

Torres Strait Island Regional Council

Statement of Financial Position

For the period July 2021 to June 2024

Model 1 - Same Service Level - Continuing Internal Tenancy Management - Confirmed sources of capital funding only

	Actuals 30 June 2021 \$'000	Budget Review 30 June 2022 \$'000	Forecast 30 June 2023 \$'000	Forecast 30 June 2024 \$'000
Current assets				
Cash assets and cash equivalents	45,179	39,434	35,535	33,251
Inventories	258	258	258	258
Receivables	9,522	508	522	535
Prepayments	225	225	225	225
Other current assets	8,164	8,164	8,164	8,164
Total current assets	63,349	48,589	44,704	42,434
Non-current assets				
Property, plant and equipment	902,394	929,921	913,291	863,413
Intangible assets	-	-	-	-
Capital works in progress	-	-	-	-
Other non-current assets	13,842	13,842	13,842	13,842
Total non-current assets	916,236	943,762	927,132	877,254
Total assets	979,585	992,352	971,836	919,688
Current liabilities				
Trade and other payables	10,203	2,171	1,147	1,178
Borrowings	36	-	-	-
Other current liabilities	21,954	21,954	21,954	21,954
Provisions	6,955	6,955	6,955	6,955
Total current liabilities	39,148	31,080	30,056	30,087
Non-current liabilities				
Loans	-	-	-	-
Other non-current liabilities	61	61	61	61
Provisions	4,707	4,707	4,707	4,707
Total non-current liabilities	4,768	4,768	4,768	4,768
Total liabilities	43,915	35,847	34,823	34,855
Net community assets	935,670	956,504	937,013	884,834
Community equity				
Asset revaluation reserve	514,581	514,581	520,079	520,079
Retained surplus (deficiency)	421,089	441,923	416,934	364,755
Total community equity	935,670	956,504	937,013	884,834

Torres Strait Island Regional Council

Statement of Cashflow

For the period July 2021 to June 2024

Model 1 - Same Service Level - Continuing Internal Tenancy Management - Confirmed sources of capital funding only

	Actuals 30 June 2021 \$'000	Budget Review 30 June 2022 \$'000	Forecast 30 June 2023 \$'000	Forecast 30 June 2024 \$'000
Cash flows from operating activities:				
Receipts from customers	22,779	39,633	31,702	34,882
Receipt from rental income	-	5,028	5,129	5,231
Payment to suppliers and employees	(55,207)	(78,826)	(68,199)	(68,517)
	(32,428)	(34,165)	(31,368)	(28,404)
Interest received	343	195	186	186
Non-capital grants and contributions	23,534	30,349	25,436	25,934
Finance costs	(105)	(1)	-	-
Net cash inflow (outflow) from operating activities	(8,655)	(3,622)	(5,746)	(2,283)
Cash flows from investing activities:				
Payments for property, plant and equipment	(32,871)	(77,735)	(27,819)	-
Payments for intangible assets	-	-	-	-
Proceeds from sale of property, plant and equipment	2	-	-	-
Subsidies, donations and contributions for new capital expenditure	34,264	73,648	29,666	-
Other	378	2,000	-	-
Net cash inflow (outflow) from investing activities	1,773	(2,087)	1,846	-
Cash flows from financing activities				
Repayment of borrowings	(701)	(36)	-	-
Other	-	-	-	-
Net cash inflow (outflow) from financing activities	(701)	(36)	-	-
Net increase (decrease) in cash held	(7,584)	(5,745)	(3,899)	(2,283)
Cash at beginning of reporting period	52,763	45,179	39,434	35,535
Cash at end of reporting period	45,179	39,434	35,535	33,251
QTC recommended working capital	14,904	17,699	16,794	17,137
Variance	30,275	21,735	18,741	16,114

Torres Strait Island Regional Council

Statement of Income and Expenditure

For the period July 2021 to June 2024

Model 1 - Same Service Level - Continuing Internal Tenancy Management - Confirmed sources of capital funding only

