**Corporate, Governance and Financial
Service Standing Committee Meeting**
Tuesday 9 November 2021

AUTHOR

Michael Krulic

AUTHOR POSITION

Manager Financial Services

5.8

2021- 2022 1ST QUARTER BUDGET REVIEW

EXECUTIVE SUMMARY

A review of the budget for the 2021-2022 financial year has been undertaken with each of the respective Department Managers and then reviewed by their respective Directors and Executive Leadership Team (ELT) as at 30 September 2021.

The review proposes a \$147K decrease to the budgeted operating surplus, along with a \$2.6M decrease to capital revenue and a \$5.1M decrease to the capital expenditure program.

As the variations to the 2021/2022 budget are balanced within the financial year, the forward estimates for the adopted Long-Term Financial Forecast are retained.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council:

- 1. In accordance with section 170 (3) of the Local Government Regulation 2012, adopts the proposed revised budget for 2021/2022.***

BACKGROUND

The first budget review for 2021/2022 has been undertaken at the end of the September quarter. This initial review is primarily aimed at allowing correction of any significant budget variances or unexpected events since the budget was formulated.

A desktop exercise has been undertaken by Finance for the operating budget and results provided to Managers and Directors for their review and commentary. The overall result has also then been provided to ELT for high level analysis and confirmation.

Capital project listings, as at 30 September 2021, were circulated to Managers for review and comment and subsequently forwarded to respective Directors and ELT for further review and endorsement.

An executive summary outlining the 1st quarter performance, proposed amendments to the budget and any emerging trends or risks are attached.

IMPLICATIONS

The review proposes changes to the operating budget, predominantly relating to the timing of the TMR contract works relating to the Alpha and May Downs Roads projects. There is also a further reduction in capital revenue through the removal of unsuccessful grant applications which have occurred since the budget was adopted.

The budget review proposes a \$147K decrease to the adopted operating budget and therefore the budgeted operating surplus decreases to \$1.36M, prior to reserve transfers. Incorporating the transfers from reserves, the operating position before Capital items is \$1.98M. It is noted that the operating surplus is budgeted to fund repayment of existing borrowings and reserve funding of the Asset Management and Legacy Reserve. This funding will be further analysed at the 2nd Quarter Budget Review.

The review recommends a decrease of \$2.6M to Capital Revenue in recognising the removal of unsuccessful grants as advised since the budget was adopted.

If the proposed capital variations are approved by Council, then the overall capital program will decrease from \$55.6M to a revised budget of \$50.5M.

As the proposed variations are funded from grants or existing sources, the forward estimates for the next 9 financial years contained within the Long-Term Financial Forecast have not changed materially from the original budget adoption and are therefore retained. The overall position of the Long-Term Financial Forecast will be reviewed as part of the 2022/2023 budget process.

CONSULTATION

- Executive Leadership Team
- Departmental Managers
- Financial Services

BASIS FOR RECOMMENDATION

Not Applicable.

ACTION ACCOUNTABILITY

Not Applicable.

KEY MESSAGES

Council has undertaken the 1st quarter budget review.

Council is currently within the adopted operational budget.

Council is amending the capital budget to recognise variations to grant funded projects.

Report Prepared By:

MICHAEL KRULIC
Manager Financial Services

Date: 3 November 2021

Report Authorised By:

DARREN FETTELL
Director Corporate, Governance and Financial Services

Date: 3 November 2021

ATTACHMENTS

- Attachment 1 – Executive Summary – 2021-2022 1st Quarter Budget Review

REFERENCE DOCUMENT

- Q1 2022 FY Operational Budget Review
- Whole of Council Q1 Capital Review – Final

EXECUTIVE SUMMARY

1st Quarter BUDGET Review 2021-22

ISAAC REGIONAL COUNCIL				
Statement of Comprehensive Income				
For the Period Ended 30 September 2021				
	Full Year Revised Budget	Proposed Revised Position	Revised Budget Variance	YTD Actual
	\$	\$	\$	\$
Income				
Operating Revenue				
Net Rates & Utility Charges	90,738,785	90,738,785	-	46,461,280
Fees & Charges	3,684,550	4,006,550	322,000	1,012,767
Rental Income	1,479,854	1,504,204	24,350	411,341
Interest Received	601,500	601,500	-	153,634
Sales of Contract & Recoverable Works	16,451,000	11,951,000	(4,500,000)	196,627
Operating Grants, Subsidies & Contributions	6,856,704	7,175,663	318,959	1,101,079
Other Recurrent Revenue	7,462,170	7,462,170	-	1,513,901
	127,274,563	123,439,872	(3,834,691)	50,850,629
Expenses				
Operating Expenses				
Employee Expenses	41,607,376	41,960,285	(352,909)	8,619,260
Materials & Services	56,150,510	52,109,636	4,040,874	10,252,051
Finance Costs	1,240,438	1,240,438	-	253,082
Depreciation and Amortisation	26,767,710	26,767,710	-	7,036,457
Corporate Overheads & Competitive Neutrality Costs	-	-	-	-
	125,766,034	122,078,068	3,687,965	26,160,851
Operating Surplus / (Deficit)	1,508,529	1,361,803	(146,726)	24,689,778
Transfer from Reserves	622,276	622,276	-	-
Operating Position Before Capital Items	2,130,805	1,984,079	(146,726)	24,689,778
Capital Revenue				
Capital Revenue	13,136,378	10,579,022	(2,557,356)	877,053
Proceeds from Sale of Land & PPE	947,660	947,660	-	-
	14,084,038	11,526,682	(2,557,356)	877,053
Net Result Attributable to Council in Period	16,214,843	13,510,761	(2,704,082)	25,566,831
Total Comprehensive Income	16,214,843	13,510,761	(2,704,082)	25,566,831

Executive Summary

The 1st quarter budget review for 2021/2022 has been undertaken at the end of September by engaging with respective Department Managers and Directors. An initial desktop exercise was undertaken by Finance and results provided to Managers and Directors for their review and commentary.

Overall, the proposed budget revision results in a decrease of operating surplus of approximately \$147K. This decrease in surplus is predominantly due to a delay in commencement of TMR project works. Recognition of additional income has offset other increases in operational expenses with savings recognised on Workcare insurance for the 2021/2022 financial year.

Key changes to the Operating result were as follows:

- Fees and Charges increased \$322K recognising additional income from the Moranbah pool (originally budgeted to be leased), Clermont Saleyards and Washdown facilities.
- Rental Income increased \$24K recognition of additional income at Teresa Creek Dam and land rental for SES buildings.
- Sales of Contract & Recoverable Works decreased \$4.5M recognising a decrease in expected TMR funded works this financial year (partially offset by a reduction of \$4.2M in expenditure)
- Operating Grants, Subsidies & Contributions increased by \$319K, recognising additional operational works received from Black Spot Funding and outstanding grant liabilities (both of which are offset with an increase in materials and services) and additional grant revenue received after the budget was set.
- Employee Expenses increased by \$353K to fund positions at the Moranbah pool (offset by matching revenue / decrease in lease expenditure) and Plant, Fleet & Workshops (funded in the 2021/2022 Financial Year by a decrease in materials and services). These additional expenses have been partially offset by a decrease in Workcare expenditure.
- Materials & Services decreased \$4M, predominately for TMR (\$4.2M), Moranbah Pool (\$150K), Plant Fleet & Workshops (\$40K) and LGIP consultancy (\$150K), offsetting additional grant funded works (matching revenue above), Teresa Creek Dam expenditure and Dysart Civic Centre set up of temporary air-conditioning solution.

