

Torres Strait Island Regional Council

Statement of Financial Position

For the period July 2019 to June 2029

Model 1 – Same Service Level - Internal Tenancy Management until 1 July 2023 then Housing Authority Arrangement - Confirmed sources of capital funding

	Budget Review 30 June 2019 \$'000	Original Budget 30 June 2020 \$'000	Forecast 30 June 2021 \$'000	Forecast 30 June 2022 \$'000
Current assets				
Cash assets and cash equivalents	58,512	35,181	31,169	34,896
Inventories	284	284	284	284
Receivables	565	446	458	470
Prepayments	72	72	72	72
Other current assets	366	366	366	366
Total current assets	59,799	36,349	32,349	36,088
Non-current assets				
Property, plant and equipment	878,567	903,049	868,263	826,042
Intangible assets	156	251	240	236
Capital works in progress	19,258	-	-	-
Other non-current assets	9,870	9,870	9,870	9,870
Total non-current assets	907,851	913,170	878,374	836,148
Total assets	967,650	949,519	910,722	872,236
Current liabilities				
Trade and other payables	1,906	2,006	1,083	1,097
Borrowings	63	68	37	-
Provisions	1,144	-	-	-
Total current liabilities	3,113	2,075	1,120	1,097
Non-current liabilities				
Loans	105	37	-	-
Provisions	5,298	6,442	6,442	6,442
Total non-current liabilities	5,403	6,479	6,442	6,442
Total liabilities	8,517	8,554	7,562	7,539
Net community assets	959,133	940,965	903,161	864,697
Community equity				
Asset revaluation reserve	413,836	413,836	413,836	413,836
Retained surplus (deficiency)	545,297	527,129	489,324	450,861
Total community equity	959,133	940,965	903,161	864,697

Torres Strait Island Regional Council

Statement of Cashflow

For the period July 2019 to June 2029

Model 1 – Same Service Level - Internal Tenancy Management until 1 July 2023 then Housing Authority Arrangement - Confirmed sources of capital funding

	Budget Review 30 June 2019 \$'000	Original Budget 30 June 2020 \$'000	Forecast 30 June 2021 \$'000	Forecast 30 June 2022 \$'000
Cash flows from operating activities:				
Receipts from customers	54,523	53,971	52,423	55,639
Receipt from rental income	5,399	5,260	5,259	5,327
Payment to suppliers and employees	(80,828)	(81,396)	(80,715)	(81,772)
	(20,906)	(22,166)	(23,033)	(20,806)
Interest received	1,406	785	600	600
Non-capital grants and contributions	22,722	22,943	23,604	23,972
Finance costs	(15)	(11)	(6)	(1)
Net cash inflow (outflow) from operating activities	3,207	1,552	1,166	3,765
Cash flows from investing activities:				
Payments for property, plant and equipment	(51,606)	(40,712)	(7,092)	-
Payments for intangible assets	(122)	(122)	-	-
Proceeds from sale of property, plant and equipment	40	5	-	-
Subsidies, donations and contributions for new capital expenditure	47,058	16,010	1,983	-
Other	-	-	-	-
Net cash inflow (outflow) from investing activities	(4,630)	(24,819)	(5,110)	-
Cash flows from financing activities:				
Proceeds from borrowings			-	-
Repayment of borrowings	(59)	(63)	(68)	(37)
Net cash inflow (outflow) from financing activities	(59)	(63)	(68)	(37)
Net increase (decrease) in cash held	(1,482)	(23,331)	(4,012)	3,728
Cash at beginning of reporting period	59,994	58,512	35,181	31,169
Cash at end of reporting period	58,512	35,181	31,169	34,896
QTC recommended working capital	18,127	20,377	19,949	20,447
Variance	40,385	14,804	11,220	14,450

Torres Strait Island Regional Council

Statement of Income and Expenditure

For the period July 2019 to June 2029

Model 1 – Same Service Level - Internal Tenancy Management until 1 July 2023 then Housing Authority Arrangement - Confirmed sources of capital funding