	Actuals 30 June 2021 \$'000	Budget Review 30 June 2022 \$'000	Forecast 30 June 2023 \$'000	Forecast 30 June 2024 \$'000
Revenue				
Recurrent revenue:				
Net rates and utility charges	1,409	1,607	1,688	1,772
Fees and charges	4,456	4,571	4,662	4,756
Sales - contract and recoverable works	13,477	21,205	21,670	24,596
Sales - other	2,071	1,352	1,774	1,809
Grants, subsidies, contributions and donations	23,534	30,349	25,436	25,934
Interest received	343	195	186	186
Rental income	4,855	5,028	5,129	5,231
Other recurrent income	261	1,883	1,922	1,962
Total recurrent revenue	50,407	66,191	62,467	66,247
Capital revenue:				
Government subsidies and grants	33,944	73,648	29,666	-
Capital contribution	4,583	-	-	-
Developer contributions	-	-	-	-
Total capital revenue	38,527	73,648	29,666	-
Total income	88,934	139,839	92,133	66,247
Expenses				
Recurrent expenses:				
Employee benefits	26,202	28,975	29,903	30,800
Materials and services	32,030	41,053	36,505	36,981
Depreciation and amortisation	47,023	46,709	49,947	49,878
Finance costs	1,384	767	767	767
Total recurrent expenses	106,640	117,504	117,122	118,426
Capital expenses:				
Other capital expenses	8,014	1,500	-	-
Total capital expenses	8,014	1,500	-	-
Total expenses	114,654	119,004	117,122	118,426
Net operating surplus/(deficit) exc capital and depreciation	(9,210)	(4,604)	(4,708)	(2,301)
Net operating surplus/(deficit) inc depreciation	(56,233)	(51,313)	(54,655)	(52,179)
Net result attributable to Council	(25,720)	20,835	(24,989)	(52,179)

Torres Strait Island Regional Council

Statement of Changes in Equity

For the period July 2021 to June 2031

Model 1 - Same Service Level - Continuing Internal Tenancy Management - Confirmed sources of capital funding only

	Total \$'000	Retained surplus \$'000	Asset revaluation reserve \$'000	Other reserves \$'000
Balance at 30 Jun 2021 Actuals	935,670	421,089	514,581	-
Net result for the period	20,835	20,835	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2022 Budget Review	956,504	441,923	514,581	-
Net result for the period	(24,989)	(24,989)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	5,498	-	-	5,498
Balance at 30 Jun 2023 Forecast	937,013	416,934	514,581	5,498
Net result for the period	(52,179)	(52,179)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2024 Forecast	884,834	364,755	514,581	5,498

Torres Strait Island Regional Council

Statement of Financial Position

For the period July 2021 to June 2031

Model 1 - Same Service Level - Continuing Internal Tenancy Management - Confirmed sources of capital funding only