The capital revenue budget is proposed to be decreased by \$2.6M to \$11.5M predominately through the removal of unsuccessful grant applications which have occurred since the budget was adopted. It is noted that revenue associated with carry forward capital, as adopted through Council resolution, is also recognised through the budget review.

The capital expenditure program is proposed to be amended from \$55.6M to \$50.5M to recognise variations, removal of unsuccessful grant funded projects and deferral of funds to the 2022/2023 Capital Program.

The following key operational budget areas are highlighted for monitoring and will be assessed further at the December budget review.

Council

- Budgeted 9% vacancy rate of employee expenses.
- Continuing uncertainty around the economic environment through ongoing impacts of COVID-19 Pandemic and associated recession.
- Risks of Disaster related impacts during upcoming disaster season for Disaster Management and impacts on business continuity and infrastructure areas.
- Delayed Capital Program Delivery through extended wet or dry climate impacts or disaster season.
- Increased depreciation expense due to 2020/2021 audit finalisation.
- Risk around unforeseen legal matters / legal challenges.
- Risk around long-term vacant positions and the use of agency temp staff.

Corporate, Governance & Financial Services

- Lower rates of return on funds invested.
- Operating grants being impacted by uncertainty of early release of the Federal Assistance Grant per previous years.
- Rating estimates to be reviewed to confirm anticipated rates revenue and discount.
- Risk around ad-hoc project requests and business continuity scenarios.
- Risk around finalisation of rating valuation objections.
- Risk around Disaster Management.

Engineering & Infrastructure

- Operating grants being impacted by uncertainty of early release of the Federal Assistance Grant per previous years.
- RMPC under budget for both recoverable works revenue and materials and services, noting however past trends suggest budget predictions will be met.
- Management of employee expense/internal plant hire allocations, in particular costing to capital projects in line with budget estimate.
- Risk around employees budgeted as recoverable works.
- Risk around time frame of recovering expenditure on infrastructure agreements.

- Risk around management of Clermont TMR (Alpha & May Downs Road) projects.
- Management of expenditure with some Departments at 50% of annual spend (including commitments) for some expenditure items.
- Risk around completion of operational projects.

Planning, Environment and Community Service

- Risk around employees budgeted as Capital.
- Building and plumbing fees currently trending below budget noting increased fees required to fund additional position.
- Risk around various expenditure items at or above annual budget.
- Risk around ongoing Theresa Creek Dam septic disposal expenses in lieu of capital rectifications.
- Risk around completion of Grant Funded projects within timeframe and potential requirement to refund Grants (historical and current).
- Potential risk around pool operations and repairs and maintenance.
- Risk around long-term vacancies and use of Agency Temp Staff to backfill.
- Risk around breakdowns and maintenance of Community Facility Infrastructure.
- Risk around meeting budgeted targets for animal registrations.

Water & Waste

- Risk around management of existing water agreement and progression of additional agreements.
- Risk of items currently costed to Capital being of an operational nature and transferred / impacting on the Operational budget.
- Risk around meeting various revenue line items.
- Risk around operational expenditure for continuity of service with vacant positions (use of agency temp staff).
- Risk around unexpected emergent events.

Council Performance Year to Date

ISAAC REGIONAL COUNCIL								
Statement of Comprehensive Income								
For the Period Ended 30 September 2021								
	Notes	YTD Actual	Commitments	YTD Actual + Commitments	YTD Revised Budget	Variance	Full Year Revised Budget	Completion
		\$	\$	\$	\$	\$	\$	%
Income								
Operating Revenue								
Net Rates & Utility Charges		46,461,280	-	46,461,280	46,553,150	(91,870)	90,738,785	51.2%
Fees & Charges		1,012,767	-	1,012,767	962,762	50,004	3,684,550	27.5%
Rental Income		411,341	-	411,341	363,136	48,205	1,479,854	27.8%
Interest Received		153,634	-	153,634	134,375	19,259	601,500	25.5%
Sales of Contract & Recoverable Works		196,627	-	196,627	2,196,083	(1,999,457)	16,451,000	1.2%
Operating Grants, Subsidies & Contributions		1,101,079	-	1,101,079	974,583	126,497	6,856,704	16.1%
Other Recurrent Revenue		1,513,901	-	1,513,901	1,577,723	(63,822)	7,462,170	20.3%
		50,850,629	-	50,850,629	52,761,813	(1,911,184)	127,274,563	40.0%
Expenses								
Operating Expenses								
Employee Expenses		8,619,260	-	8,619,260	9,640,861	(1,021,601)	41,607,376	20.7%
Materials & Services		10,252,051	8,163,274	18,415,325	15,237,677	3,177,649	56,150,510	32.8%
Finance Costs		253,082	-	253,082	310,109	(57,027)	1,240,438	20.4%
Depreciation and Amortisation		7,036,457	-	7,036,457	6,691,928	344,530	26,767,710	26.3%
Corporate Overheads & Competitive Neutrality Costs		-	-	-	-	-	-	0.0%
		26,160,851	8,163,274	34,324,125	31,880,575	2,443,550	125,766,034	27.3%
Operating Position Before Capital Items		24,689,778	(8,163,274)	16,526,504	20,881,238	(4,354,734)	1,508,529	1095.5%
Capital Revenue								
Capital Revenue		877,053	-	877,053	-	877,053	13,136,378	6.7%
Proceeds from Sale of Land & PPE		-	-	-	250,000	(250,000)	947,660	0.0%
		877,053	-	877,053	250,000	627,053	14,084,038	6.2%
Net Result Attributable to Council in Period		25,566,831	(8,163,274)	17,403,557	21,131,238	(3,727,681)	15,592,567	111.6%
Total Comprehensive Income		25,566,831	(8,163,274)	17,403,557	21,131,238	(3,727,681)	15,592,567	111.6%

Council's operating position at month end is a \$24.7M surplus

Operating Revenue

Net Rates & Utility Charges

Net rates and utility charges are tracking below budget with an unfavourable variance of \$92K. Variances at September relate to reduced Sewerage Infrastructure Charges and the timing of the pensioner discount. It is noted that at the end of October that General Rates are approximately \$287K favourable compared to YTD budget offsetting the unfavourable variance for Sewerage.

Fees & Charges

Fees and charges are tracking above budget noting a favourable variance of \$50K, increasing to \$96K in October. Increased revenue for the Clermont Saleyard, Moranbah Pool (originally budgeted to be leased), and water sales are noted. Building and plumbing applications which are below budget expectations will continue to be monitored and assessed at the 2nd Quarter Budget Review.

Rental Income

Rental income is tracking above budget with a current favourable variance of \$48K, increasing to \$55K in October. This variance will be monitored throughout the year and assessed at the 2nd Quarter Budget Review.

Interest Received

Interest received year to date at the end of September was \$19K above budget, noting that interest has been cashflowed to receive when spikes in revenue occur after each rate run has been received.

Sales of Contract & Recoverable Works

Sales of contract & recoverable works are unfavourable to budget by \$2M. This is predominately due to the timing of the TMR contract works and the RMPC program and cashflowing of budget. The TMR works has been re-evaluated at the Q1 Review with a decrease to expected revenue of \$4.5M (partially offset with a decrease in expenditure of \$4.2M).

Operating Grants, Subsidies & Contributions

Operating grants are \$126K favourable to budget at the end of September increasing to \$304K in October. This is due to the receipt of operational Black Spot Funding (unbudgeted), cashflowing of the quarterly Federal Assistance Grant / SES subsidy and higher than anticipated training funds.

Other Recurrent Revenue

Other recurrent revenue is below budget with an unfavourable variance of \$64K. In October the variance is \$12K favourable.