	Budget Review 30 June 2019 \$'000	Original Budget 30 June 2020 \$'000	Forecast 30 June 2021 \$'000	Forecast 30 June 2022 \$'000
Revenue				
Recurrent revenue:				
Net rates and utility charges	1,114	1,169	1,227	1,289
Fees and charges	3,965	4,269	4,346	4,424
Sales - contract and recoverable works	34,365	44,303	42,709	45,710
Sales - other	3,811	3,421	3,456	3,522
Grants, subsidies, contributions and donations	22,676	22,943	23,604	23,972
Interest received	1,406	785	600	600
Rental income	5,399	5,260	5,259	5,327
Other recurrent income	753	690	698	706
Total recurrent revenue	73,488	82,839	81,899	85,549
Capital revenue:				
Government subsidies and grants	47,058	16,010	1,983	-
Capital contribution	25,916	17,637	6,753	6,956
Developer contributions	-	-	-	-
Total capital revenue	72,974	33,647	8,736	6,956
Total income	146,462	116,486	90,635	92,505
Expenses				
Recurrent expenses:				
Employee benefits	24,511	27,492	28,232	28,594
Materials and services	46,271	52,427	50,089	51,964
Depreciation and amortisation	46,250	44,452	45,142	45,682
Finance costs	1,726	1,588	1,477	1,229
Total recurrent expenses	118,758	125,959	124,939	127,469
Capital expenses:				
Other capital expenses	7,460	8,695	3,500	3,500
Total capital expenses	7,460	8,695	3,500	3,500
Total expenses	126,218	134,654	128,439	130,969
Net operating surplus/(deficit) exc capital and depreciation	980	1,332	2,102	3,762
Net operating surplus/(deficit) inc depreciation	(45,270)	(43,119)	(43,040)	(41,920)
Net result attributable to Council	20,244	(18,168)	(37,805)	(38,464)

Torres Strait Island Regional Council

Rates and Utility charges

For the period July 2019 to June 2022

Model 1 – Same Service Level - Internal Tenancy Management until 1 July 2023 then Housing Authority Arrangement - Confirmed sources of capital funding

	Budget Review 30 June 2019 \$'000	Original Budget 30 June 2020 \$'000	Forecast 30 June 2021 \$'000	Forecast 30 June 2022 \$'000
Rates and utility charges				
General rates	-	-	-	-
Separate rates	-	-	-	-
Levies	34	36	37	39
Water	312	328	344	362
Sewerage	622	653	686	720
Waste management	145	152	160	168
Other rates and utilities revenue	-	-	-	-
Total rates and utility charge revenue	1,114	1,169	1,227	1,289

	Budget Review 30 June 2019 \$'000	Original Budget 30 June 2020 \$'000	Variance \$'000	Variance %
Rates and utility charges - value of change				
Gross rates and utility charges	1,114	1,169	55	5.0%

Torres Strait Island Regional Council

Statement of Changes in Equity

For the period July 2019 to June 2029

Model 1 – Same Service Level - Internal Tenancy Management until 1 July 2023 then Housing Authority Arrangement - Confirmed sources of capital funding

	Total \$'000	Retained surplus \$'000	Asset revaluation reserve \$'000	Other reserves \$'000
Balance at 30 Jun 2018	959,133	545,297	413,836	-
Net result for the period	20,244	20,244	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2019 Budget Review	959,133	545,297	413,836	-
Net result for the period	(18,168)	(18,168)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2020 Original Budget	940,964	527,129	413,836	-
Net result for the period	(37,805)	(37,805)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2021 Forecast	903,160	489,324	413,836	-
Net result for the period	(38,464)	(38,464)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2022 Forecast	864,696	450,861	413,836	-

Torres Strait Island Regional Council

Statement of Financial Position

For the period July 2019 to June 2029

Model 1 – Same Service Level - Internal Tenancy Management until 1 July 2023 then Housing Authority Arrangement - Confirmed sources of capital funding