	Actuals 30 June 2021 \$'000	Budget Review 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	Forecast 30 June 2030 \$'000	Forecast 30 June 2031 \$'000
Current assets											
Cash assets and cash equivalents	45,179	39,434	35,535	33,251	31,071	28,348	24,908	20,493	16,226	11,963	7,735
Inventories	258	258	258	258	258	258	258	258	258	258	258
Receivables	9,522	508	522	535	552	567	583	598	617	635	654
Prepayments	225	225	225	225	225	225	225	225	225	225	225
Other current assets	8,164	8,164	8,164	8,164	8,164	8,164	8,164	8,164	8,164	8,164	8,164
Total current assets	63,349	48,589	44,704	42,434	40,270	37,563	34,139	29,739	25,491	21,246	17,037
Non-current assets											
Property, plant and equipment	902,394	929,921	913,291	863,413	814,923	774,325	729,800	687,407	653,554	616,243	581,355
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Capital works in progress	-	-	-	-	-	-	-	-	-	-	-
Other non-current assets	13,842	13,842	13,842	13,842	13,842	13,842	13,842	13,842	13,842	13,842	13,842
Total non-current assets	916,236	943,762	927,132	877,254	828,765	788,167	743,642	701,248	667,395	630,085	595,196
Total assets	979,585	992,352	971,836	919,688	869,035	825,730	777,781	730,987	692,886	651,331	612,233
Current liabilities											
Trade and other payables	10,203	2,171	1,147	1,178	1,217	1,253	1,291	1,326	1,370	1,411	1,453
Borrowings	36	-	-	-	-	-	-	-	-	-	-
Other current liabilities	21,954	21,954	21,954	21,954	21,954	21,954	21,954	21,954	21,954	21,954	21,954
Provisions	6,955	6,955	6,955	6,955	6,955	6,955	6,955	6,955	6,955	6,955	6,955
Total current liabilities	39,148	31,080	30,056	30,087	30,126	30,162	30,200	30,235	30,278	30,319	30,361
Non-current liabilities											
Loans	-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	61	61	61	61	61	61	61	61	61	61	61
Provisions	4,707	4,707	4,707	4,707	4,707	4,707	4,707	4,707	4,707	4,707	4,707
Total non-current liabilities	4,768	4,768	4,768	4,768	4,768	4,768	4,768	4,768	4,768	4,768	4,768
Total liabilities	43,915	35,847	34,823	34,855	34,893	34,930	34,967	35,003	35,046	35,087	35,129
Net community assets	935,670	956,504	937,013	884,834	834,141	790,800	742,813	695,985	657,840	616,244	577,104
Community equity											
Asset revaluation reserve	514,581	514,581	520,079	520,079	520,079	526,433	526,433	526,433	532,255	532,255	532,255
Retained surplus (deficiency)	421,089	441,923	416,934	364,755	314,063	264,367	216,380	169,552	125,585	83,989	44,849
Total community equity	935,670	956,504	937,013	884,834	834,141	790,800	742,813	695,985	657,840	616,244	577,104

Torres Strait Island Regional Council

Statement of Cashflow

For the period July 2021 to June 2031

Model 1 - Same Service Level - Continuing Internal Tenancy Management - Confirmed sources of capital funding only

	Actuals 30 June 2021 \$'000	Budget Review 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	Forecast 30 June 2030 \$'000	Forecast 30 June 2031 \$'000
Cash flows from operating activities:											
Receipts from customers	22,779	39,633	31,702	34,882	36,891	38,568	40,231	41,975	43,794	45,705	47,703
Receipt from rental income	-	5,028	5,129	5,231	5,336	5,443	5,551	5,662	5,776	5,891	6,009
Payment to suppliers and employees	(55,207)	(78,826)	(68,199)	(68,517)	(71,036)	(73,880)	(76,898)	(80,267)	(82,601)	(85,183)	(87,837)
	(32,428)	(34,165)	(31,368)	(28,404)	(28,809)	(29,870)	(31,116)	(32,630)	(33,031)	(33,587)	(34,125)
Interest received	343	195	186	186	186	186	186	186	186	186	186
Non-capital grants and contributions	23,534	30,349	25,436	25,934	26,443	26,961	27,489	28,028	28,578	29,138	29,710
Finance costs	(105)	(1)	-	-	-	-	-	-	-	-	-
Net cash inflow (outflow) from operating activities	(8,655)	(3,622)	(5,746)	(2,283)	(2,180)	(2,723)	(3,440)	(4,416)	(4,267)	(4,263)	(4,228)
Cash flows from investing activities:											
Payments for property, plant and equipment	(32,871)	(77,735)	(27,819)	-	-	-	-	-	-	-	-
Payments for intangible assets	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	2	-	-	-	-	-	-	-	-	-	-
Subsidies, donations and contributions for new capital expenditure	34,264	73,648	29,666	-	-	-	-	-	-	-	-
Other	378	2,000	-	-	-	-	-	-	-	-	-
Net cash inflow (outflow) from investing activities	1,773	(2,087)	1,846	-							
Cash flows from financing activities											
Repayment of borrowings	(701)	(36)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Net cash inflow (outflow) from financing activities	(701)	(36)	-								
Net increase (decrease) in cash held	(7,584)	(5,745)	(3,899)	(2,283)	(2,180)	(2,723)	(3,440)	(4,416)	(4,267)	(4,263)	(4,228)
Cash at beginning of reporting period	52,763	45,179	39,434	35,535	33,251	31,071	28,348	24,908	20,493	16,226	11,963
Cash at end of reporting period	45,179	39,434	35,535	33,251	31,071	28,348	24,908	20,493	16,226	11,963	7,735
QTC recommended working capital	14,904	17,699	16,794	17,137	17,769	18,479	19,234	20,075	20,661	21,306	21,970
Variance	30,275	21,735	18,741	16,114	13,302	9,869	5,674	417	(4,435)	(9,343)	(14,235)