Operating Expenses

Employee Expenses

Employee expenses are favourable to the adopted budget by \$1M, increasing to \$1.1M in October. This favourable variance is due to a variety of factors including the accrual of the first week of the year to the previous financial year through end of year processes, accrual of the anticipated backpay for employees for the recently signed CA negotiations and long-term vacancies in the organisation. Employee expense will face an adjustment in the November period when the backpay for the new CA agreement is processed. This expenditure line item is continually monitored and assessed during the financial year.

Materials & Services

Materials and services actual expenses for the year to date are \$10.3M with \$8.2M being recorded in commitments, resulting in an unfavourable variance to budget of \$3.2M. Excluding commitments YTD expenditure would be approximately \$2.25M below YTD budget. In October, YTD expenditure (excluding commitments) is \$7.6M below YTD. It is noted that the TMR works were originally cashflowed to have spent approximately \$2.7M by September. It is further noted that due to delays in the commencement of the TMR works the annual expenditure is proposed to be decreased by \$4.2M partially offsetting the \$4.5M reduction of revenue at the Quarter 1 Budget Review.

Finance Costs

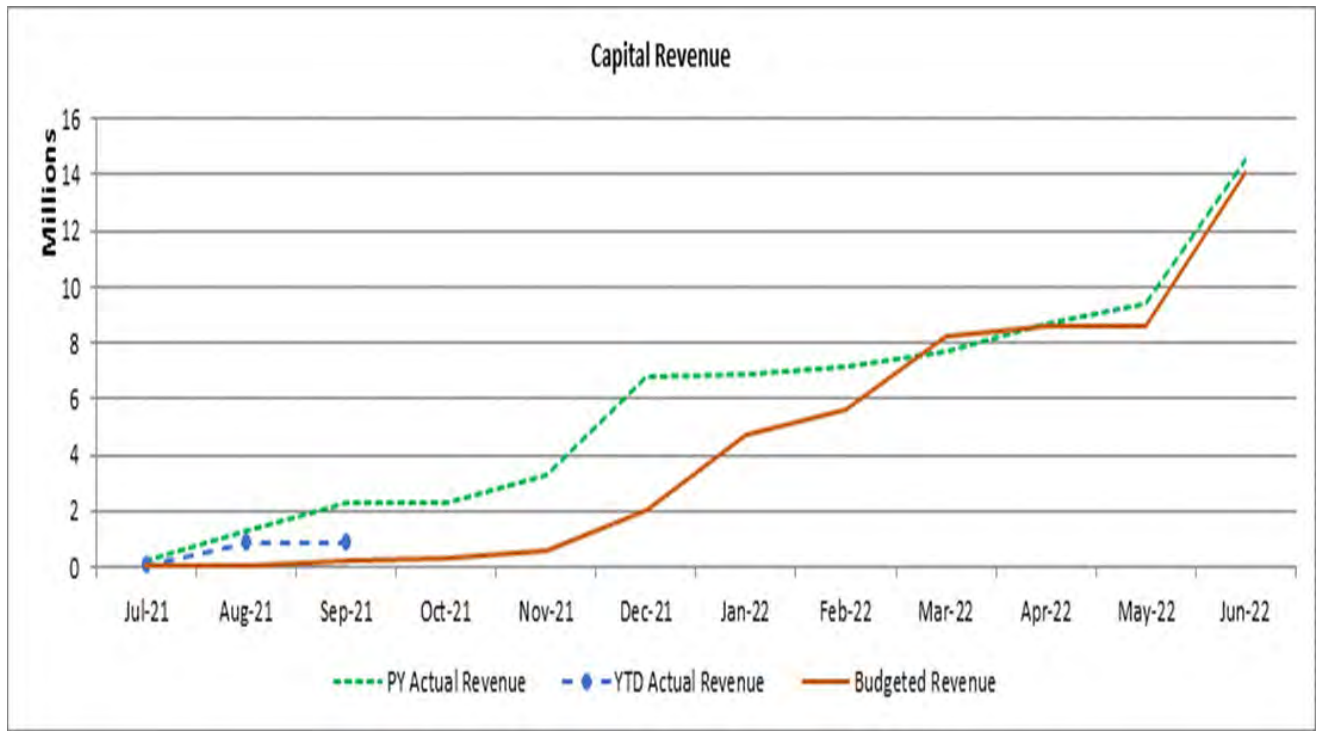
Finance costs are currently below budget with a favourable variance of \$57K.

Depreciation & Amortisation

Depreciation is \$345K unfavourable to budget. This is primarily due to changes to asset valuations and useful lives post adoption of original budget and outcomes of the 2020/2021 Financial Statement audit. Impacts will be further assessed at the 2nd Quarter Budget Review after confirmation with relevant asset owners. This trend has continued through October with depreciation \$482K unfavourable to budget.

Capital Revenue

Capital Revenue



The full year capital revenue budget is currently \$14.1M which comprises of Federal Grants, State Grants, Contributions and Proceeds from the Disposal of Assets. The YTD actual revenue of \$877K is above YTD budget due to the advance payments received on capital grants.

Since the adoption of the Original Council Budget, the following events below are to be recognised in relation to capital revenue:

1. Council has since been advised that the below grant applications have been unsuccessful (total \$2,783,525):

• STIP CW223044	\$ 145,000
• Cycle Networks CW212952	\$ 240,025
• Building Better Region Fund (CW223035 & CW223000)	\$2,083,500
• Regional Airport Program CW223033	\$ 315,000

2. Deferral of grant deliverables to the 2022/2023 financial year offset with a reduction of expenditure in 2021/2022 (total \$2,246,995)

• CW223015 Improvements of Intersect with Russell Park Rd	\$ 150,000
• CW223008 Construction of Bully Creek Bridge	\$ 96,995
• CW212945 CLM Sale & Showground Revitalisation Stage 2	\$2,000,000

3. There has been recognition of carried forward grants/contributions for the below projects (total \$2,314,984):

- CW212926 Collaroy Culverts Timber Bridge Replacement \$349,367
- CW212928 Design for replacement Bully Creek Bridge \$ 5,756
- CW212866 CORP SPS Renewal Program \$ 66,999
- CW212943 MBH Community Centre Technology Upgrade \$600,000
- LRCI Phase 1 \$562,450
 - CW212933 MBH Town Square Water Fountain Replacement
 - CW212935 MBH Clements St Median Irrigation Upgrade
- W4QLD 19 - 21 \$467,584
 - CW212890 Hub Development & Reconfiguration
 - CW202787 CLM Administration /Civic Centre Compliance
 - CW202798 MMT Hall Structural Renewal
 - CW202816 DYS Civic Centre
- W4QLD COVID 19 \$262,828
 - CW212876 MBH AFL Oval Playing Lights
 - CW212877 CLM Netball Amenities Block

4. Adjustment to TIDS CW223034 Valkyrie Road Pavement Works increasing \$40,000 to take the total value of this program to \$1.4M as per the funding agreement.

5. Recognition of funding contribution of \$112,200 which is made up of BHP (\$92,400) & Vitrinite (\$19,800) for the Design of the Peak Downs Mine Road and Saraji Intersection Upgrade.

6. Recognition of additional funds of \$5,980 which includes the finalisation of LGGSP for the CLM Raw Water TCD Water Storage program (\$3,980) and a contribution to the construction of the Miners Memorial (\$2,000) that was paid over 3 years.

From the above, Council's capital revenue budget is proposed to be decreased by \$2.6M dollars to \$11.5M at the 1st Quarter Review for the 2021/2022 financial year.

Capital Projects

Below is the summary position of the whole of Council, by Directorate for Capital expenditure as at the end of September 2021. At the end of October, the actual expenditure had increased to a total of \$5.9M.