	Budget Review 30 June 2019 \$'000	Original Budget 30 June 2020 \$'000	Forecast 30 June 2021 \$'000	Forecast 30 June 2022 \$'000	Forecast 30 June 2023 \$'000	Forecast 30 June 2024 \$'000	Forecast 30 June 2025 \$'000	Forecast 30 June 2026 \$'000	Forecast 30 June 2027 \$'000	Forecast 30 June 2028 \$'000	Forecast 30 June 2029 \$'000
Current assets											
Cash assets and cash equivalents	58,512	35,181	31,169	34,896	40,069	38,746	38,247	38,204	38,671	39,511	40,548
Inventories	284	284	284	284	284	284	284	284	284	284	284
Receivables	565	446	458	470	481	538	554	570	586	601	620
Prepayments	72	72	72	72	72	72	72	72	72	72	72
Other current assets	366	366	366	366	366	366	366	366	366	366	366
Total current assets	59,799	36,349	32,349	36,088	41,272	40,006	39,523	39,496	39,978	40,834	41,890
Non-current assets											
Property, plant and equipment	897,825	903,049	868,263	826,042	551,276	527,675	505,477	487,508	467,583	448,170	433,036
Intangible assets	156	251	240	236	238	233	229	230	226	221	221
Capital works in progress	-	-	-	-	-	-	-	-	-	-	-
Other non-current assets	9,870	9,870	9,870	9,870	9,870	9,870	9,870	9,870	9,870	9,870	9,870
Total non-current assets	907,851	913,170	878,374	836,148	561,384	537,779	515,576	497,609	477,678	458,262	443,127
Total assets	967,650	949,519	910,722	872,236	602,656	577,785	555,099	537,104	517,657	499,096	485,017
Current liabilities											
Trade and other payables	1,906	2,006	1,083	1,097	1,094	1,061	1,095	1,133	1,173	1,210	1,254
Borrowings	63	68	37	-	-	-	-	-	-	-	-
Provisions	1,144	-	-	-	-	-	-	-	-	-	-
Total current liabilities	3,113	2,075	1,120	1,097	1,094	1,061	1,095	1,133	1,173	1,210	1,254
Non-current liabilities											
Loans	105	37	-	-	-	-	-	-	-	-	-
Provisions	5,298	6,442	6,442	6,442	6,442	6,442	6,442	6,442	6,442	6,442	6,442
Total non-current liabilities	5,403	6,479	6,442	6,442	6,442	6,442	6,442	6,442	6,442	6,442	6,442
Total liabilities	8,517	8,554	7,562	7,539	7,536	7,503	7,537	7,575	7,615	7,652	7,696
Net community assets	959,133	940,965	903,161	864,697	595,120	570,282	547,562	529,529	510,042	491,444	477,320
Community equity											
Asset revaluation reserve	413,836	413,836	413,836	413,836	417,457	417,457	417,457	420,801	420,801	420,801	423,833
Retained surplus (deficiency)	545,297	527,129	489,324	450,861	177,664	152,825	130,105	108,728	89,241	70,643	53,488
Total community equity	959,133	940,965	903,161	864,697	595,120	570,282	547,562	529,529	510,042	491,444	477,320

Torres Strait Island Regional Council
Statement of Cashflow

For the period July 2019 to June 2029

Model 1 – Same Service Level - Internal Tenancy Management until 1 July 2023 then Housing Authority Arrangement - Confirmed sources of capital funding

	Budget Review 30 June 2019 \$'000	Original Budget 30 June 2020 \$'000	Forecast 30 June 2021 \$'000	Forecast 30 June 2022 \$'000	Forecast 30 June 2023 \$'000	Forecast 30 June 2024 \$'000	Forecast 30 June 2025 \$'000	Forecast 30 June 2026 \$'000	Forecast 30 June 2027 \$'000	Forecast 30 June 2028 \$'000	Forecast 30 June 2029 \$'000
Cash flows from operating activities:											
Receipts from customers	54,523	53,971	52,423	55,639	57,907	40,869	43,736	46,459	49,456	52,128	54,987
Receipt from rental income	5,399	5,260	5,259	5,327	5,395	-	-	-	-	-	-
Payment to suppliers and employees	(80,828)	(81,396)	(80,715)	(81,772)	(83,023)	(67,488)	(69,907)	(72,634)	(75,589)	(78,364)	(81,546)
	(20,906)	(22,166)	(23,033)	(20,806)	(19,721)	(26,619)	(26,171)	(26,175)	(26,133)	(26,236)	(26,559)
Interest received	1,406	785	600	600	512	512	512	512	512	512	546
Non-capital grants and contributions	22,722	22,943	23,604	23,972	24,382	24,784	25,160	25,620	26,088	26,565	27,050
Finance costs	(15)	(11)	(6)	(1)	-	-	-	-	-	-	-
Net cash inflow (outflow) from operating activities	3,207	1,552	1,166	3,765	5,173	(1,323)	(499)	(43)	467	840	1,037
Cash flows from investing activities:											
Payments for property, plant and equipment	(51,606)	(40,712)	(7,092)	-	-	-	-	-	-	-	-
Payments for intangible assets	(122)	(122)	-	-	-	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	40	5	-	-	-	-	-	-	-	-	-
Subsidies, donations and contributions for new capital expenditure	47,068	16,010	1,983	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Net cash inflow (outflow) from investing activities	(4,630)	(24,819)	(5,110)	-	-	-	-	-	-	-	-
Cash flows from financing activities:											
Proceeds from borrowings	(59)	(63)	(66)	(37)	-	-	-	-	-	-	-
Repayment of borrowings	(59)	(63)	(68)	(37)	-	-	-	-	-	-	-
Net cash inflow (outflow) from financing activities	(1,482)	(23,331)	(4,012)	3,728	5,173	(1,323)	(499)	(43)	467	840	1,037
Net increase (decrease) in cash held											
Cash at beginning of reporting period	59,994	56,512	35,181	31,169	34,896	40,069	38,746	38,247	38,204	38,671	39,511
Cash at end of reporting period	58,512	35,181	31,169	34,896	40,069	38,746	38,247	38,204	38,671	39,511	40,548
QTC recommended working capital	18,127	20,377	19,949	20,447	20,755	16,864	17,485	18,168	18,907	19,600	20,396
Variance	40,385	14,804	11,220	14,450	19,315	21,882	20,762	20,036	19,764	19,911	20,151