Torres Strait Island Regional Council

Statement of Income and Expenditure

For the period July 2021 to June 2031

Model 1 - Same Service Level - Continuing Internal Tenancy Management - Confirmed sources of capital funding only

	Actuals 30 June 2021 \$'000	Budget Review 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	Forecast 30 June 2030 \$'000	Forecast 30 June 2031 \$'000
Revenue											
Recurrent revenue:											
Net rates and utility charges	1,409	1,607	1,688	1,772	1,861	1,954	2,051	2,154	2,262	2,375	2,493
Fees and charges	4,456	4,571	4,662	4,756	4,851	4,948	5,047	5,148	5,251	5,356	5,463
Sales - contract and recoverable works	13,477	21,205	21,670	24,596	26,349	27,756	29,144	30,601	32,131	33,738	35,424
Sales - other	2,071	1,352	1,774	1,809	1,845	1,882	1,920	1,958	1,997	2,037	2,078
Grants, subsidies, contributions and donations	23,534	30,349	25,436	25,934	26,443	26,961	27,489	28,028	28,578	29,138	29,710
Interest received	343	195	186	186	186	186	186	186	186	186	186
Rental income	4,855	5,028	5,129	5,231	5,336	5,443	5,551	5,662	5,776	5,891	6,009
Other recurrent income	261	1,883	1,922	1,962	2,002	2,044	2,086	2,129	2,173	2,217	2,263
Total recurrent revenue	50,407	66,191	62,467	66,247	68,873	71,173	73,474	75,866	78,353	80,938	83,627
Capital revenue:											
Government subsidies and grants	33,944	73,648	29,666	-	-	-	-	-	-	-	-
Capital contribution	4,583	-	-	-	-	-	-	-	-	-	-
Developer contributions	-	-	-	-	-	-	-	-	-	-	-
Total capital revenue	38,527	73,648	29,666	-							
Total income	88,934	139,839	92,133	66,247	68,873	71,173	73,474	75,866	78,353	80,938	83,627
Expenses											
Recurrent expenses:											
Employee benefits	26,202	28,975	29,903	30,800	31,724	32,676	33,656	34,666	35,706	36,777	37,871
Materials and services	32,030	41,053	36,505	36,981	38,584	40,474	42,513	44,869	46,172	47,680	49,241
Depreciation and amortisation	47,023	46,709	49,947	49,878	48,490	46,952	44,525	42,393	39,676	37,311	34,888
Finance costs	1,384	767	767	767	767	767	767	767	767	767	767
Total recurrent expenses	106,640	117,504	117,122	118,426	119,565	120,868	121,461	122,695	122,320	122,535	122,767
Capital expenses:											
Other capital expenses	8,014	1,500	-	-	-	-	-	-	-	-	-
Total capital expenses	8,014	1,500	-								
Total expenses	114,654	119,004	117,122	118,426	119,565	120,868	121,461	122,695	122,320	122,535	122,767
Net operating surplus/(deficit) exc capital and depreciation	(9,210)	(4,604)	(4,708)	(2,301)	(2,202)	(2,744)	(3,462)	(4,436)	(4,291)	(4,286)	(4,252)
Net operating surplus/(deficit) inc depreciation	(56,233)	(51,313)	(54,655)	(52,179)	(50,692)	(49,696)	(47,987)	(46,829)	(43,967)	(41,596)	(39,140)
Net result attributable to Council	(25,720)	20,835	(24,989)	(52,179)	(50,692)	(49,696)	(47,987)	(46,829)	(43,967)	(41,596)	(39,140)

Torres Strait Island Regional Council

Statement of Changes in Equity

For the period July 2021 to June 2031

Model 1 - Same Service Level - Continuing Internal Tenancy Management - Confirmed sources of capital funding only