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	16,250	61,736	77,986	1,411,740	1.2%	5.5%
E&I	1,408,798	4,006,857	5,415,655	27,575,640	5.1%	19.6%
PE&CS	1,013,933	825,779	1,839,712	12,344,406	8.2%	14.9%
W&WW	1,441,072	1,648,449	3,089,522	14,288,253	10.1%	21.6%
TOTAL	3,880,053	6,542,822	10,422,875	55,620,039	7.0%	18.7%

Since the adoption of the Original Capital Budget the following amendments have been approved by Council which are reflected in the annual budget of \$55.6M.

- Carry forward budget was adopted \$10.5M – Resolution 7499
- Addition of \$30K capital works project CW223048 Peak Downs Mine Road & Saraji Rd Intersection Design – Land Resumption Philips Creek Bridge – Resolution 7391

The capital expenditure program is proposed to be amended from \$55.6M to \$50.5M. The 1st Quarter Budget Review has identified the below proposed amendments:

Corporate, Governance & Financial Services

- Organisational Safety – CW222969 MBH SES Roller Door Replacement transferring remaining budget in finalised project to E & I CW212883 Nebo SES Shed.

Engineering & Infrastructure

- Bowen Basin & Galilee Operations – CW212915 ISAAC Rural Drainage Renewal Program – decrease \$100K due to expected cost savings from procurement and constrain this money in 1078 Carry Forward Reserve for use as part of Council's portion of funding for when the construction of Peak Downs Mine Road and Saraji Road Intersection occurs;

- Bowen Basin & Galilee Operations – CW212927 ISAAC Natural Disaster Resilience Floodways – decrease \$50K due to expected cost savings from procurement and constrain this money in 1078 Carry Forward Reserve for use as part of Council's portion of funding for when the construction of Peak Downs Mine & Saraji Road Intersection occurs;
- Bowen Basin & Galilee Operations – CW212952 MBH Design and Construction Cycle Networks reduction of \$480K to reflect unsuccessful Cycle Networks application (\$240K) and the constraining of Council funds to 1065 Road Reserve (\$240K). It should be noted that an additional \$40K of LRCI funds has been transferred to this project from CW212954 DYS Footpath Extension;
- Bowen Basin & Galilee Operations – CW223008 Construction of Bully Creek Bridge defer \$450K (\$97K BRP funding, \$353K Council funds) to the 2022/2023 capital program. It should be noted that this project has received addition funds of \$300K from CW223035 to compliment the current funding;
- Bowen Basin & Galilee Operations – CW223015 Improvements of Intersections with Russell Park Road and Mount McLaren Road deferral of \$150K (Black Spot Funding) to 2022/2023 financial year;
- Bowen Basin & Galilee Operations – CW223035 Peakvale Road & Drummond Creek Floodway Upgrade cancellation of project works (\$884K BBRF Grant, \$883K Council Funds). It should be noted that \$300K of Council funding transferred to CW223008 Construction of Bully Creek Bridge and \$20K to CW212913 CLM & MBH Cycle Network Program with the remainder of Council funds constrained to reserve (1081 DRFA Reserve \$390K to fund a future trigger point and \$173K 1065 Road Reserve);
- Bowen Basin & Galilee Operations – CW223044 MBH and DYS School Safety Upgrades cancellation of project works (\$145K STIP Funding, \$145K Council Funds). Transfer of \$20K to CW223048 Peak Downs Mine Road and Saraji Rd Intersection Design and \$46K to CW202779 Land Resumption for Phillips Creek Bridge with the remainder of funds \$79K constrained to 1065 Road Reserve;
- Bowen Basin & Galilee Operations – CW223048 Peak Downs Mine Road and Saraji Road Intersection Design increase budget \$82K with funding adjusted to match the expected contributions from BHP and Vitrinite and the Council portion of funding;
- Infrastructure East – CW223034 Valkyrie Road Pavement Works increase budget \$40K to reflect TIDS total contribution;
- Corporate Properties – CW212883 Nebo SES Shed increase budget \$8K (transferred from CGFS); it should also be noted that this project varies the location of the sheds from the Nebo Medical Centre to the Nebo Council Depot. This follows the Qld Ambulance Service declining Council's offer of relocation.
- Plant, Fleet and Workshops – CW223006 increase \$280K (funded from 1064 Plant Reserve) due to additional specification requirements and indications of price increases;

- Infrastructure and Technical Services – CW202779 Land Resumption in relation to Phillips Creek Bridge removal of funding from 1065 Road Reserve \$46K with project now funded from depreciation transferred from cancelled works CW223044 MBH and DYS School Safety Upgrades.

Planning, Environment and Community Services

- Economy & Prosperity – CW212945 CLM Saleyard & Showground Revitalisation Stage 2 defer \$2M to the 2022/2023 Capital Works Budget (grant funding RRPf);
- Economy & Prosperity – CW223033 CLM Aerodrome Pavement Surface Reseal it should be noted that the grant funding application for this project was unsuccessful. The budget has not been reduced to reflect this at the Q1 review as this works has been committed to as part of the resurfacing program currently being conducted. Funding source will be required at the Q2 Capital Budget Review to fund this project.
- Community Facilities – CW223035 DYS Civic Centre Air-conditioner Replacement \$661K created due to the failure of the current air-conditioning system. Project has initially been funded from 1058 Land & Building Reserve \$338K, 1063 DYS Asset Reserve \$31K and unallocated depreciation from Budget adoption \$292K. Further funding requirement to be reviewed at Q2 budget review.

Water & Waste

- Water & Wastewater – CW223000 Moranbah Landfill Phase 2 Stage 2 decrease of \$1.2M to reflect unsuccessful BBRF application, with remaining budget of \$353K of Council funds. Early indications from Department is that this project will need an additional \$200K this financial year to fund the anticipated design of the works. This will be re-assessed at the Q2 Capital Budget Review.

In addition to the proposed amendments above, the detailed projects review undertaken by managers and ELT has led to proposed balancing adjustments inside of Departments / Directorate's with nil bottom line impact. Notable items within these adjustments are:

- LRCI Phase 2 Proposed Works transfer of funds between current works in Engineering & Infrastructure. Please note the below is the change in LRCI funds only and some projects have additional Council Funds

	OB LRCI	RB LRCI
○ MBH Design & Construction Cycle Network	\$ 94,950	\$134,950
○ DYS Footpath Extension	\$315,000	\$275,000
○ CLV Amenities Renewal	\$ 60,000	\$ 50,000
○ CORP Flagtraxs & Tourism Signs	\$253,003	\$263,003
○ ELP Fencing around Amenities Block	\$ 8,118	\$ 28,118
○ ELP Solar Lighting Amenities Block	\$ 43,164	\$ 15,090
○ ELP New Shade Structure & Seating	\$ 59,718	\$ 0
○ MMT Sportsground Bollard & Top Dressing	\$ 65,968	\$125,686
○ MBH East Sporting Fields Fencing & Top D	\$134,032	\$142,106

Prepared by:

Susan Martin – Manager Budgets & Statutory Reporting

Michael Krulic – Manager Financial Services

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 30 September 2021

Office of the CEO

	Full Year Revised Budget	Proposed Revised Postion	Revised Budget Variance	YTD Actual
	\$	\$	\$	\$
Income				
Operating Revenue				
Operating Grants , Subsidies & Contributions	155,000	155,000	-	59,235
	155,000	155,000	-	59,235
Expenses				
Operating Expenses				
Employee Expenses	2,906,449	2,906,449	-	639,826
Materials & Services	1,251,642	1,261,642	(10,000)	247,680
Corporate Overheads & Competitive Neutrality Costs	(4,814,578)	(4,814,578)	-	(1,203,645)
	(656,488)	(646,488)	(10,000)	(316,138)
Operating Surplus / (Deficit)	811,488	801,488	(10,000)	375,373
Operating Position Before Capital Items	811,488	801,488	(10,000)	375,373
Capital Revenue	-	-	-	-
Net Result Attributable to Council in Period	811,488	801,488	(10,000)	375,373
Total Comprehensive Income	811,488	801,488	(10,000)	375,373