Torres Strait Island Regional Council
Statement of Income and Expenditure

For the period July 2019 to June 2029

Model 1 – Same Service Level - Internal Tenancy Management until 1 July 2023 then Housing Authority Arrangement - Confirmed sources of capital funding

Revenue	Budget Review 30 June 2019 \$'000	Original Budget 30 June 2020 \$'000	Forecast 30 June 2021 \$'000	Forecast 30 June 2022 \$'000	Forecast 30 June 2023 \$'000	Forecast 30 June 2024 \$'000	Forecast 30 June 2025 \$'000	Forecast 30 June 2026 \$'000	Forecast 30 June 2027 \$'000	Forecast 30 June 2028 \$'000	Forecast 30 June 2029 \$'000
Recurrent revenue:											
Net rates and utility charges	1,114	1,169	1,227	1,289	1,353	1,980	2,079	2,183	2,292	2,407	2,527
Fees and charges	3,965	4,269	4,346	4,424	4,503	4,585	4,667	4,751	4,837	4,924	5,012
Sales - contract and recoverable works	34,365	44,303	42,709	45,710	47,812	30,116	32,686	35,143	37,867	40,256	42,829
Sales - other	3,811	3,421	3,456	3,522	3,535	3,671	3,671	3,741	3,812	3,884	3,958
Grants, subsidies, contributions and donations	22,676	22,943	23,604	23,972	24,382	24,784	25,160	25,620	26,088	26,565	27,050
Interest received	1,406	785	600	600	512	512	512	512	512	512	546
Rental income	5,399	5,260	5,259	5,327	5,395	-	-	-	-	-	-
Other recurrent income	753	690	698	706	715	642	649	657	664	671	679
Total recurrent revenue	73,488	82,839	81,899	85,549	88,207	66,221	69,424	72,806	76,072	79,219	82,602
Capital revenue:											
Government subsidies and grants	47,058	16,010	1,983	-	-	-	-	-	-	-	-
Capital contribution	25,916	17,637	6,753	6,956	7,164	-	-	-	-	-	-
Developer contributions	-	-	-	-	-	-	-	-	-	-	-
Total capital revenue	72,974	33,647	8,736	6,956	7,164	-	-	-	-	-	-
Total income	146,462	116,486	90,635	92,505	95,371	66,221	69,424	72,806	76,072	79,219	82,602
Expenses											
Recurrent expenses:											
Employee benefits	24,511	27,492	28,232	28,594	28,513	27,735	28,551	29,543	30,583	31,622	32,701
Materials and services	46,271	52,427	50,089	51,964	53,262	39,552	41,222	42,968	44,874	46,805	48,714
Depreciation and amortisation	46,250	44,452	45,142	45,682	43,892	23,604	22,203	21,312	19,930	19,417	18,166
Finance costs	1,726	1,588	1,477	1,229	1,244	167	169	171	172	174	176
Total recurrent expenses	118,758	125,959	124,939	127,469	128,912	91,059	92,144	93,983	95,559	97,817	99,757
Capital expenses:											
Other capital expenses	7,460	8,695	3,500	3,500	241,657	-	-	-	-	-	-
Total capital expenses	7,460	8,695	3,500	3,500	241,657	-	-	-	-	-	-
Total expenses	126,218	134,654	128,439	130,969	368,568	91,059	92,144	93,983	95,559	97,817	99,757
Net operating surplus/(deficit) exc capital and depreciation	960	1,332	2,102	3,762	5,188	(1,234)	(517)	(66)	443	819	1,011
Net operating surplus/(deficit) inc depreciation	(45,270)	(43,119)	(43,040)	(41,920)	(38,704)	(24,838)	(22,720)	(21,377)	(19,487)	(18,598)	(17,155)
Net result attributable to Council	20,244	(18,168)	(37,805)	(38,464)	(27,317)	(24,838)	(22,720)	(21,377)	(19,487)	(18,598)	(17,155)