	Total \$'000	Retained surplus \$'000	Asset revaluation reserve \$'000	Other reserves \$'000
Balance at 30 Jun 2021 Actuals	935,670	421,089	514,581	-
Net result for the period	20,835	20,835	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2022 Budget Review	956,504	441,923	514,581	-
Net result for the period	(24,989)	(24,989)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	5,498	-	-	5,498
Balance at 30 Jun 2023 Forecast	937,013	416,934	514,581	5,498
Net result for the period	(52,179)	(52,179)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2024 Forecast	884,834	364,755	514,581	5,498
Net result for the period	(50,692)	(50,692)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2025 Forecast	834,141	314,063	514,581	5,498
Net result for the period	(49,696)	(49,696)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	6,354	-	-	6,354
Balance at 30 Jun 2026 Forecast	790,800	264,367	514,581	11,852
Net result for the period	(47,987)	(47,987)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2027 Forecast	742,813	216,380	514,581	11,852
Net result for the period	(46,829)	(46,829)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2028 Forecast	695,985	169,552	514,581	11,852
Net result for the period	(43,967)	(43,967)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	5,822	-	-	5,822
Balance at 30 Jun 2029 Forecast	657,840	125,585	514,581	17,674
Net result for the period	(41,596)	(41,596)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2030 Forecast	616,244	83,989	514,581	17,674
Net result for the period	(39,140)	(39,140)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2031 Forecast	577,104	44,849	514,581	17,674

Torres Strait Island Regional Council

Statement of Key Sustainability Ratios

For the period July 2021 to June 2031

Model 1 - Same Service Level - Continuing Internal Tenancy Management - Confirmed sources of capital funding only

	Actuals 30 June 2021 \$'000	Budget Review 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	Forecast 30 June 2030 \$'000	Forecast 30 June 2031 \$'000
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1 Operating Surplus Ratio

(Net Operating Surplus / Total Operating Revenue) (%)	(112)%	(78)%	(87)%	(79)%	(74)%	(70)%	(65)%	(62)%	(56)%	(51)%	(47)%
(Net Operating Surplus / (Total Operating Revenue - Depreciation Expense on Community Housing) (%)	(75)%	(49)%	(57)%	(50)%	(47)%	(44)%	(42)%	(41)%	(38)%	(36)%	(33)%

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 generate sufficient revenue to cover operating expenses (including depreciation) or fund from own sources capital items.

This ratio includes Depreciation Expense of \$46.4M for the 20/21 financial year and projected \$46.7M for the 21/22 financial year.

A secondary Operating Surplus Ratio has been calculated removing depreciation expenses on community housing. A improvement on average of 24% can be seen in Council's Operating Surplus Ratio with the removal of Community Housing depreciation which accounts for approximately \$18.5M in 20/21 and \$19.1M in 21/22

2 Net Financial Asset / Liability Ratio

((Total Liabilities - Current Assets) / Total Operating Revenue)	(39)%	(19)%	(16)%	(11)%	(8)%	(4)%	1%	7%	12%	17%	22%
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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 show 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)	28%	127%	23%	0%	0%	0%	0%	0%	0%	0%	0%
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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 dependent on State and Federal funding for renewal of infrastructure assets. Timing of renewal programs do not always coincide with the annual allocation of depreciation.

Torres Strait Island Regional Council

Rates and Utility charges

For the period July 2021 to June 2024

Model 1 - Same Service Level - Continuing Internal Tenancy Management - Confirmed sources of capital funding only

	Budget Review 30 June 2021 \$'000	Budget Review 30 June 2022 \$'000	Forecast 30 June 2023 \$'000	Forecast 30 June 2024 \$'000
Rates and utility charges				
General rates	-	-	-	-
Separate rates	-	-	-	-
Levies	59	59	62	65
Water	405	425	446	468
Sewerage	872	915	961	1,009
Waste management	198	208	219	230
Other rates and utilities revenue	-	-	-	-
Total rates and utility charge revenue	1,534	1,607	1,688	1,772

	Budget Review 30 June 2021 \$'000	Budget Review 30 June 2022 \$'000	Variance \$'000	Variance %
Rates and utility charges - value of change				
Gross rates and utility charges	1,534	1,607	73	5%