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 30 September 2021

Corporate, Governance & Financial Service

	Full Year Revised Budget	Proposed Revised Position	Revised Budget Variance	YTD Actual
	\$	\$	\$	\$
Income				
Operating Revenue				
Net Rates & Utility Charges	60,106,480	60,106,480	-	33,422,404
Fees & Charges	55,000	55,000	-	15,815
Rental Income	-	1,350	1,350	1,350
Interest Received	519,800	519,800	-	113,116
Sales of Contract & Recoverable Works	80,000	80,000	-	96,525
Operating Grants, Subsidies & Contributions	3,561,554	3,561,554	-	506,281
Other Recurrent Revenue	145,000	145,000	-	1,486
	64,467,834	64,469,184	1,350	34,156,976
Expenses				
Operating Expenses				
Employee Expenses	8,357,008	8,319,917	37,091	1,531,331
Materials & Services	10,367,061	10,329,061	38,000	3,600,067
Finance Costs	596,417	596,417	-	115,487
Depreciation and Amortisation	979,348	979,348	-	252,875
Corporate Overheads & Competitive Neutrality Costs	(14,500,743)	(14,500,743)	-	(3,625,186)
	5,799,091	5,724,000	75,091	1,874,575
Operating Surplus / (Deficit)	58,668,743	58,745,184	76,441	32,282,401
Operating Position Before Capital Items	58,668,743	58,745,184	76,441	32,282,401
Capital Revenue				
Capital Revenue	246,000	246,000	-	73,800
	246,000	246,000	-	73,800
Net Result Attributable to Council in Period	58,914,743	58,991,184	76,441	32,356,201
Total Comprehensive Income	58,914,743	58,991,184	76,441	32,356,201

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 30 September 2021

Engineering & Infrastructure Services

	Full Year Revised Budget	Proposed Revised Position	Revised Budget Variance	YTD Actual
	\$	\$	\$	\$
Income				
Operating Revenue				
Fees & Charges	245,800	245,800	-	61,654
Rental Income	1,287,545	1,287,545	-	345,841
Sales of Contract & Recoverable Works	16,371,000	11,871,000	(4,500,000)	100,077
Operating Grants, Subsidies & Contributions	2,551,650	2,775,610	223,960	330,283
Other Recurrent Revenue	-	-	-	5,526
	20,455,995	16,179,955	(4,276,040)	843,382
Expenses				
Operating Expenses				
Employee Expenses	13,228,339	13,268,339	(40,000)	2,828,834
Materials & Services	20,051,474	15,874,294	4,177,180	1,555,010
Depreciation and Amortisation	14,703,981	14,703,981	-	3,916,711
Corporate Overheads & Competitive Neutrality Costs	8,957,689	8,957,689	-	2,239,422
	56,941,484	52,804,303	4,137,180	10,539,978
Operating Surplus / (Deficit)	(36,485,489)	(36,624,348)	(138,860)	(9,696,596)
Operating Position Before Capital Items	(36,485,489)	(36,624,348)	(138,860)	(9,696,596)
Capital Revenue				
Capital Revenue	6,074,178	5,630,431	(443,747)	21,673
Proceeds from Sale of Land & PPE	947,660	947,660	-	-
	7,021,838	6,578,091	(443,747)	21,673
Net Result Attributable to Council in Period	(29,463,651)	(30,046,257)	(582,607)	(9,674,923)
Total Comprehensive Income	(29,463,651)	(30,046,257)	(582,607)	(9,674,923)

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 30 September 2021

Planning, Environment & Community Service

	Full Year Revised Budget	Proposed Revised Position	Revised Budget Variance	YTD Actual
	\$	\$	\$	\$
Income				
Operating Revenue				
Fees & Charges	2,131,250	2,453,250	322,000	598,841
Rental Income	155,000	178,000	23,000	64,150
Sales of Contract & Recoverable Works	-	-	-	25
Operating Grants, Subsidies & Contributions	541,000	633,796	92,796	147,968
Other Recurrent Revenue	8,000	8,000	-	2,979
	2,835,250	3,273,046	437,796	813,963
Expenses				
Operating Expenses				
Employee Expenses	10,274,049	10,624,049	(350,000)	2,260,803
Materials & Services	7,055,399	7,248,417	(193,018)	1,519,379
Finance Costs	587,537	587,537	-	126,009
Depreciation and Amortisation	1,657,385	1,657,385	-	492,659
Corporate Overheads & Competitive Neutrality Costs	4,169,950	4,169,950	-	1,042,487
	23,744,320	24,287,338	(543,018)	5,441,337
Operating Surplus / (Deficit)	(20,909,070)	(21,014,292)	(105,222)	(4,627,374)
Transfer from Reserves	451,076	451,076	-	-
Operating Position Before Capital Items	(20,457,994)	(20,563,216)	(105,222)	(4,627,374)
Capital Revenue				
Capital Revenue	5,616,200	4,631,612	(984,588)	777,600
	5,616,200	4,631,612	(984,588)	777,600
Net Result Attributable to Council in Period	(14,841,794)	(15,931,604)	(1,089,810)	(3,849,774)
Total Comprehensive Income	(14,841,794)	(15,931,604)	(1,089,810)	(3,849,774)

ISAAC REGIONAL COUNCIL
Statement of Comprehensive Income
For the Period Ended 30 September 2021

Water & Waste

	Full Year Revised Budget	Proposed Revised Position	Revised Budget Variance	YTD Actual
	\$	\$	\$	\$
Income				
Operating Revenue				
Net Rates & Utility Charges	30,632,305	30,632,305	-	13,038,876
Fees & Charges	1,252,500	1,252,500	-	336,457
Rental Income	37,309	37,309	-	-
Interest Received	81,700	81,700	-	40,518
Operating Grants, Subsidies & Contributions	47,500	49,703	2,203	57,312
Other Recurrent Revenue	7,309,170	7,309,170	-	1,503,909
	39,360,484	39,362,687	2,203	14,977,072
Expenses				
Operating Expenses				
Employee Expenses	6,841,531	6,841,531	-	1,358,466
Materials & Services	17,424,934	17,396,222	28,712	3,329,914
Finance Costs	56,483	56,483	-	11,587
Depreciation and Amortisation	9,426,996	9,426,996	-	2,374,212
Corporate Overheads & Competitive Neutrality Costs	6,187,683	6,187,683	-	1,546,921
	39,937,626	39,908,914	28,712	8,621,099
Operating Surplus / (Deficit)	(577,143)	(546,228)	30,915	6,355,973
Transfer from Reserves	171,200	171,200	-	-
Operating Position Before Capital Items	(405,943)	(375,028)	30,915	6,355,973
Capital Revenue				
Capital Revenue	1,200,000	70,979	(1,129,021)	3,980
	1,200,000	70,979	(1,129,021)	3,980
Net Result Attributable to Council in Period	794,057	(304,049)	(1,098,106)	6,359,953
Total Comprehensive Income	794,057	(304,049)	(1,098,106)	6,359,953

PAGES 191 TO 194 HAVE INTENTIONALLY BEEN REMOVED DUE TO CONFIDENTIAL REASONS

MEETING DETAILS	Corporate, Governance and Financial Services Standing Committee Meeting Tuesday 9 November 2021
AUTHOR	Darren Fettell
AUTHOR POSITION	Director Corporate, Governance and Financial Services

6.1 CORPORATE, GOVERNANCE AND FINANCIAL SERVICES INFORMATION BULLETIN – NOVEMBER 2021

EXECUTIVE SUMMARY

The Corporate, Governance and Financial Services Information Bulletin for November 2021 is provided for Committee review.