Torres Strait Island Regional Council

Statement of Changes in Equity

For the period July 2019 to June 2029

Model 1 – Same Service Level - Internal Tenancy Management until 1 July 2023 then Housing Authority Arrangement - Confirmed sources of capital funding

	Total \$'000	Retained surplus \$'000	Asset revaluation reserve \$'000	Other reserves \$'000
Balance at 30 Jun 2018	959,133	545,297	413,836	-
Net result for the period	20,244	20,244	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2019 Budget Review	959,133	545,297	413,836	-
Net result for the period	(18,168)	(18,168)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2020 Original Budget	940,964	527,129	413,836	-
Net result for the period	(37,805)	(37,805)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2021 Forecast	903,160	489,324	413,836	-
Net result for the period	(38,464)	(38,464)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2022 Forecast	864,696	450,861	413,836	-
Net result for the period	(273,197)	(273,196.97)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	3,620	-	3,620	-
Balance at 30 Jun 2023 Forecast	595,118	177,664	417,456	-
Net result for the period	(24,838)	(24,838)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2024 Forecast	570,280	152,825	417,456	-
Net result for the period	(22,720)	(22,720)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2025 Forecast	547,560	130,105	417,456	-
Net result for the period	(21,377)	(21,377)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	3,344	-	3,344	-
Balance at 30 Jun 2026 Forecast	529,526	108,728	420,800	-
Net result for the period	(19,487)	(19,487)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2027 Forecast	510,039	89,241	420,800	-
Net result for the period	(18,598)	(18,598)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2028 Forecast	491,442	70,643	420,800	-
Net result for the period	(17,155)	(17,155)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	3,032	-	3,032	-
Balance at 30 Jun 2029 Forecast	477,320	53,488	423,832	-

Torres Strait Island Regional Council

Statement of Key Sustainability Ratios

For the period July 2019 to June 2029

Model 1 – Same Service Level - Internal Tenancy Management until 1 July 2023 then Housing Authority Arrangement - Confirmed sources of capital funding

	Estimated 30 June 2019	Forecast 30 June 2020	Forecast 30 June 2021	Forecast 30 June 2022	Forecast 30 June 2023	Forecast 30 June 2024	Forecast 30 June 2025	Forecast 30 June 2026	Forecast 30 June 2027	Forecast 30 June 2028	Forecast 30 June 2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

1 Operating Surplus Ratio

(Net Operating Surplus / Total Operating Revenue) (%)

(62)% (52)% (53)% (49)% (44)% (38)% (33)% (29)% (26)% (23)% (21)%

(Net Operating Surplus / (Total Operating Revenue - Depreciation Expense on Community Housing)) (%)

(36)% (29)% (29)% (27)% (22)% (38)% (33)% (29)% (26)% (23)% (21)%

Target is between 0% and 10% (on average over the long-term)

This is an indicator of the extent to which revenues raised cover operational expenses or are available for capital funding purposes.

The percentage indicates the percentage increase in Operating Revenue needed to break-even.

A negative ratio result indicates that Council is expecting to not be able to generate sufficient revenue to cover operating expenses (including depreciation) or fund from own sources capital items

This ratio includes Depreciation Expense of \$45.3M for the 18/19 financial year and \$43.1M for the 19/20 financial year.

A secondary Operating Surplus Ratio has been calculated removing depreciation expense on community housing. A significant improvement on average of 15% can be seen in Council's Operating Surplus Ratio with the removal of Community Housing depreciation. Which accounts for approximately \$19.1m in 18/19 and \$18.8m in 19/20

2 Net Financial Asset / Liability Ratio

((Total Liabilities - Current Assets) / Total Operating Revenue)

(70)% (34)% (30)% (33)% (38)% (49)% (46)% (44)% (43)% (42)% (41)%

Target is <60% (on average over the long-term)

This is an indicator of the extent to which net financial liabilities can be serviced/repaid from operating revenues.

A negative indicator is favourable as it is below the target of 60%

The negative indicators shows that Council has more current assets than liabilities as a percentage of Total Operating Revenue.

3 Asset Sustainability Ratio

(Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense)

158% 122% 31% 15% 16% 0% 0% 0% 0% 0% 0%

Target is >90% (on average over the long-term)

This is the extent to which assets are being replaced as they reach the end of their useful life.

Council is dependant on State and Federal funding for renewal of infrastructure assets. Timing of renewal programs do not always coincide with the annual allocation of depreciation.