OFFICER'S RECOMMENDATION

That the Committee:

- 1. Notes the Corporate, Governance and Financial Services Information Bulletin for November 2021.*

BACKGROUND

The attached Information Bulletin for November 2021 provides an operational update for Committee review on the Corporate, Governance and Financial Services Directorate.

IMPLICATIONS

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

CONSULTATION

Corporate, Governance and Financial Services Staff.

BASIS FOR RECOMMENDATION

This is an information only report.

ACTION ACCOUNTABILITY

Information only report.

KEY MESSAGES

Operational update to Elected Members.

Report prepared by: DARREN FETTELL Director Corporate, Governance and Financial Services Date: 3 November 2021	Report authorised by: JEFF STEWART-HARRIS Chief Executive Officer Date: 3 November 2021
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ATTACHMENTS

- Attachment 1 – Corporate, Governance and Financial Services Information Bulletin – November 2021.

REFERENCE DOCUMENT

- Nil

DATE: November 2021

CORPORATE, GOVERNANCE AND FINANCIAL SERVICES

DIRECTORATE HIGHLIGHTS

October has seen continued high levels of activity across the Directorate.

From a Directorate perspective the key activities or areas of focus would include:

- Ongoing planning and communication around COVID-19
- Additional video conferencing equipment fitted in Moranbah office
- Website redesign works continuing
- Progression of finalisation of the 2020/21 Annual Report
- Continued to transition the Insurance function into Governance and Corporate Services
- Continue facilitation and monitoring of the Strategic and Operational Risk Registers
- Review of Corporate Policy Register, with significant updates being progressed
- Safe Talk training commenced in the region with some members of the public participating in Kilcummin, other towns scheduled to complete training in the next month
- Finalisation of Financial Statements for 2020/21 financial year
- 1st Quarter budget review

From a Directorate perspective the key issues or risks we are aware of would be:

- Impacts from ongoing developments with COVID-19
- Management of resources with large organisational projects in addition to continuation of regular service delivery
- Continuing additional demands on BMC
- Staff leave / vacancies and workload within directorate

BRAND, MEDIA AND COMMUNICATIONS

PREVIOUS MONTH'S ACHIEVEMENTS:

OCTOBER 2021 ACHIEVEMENTS:

- Shop Isaac new logo reveal and preparation for Christmas campaign
- Production and delivery of four Clermont Rags
- Eight Community Newsletter Advertisements

-
- NBHA event
 - St Lawrence Bowls Club - Barefoot Bowls
 - Seniors Month - Seated yoga and morning tea – Clermont
 - Seniors Month - Luncheon with Bingo – Moranbah
 - Space Punks – Moranbah
 - NAIDOC Celebrations, Nebo
 - Healthy Conversations, Healthy Communities Workshop – Dysart
 - Nebo Bush Poet's Smoko
 - Grandparent's Day Pop Up @ The Park – Nebo
 - Seniors afternoon tea at Clermont SHS
 - QLD Food Futures - International Rural Women's Day event Regional business, wellness and inspiration Clermont
 - Moranbah Highlanders' Swim Camp 2021
 - Circus Workshops Middlemount
 - Nebo Charity Ladies Day
 - Moranbah Gymnastics Casino Night
 - Run for MI Life
 - F5F Pop Up @ The Park - Clarke Creek
 - Carmila Health and Wellbeing Day
 - Healthy eating for Seniors Clermont
 - Seniors Lunch on the Deck Nebo
 - Seniors Month Luncheon with Trivia Dysart
 - NAIDOC Celebrations, Isaac Coast
 - Clermont Clay Target Club - Annual 2-day shoot
 - Grandparents Day Pop-Up @ The Pool
 - Seniors Month - Fashion, Fun and Fab Seniors Clermont
 - Moranbah Community Garden Project
 - Clermont Beef Expo and Trade Display
 - NAIDOC Celebrations, Isaac Coast – St Lawrence
 - Seniors Month - Movie Matinee – Glenden

Other key achievements for September:

- 12 general media releases issued in September 2021.
- 23 public notices in September 2021.
- 29 media inquiries in October 2021.
- 19 Councillor speeches

INFORMATION BULLETIN

- 10 Councillor columns

Facebook

- 9,564 Page likes.

Instagram

- 1045 followers

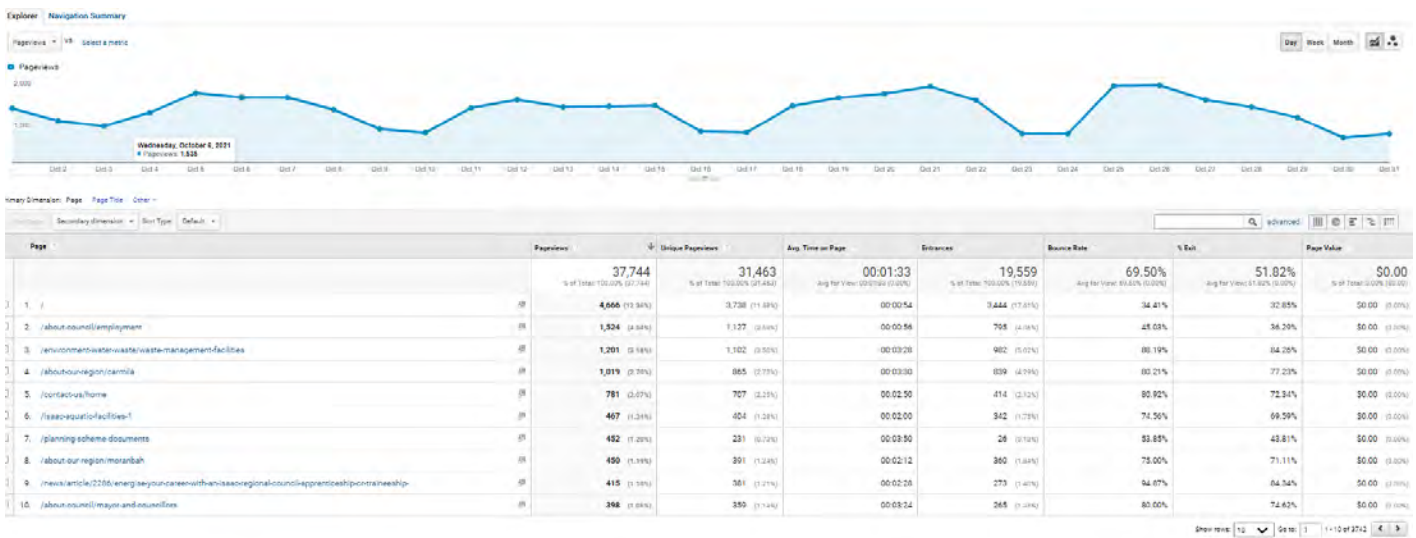
Twitter

- 572 followers

LinkedIn

- 4,312 followers

Page views to www.isaac.qld.gov.au



FINANCIAL REPORT:

Not applicable

DEVIATION FROM BUDGET AND POLICY:

Not Applicable

OPERATIONAL PLAN / BUSINESS PLAN – EXCEPTION REPORTING

Not Applicable

NOVEMBER PROGRAM:

- Ilbilbie Hall Management, Melbourne Cup Luncheon
- Moranbah Miner's Memorial - event

Nebo Annual Christmas Fair
Moranbah Miner's Memorial Spring Race Day
Remembrance Day - Nebo
Remembrance Day - Clermont
Remembrance Day - Moranbah
Middlemount Community School - Awards Ceremony
Bunju and Gandu go walkabout - Digital Storytelling Expo
St Mary's Parish Christmas Fair
NAIDOC Celebrations, Isaac Coast Fire and land management
Dysart State High School - Presentation Evening
Moranbah State High School - 46th annual awards night
Glenden State School Annual Awards Night
LeadIN Transformation is Now
F5F Pop Up @ The Park - Clermont
Clermont State High School Awards Ceremony
NAIDOC Celebrations, Isaac Coast
Dysart State High School Valedictory Dinner
Moranbah Bowls Club - Annual Bowls Tournament
Middlemount Fight Night
Country Stampede - Clermont Race Day

Moranbah Carols by Candlelight
Middlemount Christmas Party
St Joseph the Worker Parish - Christmas Fair
St Lawrence State School Awards Night & End of Year Celebration

ONGOING PROJECT WORK:

- Advocacy document refresh and Federal Election advocacy prep
- Website redesign works continuing.
- Development of Brand Media Communications job tracking system and calendar
- Internal training in the JADU platform to assist with web uploads as part empowering staff to self-help with web requests - Ongoing
- Councillor social and traditional media training development

DEVELOPING INITIATIVES / ISSUES:

- COVID-19 communications regarding the vaccine clinics
- Climate Change and Net Zero 2050
- Ellensfield Road is a continuing issue and likely to form part of the Federal Election campaigning
- Closure of Pipeline-Red Hill Road.

CONTRACTS AND PROCUREMENT DEPARTMENT

PREVIOUS MONTH'S ACHIEVEMENTS:

01/10/2021 - 31/10/2021	OCEO	CGFS	E & I	W & W	PECS
Awarded Tenders	0	0	0	0	0
Active Tenders	0	2	4	1	1
In progress Tenders	0	5	10	8	6
Awarded RFQ's	0	0	8	0	3
Active RFQ's	0	0	12	1	1
In progress RFQ's	4	6	22	11	11
Active - out to market or under evaluation In Progress - specification under development					

- Strategic Procurement Reference Group commenced.

- Presented at the Department of State Development, Infrastructure, Local Government and Planning on IRC procurement and tender opportunities.
- Held interviews for the recruitment of the Nebo store officer role.
- Participation from the MC&P and the St Lawrence Stores Officer for Guardian IMS system training
- Local Preference reporting

Purchase Requisitions Released		
Month of: (01/10/2021 – 31/10/2021)		October 2021
Value of Purchase Requisitions processed		\$8,994,189.95
No. Purchase Requisitions Released		668
Requisitions Suspended		18
Exceptions Raised	12	\$95,626.23
Variations Raised	14	\$284,086.37

Note;

The Exceptions include; Dysart Civic Centre Air-conditioning temporary facilities – \$46.6k
 Grader GPS equipment – \$17k

The Variations include; Collaroy Bridge replacement - \$76.8k additional concrete re flood damage
 Moranbah and Dysart Footpaths - \$105.5k widened due to additional funds

PREVIOUS MONTH'S ISSUES:

- Resignation of Nebo Stores Officer – recruitment underway.
- MS Teams rollout and replacement of I:drive, concerns for the Procurement Department to manage files with a different team for each activity. One-drive rollout will require some modifications.

FINANCIAL REPORT:

- Consolidation of cost centres for FY21/22 to be Hub based instead of Town based, some inventory lines still set to old cost centres and need to be corrected at the material level.
- CC4071 Stores - West, has been adversely impacted by the write off of \$9373 of concrete pipes which did not exist. These had been utilised on the May Downs Road several years ago.
- The commitment for clothing for the FY has been raised (\$128k) which skews the reporting.
- Identified \$2k which had been incorrectly charged to the West Stores cost centre.
- The budgets are on target, when these items are taken into consideration.

OPERATIONAL PLAN:

- Expanding catalogue of materials
- Assist IRC staff in navigating procurement compliance requirements (ongoing).
- Doing Business with Council short video presentation - combined effort with Economy and Prosperity, Brand Media and Communications.
- Moranbah Mezzanine Floor redevelopment to address safety issues.

ORGANISATIONAL DEVELOPMENT PLAN:

- Implementation of Next Gen Ecosystem - Investigating Contract Management via VendorPanel, Investigating Spend Analysis via ArcBlue.
- Warehouse Management - Investigating use of stock reservations and pick slips, with defined hours of order collection.
- Revise Procurement Procedure documentation (flow charts of steps taken)

NEXT MONTH'S PROGRAM:

- RFT's for Moranbah Raw Water Dam remediation, Dysart Civic Centre Air Conditioning.
- RFQs for Asphalt pavement renewal, Glenden and Middlemount sewage pump stations
- Purchase Order Terms and Conditions

DEVELOPING INITIATIVES / ISSUES:

- WAN tower lease requires variation (Legal assistance required)
- Novation to include Avante on the Linemarking RPQS panel following their acquisition of two panellists.

FINANCIAL SERVICES

PREVIOUS MONTH'S ACHIEVEMENTS:

- Finalisation of finance portion of SWIM reporting
- Preparation of Consolidated Data Return
- Finalisation of Financial Statements for 2020/21 financial year – sign off pending
- 1st Quarter budget review
- Preparation of various reports

PREVIOUS MONTH'S ISSUES:

Nil

FINANCIAL REPORT:

Budget adopted 30 June 2021.

DEVIATION FROM BUDGET AND POLICY:

Nil

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

NEXT MONTH'S PROGRAM:

- Commencement of budget refresher courses and opening of budget packs
- Finalisation and submission of Consolidated Data Return
- Finalisation of 1st Quarter budget review
- Finance team meeting
- Preparation of Council reports
- Preparation of Audit and Risk reports

DEVELOPING INITIATIVES / ISSUES:

Current staffing levels. Working with managers / teams to ensure sufficient coverage and to ensure work / life balance.

GOVERNANCE AND CORPORATE SERVICES DEPARTMENT

PREVIOUS MONTH'S ACHIEVEMENTS:

- Progressed finalising the draft of the 2020/21 Annual Report for adoption in November 2021
- Prepared the 1st quarterly performance report on the Annual Operational Plan
- Working group member to finalise the draft Customer Satisfaction Survey
- Reviewed and held workshops on the Risk Registers
- Continued to transition the Insurance function into Governance & Corporate Services and identifying business improvement opportunities
- Reviewed and updated the Delegations Council to CEO for further consultation with the CEO and Council
- Progressed internal audit plan and program actions
- Planning and internal discussions on the new Corporate Plan/Community Plan Project
- Administered several Right to Information Applications
- Progressed the review of organisational policies for review/readoption

-
- Continued to progress Enterprise Risk Management Strategic and Operational Risk Registers
 - Review of Corporate Policy Register, with significant updates to Policies being progressed

PREVIOUS MONTH'S ISSUES:

- Ongoing advice and facilitation of governance matters such as policy development, reviews, procedural issues, etc
- Ongoing management of legal matters, many reactive matters progressed and resolved.
- Ongoing management of Right to Information applications and internal reviews, Administrative Actions Complaints and related matters

FINANCIAL REPORT:

Not applicable

DEVIATION FROM BUDGET AND POLICY:

Not Applicable

OPERATIONAL PLAN / BUSINESS PLAN – EXCEPTION REPORTING

Not Applicable

NEXT MONTH'S PROGRAM:

- Adoption of the 2020/21 Annual Report
- Preparation and facilitation of the audit & Risk Committee Meeting scheduled for 23 November 2021
- Continue to integrate insurance function into Governance & Corporate Services.
- Further progress delegations of authority with the CEO on CEO to Employee delegations
- Prepare draft and finalise the scopes for audits as per the Internal Audit Plan
- Continue project planning for the Corporate Plan
- Progress rolling three-year Internal Audit Plan, following discussions with Audit & Risk for Council adoption
- Progress the enhancement of the Business Continuity Plan with stakeholders.
- Continue facilitation and monitoring of the Strategic and Operational Risk Registers
- Progressing long term project of maintaining a Critical Instruments Register
- Progress Audit & Risk Committee actions and Internal Audit Plan
- Facilitate rollout/implementation of the new *Human Rights Act 2019*
- Review and drafting of several Corporate Policies
- Continue to liaise with internal and external stakeholders to finalise various agreements and legal matters

DEVELOPING INITIATIVES / ISSUES:

- Reviewing online options to facilitate governance and compliance initiatives – delegations, policies, risk registers
- Assistance and oversight with management and enhancement of IRIS – Council's Intranet

INFORMATION SOLUTIONS DEPARTMENT

PREVIOUS MONTH'S ACHIEVEMENTS:

Upper meeting room two and lower meeting room three in Moranbah were fitted with video conferencing (VC) equipment, bringing the number of VC rooms available in Moranbah to five. A mobile video conferencing solution has been ordered for Glenden.

In response to recent audits, high-level strategy documents were developed for recordkeeping and cyber security. Both are under review.

The second workshop related to the rollout of Teams was held on October 26 and attended by staff from across IRC. The direction taken from the workshop will be married to those from the first workshop to develop an indicative design and rollout plan. That plan will then be broadly circulated inside IRC for review before being sent to the IT Steering Committee and Executive Leadership Team for consideration/approval.

PREVIOUS MONTH'S ISSUES:

No issues

FINANCIAL REPORT:

No issues

DEVIATION FROM BUDGET AND POLICY:

Not applicable

OPERATONAL PLAN / BUSINESS PLAN – EXCEPTION REPORTING

Not applicable

NEXT MONTH'S PROGRAM:

Project Name/ Description	Start Date	Scheduled End Date	Comments/Exceptions
Continue the SD-WAN rollout			
Continue Records audit of IT systems			
Rollout of the Customer Request system – targeting Dec 31 for completion.			

DEVELOPING INITIATIVES / ISSUES:

- Mobile computing
- Teams rollout
- Strategic review of business requirements for next five years
- Business continuity planning

ASSET MANAGEMENT UNIT

PREVIOUS MONTH'S ACHIEVEMENTS:

- Work is in progress to undertake alignment of the Financial Asset Register (FAR) and the Operational Asset Register (OAR);
- Officers across the Council have been identified to assist in the development of Asset Management Plans (AMP) for each asset class. Options analysis is in progress in relation to common assets (eg land, buildings, IT etc) and linkages with our organisation structure;
- A review of Project Accountability Gateway (PAG) process is in progress to identify opportunities for improvement. The objective of this review is to consider Council's capital works program development processes to develop the budgets, including:
 - Process modelling of how the capital works program is developed and maintaining associated care around the numbers in the budget.
 - Progress reporting between departments and to Council.
 - Streamlining and collation of relevant capital investment forecasts to meet budget timelines.
 - Promoting Council's Social Sustainability Policy (PECS-POL-116) to support a contemporary position on social sustainability in Council's dealings on major projects, regional investment and forward planning and delivery of works, services and infrastructure.
 - Identifying and implementing potential process improvement opportunities in line with previous research undertaken by Crowe Australasia and Ramafin Pty Ltd.

PREVIOUS MONTH'S ISSUES:

Nil

FINANCIAL REPORT:

Financial expenditure is as per the budget.

DEVIATION FROM BUDGET AND POLICY:

Not Applicable

OPERATONAL PLAN / BUSINESS PLAN – EXCEPTION REPORTING

Strategy (i.e. C5)	Service Area	Description	Highlight/Exception, including explanation
I5	Asset Management Strategy	Develop an Asset Management Plan and Framework	Strategic Asset Management Plan has been adapted by Council. Development of Asset Management Plans (AMP) for each asset class is in progress.
I5	Project Accountability	Develop a Project Accountability Gateways Framework	A review of Project Accountability Gateway (PAG) process is in progress to identify areas of improvement.

NEXT MONTH'S PROGRAM:

- Work will continue across the Council to develop Asset Management Plans (AMP) for each asset class.
- Review of Project Accountability Gateway (PAG) process will continue to identify areas of improvement.
- Ongoing work will continue to align the Financial Asset Register and the Operational Asset Register.

Organisation Development Plan or Capital Projects Scheduled to Commence During Next Month

Not applicable

DEVELOPING INITIATIVES / ISSUES:

Software requirements for specialised asset management software are being reviewed.

ORGANISATIONAL SAFETY

PREVIOUS MONTHS ACHIEVEMENTS:

WHS Team

- Completed Safe Talk training in Glenden with other towns scheduled during the month.
- Completed Safe Talk public training at Kilcummin, with 8 members of the public in attendance.
- Completed second round of town talks with internal departments showing an interest in using the town talks as a forum to communicate information.
- Four members of the safety team attending investigation training.
- The safety team participated in an online injury prevention and return to work event, conducted by Safe Work Qld, as part of Safe Work month.
- The safety team participated in an online event "the cost of not speaking up, psychological safety, not just nice but necessary". Naomi Armitage.
- A member of the safety team attended the regional safety forum in Gladstone.
- Ongoing training for employees on SMART system.

Disaster Management team

- Ongoing engagement with the Mackay Hospital & Health Service (MHHS) for COVID-19 vaccination clinic establishment and communications support.
- Annual pre-season operations and maintenance servicing completed on the Flood Warning Infrastructure Network across the region.

- QFES training facilitated by QFES Emergency Management Coordinator for completion of mandatory training modules by newly appointed Deputy Local Disaster Management Coordinator, with participation by Local Disaster Management Group (LDMG) members and Local Disaster Coordination Centre (LDCC) appointed staff.
- Disaster Management training facilitated by QIT Plus for LDCC appointed staff for refresher training on system functions for Guardian IMS which is the software system used to capture incoming and outgoing requests for assistance, information and decisions during disaster activations.
- Local Disaster Management Plan (LDMP) annual review underway with draft sent to all LDMG members for review and feedback, with final plan pending endorsement at the LDMG meeting on 25 November 2021.
- Emergency Services Day to be held in Nebo on 31 October, with the official handover of the two Road Crash Rescue appliances that have been allocated by QFES to SES units in Carmila and Nebo.

PREVIOUS MONTHS ISSUES:

- Nil

FINANCIAL REPORT:

N/A

DEVIATION FROM BUDGET AND POLICY:

N/A

OPERATIONAL PLAN / BUSINESS PLAN – EXCEPTION REPORTING

N/A

NEXT MONTH'S PROGRAM:

Organisation Development Plan or Capital Projects

Project Name/ Description	Start Date	Scheduled End Date	Comments/Exceptions

DEVELOPING INITIATIVES / ISSUES:

Initiatives:

- Community Advisory Sub Committee meeting being hosted in St Lawrence on 11 November 2021.

Issues:

- Finalise training for ECO members in Moranbah and any members who might have missed out on training because of leave or other work requirements.
- Schedule SafeTalk training for the region after reviewing expression of interest forms.
- Schedule emergency drill (lockdown) for the Grosvenor Complex.

Report authorised by:

DARREN FETTELL

**Director Corporate Governance and Financial
Services**

Date: 3 November 2021

ATTACHMENTS

- Nil

TERM / ACRONYM	MEANING
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